



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
THE FILING OF ITS PRELIMINARY SHORT FORM PROSPECTUS IN CONNECTION
WITH ITS \$90 MILLION PUBLIC EQUITY OFFERING**

Toronto, July 27, 2011 -- Allied Properties REIT (TSX:AP.UN - "**Allied**" or the "**Company**") announced today that it has filed a preliminary short form prospectus in each of the provinces of Canada in connection with its previously announced offering to issue, 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 (see press release of Allied dated July 21, 2011 available on SEDAR at www.sedar.com, the "**Press Release**"). The offering is being made through a syndicate of underwriters led by Scotia Capital Inc. 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 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 previously announced acquisitions as stated in the Press Release, and for general trust purposes.

In addition, Allied announced today that it has re-filed its financial statements for the quarter ended March 31, 2011 to correct an inadvertent error in Note 21 "First Time Adoption of IFRS" pertaining to the Reconciliation of Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the period ending December 31, 2010. Note 21 has been corrected to indicate Income and Comprehensive Income for the Period of \$120 million.

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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