



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CONTINUED EXPANSION IN WESTERN CANADA**

Toronto, February 11, 2013 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase the following properties in Western Canada for \$21.3 million:

| Address | Total GLA | Office GLA | Retail GLA | Parking Spaces |
|---|----------------------|-----------------------|-----------------------|---------------------------|
| 613 - 11th Avenue S.W., Calgary | 3,163 | 0 | 3,163 | 0 |
| Atrium on Eleventh, 625 - 11th Avenue S.W., Calgary | 35,521 | 27,663 | 7,858 | 52 |
| The Milne Building, 754 Fort Street, Victoria | 22,548 | 13,339 | 9,209 | 0 |
| | 61,232 | 41,002 | 20,230 | 52 |

"In addition to being immediately accretive on an unlevered basis, these acquisitions will continue the consolidation of our ownership in the urban core of Calgary and Victoria," said Michael Emory, President & CEO. "They'll also enable us to increase our growing pool of unlevered properties."

The Calgary Properties

Located on the south side of 11th Avenue S.W., immediately west of Allied's property at 603-605, 613 is comprised of 3,163 square feet of GLA, all of which is leased to a single tenant consistent in character and quality with Allied's tenant base. Built in 1971 for light industrial use, the building was redeveloped for its current use in 1995.

Located on the south side of 11th Avenue S.W., one property west of 613, Atrium on Eleventh is comprised of 35,521 square feet of GLA, all of which is leased to tenants consistent in character and quality with Allied's tenant base, and 52 parking spaces in a two-storey parkade to the rear of the property. Built in 1980, the building was renovated in 2010.

The properties are relatively new, low-rise structures that have been well leased. When combined with its current property at 603-605, they'll afford Allied a strong position on the north side of an important block on the Beltline. With the properties, Allied's Calgary portfolio will increase to 16 properties with a total of 567,230 square feet of GLA.

The Victoria Property

Located on the north side of Fort Street, between Douglas and Blanchard Streets and adjacent to a three-storey parkade, The Milne Building is comprised of 22,548 square feet of GLA, all of which is leased to tenants consistent in character and quality with Allied's tenant base. Built in 1895 with retail at grade and residential units above the building was restored in 1992, 2000 and 2010. With the property, Allied's Victoria portfolio will increase to three properties with a total of 74,063 square feet of GLA.

Closing and Financing

The acquisitions are expected to close in February and March of 2013, subject to customary conditions. The purchase price for the properties represents an capitalization rate of approximately 7% applied to the current annual net operating income ("NOI"). The properties will be free and clear of mortgage financing for closing. Allied does not intend to place mortgage financing on the properties in the near term.

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.

"Capitalization rate" is not a measure recognized under International Financial Reporting Standards ("IFRS") and does not have any standardized meaning prescribed by IFRS. Capitalization rate is presented in this press release because management of Allied believes that this non-IFRS measure is relevant in interpreting the purchase price of the properties being acquired. Capitalization rate, as computed by Allied, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to capitalization rate reported by such organizations.

NOI is not a measure recognized under IFRS and does not have any standardized meaning prescribed by IFRS. NOI is presented in this press release because management of Allied believes that this non-IFRS measure is relevant in interpreting the purchase price of the property being acquired. NOI, as computed by Allied, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to NOI reported by such organizations.

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.

-30-

FOR FURTHER INFORMATION, PLEASE CONTACT:

Michael R. Emory
President and Chief Executive Officer
(416) 977-0643
memory@alliedreit.com