



**RIOCAN REIT & ALLIED PROPERTIES REIT ANNOUNCE
A STRATEGIC VENTURE FOR URBAN INTENSIFICATION
OPPORTUNITIES ACROSS CANADA**

Toronto, Ontario (July 16, 2012) –RioCan Real Estate Investment Trust (“RioCan”) (TSX:REI.UN) and Allied Properties Real Estate Investment Trust (“Allied”) (TSX:AP.UN) have entered into a non-exclusive agreement to create a joint venture to acquire sites in the urban areas of major Canadian cities that on a stand-alone basis are suitable for mixed use intensification. The joint venture will also seek to identify properties currently within the Allied and/or RioCan portfolio that are suitable for redevelopment or intensification on a stand-alone basis or those where an assembly of adjacent lands is possible.

The joint venture will be structured on a 50/50 basis between RioCan and Allied. RioCan and Allied would act as joint development and construction managers. Upon completion of any projects RioCan would act as property manager for any retail portion of the property and Allied would act as property manager for any office portion.

Edward Sonshine, CEO of RioCan REIT said, “Allied and RioCan independently own a collection of unique urban properties within Canada’s major markets. The combination of such properties with RioCan’s proven expertise in urban development and redevelopment will create exceptional value creation opportunities for both RioCan and Allied’s unitholders.”

Michael Emory, President & CEO of Allied added, “As the intensification potential within our portfolio has grown, we’ve begun to collaborate with strong organizations that have complimentary capability. Our goal is to augment and accelerate the return to our unitholders from our overall intensification activity while minimizing the associated risk. We believe working with RioCan on specific intensification opportunities will help us achieve this goal.”

Urban Intensification

Allied and RioCan have created value for their respective unitholders through urban intensification activity. Allied has focused primarily on office intensification, whereas RioCan has focused primarily on retail intensification. Because of the trend that favours working, living, learning and playing in the inner-city, there is growing demand for mixed-use properties in Canada's major cities. Allied and RioCan believe they can combine their respective capabilities to satisfy this demand. The joint-ventures announced today are the first instances of this collaboration, which both parties expect to continue in major cities across Canada.

The first such properties the joint venture will consider are located at College and Manning and King and Portland in Toronto, Ontario.

College and Manning Joint Venture

This site is comprised of 551-555 College Street, currently owned by Allied, and 547 and 549 College Street, currently owned by RioCan. It includes 23,028 square feet of land with 185 feet of frontage on College. Allied and RioCan intend to combine their respective properties and intensify the site by creating a mixed-use office, retail and residential complex with approximately 125,000 square feet of gross floor area.

King and Portland Joint Venture

This site is comprised of 602-606 King Street West, currently owned by Allied, and adjacent properties to the west extending from King through to Adelaide Street West (the "Adjacent Properties") that Allied and RioCan intend to acquire jointly. It includes 61,608 square feet of land with frontage on King, Portland and Adelaide. Allied and RioCan intend to combine the properties and intensify the site by creating a mixed-use office, retail and residential complex with approximately 400,000 square feet of gross floor area.

The Adjacent Properties are comprised of 620 and 622 King, 501 and 505 Adelaide, 106 Portland and 1 and 11 Adelaide Place. The purchase price for the Adjacent Properties is \$22 million, and the closing is scheduled for July 20, 2012. The Adjacent Properties will be free and clear of mortgage financing on closing.

About Allied Properties REIT

Allied 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 refer to Allied's website at www.alliedpropertiesreit.com.

About RioCan REIT

RioCan is Canada's largest real estate investment trust with a total capitalization of approximately \$13 billion as at March 31, 2012. It owns and manages Canada's largest portfolio of shopping centres with ownership interests in a portfolio of 333 retail properties containing an aggregate of 80 million square feet, including 46 grocery anchored and new format retail centres containing 12 million square feet in the United States through various joint venture arrangements as at March 31, 2012. RioCan's portfolio also includes 10 properties under development in Canada. For further information, please refer to RioCan's website at www.riocan.com.

Forward-Looking Information

This News Release contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements concerning RioCan's, and Allied's intention to acquire, develop and redevelop, successful urban intensification projects, as well as other statements concerning each company's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. All forward-looking statements in this News Release are qualified by these cautionary statements. These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on current estimates and assumptions, which are subject to risks and uncertainties, which could cause actual events or results to differ materially from the forward-looking statements contained in this News Release.

For a list of risk and uncertainties effecting the operations of RioCan, refer to the caption "Risk and Uncertainties" in RioCan's latest financial statements and management's discussion and analysis for the quarter ending March 31, 2012. Those risks and uncertainties include, but are not limited to, those related to: liquidity in the global marketplace associated with current economic conditions, tenant concentrations, occupancy levels, access to debt and equity capital, interest rates, joint ventures/partnerships, the relative illiquidity of real property, unexpected costs or

liabilities related to acquisitions, construction, environmental matters, legal matters, reliance on key personnel, unitholder liability, income taxes, the investment in the United States of America (“US”), US currency and RioCan’s qualification as a real estate investment trust for tax purposes. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: a more robust retail environment compared to recent years; relatively stable interest costs; a continuing trend toward land use intensification in high growth markets; access to equity and debt capital markets to fund, at acceptable costs, the future growth program to enable the Trust to refinance debts as they mature; the availability of purchase opportunities for growth in Canada and the US; and the impact of accounting principles adopted by the Trust effective January 1, 2011 under International Financial Reporting Standards (“IFRS”) which includes application to the Trust’s 2010 comparative financial results. Although the forward-looking information contained in this News Release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this News Release may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this News Release.

The Income Tax Act (Canada) (the “Act”) contains legislation affecting the tax treatment of publicly traded trusts (the “SIFT Legislation”). The SIFT Legislation will not impose tax on a trust which qualifies under such legislation as a real estate investment trust (the “REIT Exception”). RioCan currently qualifies for the REIT Exception and intends to continue to qualify for future years. Should this not occur, certain statements contained in this News Release may need to be modified.

For a list of risk and uncertainties effecting the operations of Allied, refer to the caption “Risk and Uncertainties” in Allied’s latest Quarterly Report for the quarter ending March 31, 2012. Those risks and uncertainties include risks associated with property ownership, property development, geographic focus, asset-class focus, competition for real property investments, financing and interest rates, government regulations, environmental matters, construction liability, unitholder liability and taxation. Material assumptions that were made in formulating the forward-looking statements in this News Release include the following: that Allied’s current target markets remain stable, with no material increase in supply of directly-competitive office space; that acquisition capitalization rates remain reasonably constant; that the trend toward intensification within Allied’s target markets continues; and that the equity and debt markets continue to provide Allied with access to capital at a reasonable cost to fund its future growth and to refinance our mortgage debt as it matures. Although the forward-looking statements contained in this News Release are based on what management believes are reasonable assumptions, there can be no

assurance that actual results, operations or performance will be consistent with these statements.

These cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on Allied's behalf.

Except as required by applicable law, RioCan and Allied undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

For more information, please contact:

Edward Sonshine O.Ont., Q.C.
Chief Executive Officer of RioCan
(416) 866-3018
www.riocan.com

or

Michael Emory
President and CEO of Allied Properties
(416) 977-0643
memory@alliedpropertiesreit.com