



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES  
CONTINUED AND FOCUSED EXPANSION IN WESTERN CANADA**

**Toronto, March 31, 2011** -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase the following properties for \$51 million:

<b>Address</b>	<b>Total GLA</b>	<b>Office GLA</b>	<b>Retail GLA</b>	<b>Basement GLA</b>	<b>Parking Spaces</b>
8-10 Bastion Square, Victoria	32,485	22,399	10,086	0	10
353 Water Street, Vancouver	27,681	20,097	3,773	3,811	5
119 - 6 <sup>th</sup> Avenue S.W., Calgary	62,700	62,700	0	0	25
129 - 8 <sup>th</sup> Avenue S.W., Calgary	8,474	2,288	5,336	850	3
<b>Total</b>	<b>131,340</b>	<b>107,484</b>	<b>19,195</b>	<b>4,661</b>	<b>43</b>

"These acquisitions will establish a solid foothold in Victoria and strengthen our foothold in each of Vancouver and Calgary," said Michael Emory, President & CEO. "We see great potential to expand our urban office platform in Western Canada. By the third quarter, we'll set up a regional office in Calgary to propel and manage growth in our Winnipeg, Calgary, Vancouver and Victoria target markets."

***Victoria Acquisition***

Located in historic Bastion Square on Wharf Street, the MacDonald Block (8-10 Bastion Square) is a Class I property with 32,485 square feet of gross leasable area ("GLA") and 10 surface parking spaces. It is 93% leased to tenants consistent in character and quality with Allied's tenant base, including the Auditor General of British Columbia. Built in 1863, the building on the property was extensively restored and renovated in the 1990s.

***Vancouver Acquisition***

Located in Gastown on Water Street, near the intersection with Cambie Street, 353 Water Street is a Class I property with 27,681 square feet of GLA and five surface parking space. It is fully leased to tenants consistent in character and quality with Allied's tenant base, including Metasoft. Built in in the early 1900s on the 300 Block of Water Street, the building on the property was extensively restored and renovated in 1977. The current zoning and the building structure permit the addition of two office floors that together would add 10,000 square feet of GLA to the property.

### ***Calgary Acquisitions***

Located adjacent to the Lougheed Building, which Allied acquired last year, the Telephone Building (119 - 6<sup>th</sup> Avenue S.W.) is a Class I property comprised of 62,700 square feet of GLA and 25 underground parking spaces. It is fully leased to tenants consistent in character and quality with Allied's tenant base, including Scotia Capital and Worley Parsons. Built in the 1920s and known initially as the Alberta Government Telephones Building or the AGT Building, the two buildings on the property were integrated and extensively restored and renovated in 2006. With the Lougheed Building and the Telephone Building, Allied will control a full 163 feet of frontage on 6<sup>th</sup> Avenue in close proximity to the Bow, which is nearing completion and which is expected to become the new focal-point of downtown Calgary.

Located amidst well restored heritage properties on the Stephen Avenue Mall, the Bang & Olufsen Building (129 - 8<sup>th</sup> Avenue S.W.) is comprised of 8,474 square feet of GLA and three surface parking spaces. It is fully leased to tenants consistent in character and quality with Allied's tenant base. Built to a high standard in 2002, the building on the property was designed to resemble and integrate with the surrounding heritage properties.

### ***Closing and Financing of Acquisitions***

The acquisitions are expected to close in April and May of 2011, subject to customary conditions. The purchase price for the four properties represents a capitalization rate of approximately [6.7]% applied to the annual net operating income ("NOI"). On closing, the Telephone Building will be subject to first-mortgage financing in the approximate principal amount of \$16 million, having a term expiring October 31, 2016, bearing interest at 5% per year and being payable in blended monthly instalments of principal and interest based on a 20-year amortization period. On closing, the remaining properties will be free and clear of mortgage financing. Allied will finance the equity component of the acquisitions with a portion of the net proceeds from the equity offering completed on March 14, 2011, and will place first mortgage financing on the remaining properties as it deems advisable.

### ***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 Allied's Annual Information Form, 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.

"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 in Canada's major cities. 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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