



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
ACQUISITIONS IN MONTREAL, TORONTO AND WINNIPEG
AND \$41 MILLION PUBLIC EQUITY OFFERING**

Toronto, November 9, 2006 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase the following Class I office and related properties for \$55 million:

Address	GLA (Sq. Ft.)	Parking Spaces	Price
6290-6300 Avenue du Parc, Montreal	217,972	90	\$9.6 million
King-Brant Parking, Toronto	0	208	\$8.5 million
441-443 King Street West, Toronto	9,885	0	\$3.0 million
Phase II, The Castle, Toronto	88,796	9	\$16.6 million
Silpit Portfolio, Winnipeg	369,846	212	\$17.3 million
Total	686,499	519	\$55.0 million

The acquisitions are expected to close in December, 2006, subject to customary conditions.

The REIT also announced that it has entered into an agreement with a syndicate of underwriters led by Scotia Capital Inc. to issue to the public, on a bought deal basis, 2.0 million units from treasury at a price of \$20.50 per unit for gross proceeds of \$41 million. The issue will be offered in all provinces of Canada. The units being offered have not been, and will not be, registered under the U.S. Securities Act of 1933 and state securities laws. Closing of the offering is expected to occur on or about December 1, 2006, and is subject to regulatory approvals. The REIT intends to use the net proceeds of the offering to fund a portion of the purchase price for the properties identified above and for general corporate purposes.

"This is a strategic set of acquisitions for Allied Properties REIT," said Michael Emory, President and CEO. "The Montreal acquisition will compliment 400 Atlantic Avenue, giving us a strong operating position in the emerging Mile End office node. The Winnipeg acquisitions will compliment 115 Bannatyne Avenue, giving us a strong operating position in the Exchange District. The Toronto acquisitions will augment important portfolio concentrations in Downtown West and King West. In particular, King-Brant Parking will enable us to provide additional parking to our tenants in the surrounding area, where we currently own and operate over half a million square feet of Class I space."

Montreal

6290-6300 Avenue du Parc is a Class I office property comprised of 217,972 square feet of GLA and 90 parking spaces (52 on grade and 38 underground). It is 95% leased to tenants that are, for the most part, consistent in character and quality with the REIT's tenant base. It is located on the northern edge of the Plateau Mount Royal District, just south of 400 Atlantic Avenue, a property acquired by the REIT earlier this year, and just east of the Outremont Triage, the site for the new University of Montreal campus.

Toronto

The three Toronto properties were offered to, and accepted by, the REIT pursuant to the provisions of the Option Agreement with Allied Canadian Development Corporation. Following closing, Allied Canadian Development Corporation will have two remaining properties subject to the provisions of the Option Agreement, one of which is subject to a prior option in favour of an unrelated third-party. Both properties are nearing substantial completion.

King-Brant Parking is comprised of 208 underground parking spaces accessed from King Street West and Brant Street. The parking spaces are leased to tenants of the REIT's properties at monthly rates established from time to time in accordance with market conditions and are also available to the public at hourly rates established from time to time in accordance with market conditions. Management believes that this facility will augment the REIT's competitive advantages in the surrounding area.

441-443 King Street West is a Class I office property comprised of 9,885 square feet of GLA. It is fully leased to tenants consistent in character and quality with the REIT's tenant base. It is located on the south side of King Street West, between 425-439 King Street West and 445-455 King Street West, two properties owned by the REIT since the time of its IPO.

Phase II of The Castle is a Class I office property comprised of 59,059 square feet of GLA, nine surface parking spaces and two small, satellite buildings convertible to office and ancillary retail use. The main component is 93% leased to tenants consistent in character and quality with the REIT's tenant base. It is located in Liberty Village, near the intersection of King Street West and Dufferin Street.

Winnipeg

The following is a summary of the rental properties comprising the Silpit Portfolio:

Address	GLA (Sq. Ft.)	Parking Spaces	Occupancy
54-70 Arthur Street	124,018	98	95%
250 McDermot Avenue	51,646	40	80%
138 Portage Avenue East	45,160	22	79%
309 Hargrave Street	22,860	52	69%
165 Garry Street	14,762	0	100%
	258,446	212	87%

54-70 Arthur Street and 250 McDermot Avenue are Class I office properties located directly across the street from one another in the heart of the Exchange District. 138 Portage Avenue East is a Class I office property located in the Downtown Core very close to the Exchange District. 309 Hargrave Street and 165 Garry Street are small brick-and-concrete office properties well located in the Downtown Core and close to the Exchange District. All five properties are close to, and compliment, 115 Bannatyne Avenue, a Class I office property acquired in 2005 as a foothold in the Winnipeg target market. These properties are 87% leased to a large number of smaller tenants that are, for the most part, consistent in character and quality with the REIT's tenant base.

The Silpit Portfolio also includes 1500 Notre Dame Avenue, a single-storey needle-trade building with 111,400 square feet of GLA located near the Winnipeg airport. As the principal tenant is expected to

vacate in 2007, the REIT intends to convert the property to office and ancillary retail use.

Purchase Price

The portion of the purchase price allocated to the rental properties in Montreal, Toronto and Winnipeg (\$47.2 million) represents a capitalization rate of 8.3% and a cost of \$71 per square foot of GLA and \$40,865 per underground parking space in Toronto. The portion of the purchase price allocated to properties under development in Toronto and Winnipeg (\$7.8 million) represents a cost of \$55 per square foot of GLA. Each property is, or on closing will be, free and clear of mortgage financing.

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, including that the transactions contemplated herein are 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 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.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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