

ALLIED

ALLIED ANNOUNCES \$200 MILLION EQUITY OFFERING

Toronto, August 10, 2016 -- Allied Properties Real Estate Investment Trust ("Allied") (TSX:AP.UN) announced today that it has entered into an agreement with a syndicate of underwriters led by Scotiabank and RBC Capital Markets to issue to the public, on a bought-deal basis, 5,295,000 units from treasury at a price of \$37.80 per unit for gross proceeds of approximately \$200 million. Allied has granted the underwriters an option (the "Over-Allotment Option") to purchase up to an additional 794,250 units on the same terms and conditions, exercisable at any time, in whole or in part, for a period of 30 days following the closing of the offering. The issue will be offered in all provinces of Canada. The units being offered have not been, and will not be, registered under the U.S. Securities Act of 1933 and state securities laws. Closing of the offering is expected to occur on or about August 19, 2016, and is subject to regulatory approvals.

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.

Allied intends to use approximately \$88 million of the net proceeds of the offering to fund the acquisitions announced on August 3, 2016, approximately \$56 million to pay down its unsecured line of credit, approximately \$38 million to repay mortgages and the balance for ongoing development and general trust purposes. After giving effect to the offering, completion of the acquisitions and repayment of the identified debt, Allied is expected to have a debt ratio of approximately 37.5%, or approximately 37.2% if the Over-Allotment Option is exercised in full.

Termination of Automatic Unit Repurchase Plan

Allied also reports that as a result of the offering, its automatic unit repurchase plan under its normal course issuer bid ("NCIB") to purchase up to 7,685,791 of its issued and outstanding units has terminated. Since initiation of the NCIB, a total of 145,477 units have been repurchased. The NCIB continues to be in effect until December 21, 2016 on the same terms and subject to the same restrictions as previously announced.

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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