



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
STRATEGIC TORONTO AND MONTREAL ACQUISITIONS**

Toronto, November 5, 2007 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase 36-40 Wellington Street East and Dominion Square (468-496 Queen Street East), Class I office properties in the Downtown East sub-market of Downtown Toronto, for \$20.85 million. The acquisitions are expected to close in November of 2007, subject to customary conditions.

The REIT also announced today that it has entered into agreements to purchase two parcels of land adjacent and ancillary to its property at 425 Viger Avenue West in Montreal for \$754,000. The acquisitions are expected to close in November of 2007 and February of 2008, subject to customary conditions.

Toronto Acquisitions

36-40 Wellington Street East is located on the north side of Wellington Street, between Yonge and Church Streets, and in very close proximity to the REIT's properties at 50 Wellington Street East and 45-55 Colborne Street. It is comprised of 24,380 square feet of GLA and is fully leased to tenants consistent in character and quality with the REIT's tenant base.

Dominion Square is located on the north side of Queen Street East, east of Parliament Street and across from the REIT's property at 489 Queen Street East. It is comprised of three integrated, four-storey, brick-and-beam structures that were once part of The Dominion Brewery. The structures were restored and repositioned in 1992 for office and ancillary retail use. The property includes 111,859 square feet of GLA and 141 surface parking spaces. It is 99.4% leased to tenants consistent in character and quality with the REIT's tenant base.

The purchase price for 36-40 Wellington Street East and Dominion Square represents a going-in capitalization rate of 7.4% and a cost of \$143 per square foot of GLA (after allocation to the surface parking spaces). On closing, 36-40 Wellington Street East will be subject to a first mortgage in the approximate principal amount of \$1.15 million, having a term expiring in November of 2014, bearing interest at the rate of 5.99% per year and payable in blended instalments of principal and interest based on a 10-year amortization period. Dominion Square will be free and clear on closing. The REIT will strive to upward refinance 36-40 Wellington Street East and to place first mortgage financing on Dominion Square in early 2008.

Montreal Acquisitions

The two parcels of land adjacent and ancillary to 425 Viger Avenue West comprise 5,096 square feet of surface area and are currently used for surface parking, accommodating approximately 20 vehicles. The land is zoned for 12 times coverage with minimal setbacks and may in the future be used to expand the GLA at 425 Viger Avenue West.

The purchase price for the two parcels of land represents a capitalization rate of approximately 4.5% and a cost of \$160 per land foot. The parcels will be free and clear on closing. The REIT does not currently intend to place mortgage financing on the parcels.

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 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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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