



ALLIED

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
TO PARTICIPATE IN MIXED-USE INTENSIFICATION PROJECT IN DOWNTOWN CALGARY**

TELUS Sky to be Designed and Built to LEED Platinum Standard

Toronto, July 4, 2013 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into a joint venture with TELUS and Westbank to develop TELUS Sky on the northeast corner of 7th Avenue SW and Centre Street SW. Designed to a LEED Platinum standard, the development will be comprised of approximately 430,000 square feet of office space, 275,000 square feet of rental apartments, 15,000 square feet of retail space and 285 underground parking spaces. TELUS is expected to lease approximately 155,000 square feet of space in the office component of the development.

Allied will contribute its property at 100 - 7th Avenue SW to the joint venture, and TELUS will contribute its adjacent property at 114 - 7th Avenue SW. This is expected to occur in June of 2014. Each of TELUS, Westbank and Allied will have an undivided one-third interest in the joint venture.

Westbank will act as development manager. Bjarke Ingels Group (BIG) and DIALOG have been retained as architects for the development. Westbank and the architects are working toward obtaining the necessary municipal approvals. The joint venture expects to commence construction in July of 2014 and to complete the development in 2017.

Westbank and Allied will provide property management and asset management services, respectively, to the joint venture. They may, with a view to optimizing efficiency for the joint venture, reallocate services amongst themselves with corresponding reallocation of fees.

"This is yet another example of how value-creation opportunities arise from owning underutilized sites in the urban areas of major Canadian cities," said Michael Emory, President & CEO. "Not only are we excited about the prospect of creating value for our unitholders, we consider it a privilege to be collaborating with two outstanding Canadian organizations, TELUS and Westbank."

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.

TELUS (TSX: T, NYSE: TU) is a leading national telecommunications company in Canada, with \$11 billion of annual revenue and 13.2 million customer connections, including 7.7 million wireless subscribers, 3.4 million wireline network access lines, 1.4 million Internet subscribers and 712,000 TELUS TV customers. Led since 2000 by President and CEO, Darren Entwistle, TELUS provides a wide range of communications products and services, including wireless, data, Internet protocol (IP), voice, television, entertainment and video.

Established in 1992 and with over \$5 billion of projects completed or under development, Westbank is active across Canada in a diversity of product types from luxury condominiums, rental apartment office, commercial, retail, hotel, non-market housing and industrial. Westbank's primary focus is on large mixed use projects involving highly complex entitlement processes. Westbank is best known for being the leading luxury residential developer in Canada, along with being the owner/developer of the finest hotels in Canada. Some of its best known projects include Shangri-la Vancouver, Shangri-la Toronto, Fairmont Pacific Rim and the Woodward's Redevelopment project.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

Michael R. Emory
President and Chief Executive Officer
(416) 977-0643
memory@alliedreit.com