



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

Toronto, July 3, 2007 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed the acquisition of 45-55 Colborne Street, a Class I office property located in its Toronto target market. The purchase price of \$10 million was funded in part by a first mortgage in the principal amount of \$6.5 million, having a term expiring on September 1, 2015, bearing interest at 5.54% per year and payable in blended installments of principal and interest based on a 20-year amortization. The balance of the purchase price was funded through the REIT's acquisition line of credit.

Allied Properties REIT is a leading provider of Class I office space in Canada, with portfolio assets in the urban areas of Toronto, Montreal, Winnipeg and Quebec City. 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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