



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

**Toronto, February 28, 2007** -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase 106 Front Street East, a Class I office property in the St. Lawrence Market area of Downtown Toronto. The acquisition is expected to close on or about April 2, 2007, subject to customary conditions.

"This is a good addition to the St. Lawrence Market component of our Toronto portfolio," said Michael Emory, President and CEO. "With it, we'll have 148,000 square feet in the St. Lawrence Market area and nearly half a million square feet in Downtown East."

106 Front Street East is located on the north side of Front Street, just to the east of the intersection with Jarvis Street. It is comprised of 34,497 square feet of GLA and 16 surface parking spaces. The property is fully leased to tenants consistent in character and quality with the REIT's tenant base.

The purchase price for the property is \$8 million, which represents a capitalization rate of 7.5%. The property will be free and clear of mortgage financing for 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.*

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**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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