



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CLOSING OF CLASS I OFFICE PROPERTY ACQUISITION IN TORONTO**

Toronto, January 12, 2007 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed the acquisition of 193 Yonge Street, a Class I office property located in its Toronto target market. The property was free and clear of mortgage financing on closing. The purchase price of \$10.25 million was funded in part from the proceeds of the most recent public equity offering and in part from the REIT's acquisition line of credit.

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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