ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES $50 MILLION IN CLASS I OFFICE ACQUISITIONS IN CALGARY AND TORONTO

Toronto, August 4, 2010 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase the Lougheed Building in downtown Calgary for $31 million. Allied also announced that it has entered into an agreement to purchase 49 Front Street East and 252-264 Adelaide Street East in downtown Toronto for $19 million.

"The acquisition of the Lougheed Building will be a big step forward for Allied Properties REIT," said Michael Emory, President & CEO. "By adding Calgary to our current target markets, we'll move our urban office platform ever closer to a national scale, something we believe will benefit both our tenants and unitholders going forward. The Toronto acquisitions strengthen our position in Downtown East, increasing our market share to nearly 45%."

Located at the corner of 6th Avenue SW and 1st Street SW in the Downtown Core of Calgary, the Lougheed Building is a Class I office property with 86,478 square feet of gross leasable area ("GLA"). It is fully leased to tenants consistent in character and quality with Allied's tenant base, has a weighted average lease term of over eight years and is historically designated.

Located on the south side of Front Street and one building east of Allied's Beardmore and Perkins/Dixon buildings, 49 Front Street East is a Class I office property with 19,936 square feet of GLA. Located on the north side of Adelaide Street East, just east of Jarvis Street, 252-264 Adelaide Street East is a Class I office property with 50,217 square feet of GLA. Both properties are fully leased to tenants consistent in character and quality with Allied's tenant base and are historically designated. The Adelaide property comes with the right to purchase 20 underground parking spaces at $25,000 per space upon completion of the adjacent condominium project and the right to use 20 surface parking spaces in the interim.

The acquisitions are expected to close in October, 2010, subject to customary conditions. The $50 million purchase price for the three properties represents a capitalization rate in excess of 8% applied to the annual net operating income ("NOI") from the properties. On closing, the Lougheed Building will be subject to a first mortgage in the approximate principal amount of $22 million, having a term of 10 years, bearing interest at approximately 4.75% per year and being payable in blended instalments of principal and interest based on a 25-year amortization. On closing, the two Toronto properties will be subject to a first mortgage in the principal amount of $10.14 million, having a term expiring on August 1, 2011, and payable as to interest only at floating rate equal to the One-Month CDOR Interbank Bid BA Rate plus 2.2%. Allied will fund the balance of the $50 million purchase price initially from its acquisition line of credit and ultimately by placing conventional first mortgages on unencumbered properties in its portfolio.

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 the Annual Information Form of the REIT 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 Canadian generally accepted accounting principles (“GAAP”) and does not have any standardized meaning prescribed by GAAP. Capitalization rate is presented in this press release because management of Allied believes that this non-GAAP 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 Canadian GAAP and does not have any standardized meaning prescribed by GAAP. NOI is presented in this press release because management of Allied believes that this non-GAAP 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 from Toronto, Montréal, Winnipeg, Québec City and Kitchener-Waterloo. 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) 977-9002
memory@alliedpropertiesreit.com