

ALLIED

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES CLOSING OF PUBLIC EQUITY OFFERING

Toronto, August 19, 2016 - Allied Properties REIT (TSX:AP.UN) ("Allied") announced today that it has closed its previously announced offering of 6,089,250 units (inclusive of 794,250 units issued pursuant to the exercise in full of the underwriters' over-allotment option) at a price of \$37.80 per unit for gross proceeds of \$230,173,650. The units were qualified by a prospectus supplement dated August 12, 2016 to a short form base shelf prospectus dated November 28, 2014, and were underwritten by a syndicate of underwriters co-led by Scotiabank and RBC Capital Markets, and including BMO Capital Markets, CIBC, TD Securities Inc., Desjardins Securities Inc., Canaccord Genuity Corp. and Raymond James Ltd.

Allied intends to use approximately \$87 million of the net proceeds of the offering to fund the acquisitions announced on August 3, 2016, approximately \$56 million to pay down the remaining balance on the unsecured line of credit, approximately \$38 million to repay mortgages and the balance for ongoing development and general trust purposes.

"On closing of 461 and 642 King West, scheduled for August 31, we'll have completed \$363 million in acquisitions this year," said Cecilia Williams, Vice President and CFO. "While the offering wasn't necessary to fund the acquisitions, it reflected our unwavering commitment to the balance sheet by reducing our debt ratio to 37.2% and facilitating the ongoing rapid growth in our pool of unencumbered properties".

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.

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