



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

Toronto, June 19, 2006 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase 257 Adelaide Street West, a Class I office building located in downtown Toronto. The acquisition is expected to close on or about June 28, 2006, subject to customary conditions.

257 Adelaide Street West is a property under development. Located in the Entertainment District, close to University Avenue, the property is comprised of 45,893 square feet of GLA and is less than 60% leased. The REIT intends to upgrade the property with a view to creating value for its unitholders. The purchase price of \$5.85 million represents a cost of \$127 per square foot of GLA.

The property will be free and clear on closing. The REIT intends to finance the acquisition by utilizing the proceeds from a pending mortgage refinancing.

The REIT has obtained a commitment to upward refinance the first mortgage on 425-439 and 445-455 King Street West, Toronto. The new first mortgage will have a term of 10-years, bear interest at 5.86% per annum and generate upward refinancing proceeds of approximately \$7.9 million.

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. 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.

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

-30-

FOR FURTHER INFORMATION, PLEASE CONTACT:

Michael R. Emory
President and Chief Executive Officer
416) 977-9002
memory@alliedpropertiesreit.com