



ALLIED

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNOUNCES DISTRIBUTION INCREASE FOR 2013**

Toronto, December 12, 2012 -- Allied Properties REIT (TSX:AP.UN) today announced that its Trustees have approved an increase in monthly cash distributions from \$0.11 per unit (\$1.32 per unit annualized) to \$0.1133 per unit (\$1.36 per unit annualized). The increased monthly distribution will commence on January 15, 2013, payable to unitholders of record on December 31, 2012.

"Management and the Trustees support the two-fold objective of raising distributions when and to the extent it is prudent to do so while simultaneously reducing pay-out ratios," said Michael Emory, President and CEO. "Having made steady progress in establishing the basis for above-average FFO and AFFO per unit growth in the coming years, we're confident of our ability to meet this two-fold objective in 2013."

Allied has demonstrated a strong and steady commitment to the balance sheet. The decision of the Trustees to increase distributions was made in the context of that commitment. In establishing Allied's distribution policy for 2013, the Trustees took cognizance of the following ongoing objectives:

- continuing the reduction of FFO and AFFO pay-out ratios going forward;
- maintaining conservative debt ratios;
- maintaining a high interest-coverage ratio; and
- maintaining a high degree of liquidity.

FFO and AFFO are not financial measures defined by International Financial Reporting Standards ("IFRS"). Please see Allied's MD&A for a description of these measures and their reconciliation to net income and comprehensive income under IFRS, as presented in Allied's condensed interim consolidated financial statements for the quarter ended September 30, 2012. These statements, together with accompanying notes and MD&A, have been filed with SEDAR, www.sedar.com, and are also available on Allied's web-site, www.alliedreit.com.

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. Allied's actual results and performance 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. 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 the Allied's Annual Information Form which is available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and Allied has 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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