



ALLIED

**ALLIED PROPERTIES REIT ANNOUNCES CLOSING OF
STRATEGIC ACQUISITION IN TORONTO'S DOWNTOWN WEST**

Toronto, June 29, 2015 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed the previously announced acquisition of 511-539 King Street West in Toronto (the "Property"). The Property is immediately west of a lengthy stretch of property Allied owns from 469 through to 499 King West.

The Property is free and clear of mortgage financing. Allied financed the acquisition with a portion of the proceeds from its inaugural issuance of unsecured debentures, which closed on May 13, 2015. Allied will (i) operate the Property as a rental property in the near term and (ii) include the Property in its growing pool of unencumbered assets.

Allied is currently negotiating a joint-venture arrangement with Westbank whereby Allied will retain full ownership of the existing buildings on 511-529 King West (the "Heritage Component") and sell to Westbank an undivided 50% interest in (i) remainder of the Property and (ii) the adjacent properties at 489-499 King West (collectively, the "Intensification Site"). If the joint venture is established, Allied and Westbank will work together toward the development of an integrated mixed-use project on the Intensification Site.

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 certain of 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.

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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