



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES  
CONTINUED EXPANSION IN WESTERN CANADA AND ACQUISITION  
OF LARGE-SCALE UPGRADE PROPERTY IN MONTRÉAL**

**Toronto, February 29, 2012** -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase the following properties for \$46.7 million:

<b>Address</b>	<b>Total GLA</b>	<b>Office GLA</b>	<b>Retail GLA</b>	<b>Parking Spaces</b>
Woodstone Building, Calgary	31,023	31,023		20
535 Yates Street, Victoria	19,030	12,718	6,312	0
5445 de Gaspé Avenue, Montréal	502,693	502,693		150
<b>Total</b>	<b>552,746</b>	<b>546,434</b>	<b>6,312</b>	<b>170</b>

"This is a good start to our 2012 program, one that builds well on last year's efforts," said Michael Emory, President & CEO. "The Woodstone Building opens up a new sub-market for us in Calgary, whereas 535 Yates Street adds to our foothold in Victoria. 5445 de Gaspé Avenue in Montréal is a great compliment to 5455 de Gaspé Avenue, a large-scale upgrade property we acquired last year."

***Calgary Acquisition***

Located in Inglewood, the Woodstone Building (1207 & 1215 - 13th Street S.E.) is a Class I property comprised of 31,023 square feet of GLA and 20 surface parking spaces. It is 100% leased to tenants consistent in character and quality with Allied's tenant base. Built in 1911 as a wood mill, the property was extensively restored and renovated for office use in 2009. It is on the Inventory of Evaluated Historic Resources maintained by the City of Calgary. Inglewood was established in 1875, not long after Fort Calgary was built. Known initially as Brewery Flats, it officially received the name of Inglewood in 1911 and has since evolved into a destination shopping and creative district. It has Class I office inventory of approximately 350,000 square feet.

***Victoria Acquisition***

Located on Yates Street, between Wharf and Government Streets, 535 Yates Street is a restored heritage property comprised of 19,030 square feet of GLA. It is 92% leased to tenants consistent in character and quality with our tenant base. Built in the early 1900s, the property was extensively restored and renovated in the 1970s and again in 2009. It is a designated heritage property by the City of Victoria.

***Montréal Acquisition***

Allied acquired 5455 de Gaspé Avenue in June of last year because of its strategic location in Montréal's Plateau region and its significant,

near-term upgrade potential. 5445 de Gaspé is the adjacent property to the south. It is a Class I property comprised of 502,693 square feet of GLA and 150 underground parking spaces. It is currently 97% leased to a large number of smaller tenants at low rents. While carrying 5455 de Gaspé as a rental property, Allied plans to upgrade the building and the tenant-base with a view to boosting the annual net operating income ("NOI") materially over a five-year period.

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

The acquisitions are expected to close in late March and early April of 2012, subject to customary conditions. The purchase price for the three properties represents a capitalization rate of 7.5% applied to the annual NOI. On closing, the properties will be free and clear of mortgage financing. Allied will place first mortgage financing on the properties as soon after closing as possible with a view to locking-in the currently favourable cost of debt. On closing of the acquisitions and anticipated 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](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 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.*

-30-

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

Michael R. Emory  
President and Chief Executive Officer  
(416) 977-0643  
[memory@alliedpropertiesreit.com](mailto:memory@alliedpropertiesreit.com)