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

Toronto, March 9, 2005 -- Allied Properties REIT (TSX:AP.UN) today announced results for the fourth quarter and fiscal year ended December 31, 2004.

2004 Highlights
"Allied Properties REIT continued its strong performance in 2004," said Michael R. Emory, President and CEO. "We made excellent progress against all important financial and operating performance indicators."

In 2004, the REIT

- increased Distributable Income to $11.9 million, up 73% from the abbreviated comparable period in 2003,
- increased Distributable Income per unit to $1.325, up 18% from the abbreviated comparable period in 2003,
- increased monthly distributions (effective March, 2004) from $0.09166 per unit ($1.10 per unit annualized) to $0.095 per unit ($1.14 per unit annualized),
- achieved a pay-out ratio of 88.1% of Distributable Income for the year and 83.6% of Distributable Income for the second half of the year,
- completed six acquisitions and announced a seventh for a total of $122 million, increasing the size of its portfolio by 70%, increasing its share of the Toronto target market to over 11% and enhancing its Distributable Income per unit,
- initiated the expansion of its geographic focus through the acquisition of 425 Viger Avenue West in Montreal's International District,
- completed its first bought deal for gross proceeds of $32 million at a price of $11.10 per unit and announced its second bought deal for gross proceeds of $25 million at a price of $13.00 per unit,
- increased the leased area of its portfolio to 99%,
- extended the weighted average term to maturity of its mortgages to 6.62 years,
- reduced the weighted average interest rate on its mortgages to 6.51% and
- maintained significant acquisition capacity, with a debt-to-Gross-Book-Value ratio of 50.1% just following year-end, well below the 60% permitted by the Declaration of Trust.

Financial Results

The REIT's financial results for the fourth quarter ended December 31, 2004, are summarized below and compared to the fourth quarter ended December 31, 2003:

(In thousands except for per unit amounts)	**Three Months Ended December 31, 2004**	**Three Months Ended December 31, 2003**	**Variance**
Revenue from rental properties	$10,119	$5,541	$4,578
Rental property operating cost	3,664	1,776	(1,888)
Net rental income	6,455	3,765	2,690
Financing expense	2,117	1,200	(917)
Depreciation and amortization	1,958	263	(1,695)
Income from operations	2,380	2,302	78
Trust expenses	382	303	(79)
Net income	1,998	1,999	(1)
Amortization on rental properties	1,194	246	948
Amortization on mortgage premium	(103)	(94)	(9)
Amortization on cost of acquired leases	308	-	308
Amortization on cost of acquired leases mark-to-market	31	-	31
Amortization of acquired tenant relationships	317	-	317
Step-rent adjustments	(276)	-	(276)
Compensation expense, long-term incentive plan	26	-	26
Distributable Income[1]	$3,495	$2,151	$1,344
Distributable Income per unit (basic)	$0.342	$0.338	$0.004

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, Distributable Income and Distributable Income per Unit for the fourth quarter were up from the same period last year, net rental income by 71%, Distributable Income by 62% and Distributable Income per Unit by 1.2%.

The REIT's financial results for the year ended December 31, 2004, are summarized below and compared to the 316-day period ended December 31, 2003:

(In thousands except for per unit amounts)	**Year Ended December 31, 2004**	**316-Day Period Ended December 31, 2003**	**Variance**
Revenue from rental properties	$34,565	$17,945	$16,620
Rental property operating cost	12,028	5,803	(6,225)
Net rental income	22,537	12,142	10,395
Financing expense	6,997	3,811	(3,186)
Depreciation and amortization	6,108	840	(5,268)
Income from operations	9,432	7,491	1,941
Trust expenses	1,565	1,057	(508)
Net income	7,867	6,434	1,433
Amortization on rental properties	4,209	789	3,420
Amortization on mortgage premium	(444)	(316)	(128)
Amortization on cost of acquired leases	820	-	820
Amortization on cost of acquired leases mark-to-market	(18)	-	(18)
Amortization of acquired tenant relationships	725	-	725
Step-rent adjustments	(1,325)	-	(1,325)
Compensation expenses, long-term incentive plan	89	-	89
Distributable Income[2]	$11,923	$6,907	$5,016

Distributable Income per unit (basic)	$1.325	$1.122	$0.203

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, net income, Distributable Income and Distributable Income per unit for the year were up considerably from the abbreviated comparable period last year, net rental income by 86%, net income by 22%, Distributable Income by 73% and Distributable Income per unit by 18%.

Outlook

As the REIT embarks on 2005, management remains confident in the REIT's portfolio and in the REIT's ability to sustain a manageable rate of growth. The REIT intends to continue the consolidation process in its Toronto target market and to pursue Class I acquisition opportunities in its Montreal target market. In doing so, the REIT will continue to focus on its competitive strengths -- convenient locations, distinctive internal and external environments and significantly lower overall occupancy costs. It will also continue to work with existing and prospective tenants to remain a preferred provider of office space in its target markets.

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.

Allied Properties REIT owns a portfolio of predominantly Class I office properties in downtown Toronto and downtown Montreal. 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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