



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES  
ACQUISITION OF RESTORED PROPERTY IN DOWNTOWN MONTREAL**

**Toronto, February 8, 2007** -- Allied Properties REIT (TSX:AP.UN) announced today that it has completed the acquisition of 451-481 Saint Catherine Street West in Montreal.

"This property is the result of an excellent urban revitalization project completed over the past two years," said Michael Emory, President and CEO. "It fits well into our Montreal portfolio, as it has all the important Class I attributes and is located in a very vibrant part of the inner-city."

The property is a 98-year leasehold interest in two restored, three-storey office/retail buildings on the north side of Saint Catherine Street West, near the intersection with McGill College Avenue. The buildings comprise 30,439 square feet of gross leasable area, 9,634 of which is retail space and 20,805 of which is office space. The property is fully leased to tenants consistent in character and quality with the REIT's tenant base.

The purchase price for the property was \$6 million, representing a capitalization rate of 8.2%. The property was free and clear of mortgage financing on closing.

**Cautionary Statements**

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.

*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.*

-30-

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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