



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNOUNCES SECOND-QUARTER RESULTS**

Toronto, August 9, 2005 -- Allied Properties REIT (TSX:AP.UN) today announced results for the second quarter ended June 30, 2005. "Our second-quarter results reflect the continued positive momentum of Allied Properties REIT," said Michael Emory, President and CEO. "Despite reducing our debt ratio to 45% for most of the quarter, we increased our Distributable Income per unit by 2.5% over the comparable quarter last year."

Second Quarter Highlights

In the second quarter of 2005, the REIT

- increased Distributable Income to \$4.5 million, up 71% from the comparable quarter in 2004, bringing the Distributable Income for the half-year ended June 30, 2005, to \$8.8 million, up 79% from the comparable period in 2004,
- increased Distributable Income per unit to \$0.32, up 2.5% from the comparable quarter in 2004, bringing the Distributable Income per unit for the half-year ended June 30, 2005, to \$0.67, up 6.4% from the comparable period in 2004,
- completed a public offering of units for gross proceeds of \$30 million at a price of \$14 per unit,
- completed the acquisition of 3575 Saint-Laurent Boulevard, continuing its expansion into downtown Montreal,
- completed the acquisition of 115 Bannatyne Avenue in Winnipeg, establishing downtown Winnipeg as its third target market,
- reduced its debt ratio temporarily, ending the quarter at 45%, well below the 60% permitted under its Declaration of Trust and the 52% at the end of the comparable quarter in 2004,
- announced the acquisition of the property management business of Allied Canadian Corporation, which closed subsequently on July 4, 2005, and
- announced the acquisition of 602-606 King Street West, Toronto, which closed subsequently on July 8, 2005.

Financial Results

The REIT's financial results for the second quarter ended June 30, 2005, are summarized below and compared to the second quarter ended June 30, 2004:

(In thousands except for per unit and percentage amounts)	Q2 2005	Q2 2004	Change	% Change
Weighted average units outstanding (basic)	14,036	8,396	5,640	67.2%
Weighted average units outstanding (diluted)	14,289	8,427	5,862	69.6%
Distributable Income	\$4,481	\$2,616	\$1,865	71.3%
Distributable Income per unit (basic)	\$0.319	\$0.312	\$0.008	2.5%
Distributable Income per unit (diluted)	\$0.314	\$0.310	\$0.003	1.0%
Distributions	\$4,295	\$2,638	\$1,657	62.8%
Pay-out ratio	95.8%	100.8%	(5.0%)	
Funds from operations	\$5,045	\$3,103	\$1,942	62.6%
Funds from operations per unit (basic)	\$0.359	\$0.370	(\$0.010)	(2.7%)
Funds from operations per unit (diluted)	\$0.353	\$0.368	(\$0.015)	(4.1%)

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.

The REIT's financial results for the half-year ended June 30, 2005, are summarized below and compared to the half-year ended June 30, 2004:

(In thousands except for per unit and percentage amounts)	H1 2005	H1 2004	Change	% Change
Weighted average units outstanding (basic)	13,082	7,767	5,315	68.4%
Weighted average units outstanding (diluted)	13,314	7,818	5,496	70.3%
Distributable Income	\$8,778	\$4,898	\$3,880	79.2%
Distributable Income per unit (basic)	\$0.671	\$0.631	\$0.040	6.4%
Distributable Income per unit (diluted)	\$0.659	\$0.627	\$0.033	5.2%
Distributions	7,866	4,634	3,232	69.7%
Pay-out ratio	89.6%	94.6%	(5.0%)	
Funds from operations	9,831	5,876	3,955	67.1%
Funds from operations per unit (basic)	\$0.751	\$0.757	(\$0.005)	(0.7)%
Funds from operations per unit (diluted)	\$0.738	\$0.752	(\$0.013)	(1.8)%

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Outlook

The REIT's target markets are stable. Combined with the operating advantages stemming from the size and quality of the REIT's portfolio, the stable markets afford management a reasonable basis for confidence in the REIT's near-term performance 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 expand the foothold it has established in its Montreal and Winnipeg target markets. In doing so, it 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, downtown Montreal and downtown Winnipeg. 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 press release may contain forward-looking statements with respect to the REIT, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of the REIT discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transaction contemplated herein is completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risk Factors" in the Annual Information Form of the REIT which is available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the parties have no obligation to update such statements.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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