



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES AGREEMENT  
TO ACQUIRE 50% INTEREST IN CLASS I REDEVELOPMENT PROJECT IN KITCHENER**

**Toronto, November 10, 2010** -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement with Perimeter Development Corporation to purchase a 50% undivided interest in The Breithaupt Block, 20-24 & 51 Breithaupt Street, Kitchener, for \$4 million.

Located in the Warehouse District of Kitchener and in close proximity to Allied's property at 72 Victoria Street, The Breithaupt Block is comprised of (i) six former industrial buildings with approximately 176,000 square feet of GLA and (ii) approximately two acres of surplus land with long-term development potential. The former industrial buildings will be redeveloped as a Class I office complex, with completion scheduled for mid-2013.

"This is a great opportunity for us to augment our position in the Warehouse District of Kitchener and to develop a working relationship with an accomplished developer in the area," said Michael Emory, President & CEO. "Not only do we expect to create meaningful value in the Class I office complex, we see significant long-term value creation potential in the surplus land."

Perimeter will oversee the redevelopment and manage the property. Perimeter specializes in adaptive re-use, redevelopment and mixed-use projects in growth markets across the GTA and Southwestern Ontario. "The Breithaupt Block provides a unique opportunity to satisfy strong tenant demand for strategically located, Class I office space with easy access to public transportation, restaurant and retail amenities and good residential stock," said David Gibson, Founder & CEO of Perimeter.

The acquisition is expected to close on December 1, 2010, subject to customary conditions. Allied will carry the investment as a Property Under Development until the redevelopment is complete and will assist in securing development financing from third-party sources on acceptable terms.

**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 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](http://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.

*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, Kitchener and Calgary. 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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