



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNOUNCES AGREEMENT TO ACQUIRE CLASS I OFFICE PROPERTY IN TORONTO**

Toronto, March 9, 2004 -- Allied Properties REIT (TSX:AP.UN) today announced that it has entered into an agreement to purchase 185 Spadina Avenue, a 55,814 square foot, Class I office building located in the REIT's target market in downtown Toronto. The property is leased to Algorithmics Incorporated for a term ending December 31, 2011. The acquisition is expected to close on or about April 1, 2004.

“With the acquisition of 185 Spadina, we continue the systematic consolidation of our target market,” said Michael Emory, President and CEO. “Not only is this acquisition immediately accretive to Distributable Income, it brings to the REIT's portfolio another superbly restored and retrofitted Class I office building with a strong tenancy and significant built-in rental escalations over the next seven years”.

The purchase price for the property of \$10.5 million will be funded through mortgage financing in the principal amount of \$7 million and the utilization of the REIT's acquisition credit facility. The interest rate on the mortgage financing will be approximately 6.3%. The going-in yield on the acquisition is expected to be approximately 9% on an un-levered basis and approximately 14% on a levered basis.

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.

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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FOR FURTHER INFORMATION, PLEASE CONTACT:

Michael R. Emory
President and Chief Executive Officer
(416) 977-9002
memory@alliedpropertiesreit.com