

ALLIED

ALLIED TO ACQUIRE THE DOMINION BUILDING IN VANCOUVER FROM ARMY & NAVY PROPERTIES

Toronto, October 12, 2021 -- Allied Properties Real Estate Investment Trust ("Allied") (TSX:AP.UN) announced today that it will acquire the Dominion Building in Vancouver from Army & Navy Properties.

The Dominion Building is designated as a Class A heritage structure, as is Allied's Sun Tower just to the southeast. Completed in 1910 and known as the Dominion Trust Building, it was the tallest commercial building in the British Empire for a brief time, rising 53 meters over 13 storeys. On completion in 1912, Sun Tower (known initially as the World Building after The Vancouver World newspaper) superseded the Dominion Trust Building, rising 82 meters over 17 storeys.

The Dominion Trust, which later became The Dominion Bank, completed the building in the midst of a remarkable economic boom. It was part of a larger effort to make Vancouver the financial hub of Western Canada. Like many bank buildings that followed, it had a grand banking hall at the base extending over the entire lot and somewhat smaller floors above for front- and back-office use. Because the lot was trapezoidal, the architect designed the building with "flat-iron" proportions. The "flat" portion faces southeast (toward Sun Tower) at the intersection of West Hastings and Cambie Streets.

Samuel Cohen, Founder of Army & Navy Department Stores, acquired the Dominion Building in 1943, and the Cohen family has operated it ever since with sensitivity and commitment to the needs and evolution of the surrounding Downtown Eastside neighbourhood. Over that time, the Dominion Building has remained a visual, economic and social landmark in Downtown Vancouver.

"We'll be a worthy successor owner to Army & Navy Properties in terms of both sensitivity and commitment to Downtown Vancouver," said Michael Emory, Allied's President & CEO. "Because of its location, building attributes and operating history over many decades, the Dominion Building will enable us to accommodate smaller users who need more flexible lease terms. This will be particularly helpful as we reconfigure other buildings with larger floorplates to accommodate larger users with longer-term requirements."

Tech, advertising, media and information (TAMI) users are propelling the Vancouver office market to new heights. They are also exhibiting a decided preference for the area of Downtown Vancouver east of Granville Street, which includes Allied's entire Vancouver portfolio. As in other major Canadian cities, TAMI users in Vancouver prefer to be in mixed-use, amenity-rich urban neighbourhoods. The Dominion Building is located at the eastern edge of Gastown and is equidistant from Allied's The Landing

(375 Water Street at the other end of Gastown) and Allied's Sun Tower (128 West Pender Street in Crosstown). It includes approximately 80,000 square feet of leasable area.

Allied is first, foremost and above all a commercial-real-estate operating platform. Its mission is to provide distinctive urban workspace and network-dense urban-data-centre (UDC) space to the broadest possible spectrum of knowledge-based organizations in Canada's major cities. More than anything else, Allied is defined by the organizations it serves and by the humanistic values it has adopted. Its investment and operating focus evolved in response to the express needs of knowledge-based organizations over the past few decades and will continue to evolve in that manner going forward.

Allied expects the acquisition of the Dominion Building to close in mid-November of 2021, subject to customary conditions. Allied expects to fund the acquisition with its operating line of credit in the near term. On that basis, Allied expects the acquisition to be accretive to annual FFO and AFFO per unit from the outset.

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 and (iii) the expected impact of the transactions contemplated in this press release. 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 transaction contemplated herein is completed and have the expected impact on funding and earnings. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, 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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