



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

Toronto, November 10, 2009 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase two properties in Toronto's Downtown West, one in the Queen & Peter area and the other in the King & Spadina area.

Queen & Peter

The property in the Queen & Peter area is 375-381 Queen Street West, which Allied has agreed to acquire for \$21.75 million. Located on the southwest corner of the intersection of Queen and Peter Streets, this Class I property is comprised of 32,557 square feet of gross leasable area and 4,381 square feet of surplus land. It is 87% leased to high-quality tenants, including The Gap, Payless Shoesource and Red Bull Canada.

With 89 feet of frontage on Queen Street and 142 feet of frontage on Peter Street, the property is just north of Allied's property at 134 Peter Street. Earlier this year, Allied received zoning approval for a large-scale intensification project at 134 Peter Street. Allied plans to incorporate the surplus land into the project by creating dedicated parking spaces using parking-stacker technology. Allied also plans to incorporate the existing building into the intensification project and to create additional office space by building onto and out from the building.

By incorporating 375-381 Queen Street West, the intensification of 134 Peter Street will now extend along Peter Street all the way from Queen Street to Richmond Street. For this reason, Allied has decided to refer to the expanded intensification project as Queen Richmond Centre West or QRC West. Not only is this name descriptive, it builds on the fact that Allied owns QRC, one of the very best Class I office complexes in Downtown East, as well as the neighbouring QRC South. Allied plans to launch the pre-leasing of QRC West in January of next year and expects that 12 to 18 months will be required to secure an appropriate anchor tenant.

"We've long believed that the intensification of 134 Peter Street would be a landmark project in Downtown West," said Michael Emory, President & CEO. "With the integration of 375-381 Queen Street West, the project is destined to become one of the best mixed-use, urban developments in the entire city."

The acquisition is expected to close on or about December 17, 2009, subject to customary conditions. The purchase price represents a 7.4% capitalization rate applied to the annual net operating income ("NOI") from the property. The property will be free and clear of mortgage financing on closing. Allied will finance the acquisition with cash from recent debt and equity financings. Although it will be incorporated into

QRC West, 375-381 Queen Street West will be carried as a rental property for the time being.

King & Spadina

The property in the King & Spadina area, which Allied agreed to acquire for approximately \$8.9 million, is comprised of the following:

- (i) an undivided 50% interest in 18,360 square feet of retail space that will form part of Fashion House, a condominium project at 560 King Street West in Toronto; and
- (ii) an undivided 50% interest in 140 underground commercial parking spaces to be constructed as part of Fashion House, directly beneath the retail space referred to above.

The acquisition is conditional upon final condominium registration and is expected to close in 2013, subject to customary conditions. Allied will manage the property on behalf of the co-owners, giving it operating control over another 140 parking spaces in addition to the 208 underground parking spaces at its King-Brant parking structure, the 163 underground parking over which it will have control on completion of existing purchase agreements, expected in 2011, and the surface parking spaces adjacent to its numerous properties in the King & Spadina area.

"Like the acquisitions of underground commercial parking spaces announced earlier this year, this will be another small but highly strategic acquisition for us," said Michael Emory, President and CEO. "Not only will it afford us a reasonable yield on our capital, it'll add meaningfully to the competitive advantages of some of our best Class I office properties in the King & Spadina area."

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.

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Allied Properties REIT is the leading provider of Class I office space in Canada, with portfolio assets in the urban areas of Toronto, Montréal, Winnipeg, Québec City and Kitchener-Waterloo. Its objectives 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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