



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
COMPLETION OF CLASS I OFFICE ACQUISITIONS IN WESTERN CANADA**

Toronto, December 23, 2010 -- Allied Properties REIT (TSX:AP.UN) announced today that it has completed the acquisition of the following Class I office 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 brings our total acquisitions in 2010 to over \$100 million, which falls within our target range for the year," said Michael Emory, President & CEO. "More importantly, we established two new target markets in 2010, downtown Calgary and downtown Vancouver, and propelled our urban office platform to a national scale. We believe this bodes well for our growth prospects going forward."

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. 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.

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, Calgary and Vancouver. 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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