



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNOUNCES THIRD-QUARTER RESULTS**

Toronto, November 5, 2004 -- Allied Properties REIT (TSX:AP.UN) today announced results for its third quarter of fiscal 2004 ended September 30, 2004. Management will hold a conference call and live audio web-cast at 2:00 p.m. (ET) today, November 5, 2004, to discuss these results. The call may be accessed by dialing (800) 814-4861 or (416) 640-4127. The web-cast will be accessible at www.ccnmatthews.com or at www.alliedpropertiesreit.com and will be archived for 90 days.

Third-Quarter Highlights

In the third quarter of 2004, the REIT

- increased Distributable Income to \$3.53 million, up 78.0% from the same period in 2003,
- increased Distributable Income per Unit to \$0.346, up 6.1% from the same period in 2003,
- achieved a pay-out ratio of 83.1% of Distributable Income,
- increased the leased area of its portfolio to 98.6%,
- retired the first mortgage on 388 King Street West as it came due, increasing the number of unencumbered properties in its portfolio available to secure acquisition financing and
- maintained significant acquisition capacity, with a debt-to-Gross-Book-Value ratio of 52.1% at the end of the third quarter, well below the 60% permitted by the Declaration of Trust.

Financial Results

The REIT's financial results for the third quarter ended September 30, 2004, are summarized below and compared to the third quarter ended September 30, 2003:

(In thousands except for per unit amounts)	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003	Variance
Revenue from rental properties	\$9,734	\$5,057	\$4,677
Rental property operating cost	3,369	1,610	(1,759)
Net rental income	6,365	3,447	2,918
Financing expense	1,957	1,086	(871)
Depreciation and amortization	1,855	241	(1,614)
Income from operations	2,553	2,120	433
Trust expenses	305	282	(23)
Net income	2,248	1,838	410
Amortization on rental properties	1,175	220	955
Amortization on mortgage premium	(113)	(74)	(39)
Amortization on cost of acquired leases	267	-	267
Amortization on cost of acquired leases mark-to-market	38	-	38
Amortization of acquired tenant relationships	291	-	291
Step-rent adjustments	(375)	-	(375)

Distributable Income¹	\$3,531	\$1,984	\$1,547
Distributable Income per unit (basic)	\$0.346	\$0.326	\$0.020

1. Distributable Income, which is not defined within Canadian generally accepted accounting principles, has been calculated in accordance with the terms of the REIT's Declaration of Trust.

Net rental income, net income, Distributable Income and Distributable Income per Unit for the third quarter were up considerably from the same period last year, net rental income by 84.7%, net income by 22.3%, Distributable Income by 78% and Distributable Income per Unit by 6.1%. \$0.22 million of the increase in net rental income is the result of the required changes in the method of recognizing revenue from the REIT's initial portfolio and \$2.6 million is the result of the additions in 2003 and 2004 to the REIT's initial portfolio.

The REIT's financial results for the three quarters ended September 30, 2004, are summarized below and compared to the 224-day period ended September, 2003:

(In thousands except for per unit amounts)	Nine Months Ended September 30, 2004	224-Day Period Ended September 30, 2003	Variance
Revenue from rental properties	\$24,446	\$12,404	\$12,042
Rental property operating cost	8,364	4,027	(4,337)
Net rental income	16,082	8,377	7,705
Financing expense	4,880	2,611	(2,269)
Depreciation and amortization	4,150	577	(3,573)
Income from operations	7,052	5,189	1,863
Trust expenses	1,183	754	(429)
Net income	5,869	4,435	1,434
Amortization on rental properties	3,015	543	2,472
Amortization on mortgage premium	(341)	(222)	(119)
Amortization on cost of acquired leases	512	-	512
Amortization on cost of acquired leases mark-to-market	(49)	-	(49)
Amortization of acquired tenant relationships	408	-	408
Step-rent adjustments	(1,049)	-	(1,049)
Compensation expenses, long-term incentive plan	63	-	63
Distributable Income²	\$8,428	\$4,756	\$3,672
Distributable Income per unit (basic)	\$0.982	\$0.783	\$0.199

1. Distributable Income, which is not defined within Canadian generally accepted accounting principles, has been calculated in accordance with the terms of the REIT's Declaration of Trust.

Net rental income, net income, Distributable Income and Distributable Income per Unit for the first three quarters were up considerably from the comparable period last year, net rental income by 92.0%, net income by 32.3%, Distributable Income by 77.2% and Distributable Income per Unit by 25.4%. \$0.63 million of the increase in net rental income is the result of the required changes in the method of recognizing revenue from the REIT's initial portfolio, \$1.8 million is the result of the longer operating period in 2004 and \$5.2 million is the result of the additions in 2003 and 2004 to the REIT's initial portfolio.

Outlook

The REIT's portfolio has grown by nearly 75% since the IPO early last year and now represents 10.6% of the 13.5 million square feet of office inventory in its Toronto target market. The Class I value proposition remains compelling to existing and prospective tenants, giving the REIT a competitive advantage in the marketplace, and management expects the increase in the scale of operations will enable the REIT to serve these tenants ever better and ever more efficiently.

The business climate remains positive for office properties in the REIT's Toronto target market, and the broader Downtown Toronto office market appears to be strengthening. Demand for the REIT's space continues to be solid, with very little new supply of competing space coming into the market. Management continues to see a steady flow of acquisition opportunities and intends to broaden the REIT's geographic focus to include Montreal, where management recognizes significant and appropriate acquisition opportunities for the REIT, given Montreal's strength as a 24-hour city, its large inventory of Class I office properties and the ongoing revitalization that is occurring in the International District and Old Montreal. Earlier today, the REIT announced its expansion into Montreal with the acquisition of a well tenanted, 201,410 square foot, Class I office building in the International District.

Additional Financial Information

The financial statements with accompanying notes and MD&A will be filed on SEDAR and available on the REIT's web-site at www.alliedpropertiesreit.com.

Allied Properties REIT is a leading office property owner in the areas immediately to the east and west of Toronto's downtown core. With over 1.4 million square feet of space, the REIT's portfolio of 21 predominantly Class I buildings accommodates a diversified base of business tenants. The objectives of the REIT are to provide stable and growing cash distributions to its unitholders and to maximize unitholder value through the effective management and accretive growth of its portfolio.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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