



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
TWO STRATEGIC TORONTO ACQUISITIONS**

Toronto, August 8, 2007 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase 555 College Street, a Class I office property in the King West sub-market of Downtown Toronto, for \$14.25 million. The acquisition is expected to close on or about September 4, 2007, subject to customary conditions.

The REIT also announced that it has entered into an agreement to purchase 544 King Street West, a brick-and-beam property in the Downtown West sub-market of Downtown Toronto, for \$4.75 million. The acquisition is expected to close on or about January 11, 2008, subject to customary conditions.

Option Property

555 College Street was offered to, and accepted by, the REIT pursuant to the Option Agreement with Allied Canadian Development Corporation (the "Developer"). The property is located on the south side of College Street, west of Bathurst Street, in the heart of an area known as "Little Italy". It is comprised of 60,186 square feet of GLA and 23 surface parking spaces and is 94.8% leased to tenants consistent in character and quality with the REIT's tenant base.

The purchase price for the property represents a capitalization rate of 7.1% and a cost of \$224 per square foot of GLA after allocation to the surface parking spaces. The property will be free and clear of mortgage financing for closing.

The Developer had one other property under development at the beginning of 2007. It was subject to a prior option in favour of an unrelated third party. The prior option was exercised, and the property will be sold to the unrelated third party. Accordingly, on closing of the acquisition of 555 College Street by the REIT, the Developer will have no remaining properties under development. While the Option Agreement permits the Developer to engage in development and redevelopment activity on an ongoing basis, provided completed office properties are offered to the REIT, the Developer is not currently pursuing development or redevelopment opportunities and does not expect to do so in the foreseeable future.

Development Property

544 King Street West is a brick-and-beam property that the REIT plans to redevelop for office and ancillary retail use. It is

located on the north side of King Street, just west of Brant Street, and is comprised of approximately 20,000 square feet of GLA and eight surface parking spaces. The REIT will lease the property back to the seller, Genco Marine, until the end of 2008 at a net rental rate of \$15 per square foot. On expiry of the lease-back, the REIT intends to add additional floors to the existing building with a view to creating at least 50,000 square feet of total GLA for office and ancillary retail use.

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. 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 REIT has 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 the 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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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