

ALLIED

ALLIED ANNOUNCES CLOSING OF ACQUISITIONS IN MONTRÉAL

Toronto, July 17, 2019 -- Allied Properties Real Estate Investment Trust (TSX:AP.UN) announced today that it has completed the previously announced acquisition of 700 de la Gauchetière Street West ("700 DLG") and the RCA Building, 1001 Lenoir Street (the "RCA Building"), both in Montréal.

Urban Montréal

Allied has owned, managed and redeveloped urban workspace in Montréal since 2005. It now owns 20 urban properties that collectively comprise 5.6 million square feet of GLA, including 5445 and 5455 de Gaspé Avenue (969,558 square feet), Cité Multimédia (958,849 square feet) and Nordelec (877,376 square feet).

Montréal has emerged as a premier urban environment in Canada for knowledge-based organizations. This derives in large part from the number and quality of the institutions of higher learning in the city. The scale and quality of the built-legacy in Montréal has also contributed to its remarkable emergence in the past decade.

700 DLG

700 DLG is well located in the southern portion of Montréal's Downtown Core. It is close to Allied's 425 Viger Avenue West, a property that is currently being expanded and retrofitted to provide distinctive urban workspace to knowledge-based organizations, 50% of which is pre-leased to a global knowledge-based organization and the balance of which is expected to be pre-leased shortly.

Comprised of 935,866 square feet of GLA and 693 underground parking spaces, 700 DLG is 96% leased to high-calibre workspace users. Like many of the properties Allied has upgraded in Montréal and elsewhere, 700 DLG has large floor plates, excellent floor-to-ceiling height and favourable column spacing, all of which favours the open planning required for contemporary urban workspace. The possibility exists to create additional workspace and urban-data-centre space by transforming portions of the existing structure above and below grade.

Through a user-led transformation, a small portion of the workspace in 700 DLG has recently been improved in a manner consistent with the distinctive urban workspace environments that Allied develops, owns and operates in major Canadian cities. In fact, this workspace is strikingly similar to workspace occupied by Ubisoft, Framestore and Sun Life Financial at Allied's 5445 and 5455 de Gaspé. Allied intends (i) to work with existing and future users to continue this workspace transformation

over time and (ii) to transform the extensive public and common areas at 700 DLG, all with a view to creating a comprehensively distinctive urban workspace environment for knowledge-based organizations. In effect, Allied intends to complete on a vertical plane the kind of building transformation it has completed so often on a more horizontal plane. In doing so, Allied expects to augment its ability to serve knowledge-based organizations, as well as adding meaningful value to 700 DLG over a three- to five-year timeframe.

RCA Building

The RCA Building is located in Saint-Henri, an emerging mixed-use neighbourhood west of Griffintown and south of Westmount. It is very close to El-Pro Lofts, which Allied acquired late last year. Well served by public transportation, Saint-Henri has an impressive inventory of older structures that can be adaptively re-used for distinctive urban workspace. Notre Dame Avenue connects Saint-Henri to Griffintown and to Old Montréal. It is evolving much the way King Street West did in Toronto from 1996 onward.

An excellent Class I structure with a long and rich history, the RCA Building is comprised of 220,535 square feet of land, 343,579 square feet of GLA over five storeys and a surface parking lot for 215 cars. Approximately 107,000 square feet of the land can be intensified in time. The building is 82% leased to a diverse group of knowledge-based organizations, many of which continue to expand within the building. Like El-Pro Lofts, the RCA Building is a distinctive urban environment for creativity and connectivity that Allied intends to upgrade systematically over time to better serve knowledge-based organizations.

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 (i) Allied, (ii) its operations, strategy, financial performance and condition, (iii) its capital investments in 2019 and beyond, (iv) its expected FFO and AFFO per unit following closing of the offering and (v) its debt ratio, net debt as a multiple of annualized adjusted EBITDA and interest coverage ratio following the closing of the offering. 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 have the expected impact on earnings. 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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