



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST  
COMPLETES THE ACQUISITION OF 99 SPADINA AVENUE, TORONTO**

**Toronto, October 6, 2003** -- Allied Properties REIT (TSX:AP.UN) today announced that it has completed the acquisition of 99 Spadina Avenue. The property is a seven-storey, Class I ("brick-and-beam") office building located on the east side of Spadina Avenue, just north of the intersection with King Street West. It is comprised of 51,850 square feet of gross leasable area and is 100% leased to four tenants that are consistent in character and quality with the REIT's existing tenant mix. The building on the Property was extensively renovated, retrofitted and expanded in 2000 and 2001. The top two floors were added and feature clear spans from wall to wall with no interior columns.

"With the acquisition 99 Spadina Avenue now completed, the REIT will accelerate its efforts to consolidate ownership in the target market through additional acquisitions," said Michael Emory, President and Chief Executive Officer of Allied Properties REIT. "We believe that current market conditions are favourable to the REIT in this regard".

The purchase price of \$10.78 million was funded through the assumption of first mortgage financing in the principal amount of \$6.69 million, the issuance to the vendor of 110,000 new REIT units at \$10.25 per unit and the utilization of a portion of the REIT's acquisition facility. The first mortgage has a remaining term of approximately four years, bears interest at the rate of 6.75% per year and is payable in blended instalments of principal and interest based on a 25-year amortization. The REIT's debt to Gross Book Value is 55.1%, leaving the REIT with additional acquisition capacity.

The going-in yield on the property is approximately 10.4% on an un-levered basis. The yield is expected to be approximately 15.6% on a levered basis after repayment of the acquisition facility.

Allied Properties REIT is the leading owner of Class I ("brick-and-beam") office properties in downtown Toronto. With 870,000 square feet of space concentrated strategically to the east and west of Toronto's downtown core, the REIT's portfolio of 15 buildings accommodates a diversified base of business tenants. The objectives of the REIT are to provide stable cash distributions to its unitholders and to maximize unitholder value through the effective management and accretive growth of its portfolio. In addition to competitive advantages within its target market, the REIT has access to a substantial pipeline of development properties currently at various stages of development or redevelopment.

This news release contains forward-looking statements relating to the REIT's operations and the environment in which the REIT operates, which are based on expectations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The REIT undertakes no obligation to publicly update any such statement, to reflect new information or the occurrence of future events or circumstances.

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