



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
CLOSING OF ACQUISITION OF 50% INTEREST IN CLASS I REDEVELOPMENT**

Toronto, December 8, 2010 -- Allied Properties REIT (TSX:AP.UN) announced today that it has acquired a 50% undivided interest in The Breithaupt Block, 20-24 & 51 Breithaupt Street, Kitchener, from Perimeter Development Corporation.

Located in the Warehouse District of Kitchener and in close proximity to Allied's property at 72 Victoria Street, The Breithaupt Block is comprised of (i) six former industrial buildings with approximately 176,000 square feet of GLA and (ii) approximately two acres of surplus land with long-term development potential. The former industrial buildings will be redeveloped as a Class I office complex, with completion scheduled for mid-2013.

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, Kitchener and Calgary. Its objectives are to provide stable and growing cash distributions to unitholders and to maximize unitholder value through effective management and accretive portfolio growth.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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