



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CLOSING OF ACQUISITION IN VICTORIA**

Toronto, May 16, 2011 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed the acquisition of the MacDonald Block (8-10 Bastion Square) in Victoria, a Class I property with 32,485 square feet of gross leasable area 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.

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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