



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
ONTARIO ACQUISITIONS AND \$60 MILLION PUBLIC EQUITY OFFERING**

Toronto, November 29, 2007 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase 7-9 Morrison Street in Toronto and 72 Victoria Street in Kitchener. The acquisitions are expected to close in January of 2008, subject to customary conditions.

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, 2,900,000 units from treasury at a price of \$20.75 per unit for gross proceeds of approximately \$60,175,000 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 January 3, 2008, and is subject to regulatory approvals. The REIT intends to use the net proceeds of the offering to repay amounts drawn on its acquisition line of credit, to fund the purchase price of previously announced acquisitions scheduled to close in early 2008, to fund a portion of the purchase price for the properties described above and for general corporate purposes.

Acquisitions

7-9 Morrison Street is located immediately to the north of 544 King Street West, a property the REIT has agreed to acquire in January of 2008 with a view to expansion and redevelopment. It includes an un-restored, three-storey, brick-and-beam building with approximately 16,000 square feet of GLA and land area of 6,473 square feet with 80 feet of frontage on Morrison Street. The REIT will lease the property back to the seller for a short term at an annual gross rental rate of \$10 per square foot. On expiry of the lease-back, the REIT intends to expand and redevelop the property in conjunction with the expansion and redevelopment of 544 King Street West. Together, the property and 544 King Street West include land area of 19,403 square feet with frontage on King and Morrison Streets.

72 Victoria Street is a five-storey, Class I office building located on the southeast corner of Victoria and Joseph Streets in the Warehouse District of downtown Kitchener. It is comprised of 85,610 square feet of GLA, 4,265 square feet of storage space and 228 surface parking spaces. The building is a high-quality, brick-and-beam structure that was renovated in 1999. It is 95.1% leased to eight tenants consistent in character and quality with the REIT's tenant base, none occupying more than 20% of the total GLA.

"7-9 Morrison increases our range of options considerably with respect to the redevelopment of 544 King West," said Michael Emory, President and CEO. "And with the acquisition of 72 Victoria Street, we've established a promising new target market in the Warehouse District of Kitchener. It's an emerging urban neighbourhood with the same historic character and mix of uses that have made our current target markets so successful."

Purchase Price and Financing

The purchase price for the development property in Toronto is \$2.7 million. This property will be free and clear on closing. The REIT does not currently intend to place mortgage financing on the property.

The purchase price for the rental property in Kitchener is \$13.9 million, representing a going-in capitalization rate in excess of 8% and a cost of \$136 per square foot of GLA, after allocation to the parking spaces. On closing, the property will be subject to a first mortgage in the approximate principal amount of \$6.2 million and bearing interest at the rate of 5.73% per year.

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.

"Capitalization rate" is not a measure recognized under Canadian generally accepted accounting principles ("GAAP") and does not have any standardized meaning 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 properties 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.

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