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ALLIED

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

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

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 was made pursuant to a prospectus supplement dated May 9, 2016 to Allied's base shelf prospectus dated November 28, 2014.

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.

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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