



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CLOSING OF ACQUISITION AND COMPLETION OF UPWARD REFINANCING**

Toronto, June 29, 2006 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed the previously announced acquisition of 257 Adelaide Street West, a Class I office property located in downtown Toronto.

The REIT also announced that it has completed the upward refinancing of the first mortgage on 425-439 and 445-455 King Street West, Toronto. The new first mortgage has a term of 10-years, bears interest at 5.86% per annum and generated upward refinancing proceeds of approximately \$7.9 million.

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.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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