



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

Toronto, December 18, 2009 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed the acquisition of 375-381 Queen Street West, Toronto, a Class I property with 32,629 square feet of gross leasable area and 4,381 square feet of surplus land. Allied's Toronto portfolio is now comprised of 58 buildings and represents 56% of the total portfolio area of 5.9 million square feet, with Montreal representing 35%, Winnipeg 7% and Quebec City 3%.

Allied Properties REIT is the leading provider of Class I office space in Canada, with portfolio assets in the urban areas of Toronto, Montreal, Winnipeg, Quebec City and Kitchener. Its objectives are to provide stable and growing cash distributions to unitholders and to maximize unitholder value through effective management and accretive portfolio growth.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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