



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNOUNCES DISTRIBUTION INCREASE**

Toronto, March 3, 2004 –Allied Properties REIT (TSX:AP.UN) today announced that the trustees of the REIT have approved an increase in its monthly distribution from \$0.09166 per unit (\$1.10 per unit annualized) to \$0.095 per unit (\$1.14 per unit annualized) effective March, 2004. The increased distribution will be payable on April 15, 2004, to unitholders of record on March 31, 2004.

The increase is consistent with the REIT's plan to increase distributions periodically when there is a high level of confidence that the increase is sustainable. "This decision was based on a careful assessment of the performance of our current portfolio and the availability of adequate cash resources to keep our properties in top physical and financial condition," said Michael Emory, President and CEO.

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 one million square feet of space, the REIT's portfolio of 17 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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