ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES STRONG 2006 RESULTS AND FOURTH DISTRIBUTION INCREASE

Toronto, March 7, 2007 -- Allied Properties REIT (TSX:AP.UN) today announced results for the fourth quarter and fiscal year ended December 31, 2006. The REIT also announced that its trustees have approved an increase in monthly cash distributions from $0.10167 per unit ($1.22 per unit annualized) to $0.105 per unit ($1.26 per unit annualized) effective March, 2007. The increased distribution will be payable on April 16, 2007, to unitholders of record on March 30, 2007.

Highlights
"We're building a focused and successful real estate business," said Michael Emory, President and CEO. "In 2006, we continued to execute our strategy of accumulating Class I office properties in the urban areas of major Canadian cities. By year-end, we had strong operating positions in Toronto, Montreal, Winnipeg and Quebec City, and we intend to build on these strengths going forward."

In 2006, the REIT

- increased Distributable Income ("DI") per unit (diluted) to $1.414, up 5.6% from 2005,
- increased Funds From Operations ("FFO") per unit (diluted) to $1.527, up 2.5% from 2005,
- achieved a DI pay-out ratio of 85.3% and an FFO pay-out ratio of 79.0%,
- increased annual same-asset net operating income ("NOI) by 4.4%,
- completed $115 million in acquisitions,
- reduced the weighted average interest rate on its mortgages to 5.9%,
- maintained a conservative debt ratio, ending the year at 48.2%, and
- maintained a high level of occupancy, ending the year with leased area of 96.3%.

Fourth Distribution Increase
The increase in monthly cash distributions announced today is the fourth distribution increase since the REIT's IPO in February of 2003. It reflects the REIT's two-fold objective of increasing distributions periodically while at the same time maintaining conservative pay-out ratios.

Financial Summary
The REIT's financial results for the fiscal year ended December 31, 2006, are summarized below and compared to the fiscal year ended December 31, 2005:

(In thousands except for per unit and % amounts)	2006	2005	Change	% Change
Net income	7,717	1,392	6,325	454.4%
DI	23,982	19,082	4,900	25.7%
DI per unit (basic)	$1.442	$1.363	$0.079	5.8%
DI per unit (diluted)	$1.414	$1.339	$0.075	5.6%
DI pay-out ratio	85.3%	87.9%	(2.6%)	
FFO	25,911	21,229	4,682	22.1%
FFO per unit (basic)	$1.558	$1.516	$0.042	2.8%
FFO per unit (diluted)	$1.527	$1.490	$0.037	2.5%
FFO pay-out ratio	79.0%	79.0%	-	

The REIT internalized property management in 2005. $7.9 million of the transaction cost was expensed in the year ended December 31, 2005.

The REIT's financial results for the fourth quarter ended December 31, 2006, are summarized below and compared to the fourth quarter ended December 31, 2005:

(In thousands except for per unit and % amounts)	Q4 2006	Q4 2005	Change	% Change
Net income (loss)	1,053	1,963	(910)	(46.4%)
DI	6,562	5,283	1,279	24.2%
DI per unit (basic)	$0.356	$0.344	$0.012	3.4%
DI per unit (diluted)	$0.349	$0.339	$0.010	3.0%
DI pay-out ratio	86.8%	86.7%	(0.1%)	
FFO	7,125	5,782	1,343	23.2%
FFO per unit (basic)	$0.386	$0.377	$0.009	2.6%
FFO per unit (diluted)	$0.379	$0.370	$0.009	2.2%
FFO pay-out ratio	79.9%	79.2%	0.7%	

The final component of the transaction cost in connection with the internalization of property management, $0.9 million, was expensed in the quarter ended December 31, 2006.

NOI, 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 cash flow from operations or net income, as presented in the consolidated financial statements of the REIT for the year ended December 31, 2006.

Additional Financial Information

The consolidated financial statements of the REIT for the year ended December 31, 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.

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