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ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CONTINUED EXPANSION IN WESTERN CANADA AND TORONTO WITH
\$179 MILLION IN ACQUISITIONS AND \$90 MILLION PUBLIC EQUITY OFFERING

Toronto, July 21, 2011 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase the following properties for \$179 million:

Address	Total GLA	Office GLA	Retail GLA	Parking Spaces
Alberta Hotel Building, Calgary	47,569	17,325	30,244	-
Fashion Central, Calgary	25,640	-	25,640	-
Art Central, Calgary	27,207	7,803	19,404	-
Cooper Block, Calgary	35,793	35,793	-	34
Kipling Square, Calgary	44,940	44,940	-	13
Revillon Boardwalk Building, Edmonton	255,217	224,423	30,794	224
60 Adelaide Street East, Toronto	110,154	105,155	4,999	17
184 Front Street East, Toronto	86,920	80,674	6,246	54
Total	633,440	516,113	117,327	342

Allied also announced that it has entered into an agreement with a syndicate of underwriters led by Scotia Capital Inc. to issue to the public, on a bought-deal basis, 3,830,000 units from treasury at a price of \$23.50 per unit for gross proceeds of \$90 million. Allied has granted the underwriters an option to purchase up to an additional 574,500 units on the same terms and conditions, exercisable at any time, in whole or in part, for a period of 30 days following the closing of the offering. The issue will be offered in all provinces of Canada. The units being offered have not been, and will not be, registered under the U.S. Securities Act of 1933 and state securities laws. Closing of the offering is expected to occur on or about August 12, 2011, and is subject to regulatory approvals. Allied intends to use the net proceeds of the offering to fund a portion of the purchase price for the properties and for general trust purposes.

"The six acquisitions in Western Canada will add real depth to our Calgary and Edmonton portfolios," said Michael Emory, President & CEO. "In Toronto, 60 Adelaide will be an excellent complement to our properties at 151 Front and 905 King, and 184 Front will integrate well with many of our properties in Downtown East."

With the acquisitions announced today, Allied has completed or announced 19 acquisitions in 2011 for \$350 million, 13 in Western Canada, five in Toronto and one in Montréal. Less than 12 months ago, Allied had no property west of Winnipeg. On closing of all announced acquisitions, Allied will own nine Class I or heritage properties in Calgary, two in

Edmonton, three in Vancouver and one in Victoria with total GLA of 920,687 square feet.

Calgary Acquisitions

Located on the Stephen Avenue Mall, adjacent to a property Allied acquired earlier this year (the Bang & Olufsen Building), the Alberta Hotel Building (804 - 1st Street S.W.) is a restored heritage property comprised of 47,569 square feet of GLA. Built in 1889 and 1901 as a hotel, the property was extensively restored and renovated in 1972 and 1997. It is designated by the Province of Alberta as a historic resource under the Historical Resources Act.

Located on the Stephen Avenue Mall, across the street from the Alberta Hotel Building, Fashion Central (203 - 8th Avenue S.W.) is a restored heritage property comprised of 25,640 square feet of GLA. Built in the early 1900s as three separate buildings (the Hull Block, the McNaughton Block and the Alberta Block), the property was extensively restored and renovated in 2008 and 2009. It is on the Inventory of Evaluated Historic Resources maintained by the City of Calgary.

Located across the street from the second phase of the Bow, Art Central (100 - 7th Avenue S.W.) is a restored heritage property comprised of 27,207 square feet of GLA. Built in 1929 and originally known as the Jubilee Block, the property was extensively restored and renovated in 2003 and 2004. It is on the Inventory of Evaluated Historic Resources maintained by the City of Calgary.

Located in the Beltline area on 10th Avenue, the Cooper Block (801-805 - 10th Avenue S.W.) is a Class I property with 35,793 square feet of GLA and 34 surface parking spaces. Built in 1912 as a warehouse for the Calgary Paint and Glass Factory and later used by the Canadian Army as a munitions building, the property was extensively restored and renovated in 1995. It is on the Inventory of Evaluated Historic Resources maintained by the City of Calgary.

Located in the Beltline area on the southwest corner of 10th Avenue and 5th Street, Kipling Square (601 - 10th Avenue S.W.) is a Class I property with 44,940 square feet of GLA and 13 surface parking spaces. Built in the early 1900s as a warehouse, the property was extensively restored and renovated in 1981. It is on the Inventory of Evaluated Historic Resources maintained by the City of Calgary.

The Calgary properties are 92% leased to tenants consistent in character and quality with Allied's tenant base. The weighted average term to maturity of the leases is 4.6 years.

Edmonton Acquisition

Located at the western edge of the financial core, on the north side of 102nd Avenue, between 103rd and 104th Street, across the street from a property that Allied is scheduled to acquire next month (the Metals Limited Building), the Revillon Boardwalk Building (10310 - 102nd Avenue and 10230 - 104th Street) is a Class I property with 255,217 square feet of GLA and 224 parking spaces in an adjacent, six-storey, above-ground

parkade. Built in the early 1900s, the property was extensively restored and renovated in 1986. It is on the Inventory and Register of Historic Resources maintained by the City of Edmonton.

The property is 99% leased to tenants consistent in character and quality with Allied's tenant base. The weighted average term to maturity of the leases is 5.3 years.

Toronto Acquisitions

Located on the north side of Adelaide Street, between Yonge and Church Streets, 60 Adelaide Street East is comprised of 110,154 square feet of GLA and 17 underground parking spaces. With some of the attributes of Allied's properties at 151 Front Street West and 905 King Street West in Toronto, 60 Adelaide has the capacity to accommodate tenants with extensive requirements for data processing equipment and internet connectivity.

Located on the northeast corner of Front and Princess Streets, 184 Front Street East is comprised of 86,920 square feet of GLA and 54 underground parking spaces. Allied will acquire a leasehold interest in the property that expires in 2091, subject to a right of extension in the event of redevelopment.

The Toronto properties are 90% leased to tenants consistent in character and quality with Allied's tenant base, including Verizon Canada. The weighted average term to maturity of the leases is 5.5 years.

Closing and Financing of Acquisitions

The acquisitions are expected to close in August of 2011, subject to customary conditions. The purchase price for the eight properties represents a capitalization rate of 7% applied to the current annual net operating income ("NOI"). On closing, the Alberta Hotel Building will be subject to a first mortgage in the approximate principal amount of \$7.4 million, bearing interest at the rate of 6.34% per year and having a term expiring on November 30, 2014, Fashion Central will be subject to a first mortgage in the approximate principal amount of \$8.1 million, bearing interest at the rate of 7.59% per year and having a term expiring on January 31, 2012, and Art Central will be subject to a first mortgage in the approximate principal amount of \$4.5 million, bearing interest at the rate of 5.36% per year and having a term expiring on November 30, 2016. Allied will refinance Fashion Central at current interest rates as soon after closing as possible. The remaining five properties will be free and clear on closing. Allied will place bridge-financing and subsequent first mortgage financing on these properties as it deems advisable.

Allied has a significant number of unencumbered properties in its portfolio. It intends to place first mortgage financing on several of these properties with a view to funding additional growth through acquisitions and locking-in the currently favourable cost of debt. On closing of all announced acquisitions and the anticipated first-mortgage financings, Allied will continue to have a very conservative debt ratio and significant internal liquidity and acquisition capacity.

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. 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 International Financial Reporting Standards ("IFRS") and does not have any standardized meaning prescribed by IFRS. Capitalization rate is presented in this press release because management of Allied believes that this non-IFRS 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.

NOI is not a measure recognized under IFRS and does not have any standardized meaning prescribed by IFRS. NOI is presented in this press release because management of Allied believes that this non-IFRS measure is relevant in interpreting the purchase price of the property being acquired. NOI, as computed by Allied, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to NOI reported by such organizations.

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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