

ALLIED

ALLIED ANNOUNCES CLOSING OF MAJOR ACQUISITIONS IN DOWNTOWN MONTRÉAL AND AGREEMENT TO ACQUIRE STRATEGIC IN-FILL PROPERTY IN DOWNTOWN TORONTO

Toronto, May 31, 2016 -- Allied Properties Real Estate Investment Trust ("Allied") (TSX:AP.UN) today announced that it has closed the acquisition of the following properties in Montréal (the "Properties"):

Address	Total GLA	Office GLA	Retail GLA	Industrial GLA	Parking Spaces	Buildable Area
Le Nordelec Rental	786,954	734,157	19,914	32,883	520	0
Le Nordelec Development	74,396	0	39,396	35,000	0	251,000
740 St-Maurice Street	67,869	67,869	0	0	40	0
480 St-Laurent Blvd.	53,530	46,365	7,165	0	75	0
3510 St-Laurent Blvd.	98,824	84,740	14,084	0	72	0
8 Place du Commerce	57,236	40,702	16,534	0	193	0
	1,138,809	973,833	97,093	67,883	900	251,000

Le Nordelec Development in the table above includes two additional neighbouring properties acquired from the vendor for a purchase price of \$2 million, bringing the total purchase price for the properties to \$220 million. The additional properties include (i) a vacant industrial structure (approximately 35,000 square feet of GLA) that will be demolished, with the 48,378 square feet of underlying land being used for additional surface parking capacity and (ii) a very small brick-and-beam structure (approximately 2,345 square feet of GLA) that will be restored for retail use.

Allied funded the acquisitions with (i) \$33.6 million of existing first-mortgage financing, (ii) the net proceeds of the \$150 million of 3.934% Series B Unsecured Debentures and (iii) a portion of the final \$100 million drawn down on an unsecured debt facility provided by a Canadian chartered bank. Despite a more rapid pace of acquisitions than anticipated at the outset of the year, Allied's commitment to its balance sheet remains unwavering.

Allied also announced that it has entered into a conditional agreement to acquire 47 Front Street East in Toronto for \$6.2 million. On closing, which is scheduled for July 31, 2016, the property will give Allied ownership of the properties from 35 to 49 Front East, representing 230 feet of uninterrupted frontage on the south side of the street, just east of St. Lawrence Centre for the Arts. Allied will redevelop 47 Front East for office use above grade and retail use at grade and will carry it as a Property Under Development during the redevelopment process.

About Allied

Allied 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 refer to Allied's website at www.alliedreit.com.

Cautionary Statements

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.

For more information, please contact:

Michael Emory, President & CEO
(416) 977-0643
memory@alliedreit.com

Cecilia C. Williams, Vice President & CFO
(416) 977-9002
cwilliams@alliedreit.com