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ALLIED AND RIOCAN ACHIEVE 75% LEASE-UP OF OFFICE SPACE UNDER CONSTRUCTION AT KING PORTLAND CENTRE IN TORONTO

Indigo to Lease Approximately 78,810 Square Feet for Head-Office Use

Toronto, January 17, 2017 -- Allied Properties REIT (TSX:AP.UN) and RioCan REIT (TSX:REI.UN) today announced an important lease transaction in connection with the development of King Portland Centre in Toronto. Indigo Books & Music Inc. has signed a commitment to lease approximately 78,810 square feet of GLA in the new office space under construction at King Portland Centre, bringing the total leased area of the new office component to approximately 75%.

King Portland Centre, 602-620 and 642 King Street West, Toronto

The overall development site for King Portland Centre includes 79,975 square feet of land with frontage on King Street West, Portland Street and Adelaide Street West and is comprised of a restored heritage structure, 602-604 King West (the "Rental Property"), an adjacent property extending from King West through to Adelaide West (the "Development Property") and a heritage structure under restoration, 642 King West (the "Ancillary Property"). The Rental Property is substantially leased and is expected to remain so through the development process. The Ancillary Property is undergoing restoration and is scheduled for completion in early 2018.

Allied and RioCan are building a new structure on the Development Property that will be integrated with the Rental Property and the Ancillary Property. The new structure will be comprised of 256,173 square feet of office GLA and 13,035 square feet of retail GLA fronting on King West and approximately 116 rental residential units fronting on Adelaide West. The office and retail components of King Portland Centre have been designed to a LEED (Leadership in Energy and Environmental Design) CS (Core & Shell) Platinum standard and will include best-in-class operational, environmental, life-safety and health and wellness systems.

Each of Allied and RioCan owns an undivided 50% interest in the Rental Property, the Development Property and the Ancillary Property. On completion of the new component of King Portland Centre, which is scheduled for early 2019, Allied will manage the office component and RioCan will manage the retail and residential components.

Indigo Lease Transaction

Indigo's head office currently occupies 65,027 square feet over seven floors at Allied's 468 King West, representing all the GLA in the building, including the ground and basement floors, which can more valuably be put to retail use. Recognizing the need to expand the size of its head office and to achieve efficiencies possible on larger floor

plates, Indigo decided not to renew its lease at 468 King West, which currently expires on June 30, 2018, and will be extended as necessary to accommodate the move to King Portland Centre. On expiry of Indigo's lease at 468 King West, Allied will upgrade the property and reposition the ground and basement floors for retail use with a view to boosting the NOI from the property in a material way.

Indigo has agreed to lease approximately 78,810 square feet of office GLA over four floors at King Portland Centre for a term of 15 years and six months commencing on July 1, 2018, subject to unavoidable delay. The space will be used for Indigo's head office and will include a portion of the second floor and all of the third, fourth and fifth floors.

"Indigo is one of our pioneering tenants at King & Spadina, having taken occupancy at 468 King West in April of 1999 and grown continuously in the area since that time," said Michael Emory, President & CEO of Allied. "We value the relationship immensely and are delighted that we can accommodate Indigo's workspace needs in the area as they continue to evolve."

"The downtown west area of Toronto is an exciting and vibrant part of Toronto that RioCan and Allied long ago identified as an area where our tenants want to be," said Edward Sonshine, CEO of RioCan. "Our success at Shoppes on Queen West, located a few blocks north on Portland Avenue, is a prime example of what can be accomplished in urban retail, and the King Portland Centre enhances our urban footprint by extending our presence to include office and rental residential. The substantial progress that Allied has made leasing the office component of this high profile mixed use development demonstrates the success of this project and our shared vision to shape the future of the downtown west market."

Cautionary Statements - Allied Properties REIT

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.

Cautionary Statements - RioCan REIT

This news release contains forward-looking information within the meaning of applicable Canadian securities laws. This information includes, but is not limited to, statements made with respect to RioCan's development program and other statements concerning RioCan's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. All forward-looking information in this News Release is qualified by these cautionary statements.

Forward-looking information is not a guarantee of future events or performance and, by its nature, is based on RioCan's current estimates and assumptions, which are subject to numerous risks and uncertainties, including those described under "Risks and Uncertainties" in RioCan's Management's Discussion and Analysis for the period ended September 30, 2016 ("MD&A") and the Trust's most recent Annual Report and Annual Information Form, which could cause actual events or results to differ materially from the forward-looking information contained in this News Release. Those risks and uncertainties include, but are not limited to, those related to: liquidity and general market conditions; tenant concentrations and related risk of bankruptcy or restructuring (and the terms of any bankruptcy or restructuring proceeding), defaults, including the failure to fulfill contractual obligations by the tenant or a related party thereof; retailer competition; access to debt and equity capital; interest rate and financing risk; joint ventures and partnerships; the relative illiquidity of real property; development risk associated with construction commitments, project costs and related approvals; environmental matters; and property management. Although the forward looking information contained in this News Release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this News Release may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this News Release.

The Income Tax Act (Canada) contains provisions which potentially impose tax on publicly traded trusts (the SIFT Provisions). However, the SIFT Provisions do not impose tax on a publicly traded trust which qualifies as a REIT. RioCan currently qualifies as a real estate investment trust for Canadian tax purposes and intends to qualify for future years. Should this not occur, certain statements contained in this News Release may need to be modified.

Except as required by applicable law, RioCan undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

About Allied

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.

About RioCan

RioCan is Canada's largest real estate investment trust with a total enterprise value of approximately \$15 billion as at September 30, 2016. RioCan owns and manages Canada's largest portfolio of shopping centres with ownership interests in a portfolio of 301 Canadian retail and mixed use properties, including 15 properties under development, containing an aggregate net leasable area of 47 million square feet. For further information, please refer to RioCan's website at www.riocan.com.

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