

ALLIED



ALLIED AND RIOCAN ANNOUNCE DECISION TO PROCEED WITH DEVELOPMENT OF KING-PORTLAND CENTRE, TORONTO

Shopify to Anchor Mixed-Use Project in Toronto's Downtown West

Toronto, April 11, 2016 -- Allied Properties REIT (TSX:AP.UN) and RioCan REIT (TSX:REI.UN) today announced plans to proceed with the development of 602-620 King Street West, Toronto. Shopify Inc. has signed a commitment to lease approximately 112,000 square feet of GLA (approximately 44% of the total office GLA) as the anchor tenant of what will be known as King-Portland Centre.

King-Portland Centre, 602-620 King Street West, Toronto

The development site for King-Portland Centre includes 61,608 square feet of land with frontage on King Street West, Portland Street and Adelaide Street West and is comprised of a restored heritage structure, 602-606 King West (the "Rental Property"), and an adjacent property extending from King West through to Adelaide West (the "Development Property"). The Rental Property is fully leased and is expected to remain so through the development process.

Allied and RioCan plan to construct a new structure on the Development Property and integrate it with the Rental Property. The new structure will be comprised of 255,565 square feet of office GLA and 13,035 square feet of retail GLA fronting on King West and approximately 116 rental residential units fronting on Adelaide West. The office and retail components of King-Portland Centre have been designed to a LEED (Leadership in Energy and Environmental Design) CS (Core & Shell) Platinum standard and will include best-in-class operational, environmental, life-safety and health and wellness systems. Construction commenced earlier this month with site mobilization and preparation for excavation.

Each of Allied and RioCan owns an undivided 50% interest in the Rental Property and the Development Property. On completion of King-Portland Centre, which is scheduled for early 2019, Allied will manage the office component and RioCan will manage the retail and residential components.

"We're working with RioCan on four separate intensification projects in downtown Toronto," said Michael Emory, President & CEO of Allied. "I'm delighted that we've commenced construction of one of our larger projects, King-Portland Centre. This project involves the integration of new construction with a preserved heritage structure, a format that we believe has durable appeal to office, retail and residential users."

"This is the first of many projects that we look forward to completing with the Allied team. This exciting mixed-use development is an excellent example of what we look to accomplish at our other sites that will further transform the downtown west corridor," said Edward Sonshine, CEO of RioCan. "Upon completion, the residential component will be one of many that are uniquely located, and form a part of RioCan's residential and urban intensification development platform."

Cautionary Statements – Allied Properties REIT

This press release may contain forward-looking statements with respect to Allied, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Allied discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risk Factors" in Allied's Annual Information Form, which is available at www.sedar.com. These cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on Allied's behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the parties have no obligation to update such statements.

Cautionary Statements – RioCan REIT

This news release contains forward-looking information within the meaning of applicable Canadian securities laws. This information includes, but is not limited to, statements made with respect to RioCan's development program and other statements concerning RioCan's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. All forward-looking information in this News Release is qualified by these cautionary statements.

Forward-looking information is not a guarantee of future events or performance and, by its nature, is based on RioCan's current estimates and assumptions, which are subject to numerous risks and uncertainties, including those described under "Risks and Uncertainties" in RioCan's

Management's Discussion and Analysis for the year ended December 31, 2015 ("MD&A") and the Trust's most recent Annual Information Form, which could cause actual events or results to differ materially from the forward-looking information contained in this News Release. Those risks and uncertainties include, but are not limited to, those related to: liquidity and general market conditions; tenant concentrations and related risk of bankruptcy or restructuring (and the terms of any bankruptcy or restructuring proceeding), defaults, including the failure to fulfill contractual obligations by the tenant or a related party thereof; retailer competition; access to debt and equity capital; interest rate and financing risk; joint ventures and partnerships; the relative illiquidity of real property; development risk associated with construction commitments, project costs and related approvals; environmental matters; , and property management. Although the forward looking information contained in this News Release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this News Release may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this News Release.

The Income Tax Act (Canada) contains provisions which potentially impose tax on publicly traded trusts (the SIFT Provisions). However, the SIFT Provisions do not impose tax on a publicly traded trust which qualifies as a REIT. RioCan currently qualifies as a real estate investment trust for Canadian tax purposes and intends to qualify for future years. Should this not occur, certain statements contained in this News Release may need to be modified.

Except as required by applicable law, RioCan undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

About Allied

Allied Properties REIT is a leading owner, manager and developer of urban office environments that enrich experience and enhance profitability for business tenants operating in Canada's major cities. Its objectives are to provide stable and growing cash distributions to unitholders and to maximize unitholder value through effective management and accretive portfolio growth.

About RioCan

RioCan is Canada's largest real estate investment trust with a total enterprise value of approximately \$15 billion as at December 31, 2015. RioCan owns and manages Canada's largest portfolio of shopping centres with ownership interests in a portfolio of 305 Canadian retail and mixed use properties, including 16 properties under development, containing an aggregate net leasable area ("NLA") of 46 million square feet. For further information, please refer to RioCan's website at www.riocan.com.

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