



ALLIED

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CONTINUED EXPANSION IN CALGARY**

Toronto, July 16, 2013 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase LocalMotive Crossing, 1240 - 20th Avenue SE, in Calgary for \$20 million. "In addition to being immediately accretive on an unlevered basis, this acquisition will continue the consolidation of our ownership in the urban core of Calgary," said Michael Emory, President & CEO. "It'll also enable us to increase our growing pool of unlevered properties."

Located in Inglewood, in close proximity to Allied's Woodstone Building, LocalMotive Crossing is a Class I property comprised of 48,380 square feet of GLA (including 4,534 square feet of storage) and 75 surface parking spaces. It is 88% leased to tenants consistent in character and quality with our tenant base. Built in 1905 for Standard Soap Co., the property was extensively restored and expanded for office use in 2007. It is on the Inventory of Evaluated Historic Resources maintained by the City of Calgary.

Inglewood was established in 1875, not long after Fort Calgary was built. Known initially as Brewery Flats, the neighbourhood officially received the name of Inglewood in 1911 and has since evolved into a destination shopping and creative district. Inglewood has Class I office inventory of approximately 350,000 square feet.

The acquisition is expected to close in early August of 2013, subject to customary conditions. The purchase price for the property represents a capitalization rate of approximately 6.5% applied to the current annual net operating income ("NOI"). The property will be free and clear of mortgage financing for closing. Allied does not intend to place mortgage financing on the property 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.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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