



ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES STRONG FOURTH-QUARTER AND YEAR-END RESULTS

Toronto, March 3, 2004 -- Allied Properties REIT (TSX:AP.UN) today announced results for the fourth quarter and the 316-day period ended December 31, 2003. Distributable Income for the fourth quarter was \$2.15 million, 13.6% ahead of forecast, bringing Distributable Income for the 316-day period ended December 31, 2003, to \$6.9 million, 7.8% ahead of pro-rated forecast.

2003 Highlights

The REIT completed its initial public offering (IPO) on February 20, 2003. By year-end, the REIT

- exceeded the pro-rated forecast for Distributable Income by over six cents per unit,
- achieved the forecast level of distributions at an 85% pay-out ratio, well below the 90% contemplated at the time of the REIT's IPO,
- increased its leased area from 96.9% to 97.5%,
- increased the size of, and improved the key attributes of, its portfolio through two accretive acquisitions,
- raised additional equity through the issuance of 1,076,377 units, 66,377 of which were issued under the REIT's dividend reinvestment plan and
- reduced its debt-to-Gross-Book-Value ratio to 51%, well below the 60% permitted by the REIT's Declaration of Trust.

Fourth-Quarter Results

The REIT's financial results for the fourth quarter are summarized below:

(In thousands except for per unit amounts)	Three Months Ended December 31, 2003	Prospectus Forecast	Variance
Revenue from rental properties	\$5,541	\$5,299	\$242
Rental property operating cost	1,776	1,919	143
Net rental income	3,765	3,380	385
Financing expense	1,200	1,187	(13)
Depreciation and amortization	263	233	(30)
Income from operations	2,302	1,960	342
Trust expenses	303	285	(18)
Net income	1,999	1,675	324
Amortization on rental properties	246	219	27
Amortization on mortgage premium	(94)	-	(94)
Distributable Income¹	\$2,151	\$1,894	\$ 257
Net income per unit	\$0.315	\$0.277	\$0.038
Distributable Income per unit	\$0.338	\$0.313	\$0.025

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, income from operations, net income and Distributable Income for the fourth quarter exceeded forecast as a result of better than expected operating results from the REIT's initial portfolio and the addition of 99 Spadina Avenue and 905 King Street West to the portfolio in the quarter.

Year-End Results

The REIT's financial results from commencement of operations on February 19, 2003, to December 31, 2003, are summarized below:

(In thousands except for per unit amounts)	February 19 to December 31, 2003	Pro-rated Forecast ¹	Variance
Revenue from rental properties	\$17,945	\$18,139	\$(194)
Rental property operating cost	5,803	6,592	789
Net rental income	12,142	11,547	595
Financing expense	3,811	4,125	314
Depreciation and amortization	840	784	(56)
Income from operations	7,491	6,638	853
Trust expenses	1,057	984	(73)
Net income	6,434	5,654	780
Amortization on rental properties	789	755	34
Amortization on mortgage premium	(316)	-	(316)
Distributable Income²	\$6,907	\$6,409	\$ 498
Net income per unit	\$1.046	\$0.936	\$0.110
Distributable Income per unit	\$1.122	\$1.060	\$0.062

¹ The forecast included in the Prospectus, pro-rated for the 316-day period of operations of the REIT from February 19, 2003 to December 31, 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.

Rental property operating cost for the 316-day period ended December 31, 2003, was lower than pro-rated forecast, resulting in corresponding reductions in revenue from rental properties. Otherwise, revenue from rental properties was ahead of pro-rated forecast.

Net rental income, income from operations, net income and Distributable Income for the period also exceeded pro-rated forecast as a result of new leasing activity, better than expected lease renewals, better than expected incidental revenue, the addition of 99 Spadina Avenue and 905 King Street West to the portfolio in the fourth quarter and lower than expected financing expense.

At \$6.9 million, Distributable Income for the period exceeded pro-rated forecast by \$498,000. \$345,000 of the positive variance was attributable to the REIT's initial portfolio, \$127,000 to the acquisition of 99 Spadina Avenue effective October 1, 2003, and \$26,000 to the acquisition of 905 King Street West on December 19, 2003. As a result of the positive variance in Distributable Income, the REIT achieved its forecast level of distributions at an 85% pay-out ratio.

Outlook

The business climate remains positive for office properties in the REIT's target market. 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 within the target market and will strive to increase the pace of the REIT's acquisitions in 2004.

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 Thursday, March 4, 2004, at 10 a.m. (ET) to discuss the REIT's results. The call may be accessed by dialing (800) 814-4860 or (416) 913-8746. The webcast is accessible at www.ccnmatthews.com or at www.alliedpropertiesreit.com and will be archived for 90 days.

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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