ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNOUNCES STRONG THIRD-QUARTER RESULTS

Toronto, November 7, 2006 -- Allied Properties REIT (TSX:AP.UN) today announced results for the third quarter ended September 30, 2006. "This was another strong quarter for Allied Properties REIT," said Michael Emory, President and CEO. "Our steady portfolio growth has continued to translate into strong financial results, with third-quarter DI per unit up 6.5% and third-quarter FFO per unit up 5.5% over the same quarter last year."

Highlights
In the nine-month period ended September 30, 2006, the REIT

- increased Distributable Income ("DI") to $17.4 million, up 26.2% from the comparable period in 2005, resulting in DI per unit (diluted) of $1.066, up 6.5% from the comparable period in 2005,

- increased Funds From Operations ("FFO") to $18.8 million, up 21.6% from the comparable period in 2005, resulting in FFO per unit (diluted) of $1.150, up 2.7% from the comparable period in 2005,

- increased monthly distributions (effective March of 2006) to $0.10167 per unit ($1.22 per unit annualized), up 3.4% from $0.09833 per unit ($1.18 per unit annualized),

- achieved a DI pay-out ratio of 84.7% and an FFO pay-out ratio of 78.6%,

- completed $60 million in acquisitions,

- established a fourth target market in Quebec City through the acquisition of a portfolio of predominantly Class I office properties in the burgeoning Saint Roch office node,

- completed an offering to the public, on a bought deal basis, of 1.9 million units from treasury at a price of $17.00 per unit for gross proceeds of $32.3 million,

- reduced the weighted average interest rate on its mortgage debt to 5.96% and increased the weighted average term of its mortgage debt to 7.1 years,

- maintained a high interest coverage ratio (EBITDA to interest expense), finishing the period at 3.0:1 and

- increased the leased area of its portfolio to 97.8% from 97.0% at the end of 2005 (excluding properties under development).

Financial Results

The REIT's financial results for the nine-month period ended September 30, 2006, are summarized below and compared to the same period in 2005:

(In thousands except for per unit and % amounts)	Period 2006	Period 2005	Change	% Change
Net income (loss)	6,664	(571)	7,235	
DI	17,420	13,799	3,621	26.2%
DI per unit (basic)	$1.087	$1.018	$0.069	6.8%
DI per unit (diluted)	$1.066	$1.001	$0.065	6.5%
DI pay-out ratio	84.7%	88.3%	(3.6%)	
FFO	18,786	15,447	3,339	21.6%
FFO per unit (basic)	$1.173	$1.140	$0.033	2.9%
FFO per unit (diluted)	$1.150	$1.120	$0.030	2.7%
FFO pay-out ratio	78.6%	78.9%	(0.3%)	

The REIT's financial results for the third quarter ended September 30, 2006, are summarized below and compared to the same quarter in 2005:

(In thousands except for per unit and % amounts)	Q3 2006	Q3 2005	Change	% Change
Net income (loss)	2,457	(5,252)	7,709	
DI	6,080	5,021	1,059	21.1%
DI per unit (basic)	$0.371	$0.347	$0.024	6.9%
DI per unit (diluted)	$0.363	$0.341	$0.022	6.5%
DI pay-out ratio	83.9%	86.0%	(2.1%)	
FFO	6,734	5,616	1,118	19.9%
FFO per unit (basic)	$0.411	$0.388	$0.023	5.9%
FFO per unit (diluted)	$0.402	$0.381	$0.021	5.5%
FFO pay-out ratio	75.8%	76.9%	(1.1%)	

DI and FFO are not financial measures defined by Canadian GAAP. Please see the REIT's MD&A for a description of these measures and their reconciliation to net income.

Outlook

Demand for office space in the REIT's principal target markets is stable or strengthening. The strengthening is particularly pronounced in the REIT's Toronto target market, where overall occupancy levels and rent levels are expected to rise over the remainder of 2006 and into 2007. The state of the REIT's target markets, the quality of the REIT's portfolio and the capabilities of the REIT's personnel afford Management a reasonable basis for confidence in the REIT's near-term performance. The REIT intends to continue the acquisition of Class I and other office properties in its target markets.

Additional Financial Information

The consolidated financial statements of the REIT for the period ended September 30, 2006, together with accompanying notes and MD&A, have been filed with SEDAR, www.sedar.com, and are available on the REIT's web-site, www.alliedpropertiesreit.com.

Cautionary Statements

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. 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 its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and the parties undertake no obligation to update such statements.

Allied Properties REIT is a leading owner and manager of Class I office properties in Canada, with portfolio assets in the urban areas of Montreal, Quebec City, Toronto and Winnipeg. The objectives of the REIT are to provide stable and growing cash distributions to unitholders and to maximize unitholder value through effective management and accretive portfolio growth.

-30-

FOR FURTHER INFORMATION, PLEASE CONTACT:
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