



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CLOSING OF THIRD ACQUISITION FROM DEVELOPMENT PIPELINE
AND FIRST MORTGAGE FINANCING ON MONTREAL PROPERTY**

Toronto, July 8, 2005 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed the previously announced acquisition of 602-606 King Street West, a Class I office building located in downtown Toronto. This is the REIT's third acquisition through its development pipeline with Allied Canadian Corporation.

The REIT also announced today that it has placed a \$17 million first mortgage on 3575 Saint-Laurent Boulevard, a property acquired earlier this year in Montreal. The mortgage has a term of 10 years, bears interest at 4.94% and is payable in blended monthly instalments of principal and interest based on a 25-year amortization period.

Allied Properties REIT owns a portfolio of predominantly Class I office properties in downtown Toronto, downtown Montreal and downtown Winnipeg. 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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