



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CONTINUED EXPANSION INTO WESTERN CANADA AND ENTRY INTO DOWNTOWN VANCOUVER**

Toronto, December 16, 2010 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase the following properties for \$39.4 million:

Address	Total GLA	Office GLA	Retail GLA	Parking Spaces
123 Bannatyne Avenue, Winnipeg	20,511	20,511	0	0
840 Cambie Street, Vancouver	91,746	91,746	0	20
Total	112,257	112,257	0	20

"This is another good step forward," said Michael Emory, President & CEO. "The acquisitions will augment our Winnipeg portfolio and establish downtown Vancouver as our seventh target market. Most importantly, they'll propel our urban office platform to a national scale, something we believe will benefit both our tenants and unitholders going forward."

Located in the Exchange District on the north side of Bannatyne Avenue, immediately west of Allied's property at 115 Bannatyne, 123 Bannatyne is a Class I office property with 20,511 square feet of gross leasable area ("GLA"). It is fully leased to tenants consistent in character and quality with Allied's tenant base.

Located in Yaletown on Cambie Street, near the intersection with Robson Street, 840 Cambie is a Class I office property with 91,746 square feet of GLA. It is fully leased to tenants consistent in character and quality with Allied's tenant base, including Microsoft and Ubisoft. Ubisoft also occupies space in Allied's Montréal and Québec City portfolios.

The acquisitions are expected to close before the end of the year, subject to customary conditions. The combined purchase price of \$39.4 million represents a capitalization rate 6.7% applied to the annual net operating income ("NOI") from the properties. On closing, 123 Bannatyne will be free and clear and 840 Cambie will be subject to a first mortgage in the principal amount of \$20 million, having a term ending in May of 2013, bearing interest at 6% per year and payable in monthly instalments of interest only. Allied will finance the remainder of the purchase price with the proceeds from mortgage financings on other properties in its portfolio.

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. 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, 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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