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ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES THIRD-QUARTER RESULTS WITH CONTINUING GROWTH IN FFO AND AFFO PER UNIT

TORONTO, NOVEMBER 12, 2013

Allied Properties REIT (TSX:AP.UN) today announced results for its third quarter ended September 30, 2013. "We continued to achieve above-average growth in FFO and AFFO per unit, driving our pay-out ratios down considerably," said Michael Emory, President and CEO. "At the same time, we improved our already conservative debt-ratios and bolstered our immediate and near-term liquidity."

The results for the third quarter are summarized below and compared to the same quarter in 2012:

(In thousands except for per unit and % amounts)	Q3 2013	Q3 2012	CHANGE	% CHANGE
Net income	31,155	23,719	7,436	31.4%
Same-asset net operating income ("NOI")	37,598	35,421	2,177	6.1%
Funds from operations ("FFO")	34,441	26,777	7,664	28.6%
FFO per unit (diluted)	$0.50	$0.46	$0.04	8.7%
FFO pay-out ratio	67.3%	72.4%	(5.1%)	
Adjusted FFO ("AFFO")	29,872	21,614	8,258	38.2%
AFFO per unit (diluted)	$0.44	$0.37	$0.07	18.9%
AFFO pay-out ratio	77.7%	89.7%	(12.0%)	
Total debt as a % of fair value of investment properties	36.1%	39.9%	(3.8%)	
Net debt as a multiple of annualized Q3 EBITDA	6.3:1	6.2:1	0.1:1	
Operating interest-coverage ratio	4:1	3.2:1	0.8:1	
Total interest-coverage ratio	3.1:1	2.7:1	0.4:1	

The results for the nine-month period ended September 30, 2013, are summarized below and compared to the same period in 2012:

(In thousands except for per unit and % amounts)	NINE MONTHS 2013	NINE MONTHS 2012	CHANGE	% CHANGE
Net income	87,065	67,801	19,264	28.4%
Same-asset net operating income (“NOI”)	103,096	94,662	8,434	8.9%
Funds from operations (“FFO”)	96,883	74,132	22,751	30.7%
FFO per unit (diluted)	$1.43	$1.34	$0.09	6.7%
FFO pay-out ratio	70.8%	74.1%	(3.3%)	
Adjusted FFO (“AFFO”)	82,629	58,277	24,352	41.8%
AFFO per unit (diluted)	$1.23	$1.05	$0.18	17.1%
AFFO pay-out ratio	83.0%	94.2%	(11.2%)	
Total debt as a % of fair value of investment properties	36.1%	39.9%	(3.8%)	
Net debt as a multiple of annualized Q3 EBITDA	6.3:1	6.2:1	0.1:1	
Operating interest-coverage ratio	3.9:1	3.1:1	0.8:1	
Total interest-coverage ratio	3.1:1	2.7:1	0.4:1	

Allied’s financial performance measures for the third quarter and first nine months were up from the comparable quarter and period in 2012, despite a significant reduction in its debt ratios. This is a result of increased occupancy, portfolio-wide rental growth, accretion from recent acquisitions and increasing NOI as a result of value-creation activity.

Allied’s operating performance measures were also strong. Having leased nearly 1.5 million square feet of space in the first nine months of 2013, Allied finished the third quarter with its rental portfolio 92.7% leased, 95.1% leased if upgrade properties are excluded. Allied renewed or replaced leases for 84.2% of the GLA that matured in the first nine months and leases for 78.3% of the GLA that matures over the course of 2013. This resulted in an overall increase of 8.6% in net rental income per square foot from the affected space.

With $179 million in acquisitions completed thus far in 2013, Allied has exceeded its targets for the year. As expected, most of the acquisitions are immediately accretive to FFO and AFFO per unit. They are also heavily weighted in Western Canada, continuing the ongoing improvement in Allied’s geographic diversification.

Allied’s value-creation activity is progressing well. Having completed one upgrade project in the third quarter, Allied has two remaining upgrade projects underway, both of which are scheduled for completion next year. Having completed three redevelopment projects in the last two quarters, Allied now has five redevelopment projects underway, two of which are scheduled for completion this year and the remaining three next year, as well as a small repositioning project in Winnipeg.

Allied also has ten intensification projects underway, two of which are Properties Under Development and the remaining eight of which are rental properties going through the municipal approval or pre-development process. QRC West, Phase I, is Allied’s first large-scale intensification project. It is scheduled for completion in early 2015. Allied’s second intensification project is a joint-venture with TELUS and Westbank involving the development of TELUS Sky, a mixed-use tower on the northwest corner of 7th Avenue S.W. and Centre Street in Calgary. It is scheduled for completion in the second half of 2017. Allied's largest intensification project, 20 York Street in Toronto, has progressed rapidly through pre-development and is about to be exposed to the market for pre-leasing.

Allied's balance sheet continued to grow and strengthen in the second quarter. At the end of the quarter, the fair value of its assets was $3.3 billion, up 24% from the comparable quarter last year through a combination of acquisitions ($302 million) and value appreciation ($345 million), offset somewhat by dispositions ($7 million). Allied's total debt was 36% of fair value and comprised entirely of first mortgages with a weighted average term of six years and a weighted average interest rate of 4.8% Its immediate liquidity was $150 million, and it had approximately $400 million in unencumbered properties, affording it very considerable near-term liquidity.

FFO, AFFO, EBITDA, total debt and net debt 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 financial measures defined by IFRS, as presented in Allied's condensed interim consolidated financial statements for the quarter ended September 30, 2013. 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.

NOI is not a measure recognized under IFRS and does not have any standardized meaning prescribed by IFRS. NOI is presented in this press release because management of Allied believes that this non-IFRS measure is an important financial performance indicator. NOI, as computed by Allied, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to NOI reported by such organizations.

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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