

Allied Announces Acquisitions in Toronto, Calgary and Vancouver

TORONTO, MAY 1, 2019

Allied Properties Real Estate Investment Trust (“Allied”) (TSX:APUN) announced today that it has acquired or entered into firm agreements to acquire (i) ancillary residential properties in Toronto, (ii) an undivided 50% interest in the Sherwin Block, 738 11th Avenue SW, in Calgary, (iii) 2233 Columbia Street in Vancouver and (iv) 1050 Homer Street in Vancouver for total consideration of \$94 million. “These are strategic acquisitions for Allied, in that we’re augmenting important assemblies in Toronto and Calgary and increasing our penetration in urban Vancouver,” said Michael Emory, President and CEO. “The Sherwin Block has become part of our expanding GM Glenbow assembly with First Capital. 2233 Columbia is our first acquisition in Mount Pleasant, and 1050 Homer is a premiere Class I building in Yaletown with significant expansion potential.”

Located on the Beltline, across 7th Street SW from the GM Glenbow assembly (a JV with First Capital) and immediately south of Five Roses (also a JV with First Capital), the Sherwin Block is comprised of 30,948 square feet of GLA and 23 surface parking spaces, all of which is leased to users consistent in character and quality with Allied’s user base. While having minimal intensification potential, ownership of the property will enable Allied and First Capital to benefit from a good current yield and from the intensification of GM Glenbow and Five Roses in the future.

Located on the southwest corner of Columbia and West 6th Avenue, 2233 Columbia is comprised of 28,443 square feet of GLA and 25 underground parking spaces, all of which is leased to users consistent in character and quality with Allied’s user base. While having minimal intensification potential, ownership of the property will facilitate the establishment of a more meaningful presence in Mount Pleasant. Like so many of Allied’s target markets, Mount Pleasant is a vibrant and eclectic area known for its unusual stores, heritage buildings, artists and arts-focused festivals. It is a popular area for first-time homebuyers and urban professionals. With ever increasing frequency, knowledge-based organizations are locating in the area. Mount Pleasant bears notable similarity to King & Spadina in Toronto and Mile-End in Montréal.

Located on the south side of Homer Street, two buildings in from Nelson Street, 1050 Homer is a tier-one Class I building located in the heart of Yaletown. The building is comprised of 41,868 square feet of GLA and is leased to users consistent in character and quality with our user base. The property has significant intensification potential that Management intends to realize through the addition of multiple floors.

The ancillary residential properties, Sherwin Block and 2233 Columbia were or will be unencumbered on closing. Allied financed or will finance these acquisitions from its unsecured line of credit. On closing, which is scheduled for May 27, 2019, 1050 Homer will be subject to a first mortgage in the principal amount of \$13.6 million, having a term expiring in February of 2023, bearing interest at 4.3% per year and payable in blended instalments of principal and interest based on a 25-year amortization. Allied will finance the equity component of the acquisition from its unsecured line of credit. Allied expects the acquisition of the properties to be neutral to its AFFO per unit in year one and to become modestly accretive thereafter.

ABOUT ALLIED

Allied is a leading owner, manager and developer of (i) distinctive urban workspace in Canada's major cities and (ii) network-dense urban data centres in Toronto that form Canada's hub for global connectivity. Allied's business is providing knowledge-based organizations with distinctive urban environments for creativity and connectivity.

CAUTIONARY STATEMENTS

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.

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