



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
STRATEGIC PORTFOLIO ACQUISITION IN TORONTO'S DOWNTOWN WEST**

Toronto, April 1, 2008 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase the following portfolio of properties in Toronto for \$30.75 million:

| Redeveloped Properties | GLA (Sq. Ft.) | Parking Spaces | Lot Area (Sq. Ft.) |
|-------------------------------------|----------------------|-----------------------|---------------------------|
| 183 Bathurst Street | 32,559 | 0 | 10,751 |
| 860 Richmond Street West | 26,671 | 0 | 9,203 |
| 489 King Street West | 26,271 | 0 | 6,103 |
| Subtotal | 85,501 | 0 | 26,057 |
| Properties for Redevelopment | | | |
| 495 King Street West | 11,183 | 26 | 14,596 |
| 499 King Street West | 8,400 | 10 | 17,308 |
| Subtotal | 19,583 | 36 | 31,904 |
| Total | 105,084 | 36 | 57,961 |

The acquisition of all but one of the properties in the portfolio is expected to close in May of 2008, subject to customary conditions. The closing of 860 Richmond Street West is subject to rectification of a minor title issue and is expected to close somewhat later. Once the acquisitions are closed, the REIT's portfolio will exceed 5.1 million square feet of GLA with Toronto representing 53% of the total, Montreal 34%, Winnipeg 8%, Quebec City less than 4% and Kitchener-Waterloo just than 2%.

"183 Bathurst Street and 860 Richmond Street West are located in rapidly transforming areas of Downtown West, whereas 489, 495 and 499 King Street West are located right in the midst of our King & Spadina portfolio, making this is a very strategic acquisition for us," said Michael Emory, President and CEO. "With nearly 32,000 square feet of land area, 495 and 499 King Street West have significant redevelopment potential. Because of existing lease commitments, we'll operate them as rental properties until about 2012, when we expect to put them into full-scale redevelopment, market conditions permitting."

Redeveloped Properties

183 Bathurst Street is a four-storey, Class I office building located on the east side of Bathurst Street, just north of Queen Street West. It was renovated recently and is now 76% leased to tenants consistent in character and quality with the REIT's tenant base.

860 Richmond Street West is a three-storey, Class I office building located on the north side of Richmond Street, west of Niagara Street. It was renovated recently and is now fully leased to tenants consistent in character and quality with the REIT's tenant base.

489 King Street West is a five-storey, Class I office building located on the south side of King Street West, just east of the intersection with Brant Street. It was renovated in the 1990s and is now fully leased to tenants consistent in character and quality with the REIT's tenant base.

Properties for Redevelopment

495 King Street West is a three-storey, Class I office building located immediately to the south of 489 King Street West. It was renovated in the 1990s and is now fully leased to tenants consistent in character and quality with the REIT's tenant base.

499 King Street West is a single-storey building located immediately to the west of 489 King Street West. It was renovated recently and is now leased to an entertainment facility pursuant to a lease that gives the landlord a right of early termination on March 31, 2012, and at various intervals thereafter.

Acquisition Parameters and Financing

The purchase price for the portfolio represents a capitalization rate of approximately 6.5%. On closing, the properties comprising the portfolio will be free and clear of mortgage financing. The REIT will finance the acquisition initially by drawing down on its line of credit. Following closing, the REIT intends to place first mortgage financing on the redeveloped properties and short-term financing on the properties for redevelopment. On completion of this and other mortgage financings to be undertaken by the REIT in the second quarter, the REIT will have nothing drawn on its line of credit, a conservative debt ratio of just over 53% and considerable financing potential on two unencumbered properties.

Cautionary Statement

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, Quebec City and Kitchener. 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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