



ALLIED

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
PROVIDES LEASING UPDATE FOR QRC WEST IN TORONTO**

Toronto, February 26, 2014 -- Allied Properties REIT (TSX:AP.UN) today provided a leasing update for one of its properties under development, QRC West, Phase I, which is located on the northwest corner of Richmond and Peter Streets in the heart of Toronto's Downtown West. This project involves the restoration of two existing Class I buildings (134 Peter Street and 364 Richmond Street West) and the addition of a new, LEED-certified component for a combined gross leasable area ("GLA") of approximately 350,000 square feet. In late 2012, Allied leased approximately 50,000 square feet of GLA in the new component to Sapient Corporation and initiated full construction. The delta-frame structural supports for the new component are now complete, and the process of forming and pouring the new floors is underway.

Allied has entered into a long-term lease transaction with a substantial tenant for up to 70,000 square feet of GLA. The tenant will occupy four vertically contiguous floors, the lowest being the fifth floor, which is the unique interstitial space between the former roof of 134 Peter Street and the underside of the new structure. The premises will serve as the tenant's Canadian head office upon commencement of occupancy in 2015.

The new component of the project is now 50% leased. "We're encouraged by the quantity and quality of demand for our properties under development generally and for QRC West in particular," said Michael Emory, President and CEO of Allied. "It bodes well for our value-creation activity going forward."

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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