



ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES THIRD-QUARTER RESULTS

Toronto, November 6, 2003 -- Allied Properties REIT (TSX:AP.UN) today announced results for the third quarter of fiscal 2003 ended September 30, 2003. Distributable income for the third quarter was \$1.98 million, as forecast. This brought distributable income for the 224-day period ending September 30, 2003, to \$4.76 million, 5.3% ahead of pro-rated forecast.

“The REIT’s portfolio continued its strong performance in the third quarter,” said Michael Emory, President and Chief Executive Officer, Allied Properties REIT. “As a result of continuing firm demand for high-quality, Class I office space, the REIT was able to increase its leased area to 98% and to meet its 2003 renewal targets by the end of the quarter.”

Financial Highlights

The REIT’s third quarter financial results are summarized below:

(In thousands except for per unit amounts)	July 1 to September 30, 2003	Prospectus Forecast	Variance
Revenue from rental properties	\$5,057	\$5,282	\$(225)
Rental property operating cost	1,610	1,811	201
Net rental income	3,447	3,471	(24)
Financing expense	1,086	1,192	106
Depreciation and amortization	241	231	(10)
Income from operations	2,120	2,048	72
Trust expenses	282	285	3
Net income	1,838	1,763	75
Amortization on rental properties	220	219	1
Amortization on mortgage premium	(74)	-	(74)
Distributable Income ¹	\$1,984	\$1,982	\$2
Net income per unit	\$0.302	\$0.292	\$0.010
Distributable Income per unit	\$0.326	\$0.328	\$(0.002)

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.

Recoverable operating expenses for the quarter were lower than forecast, resulting in corresponding reductions in operating recoveries, administration fees and rental revenue. Otherwise rental revenue was consistent with forecast for the quarter. Net rental income was slightly lower than forecast, as a result of lower administration fees (a direct result of lower recoverable operating expenses).

Net income of \$1.84 million was higher than forecast by \$75,000, as a result of lower financing costs, which were offset partially by higher amortization and lower net rental income.

The REIT's financial results from commencement of operations on February 19, 2003, to September 30, 2003, are summarized below:

(In thousands except for per unit amounts)	Feb. 19 to Sept. 30, 2003	Pro-rated Forecast ¹	Variance to Pro-rated Forecast
Revenue from rental properties	\$12,404	\$12,840	\$(436)
Rental property operating cost	4,027	4,673	646
Net rental income	8,377	8,167	210
Financing expense	2,611	2,938	327
Depreciation and amortization	577	551	(26)
Income from operations	5,189	4,678	511
Trust expenses	754	699	(55)
Net income	4,435	3,979	456
Amortization on rental properties	543	536	7
Amortization on mortgage premium	(222)	-	(222)
Distributable Income ²	\$4,756	\$4,515	\$241
Net income per unit	\$0.730	\$0.658	\$0.072
Distributable Income per unit	\$0.783	\$0.747	\$0.036

¹ The forecast included in the Prospectus, pro-rated for the 224-day period of operations of the REIT from February 19, 2003 to September 30, 2003. These figures have been prepared by management and are unaudited.

² 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.

Recoverable operating expenses for the 224-day period ended September 30, 2003, were lower than pro-rated forecast, resulting in corresponding reductions in operating recoveries, administration fees and rental revenue. Otherwise, rental revenue was ahead of pro-rated forecast. Net rental income was higher than pro-rated forecast, as a result of new leasing activity, better than expected lease renewals and better than expected incidental revenues.

Net income of \$4.44 million was higher than pro-rated forecast by \$460,000, as a result of higher net rental income and lower financing costs, which were offset partially by higher amortization and higher trust expenses.

Leasing Activity

In the quarter, the REIT leased 3,805 square feet of space at 358-360 Adelaide West and extended the lease term on 6,748 square feet of retail space at 500 King Street West to September 30, 2012. By the end of the quarter, the REIT had increased its leased area to 98% and achieved its lease renewal objectives for 2003.

Acquisition Activity

Subsequent to quarter-end, the REIT announced the completion of its acquisition of 99 Spadina Avenue in Toronto. This property fit very well within the REIT's acquisition strategy and is expected to yield over 15% on a levered basis. The acquisition had an effective date of October 1, 2003, and will begin to contribute to distributable income in the fourth quarter of 2003.

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.

Conference Call and Webcast

Management will hold a conference call and live audio webcast on Friday, November 7, 2003, at 10 a.m. (ET) to discuss the REIT's results. The call may be accessed by dialing 1-800-814-4941 or 416-640-4127. The webcast is accessible at www.ccnmatthews.com or at www.alliedpropertiesreit.com and will be archived for 90 days.

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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