ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES $242 MILLION ACQUISITION OF URBAN OFFICE CAMPUS IN OLD MONTREAL AND $100 MILLION PUBLIC EQUITY OFFERING

Toronto, March 14, 2007 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase Cité Multimédia, a 955,564 square-foot office campus with 782 underground parking spaces located in Old Montreal. The acquisition is expected to close on or about April 12, 2007, subject to customary conditions, at which time the Toronto component of the REIT's portfolio will represent 48% of the total GLA, the Montreal component 39%, the Winnipeg component 9% and the Quebec City component 4%.

The REIT also announced that it has entered into an agreement with a syndicate of underwriters led by Scotia Capital Inc. to issue to the public, on a bought-deal basis, 4,825,000 units from treasury at a price of $20.75 per unit for gross proceeds of approximately $100 million. The issue will be offered in all provinces of Canada. The units being offered have not been, and will not be, registered under the U.S. Securities Act of 1933 and state securities laws. Closing of the offering is expected to occur on or about April 12, 2007, and is subject to regulatory approvals. The REIT intends to use the net proceeds of the offering to fund a portion of the purchase price for Cité Multimédia and for general corporate purposes.

"This is an urban office campus that fits squarely within our investment and operating focus," said Michael Emory, President and CEO. "Although developed recently, Cité Multimédia has many Class I attributes--high ceilings, abundant natural light, exposed structural frames, interior brick, hardwood floors, attractive façades, human scale and a sense of community. It has two additional attributes that give it a distinct competitive advantage within its market area--large floor plates and plentiful on-site parking."

Cité Multimédia is located in Old Montreal, a vibrant area of the city with one of the finest built legacies in Canada. Like the REIT's other target markets, Old Montreal is comprised largely of Class I and historic office properties, residential condominiums and retail storefronts. The existence of mutually reinforcing office, residential and retail uses is a principal attribute of all of the REIT's target markets.

Cité Multimédia is comprised of 955,564 square feet of gross leasable area ("GLA") and is 98.6% leased to tenants consistent in character and quality with the REIT's tenant base. It consists of seven phases as follows:

	GLA (Sq. Ft.)	Parking Spaces	Occupancy	Constructed/ Renovated
Phases I, II & III	201,963	107	98.7%	1999-2000
Phase IV	373,576	225	100.0%	2001
Phases V, VI & VII	380,025	450	97.1%	2001-2002
Total	955,564	782	98.6%	

The principal tenants of Cité Multimédia are CGI, Motorola, Compuware and SAP Labs, which collectively occupy 46% of the GLA in the complex.

The purchase price of $242 million represents a cost of $227 per square foot of GLA, after allocation to the underground parking spaces. The estimated net operating income ("NOI") from Cité Multimédia represents an average annual un-levered yield over the next 10 years of approximately 7.6% on the purchase price. This estimate is based on the following material assumptions: that in-place rental rates are above current market rental rates because tenants are entitled to tax assistance that will be discontinued more or less concurrently with lease expiries; that market rental rates for comparable properties in Old Montreal will increase at a moderate but steady pace, reducing the gap between in-place rental rates and market rental rates over the next five years; and that a specific level of tenant-retention will be achieved over the next five years.

The REIT will finance a portion of the purchase price through mortgage financing in the approximate principal amount of $145 million for a term of approximately seven years, bearing interest at approximately 5.6% and payable in blended instalments of principal and interest based on 23-year amortization period.

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 transactions contemplated herein are 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. Material assumptions that were made in formulating the forward-looking statements in this press release are identified above in connection with the estimate of average annual un-levered yield. These cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on the REIT's 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.

NOI is not a measure recognized under Canadian GAAP and does not have any standardized meaning prescribed by GAAP. NOI 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. NOI, as computed by the REIT, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to NOI 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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