



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES  
ACQUISITION OF REDEVELOPMENT OPPORTUNITY IN CALGARY**

**Toronto, June 21, 2012** -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase the following property for \$13.1 million:

<b>Address</b>	<b>Total GLA</b>	<b>Office GLA</b>	<b>Retail GLA</b>	<b>Parking Spaces</b>
<b>Burns Building, Calgary</b>	78,781	69,483	9,298	-

"We see this as an attractive redevelopment opportunity for Allied," said Michael Emory, President & CEO. "It will enable us to take advantage of the strong demand for Class I office space that we've experienced since establishing our Calgary portfolio."

Located on the north side of the Stephen Avenue Mall, just west of Calgary City Hall, the Burns Building (237-8<sup>th</sup> Avenue S.E.) is comprised of 78,781 square feet of GLA, 66% of which is leased. The largest tenant is scheduled to vacate its premises on August 31 of this year, at which time the building will be 39% occupied.

Allied is acquiring a leasehold interest in the property. The land lease will have a term of 92 years. Rent is payable at a fixed amount per year, escalating every seven years starting in 2019 based on increases in underlying land value.

Built in 1913 as corporate headquarters for Burns Foods, the building was renovated on several occasions from 1983 onward. The building is designated by the Province of Alberta as a historic resource under the Historical Resources Act.

Allied plans to re-lease the property to tenants consistent in character and quality with its tenant base. Given the strength of the Calgary office leasing market, Allied expects to complete the re-leasing within 15 months.

The purchase price for the property represents a relatively low cost per square foot of GLA. On closing, the property will be free and clear of mortgage financing. Allied will carry it as a Property Under Development until it is re-leased. On completion of the re-leasing, Allied will place first mortgage financing on the property.

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.

*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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