



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES  
AGREEMENTS TO ACQUIRE CLASS I OFFICE PROPERTY IN TORONTO**

**Toronto, September 26, 2005** -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase 67 Richmond Street West, a Class I office building located in downtown Toronto, for \$9.5 million. The acquisition is expected to close on or about October 11, 2005, subject to customary conditions.

The building is comprised of 50,664 square feet of gross leasable area (GLA) and is 87% leased to five tenants. The principal tenant, Omnicom Group, occupies 62% of the GLA pursuant to a lease that expires in 2011.

The purchase price represents an initial capitalization rate of 7.7% after deducting the operating costs associated with a full-floor vacancy and an ongoing capitalization rate of 9.6% upon lease-up of the vacant floor. The property will be free and clear on closing. The REIT intends to finance the acquisition initially with its acquisition credit facility and also intends to place first mortgage financing on the property in the approximate principal amount of \$6.5 million as soon after closing as possible. The REIT expects the acquisition to be accretive to Distributable Income per unit from the outset.

*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.*

This press release may contain forward-looking statements with respect to the REIT, 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 the REIT 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 transaction contemplated herein is 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 the Annual Information Form of the REIT which is available at [www.sedar.com](http://www.sedar.com). The cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on their 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.

"Capitalization rate" is not a measure recognized under Canadian generally accepted accounting principles ("GAAP") and does not have standardized meanings prescribed by GAAP. Capitalization rate is presented in this press release because management of the REIT believes that this non-GAAP measure is relevant in interpreting the purchase price of the property being acquired. Capitalization rate, as computed by the REIT, may differ from similar

computations as reported by other similar organizations and, accordingly, may not be comparable to capitalization rate reported by such organizations.

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**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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