



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
\$72 MILLION IN CLASS I OFFICE PROPERTY ACQUISITIONS IN TORONTO AND
MONTREAL AND \$60 MILLION PUBLIC EQUITY OFFERING**

Toronto, June 2, 2008 -

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Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase the following properties for \$72 million:

Properties	GLA (Sq. Ft.)	Parking Spaces
204-214 King Street East, Toronto, Ontario	130,532	50
70 Richmond Street East, Toronto, Ontario	34,414	0
5505 Saint-Laurent Boulevard, Montreal	251,345	80
Total	416,291	130

The acquisition of the Toronto properties is expected to close in July of 2008, subject to customary conditions. The acquisition of the Montreal property is expected to close in August of 2008, subject to completion of due-diligence and to customary conditions. On closing of the acquisitions, the REIT's portfolio will include nearly 5.6 million square feet of GLA with Toronto representing 52% of the total, Montreal 36%, Winnipeg 7%, Quebec City 3% and Kitchener-Waterloo 2%.

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, 2,850,000 units from treasury at a price of \$21.25 per unit for gross proceeds of approximately \$61 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 July 2, 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 a portion of the purchase price for the properties described above and for general corporate purposes.

Acquisitions

204-214 King Street East is a seven-storey, Class I office building located on the north side of King Street, east of Jarvis Street. It is comprised of 130,532 square feet of GLA, 5,175 square feet of storage area and 50 parking spaces. The building is a high-quality brick-and-beam structure that was renovated in the late 1990s. It is fully leased to tenants consistent in character and quality with the REIT's tenant base, the largest being Autodesk Canada, a division of Autodesk Corporation.

70 Richmond Street East is a five-storey, Class I office building located on the northwest corner of Richmond and Church Streets. It is comprised

of 34,414 square feet of GLA. The building is a high-quality brick-and-beam structure that was renovated in the 1990s. It is fully leased to tenants consistent in character and quality with the REIT's tenant base, the largest being St. Michael's Hospital.

5505 Saint-Laurent Boulevard is a five-storey, Class I office building located on the southeast corner of Saint-Laurent Boulevard and Saint-Viateur Avenue. It is comprised of 251,345 square feet of GLA and 80 parking spaces. The building is a high-quality brick-and-beam structure that was renovated in the late 1990s. It is fully leased to tenants consistent in character and quality with the REIT's tenant base, the largest being Ubisoft Divertissement Inc., a wholly owned subsidiary of Ubisoft Entertainment SA.

"The systematic consolidation of our Toronto and Montreal target markets continues at a very good pace," said Michael Emory, President and CEO. "With these three properties, we'll have 55 properties in the downtown Toronto office market with nearly three million square feet of GLA and eight properties in the downtown and midtown Montreal office market with two million square feet of GLA."

Purchase Price and Financing

The purchase price for the properties represents a capitalization rate slightly in excess of 8%. On closing, 204-214 King Street East will be subject to a first mortgage in the approximate principal amount of \$12.4 million, having a term expiring on June 30, 2015, and bearing interest at the rate of 5.16% per year, whereas each of 70 Richmond Street East and 5505 Saint-Laurent Boulevard will be free and clear.

The REIT will explore the possibility of placing additional financing on 204-214 King Street East. It will also work toward placing first mortgage financing on each of 70 Richmond Street East and 5505 Saint-Laurent Boulevard as soon after closing as practicable.

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. 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.

-30-

FOR FURTHER INFORMATION, PLEASE CONTACT:

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