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ALLIED

**ALLIED PROPERTIES REIT ANNOUNCES \$150 MILLION OFFERING OF 3.934%
SERIES B SENIOR UNSECURED DEBENTURES**

Toronto, May 9, 2016 -- Allied Properties REIT (TSX:AP.UN) ("**Allied**") announced today that it has agreed to issue \$150 million aggregate principal amount of series B senior unsecured debentures (the "**Debentures**"). The Debentures will bear interest at a rate of 3.934% per annum and will mature on November 14, 2022. The Debentures are being offered on an agency basis by a syndicate of agents co-led by BMO Capital Markets, Scotia Capital Inc. and TD Securities Inc. The offering is expected to close on or about May 12, 2016. DBRS Limited has provided Allied with a provisional credit rating of "BBB" (low) with a "Stable" trend relating to the Debentures.

"This advances our unsecured debenture program, which we're intent on expanding systematically over time" said Cecilia Williams, Vice President & CFO. "The six and one-half year tenor represents progress toward the longer tenors we'd prefer and fits well into our current debt-maturity schedule."

Allied intends to use the net proceeds from the offering: (a) to fund a portion of the purchase price of properties in Montreal previously announced on May 4, 2016; (b) to repay amounts drawn on Allied's unsecured credit facility used for general capital funding related to Allied's capital improvements, acquisitions and intensification projects; and (c) for general working capital purposes.

The offering is being made pursuant to Allied's base shelf prospectus dated November 28, 2014. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators.

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.

The Debentures have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Debentures in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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.

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