ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNOUNCES SECOND-QUARTER RESULTS

Toronto, August 15, 2011 -- Allied Properties REIT (TSX:AP.UN) today announced results for its second quarter ended June, 2011. They are summarized below and compared to the same quarter in 2010:

(In thousands except for per unit and % amounts)	Q2 2011	Q2 2010	Change	%Change
Net income	12,550	14,624	(2,074)	(14.2%)
Funds from operations ("FFO")	14,683	15,446	(763)	(4.9%)
FFO per unit (diluted)	$0.32	$0.39	($0.07)	(17.9%)
FFO pay-out ratio	104.2%	83.4%	20.8%	
Adjusted FFO ("AFFO")	10,822	11,839	(1,017)	(8.6%)
AFFO per unit (diluted)	$0.23	$0.30	($0.07)	(23.3%)
AFFO pay-out ratio	141.3%	108.8%	32.5%	
Debt ratio (% of fair value)	43.4%	48.0%	(4.6%)	
Interest coverage ratio	2.7:1	3.0:1	(0.3:1)	

Allied's key financial performance measures were down quarter-over-quarter due to an unusually large amount of turnover vacancy at Cité Multimédia in Montréal. This is a temporary situation, as most of the affected space has now been re-leased to high-quality tenants for 10-year terms. The re-leasing will have a positive financial impact on the second half of the year and full financial impact from the beginning of 2012 onward.

Allied leased over one million square feet of space in the first half of 2011 and finished the second quarter with leased area of 93.7% (excluding upgrade properties), up 2.3% from year-end 2010. By the end of the second quarter, it had renewed or replaced 60% of the leases maturing in 2011, in most cases at net rental rates equal to or above in-place rents, resulting in a an overall increase of 11% in net rental income per square foot from the affected space. Allied expects this leasing activity to have significant positive impact on AFFO per unit in 2012 and beyond.

Thus far in 2011, Allied has completed or announced the acquisition of 19 properties for $350 million. 13 of the properties are in Western Canada, five in Toronto and one in Montréal. Consistent with past practice, Allied has financed these acquisitions with a combination of equity and first mortgages. With a view to locking-in the currently favourable cost of debt for as long as possible, Allied has arranged longer-term mortgage financing in most cases, the only exceptions being where it expects to create significant value and boost mortgage financing potential in the near-term. Allied expects its acquisitions in 2011 to have significant positive impact on AFFO per unit in 2012 and beyond.

Allied continues to accelerate its value-creation activity with a view to building a value-creation pipeline that, in time, will make a recurring, annual contribution to the growth of its business. Allied expects two of its current value-creation projects, 645 Wellington Street in Montréal and 905 King Street West in Toronto to have significant positive impact on AFFO per unit in 2012 and beyond.

“Over the past 18 months, we’ve been very successful in establishing the foundation for increasing and strengthening our AFFO per unit,” said Mr. Emory. “We expect growth next year to be driven by a significant increase in same-asset NOI, full accretion from this year’s acquisitions and a very significant increase in NOI on completion of the upgrade of 645 Wellington and the redevelopment 905 King West.”

FFO and AFFO are not financial measures defined by International Financial Reporting Standards (“IFRS”). Please see Allied’s MD&A for a description of these measures and their reconciliation to net income and comprehensive income under IFRS, as presented in Allied’s condensed interim consolidated financial statements for the quarter ended June 30, 2011. These statements, together with accompanying notes and MD&A, have been filed with SEDAR, www.sedar.com, and are also available on Allied’s web-site, www.alliedpropertiesreit.com.

Net operating income (“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 an important financial performance indicator. 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.

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. Allied’s actual results and performance 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 Allied’s Annual Information Form which is available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and Allied has 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 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.

-30-

FOR FURTHER INFORMATION, PLEASE CONTACT:

Michael R. Emory
President and Chief Executive Officer
(416) 977-9002
memory@alliedpropertiesreit.com