



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CLASS I OFFICE ACQUISITION IN MONTRÉAL**

Toronto, May 3, 2010 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase 645 Wellington Street in Montréal for \$10.5 million. Located on the north side of Wellington Street, just east of Cité Multimédia, this brick-and-beam building is comprised of 140,060 square feet of gross leasable area. It is 88% leased to tenants largely consistent in character and quality with Allied's tenant base.

"In addition to a good current return, this property affords us the opportunity to enhance value over the next 24 months," said Michael Emory, President & CEO. "It will also enable us to provide a compelling alternative for tenants that we can't accommodate at Cité Multimédia."

The acquisition is expected to close in May 2010, subject to customary conditions. The purchase price represents an 8.6% 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 intends to place conventional first-mortgage financing on the property following closing.

Cautionary Statements

This press release may contain forward-looking statements with respect to Allied, 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 Allied 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 transaction contemplated herein is 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 Allied and persons acting on Allied'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 Allied believes that this non-GAAP measure is relevant in interpreting the purchase price of the properties being acquired. Capitalization rate, as computed by Allied,

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 a leading owner, manager and developer of urban office environments that enrich experience and enhance profitability for business tenants operating from 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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