



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CLOSING OF \$61 MILLION PUBLIC EQUITY OFFERING**

Toronto, July 2, 2008 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed the previously announced offering of 2,850,000 units at a price of \$21.25 per unit for gross proceeds of approximately \$61 million. The units were qualified by a short form prospectus dated June 13, 2008, and were underwritten by a syndicate of underwriters led by Scotia Capital Inc.

The REIT intends to use the net proceeds of the offering to fund a portion of the purchase price for previously announced acquisitions scheduled to close on or about July 2, 2008, and August 1, 2008, and to reduce the amount outstanding under its revolving credit facility.

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:

Michael R. Emory
President and Chief Executive Officer
(416) 977-9002
memory@alliedpropertiesreit.com