

ALLIED

ALLIED ANNOUNCES SALE OF NON-CORE ASSETS IN EASTERN CANADA

Toronto, December 27, 2017 -- Allied Properties REIT (TSX:AP.UN) today announced that it has sold its portfolio of six properties in Québec City for aggregate proceeds of \$24 million. The portfolio was comprised of 224,174 square feet of GLA. As at September 30, 2017, it was 60.8% leased and represented a negligible component of Allied's net rental income.

"This transaction represents substantial completion of the sale of our non-core assets," said Michael Emory, President & CEO. "Our goal was to exit the Victoria, Winnipeg and Québec City markets, as they were not large enough to propel meaningful growth in our business as it now exists. In addition to enabling us to redeploy capital profitably, exiting these markets has assisted us in streamlining our operations across the country."

JLL represented Allied in connection with the sale of its Québec City portfolio.

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. 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.

About Allied

Allied is a leading owner, manager and developer of distinctive urban workspace 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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