



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST  
ANNOUNCES NORMAL COURSE ISSUER BID**

**Toronto, January 5, 2009** - Allied Properties REIT (TSX:AP.UN) announced today that the Toronto Stock Exchange ("TSX") has accepted its notice of intention to conduct a normal course issuer Bid (the "Bid") to enable it to purchase up to 3,003,667 of its 31,235,668 outstanding units ("Units"), representing approximately 10% of the REIT's public float of 30,036,674 Units as of December 23, 2008, pursuant to TSX rules.

Purchases under the Bid may commence on January 7, 2009, and will terminate on the earlier of January 6, 2010, the date the REIT completes its purchases pursuant to the notice of intention to make a normal course issuer bid filed with the TSX or the date of notice by the REIT of termination of the Bid. Purchases will be made on the open market by the REIT through the facilities of the TSX in accordance with the requirements of the TSX. The price that the REIT will pay for any such Units will be the market price of such Units on the TSX at the time of acquisition. Units purchased under the Bid will be cancelled. Other than block purchases allowable under TSX rules, purchases will be subject to a daily purchase restriction of 14,457 Units, being 25% of the average daily trading volume of 57,830 for the preceding six calendar months. The REIT has not purchased any of its Units within the 12 months previous to the date hereof.

The Trustees of the REIT believe that the Units have been trading in a price range which does not adequately reflect the value of such Units in relation to the REIT's business and future prospects. As a result, the Trustees of the REIT believe that the purchase of its Units would be in the best interests of the REIT. Such purchases will increase the proportionate interest of, and may be advantageous to, all remaining unitholders and may increase liquidity to unitholders.

*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:**

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