



ALLIED

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ASSISTS IN THE CREATION OF A LONG-TERM OCCUPANCY SOLUTION
FOR ARTISTS IN MONTREAL'S VIBRANT AND TRANSFORMING PLATEAU MONT-ROYAL**

Toronto, November 5, 2012 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into a conditional letter of intent with Pied Carre for approximately 212,000 square feet square feet of space at 5445-5455 de Gaspé, Montréal, for a term of 30 years at net rental rates that escalate annually. The term will commence on November 1, 2013. Pied Carre is an established and well organized artists' collective based in Montréal's Plateau Mont-Royal.

"This is the outcome of extensive collaboration between ourselves, Pied Carre, the Borough of Plateau Mont-Royal and the City of Montréal," said Michael Emory, Allied's President & CEO. "It will afford long-term stability to the artistic community in the Plateau, while simultaneously enhancing the upgrade of our de Gaspé properties."

Once finalized, the lease will involve approximately 30,000 square feet of gallery space on the ground level of 5445-5455 de Gaspé and approximately 182,000 square feet of studio space on the 3rd, 4th, 5th, and 6th floors of 5445 de Gaspé. As part of the lease arrangement, Allied has agreed to complete base-building work on the leased premises, including the installation of new windows and the upgrade of the mechanical and electrical systems.

"We're very close to finalizing a multi-win transaction, one that benefits our unitholders, the artistic community, the Borough of Plateau Mont-Royal and the City of Montréal," said Jean-Francois Burdet, Allied's Regional Director for Eastern Canada. "We're proud to be part of the process, and we'd especially like to acknowledge the extraordinary contribution of the other participants."

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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