



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

Toronto, April 10, 2006 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase 364 Richmond Street West, a Class I office building located in downtown Toronto, for \$5.5 million. The acquisition is expected to close on or about May 1, 2006, subject to customary conditions.

The property is comprised of 39,300 square feet of GLA and is fully leased to four tenants consistent in character and quality with the REIT's existing tenant base. It is located within one of the REIT's areas of concentration in the Entertainment District (388 King Street West, 82 Peter Street, 331-333 Adelaide Street West, 358-360 Adelaide Street West and 134 Peter Street). Its location is particularly strategic in relation to 134 Peter Street, to which it is adjacent.

"This will be a very good in-fill acquisition for us," said Michael Emory, President and CEO. "We also believe it will afford us a meaningful rent-escalation opportunity in the next two to three years."

The purchase price represents a capitalization rate of 8.2% and a cost of \$140 per square foot of GLA. The property will be free and clear on closing. With significant acquisition capacity, the REIT intends to finance the acquisition initially by drawing down on its lines of credit.

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.

"Capitalization rate" is not a measure recognized under Canadian generally accepted accounting principles ("GAAP") and does not have standardized meanings prescribed by GAAP. Capitalization rate is presented in this press release because management of the REIT believes that this non-GAAP measure is relevant in interpreting the purchase price of the property being acquired. Capitalization rate, as computed by the REIT, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to capitalization rate reported by such organizations.

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.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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