

# ALLIED

## Allied to Fund Westbank's Urban Workspace Project at 720 Beatty Street in Vancouver

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TORONTO, JULY 31, 2019

Allied Properties Real Estate Investment Trust ("Allied") (TSX:APUN) announced today that it has agreed to fund Westbank's urban workspace project at 720 Beatty Street in Vancouver (the "Property"). "Providing this funding to Westbank will enable us to generate an accretive return from the outset," said Michael Emory, President & CEO. "As importantly, it will in time enable us to serve knowledge-based organizations more fully in Vancouver's thriving urban workspace market."

Located on the southwest corner of Beatty and West Georgia, the Property is comprised of 51,817 square feet of land. It is between Allied's Yaletown and Crosstown portfolios and sits squarely within the area toward which the heart of Downtown Vancouver is gravitating. Westbank intends to construct an office building on the Property comprising approximately 620,000 square feet of GLA with completion scheduled for late 2023.

Allied will provide Westbank with up to \$185 million to fund the acquisition of the Property, pre-development costs and initial construction costs, if necessary. The funding will initially be secured by a first mortgage on the Property for a fixed term (the "Mortgage"). The amounts periodically advanced under the Mortgage will bear interest at 7% per annum. Interest will accrue monthly and be added to the principal until the Mortgage is repaid. On placement of conventional construction financing, the Mortgage will be secured by a second charge with the construction lender having the first charge. The Mortgage will be guaranteed by Westbank throughout the term.

On substantial completion of the development of the Property, which is expected to occur in late 2023, the Mortgage will be repaid from the proceeds of permanent mortgage financing and any necessary equity contributions, at which time Allied intends to acquire an undivided 50% interest in the Property at a purchase price determined according to an agreed formula. Westbank will manage the Property on completion.

The funding is scheduled to commence in early August of 2019. Allied will initially finance its investment in the Mortgage with its unsecured line of credit, most of which remains undrawn. Allied expects the investment in the Mortgage to be accretive to its FFO and AFFO per unit from the outset and to become more accretive as additional amounts are advanced. Allied expects its intended acquisition of an undivided 50% interest in the Property to be accretive to FFO and AFFO per unit and to NAV per unit.

## 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

FFO, AFFO and NAV are not financial measures defined by International Financial Reporting Standards ("IFRS"). Please see Allied's MD&A for a description of these measures and their reconciliation to financial measures defined by IFRS, as presented in Allied's unaudited condensed consolidated financial statements for the quarter ended June 30, 2019. These statements, together with accompanying notes and MD&A, have been filed with SEDAR, [www.sedar.com](http://www.sedar.com), and are also available on Allied's website, [www.alliedreit.com](http://www.alliedreit.com).

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](http://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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