



ALLIED

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST TO EXPAND FACILITIES FOR
TELECOMMUNICATIONS AND INFORMATION-TECHNOLOGY TENANTS**

Toronto, June 8, 2012 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into a lease of 168,000 square feet at the Canadian Broadcast Centre, 250 Front Street West, Toronto, for a term of 49 years at net rental rates that escalate at intervals of not less than five years over the term. The lease term will commence on March 8, 2013, with an extensive rent-free period following commencement.

"This transaction will enable us to expand our specialized facilities by nearly 50% with a relatively modest capital outlay," said Michael Emory, President & CEO. "On completion, the new facility will boost the profitability of our business by enabling us to continue to meet the specific and expanding space requirements of our telcom and IT tenants."

Allied currently owns 151 Front Street West, 905 King Street West and 60 Adelaide Street East. 151 Front is one of eight internet hubs in North America and the leading telecommunication interconnection point in Canada. 905 King and 60 Adelaide are connected by fiber-optic cable to 151 Front, enabling the tenants of the respective buildings to interconnect with one another. The three properties include approximately 340,000 square feet of specialized space for telecommunications and information-technology tenants, all of which is leased or in the final stages of negotiation.

The premises at 250 Front Street West will have significant floor-loading and freight-elevator capacity, over 14 foot clear ceiling height, access to Enwave deep-water cooling and a dedicated electrical service of 9 MVA with two 11 MVA dedicated feeders. Allied expects to invest approximately \$30 million in the premises with a view to establishing it as a premiere facility in Canada. On completion of the upgrade, which is expected to occur in 2013, Allied will lease the space to the type of tenants it serves at 151 Front, 905 King and 60 Adelaide. On lease-up, Allied expects the facility to be very accretive to its annual AFFO per unit.

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.

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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