

ALLIED

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST PROVIDES LEASING UPDATE ON 198,500 SQUARE FEET OF GLA IN MONTRÉAL

Toronto, July 19, 2018 -- Allied Properties REIT (TSX:AP.UN) today provided a leasing update on several recently completed lease transactions in Montréal. "While significant individually, the new leases are particularly important cumulatively," said Michael Emory, President & CEO. "They reflect the depth and breadth of demand for distinctive urban office space in our target markets in Montréal. As importantly, they facilitate substantial completion of all of the revenue-enhancing upgrade work in our Montréal portfolio."

Le Nordelec

Allied acquired this property on May 31, 2016. At the time, 73% of the total GLA was leased. At the end of the first quarter this year, the leased area was 97% with Allied having established the groundwork to replace the one remaining industrial tenant in the complex (occupying 83,524 square feet of GLA) with office users at much higher levels of annual net rent. Allied has now finalized the lease transactions with the replacement office users. While this will not have impact on the occupancy level, it will have a material positive impact on the stabilized rental revenue from Le Nordelec.

Allied has now leased 94,996 square feet of GLA to GSoft for a term of 10 years commencing on December 1, 2018. Allied has agreed to complete the necessary base-building work by November 30, 2018. Allied has also leased 39,662 square feet of GLA to Logibec for a term of 15 years and two months commencing on November 1, 2018. Allied has agreed to complete the necessary base-building work by October 31, 2018.

These lease transactions will increase the stabilized rental revenue from the property materially, particularly in 2019 and beyond. In addition, they reflect the depth and breadth of demand for Class I office space at the property.

6300 Avenue du Parc

The upgrade of this property is now complete. Comprised of 182,401 square feet of GLA, the building has Class I attributes, favourable column spacing and large floor plates.

Moment Factory currently occupies 51,424 square feet of GLA at the property pursuant to a lease that expires on August 31, 2025. Moment Factory has now agreed to expand its premises at the property by 17,276 square feet of GLA commencing on August 1, 2018, and expiring concurrently with the current lease.

This lease brings the leased area at the property to 96%. In addition, it reflects the depth and breadth of demand for Class I office space at the property.

740 Saint-Maurice

Allied acquired this property on May 31, 2016. It has excellent Class I attributes and is well located in relation to Cité Multimédia and Old Montréal. At the time, 85% of the total GLA was leased to a relatively large number of users with small requirements. Allied has now leased 46,566 square feet of GLA to Technicolor in three phases between September 1, 2018, and November 1, 2019, for a term ending August 31, 2028.

This lease transaction represents a rapid upgrade of the property and brings the leased area to 100%. In addition, it reflects the depth and breadth of demand for Class I office space at the property.

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. Allied's actual results and performance 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. The cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and Allied has 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:

Michael R. Emory
President and Chief Executive Officer
(416) 977-0643
memory@alliedreit.com

Thomas G. Burns
Executive Vice President and Chief Operating Officer
(416) 977-9002
tburns@alliedreit.com

Cecilia C. Williams
Executive Vice President and Chief Financial Officer
(416) 977-9002
cwilliams@alliedreit.com