



ALLIED

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CONTINUED EXPANSION IN CALGARY WITH MAJOR CLASS I OFFICE ACQUISITION
AND \$110 MILLION PUBLIC EQUITY OFFERING**

Toronto, February 19, 2013 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase the following Class I office property for \$110 million:

Address	Total GLA	Office GLA	Retail GLA	Parking Spaces
Vintage I & II, 322-326 - 11 th Avenue S.W., Calgary	210,430	190,237	20,193	210

Allied also announced that it has entered into an agreement with a syndicate of underwriters led by Scotiabank to issue to the public, on a bought-deal basis, 3,210,000 units from treasury at a price of \$34.30 per unit for gross proceeds of approximately \$110 million. Allied has granted the underwriters an option to purchase up to an additional 481,500 units on the same terms and conditions, exercisable at any time, in whole or in part, for a period of 30 days following the closing of the offering. The issue will be offered in all provinces of Canada. The units being offered have not been, and will not be, registered under the U.S. Securities Act of 1933 and state securities laws. Closing of the offering is expected to occur on or about March 7, 2013, and is subject to regulatory approvals. Allied intends to use the entire net proceeds of the offering to fund the acquisition of Vintage I & II, with the balance, if any, to be used for general trust purposes.

"This is one of the finest Class I office complexes in Calgary," said Michael Emory, President & CEO. "In addition to being immediately accretive on acquisition, it will continue our consolidation of ownership in the urban core of Calgary in a meaningful way."

The Property

Located on the north side of 11th Avenue S.W., between 4th and 1st Streets, the property is comprised of 210,430 square feet of GLA and 210 underground parking spaces. Vintage I was built in 1924 and was renovated and expanded in 1999. Vintage II was built in 2004 on the eastern portion of the original site. The two buildings are nearly identical in appearance and are integrated through a two storey entrance area. With this property, Allied's Calgary portfolio will increase to 15 properties with a total of approximately 777,660 square feet of GLA.

Although 98.8% leased to tenants consistent in character and quality with Allied's tenant base, the occupancy of the property will decline to 76.6% on May 1. Most of the space to be vacated is in Vintage I and is divided

among four floors of 11,700 square feet each, which Allied considers very leasable, given the desirability of the space and the strength of the Calgary office leasing market.

Closing and Financing of the Acquisition

The acquisition is scheduled to close in March of 2013, subject to customary conditions. The purchase price for the property represents a capitalization rate of approximately 6.1% applied to the anticipated year-one net operating income ("NOI") and approximately 7.3% applied to the stabilized NOI from year two onward. The property will be free and clear of mortgage financing at closing. Allied is evaluating the possibility of placing a first mortgage on the property after closing in the approximate principal amount of \$66 million for a term of 10 years.

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

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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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FOR FURTHER INFORMATION, PLEASE CONTACT:

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