

ALLIED

ALLIED ANNOUNCES LAUNCH OF OFFERING OF SERIES E SENIOR UNSECURED DEBENTURES

Toronto, October 2, 2019 -- Allied Properties Real Estate Investment Trust (TSX:AP.UN) ("Allied") announced today that it has launched an offering of \$300 million aggregate principal amount of series E senior unsecured debentures (the "Debentures"). The Debentures are being offered on an agency basis by a syndicate of agents led by Scotia Capital Inc., CIBC World Markets Inc. and TD Securities Inc. Allied intends to provide further details of the offering, including pricing information, when available.

Allied makes this offering pursuant to its base shelf prospectus dated November 27, 2018. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators.

Allied intends to use the net proceeds of the offering (i) to prepay approximately \$140 million aggregate principal amount of first mortgages (the "Mortgages"), (ii) to repay approximately \$60 million drawn on its unsecured line of credit and (iii) to fund its development and value-add initiatives over the remainder of 2019. The Mortgages mature in 2021 and 2022, have a weighted average interest rate of 4.21% and are secured by 14 separate properties having aggregate IFRS value of approximately \$400 million.

"This offering will extend the weighted average term of our debt to 5.1 years, increase the size of our pool of unencumbered assets to approximately \$4.9 billion, increase our annual FFO and AFFO per unit run-rate by approximately one cent and provide a hedge against interest-rate and spread increases over the term of the Mortgages," said Michael Emory, President and CEO. "In addition, Management believes this is an opportune time to access the bond market, particularly as spreads and reference interest rates have declined concurrently over much of 2019."

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.

The Debentures being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Debentures in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful.

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