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ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES CLOSING OF PUBLIC EQUITY OFFERING AND ACQUISITION OF 469 KING STREET WEST, TORONTO

Toronto, January 4, 2005 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed its previously announced offering of 1,900,000 units at a price of \$13.00 per unit for gross proceeds of \$24.7 million. The units were qualified by a short form prospectus dated December 17, 2004, and were underwritten by a syndicate led by Scotia Capital Inc.

Concurrently with the closing of the offering, the REIT has also completed the previously announced acquisition of 469 King Street West, Toronto. The REIT used a portion of the net proceeds of the offering to finance the cash component of the acquisition of 469 King Street West, Toronto, and intends to use the balance of the net proceeds of the offering to repay outstanding indebtedness under the credit facilities utilized, in part, in connection with the acquisition earlier this year of 425 Viger Avenue West in Montreal. The remainder of the net proceeds will be used for general corporate purposes.

Allied properties REIT owns a portfolio of predominantly Class I office properties in downtown Toronto and downtown Montreal. The objectives of the REIT are to provide stable and growing cash distributions to its unitholders and to maximize unitholder value through the effective management and accretive growth of its portfolio.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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