ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNOUNCES THIRD-QUARTER RESULTS

Toronto, November 7, 2005 -- Allied Properties REIT (TSX:AP.UN) today announced results for the third quarter ended September 30, 2005. "This was a successful and transformative quarter for Allied Properties REIT," said Michael Emory, President and CEO. "We internalized the property management function at a time when appropriate economies of scale were in place and increased our Distributable Income per unit going forward. For the first three quarters of this year, our Distributable Income per unit was up 3.7%, despite operating at a 45% debt ratio in the second quarter and a 48% debt ratio in the third."

Third-Quarter Highlights
In the third quarter of 2005, the REIT

- increased Distributable Income to $5 million, up 42% from the comparable quarter in 2004, bringing the Distributable Income for the nine months ended September 30, 2005, to $13.8 million, up 64% from the comparable period in 2004,

- increased Distributable Income per unit to $0.347, up slightly from the comparable quarter in 2004, bringing the Distributable Income per unit for the nine months ended September 30, 2005, to $1.018, up 3.7% from the comparable period in 2004,

- achieved a pay-out ratio of 86% of Distributable Income, bringing the pay-out ratio for the nine months ended September 30, 2005, to 88.3%,

- completed the acquisition of the property management business of Allied Canadian Corporation,

- completed the acquisition of 602-606 King Street West, Toronto, the third acquisition through the REIT's development pipeline with Allied Canadian Corporation,

- maintained a very conservative debt ratio, ending the quarter at 48%, well below the 60% permitted under its Declaration of Trust and the 52% at the end of the comparable quarter in 2004 and

- maintained a high level of occupancy, with leased area of 97.4% of the total gross leasable area in its portfolio at the end of the quarter.

Financial Results
The REIT's financial results for the third quarter ended September 30, 2005, are summarized below and compared to the third quarter ended September 30, 2004:

(In thousands except for per unit and % amounts)	**Q3 2005**	**Q3 2004**	**Change**	**%Change**

(In thousands except for per unit and % amounts)	Q3 2005	Q3 2004	Change	%Change
Revenue from rental properties	$12,822	$9,734	$ 3,088	31.7%
Rental property operating cost	4,442	3,369	1,073	31.8%
Net rental income	8,380	6,365	2,015	31.7%
Real estate service income	84	-	84	
Financing expense				
Interest	2,505	2,070	435	21.0%
Amortization - Mortgage premium	(145)	(113)	(32)	28.3%
Depreciation and amortization				
Rental properties	1,549	1,175	374	31.8%
Deferred leasing costs	186	81	105	129.6%
Origination cost and acquired tenant relationships	1,256	558	698	125.1%
Acquired contracts and customer relationships	24	-	24	
Deferred financing cost	54	41	13	31.7%
Computer and office equipment	6	-	6	
Income from operations	3,029	2,553	476	18.6%
Trust expense	404	305	99	32.5%
Property management internalization expense	7,877	-	7,877	
Net income (loss)	(5,252)	2,248	(7,500)	(333.6%)
Amortization				
Rental properties	1,549	1,175	374	31.8%
Mortgage premium	(145)	(113)	(32)	28.3%
Acquired leases	535	266	269	101.1%
M-T-M acquired leases	-	38	(38)	(100.0%)
Acquired tenant relationships	720	291	429	147.4%
Acquired contracts and customer relationships	24	-	-	
Step-rent adjustments	(287)	(375)	88	(23.5%)
Property management internalization expense	7,877	-	7,877	
LTIP compensation expense	-	-	-	
Distributable Income[1]	$5,021	$3,530	$1,491	42.2%
Weighted average units outstanding (basic)	14,471	10,200	4,271	41.9%
Weighted average units outstanding (diluted)	14,727	10,348	4,379	42.3%
Distributable Income per unit (basic)	$0.347	$0.346	0.001	0.3%
Distributable Income per unit (diluted)	$0.341	$0.341	-	-

[1] Distributable Income, which is not defined within Canadian generally accepted accounting principles, has been calculated in accordance with the terms of the Declaration.

Effective July 1, 2005, the REIT's wholly owned subsidiary, Allied Properties Management Limited Partnership, completed the acquisition of the property management business of the Allied Canadian Corporation. This transaction was recorded using the guidance of the Emerging Issues Committee of the Canadian Institute of Chartered Accountants in EIC-138, "Internalization of the Management Function in Royalty and Income Trusts", with the result that $7.9 million of the acquisition cost was expensed in the quarter.

The REIT's financial results for the nine months ended September 30, 2005, are summarized below and compared to the nine months ended September 30, 2004:

(In thousands except for per unit and % amounts)	Period	Period	Change	% Change
Revenue from rental properties	$36,879	$24,446	$12,433	50.9%
Rental property operating cost	13,119	8,364	4,755	56.9%
Net rental income	23,760	16,082	7,678	47.7%
Real estate service income	84	-	84	
Financing expense				
Interest	7,195	5,221	1,974	37.8%

(In thousands except for per unit and % amounts)	Period	Period	Change	% Change
Amortization - Mortgage premium	(348)	(341)	(7)	2.1%
Depreciation and amortization				
Rental properties	4,379	3,015	1,364	45.2%
Deferred leasing cost	438	133	305	229.3%
Origination cost and acquired tenant relationships	3,324	920	2,404	261.3%
Acquired contracts and customer relationships	24	-	24	
Deferred financing cost	150	82	68	82.9%
Computer and office equipment	6	-	6	
Income from operations	8,676	7,052	1,624	22.3%
Trust expense	1,370	1,183	187	15.8%
Property management internalization expense	7,877	-	7,877	
Net income (loss)	(571)	5,869	(6,440)	(109.7%)
Amortization				
Rental properties	4,379	3,015	1,364	45.2%
Mortgage premium	(348)	(341)	(7)	2.1%
Acquired leases	1,449	512	937	183.0%
M-T-M acquired leases	48	(49)	97	(198.0%)
Acquired tenant relationships	1,874	408	1,466	359.3%
Acquired contracts and customer relationships	24	-	-	
Step-rent adjustments	(1,042)	(1,049)	7	(0.7%)
Property management internalization expense	7,877	-	7,877	
LTIP compensation expense	109	63	46	73.0%
Distributable Income[1]	$13,799	$8,428	$5,371	63.7%
Weighted average units outstanding (basic)	13,550	8,584	4,966	57.9%
Weighted average units outstanding (diluted)	13,786	8,661	5,125	59.2%
Distributable Income per unit (basic)	$1.018	$0.982	0.037	3.7%
Distributable Income per unit (diluted)	$1.001	$0.973	0.028	2.9%

[1] Distributable Income, which is not defined within Canadian generally accepted accounting principles, has been calculated in accordance with the terms of the Declaration.

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. On November 1, 2005, the REIT completed the acquisition of a 285,434 square foot, Class I office portfolio in downtown Toronto. This acquisition significantly bolstered the REIT's position as the leading provider of Class I office space in Toronto, increasing the size of its portfolio in King West Central by 12%, in the Entertainment District by 33% and in Downtown East by 22%.

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.

-30-

FOR FURTHER INFORMATION, PLEASE CONTACT:
Michael R. Emory
President and Chief Executive Officer
(416) 977-9002
memory@alliedpropertiesreit.com