



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CLOSING OF QUEBEC CITY PORTFOLIO ACQUISITION**

Toronto, September 8, 2006 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed the previously announced acquisition of a portfolio of predominantly Class I office buildings in Quebec City's burgeoning Saint Roch office node for \$32.5 million. This acquisition establishes a fourth target market for the REIT and brings the gross leasable area of the REIT's portfolio to 2.8 million square feet, with the Montreal target market accounting for 20% of the total, the Quebec City target market 7%, the Toronto target market 72% and the Winnipeg target market the balance.

Allied Properties REIT is a leading owner and manager of Class I office properties in Canada, with portfolio assets in the urban areas of Montreal, Quebec City, Toronto and Winnipeg. The objectives of the REIT are to provide stable and growing cash distributions to unitholders and to maximize unitholder value through effective management and accretive portfolio growth.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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