



**ALLIED AND RIOCAN TO PROCEED WITH FULL DEVELOPMENT OF
THE COMMERCIAL COMPONENT OF THE WELL IN TORONTO'S DOWNTOWN WEST**

Index Exchange to Locate Global Headquarters at The Well Tower

Toronto, July 31, 2018 -- Allied Properties REIT (TSX:AP.UN) and RioCan REIT (TSX:REI.UN) today announced plans to proceed with full development of the commercial component of The Well. Index Exchange has agreed to lease up to 200,000 square feet of gross leasable area ("GLA") at The Well Tower, 8 Spadina Avenue, an office tower that Allied and RioCan will construct on the northwest corner of Front Street West and Spadina Avenue. Another high-calibre office user has agreed to lease 125,000 square feet of GLA at 460 Front Street West, a separate office component that will form part of The Well. The commitments by the two office users represent 30% of the office GLA at The Well. Allied and RioCan are also finalizing lease transactions with two other office users for 533,752 square feet of office GLA at The Well Tower, which would bring the leased area of the office component of The Well to 80%.

The Well

The Well is a mixed-use residential, commercial and retail development located in Toronto's downtown west. Each of Allied and RioCan owns an undivided 50% interest in the commercial component of The Well. On completion, this will be comprised of the following:

- (i) approximately 1.067 million square feet of office GLA;
- (ii) approximately 425,000 square feet of retail GLA;
- (iii) approximately 700 underground commercial parking spaces;
- (iv) significant third-party digital signage entitlement on the northwest corner of Front and Spadina; and
- (v) the energy-storage facility necessary to extend Enwave's heating and cooling network to Toronto's Downtown West.

Allied and RioCan are jointly developing the commercial component of The Well. On completion, Allied will manage the office component, and RioCan will manage the retail component.

As part of a dynamic downtown mixed-use community, The Well is expected to include approximately 1.46 million square feet of residential GLA across six buildings. The residential component of The Well will include approximately 1,800 residences consisting of a mix of both rental and condominium units. RioCan intends to maintain a 50% ownership interest in the largest residential tower of the development, consisting of 590 purpose-built residential rental units.

The underground excavation for The Well Tower is now complete, and the construction below grade has commenced. Construction of The Well Tower and the remainder of the commercial component above grade is now expected to continue without interruption.

The Well Tower is registered under the LEED® green building rating system and is targeting a LEED® Platinum certification, as is the remainder of the office space at The Well. It will include best-in-class operational, environmental, life-safety and health and wellness systems. Construction of the commercial component of The Well is scheduled for completion in late 2021 with rent commencing in 2022.

Index Exchange has agreed to lease up to 200,000 square feet of GLA for a term of 12 years commencing in 2022. Index Exchange is a global advertising marketplace where premium digital media companies sell their ad impressions transparently and in real time. Founded in 2001 and financed internally, Index Exchange has evolved into a profitable and rapidly growing global advertising marketplace.

"Although we've grown globally at a rapid pace over the last few years, our commitment to Toronto has never wavered," said Andrew Casale, President and CEO of Index Exchange. "Our new downtown headquarters demonstrates our growing investment in technology and engineering talent in and across the Toronto area, and we're confident this new development will be a benefit to the city at large."

The other office user has agreed to lease 125,000 square feet of GLA for a term of 15 years commencing in 2022. These premises will form a separate and distinct office component of The Well with a dedicated entrance off Front Street West.

"We're delighted that Index Exchange has selected The Well Tower as the location for its global headquarters," said Michael Emory, President & CEO of Allied. "As at King Portland Centre, a joint intensification project between Allied and RioCan that is now fully leased and nearing completion, the workspace at The Well will be built and operated with a view to sustaining the environment and fostering human wellness, diversity and creativity in an evolving global city. Index Exchange will be an excellent partner for Allied and RioCan in achieving these city-building goals."

"The significant momentum of our office leasing is a recognition of the unique attributes of The Well," said Edward Sonshine, CEO of RioCan. "RioCan and Allied have created a true mixed-use community in the heart of downtown Toronto. The Well will represent a vibrant community where both the office users and residents will benefit from a singular and dynamic retail experience drawing the look and feel of King Street West into an open-air environment. Its centerpiece will be a 90,000 square-foot food market that will serve as a hub not only for The Well, but the greater downtown Toronto community."

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 press 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 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 "objective", "may", "will", "expect", "intend", "anticipate", "believe", 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 press 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, but not limited to, the timing and completion of the transactions contemplated by this press release, general market conditions; interest rate and financing risk; risks related to joint ventures and partnerships; unexpected costs or liabilities; development risk associated with construction commitments, project costs, related zoning and other permit approvals, environmental matters, and those described under "Risks and Uncertainties" in RioCan's Management's Discussion and Analysis for the period ended March 31, 2018 ("MD&A"), which could cause actual events or results to differ materially from the forward-looking information contained in this press release.

Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: a stable retail environment; and a continuing trend toward land use intensification, including residential development in urban markets. For a description of additional risks that could cause actual results to materially differ from management's current expectations, refer to Risks and Uncertainties in RioCan's MD&A and Risks and Uncertainties in RioCan's AIF. 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 this forward-looking information.

The forward-looking information contained in this News Release is made as of the date of this News Release, and should not be relied upon as representing RioCan's views as of any date subsequent to the date of this News Release. Management undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

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.

About RioCan

RioCan is one of Canada's largest real estate investment trusts with a total enterprise value of approximately \$13.7 billion at March 31, 2018. RioCan owns, manages and develops retail-focused, increasingly mixed-use properties located in prime, high-density transit-oriented areas where Canadians want to shop, live and work. Our portfolio is comprised of 284 properties, including 17 development properties, with an aggregate net leasable area of approximately 43 million square feet. To learn more about how we deliver real vision on solid ground, visit www.riocan.com.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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

Edward Sonshine, O. Ont., Q.C.
Chief Executive Officer
(416) 866-3018 | sonshine@riocan.com