



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST  
ANNOUNCES 10% INCREASE IN FIRST-QUARTER DI PER UNIT AND FFO PER UNIT**

**Toronto, May 8, 2007** -- Allied Properties REIT (TSX:AP.UN) today announced results for the first quarter ended March 31, 2007.

Distributable Income ("DI") per unit (diluted) was up 10.4% quarter-over-quarter, and Funds From Operations ("FFO") per unit (diluted) was up 10.3% quarter-over-quarter. The REIT's DI and FFO pay-out ratios for the quarter were 81.6% and 74.6%, respectively.

During the quarter, the REIT increased same-asset net operating income ("NOI") by 12.1%, completed \$16 million in acquisitions and announced another \$250 million in acquisitions. The REIT also maintained a conservative debt ratio, ending the quarter at 50.7%, and a high level of occupancy, ending the quarter with leased area of 96%.

The REIT's financial results for the quarter are summarized below and compared to the same quarter in 2006:

(In thousands except for per unit and % amounts)	Q1 2007	Q1 2006	Change	% Change
Net income	2,541	2,024	517	25.5%
DI	7,487	5,395	2,092	38.8%
DI per unit (basic)	\$0.378	\$0.341	\$0.037	10.9%
DI per unit (diluted)	\$0.371	\$0.336	\$0.035	10.4%
DI pay-out ratio	81.6%	88.4%	(6.8%)	
FFO	8,184	5,913	2,271	38.4%
FFO per unit (basic)	\$0.413	\$0.374	\$0.039	10.4%
FFO per unit (diluted)	\$0.406	\$0.368	\$0.038	10.3%
FFO pay-out ratio	74.6%	80.6%	(6.0%)	

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 quarter ended March 31, 2007.

**Additional Financial Information**

The consolidated financial statements of the REIT for the quarter ended March 31, 2007, together with accompanying notes and MD&A, have been filed with SEDAR, [www.sedar.com](http://www.sedar.com), and are available on the REIT's web-site, [www.alliedpropertiesreit.com](http://www.alliedpropertiesreit.com).

*Allied Properties REIT is a leading provider of Class I office space in Canada, with portfolio assets in the urban areas of Toronto, Montreal, Winnipeg and Quebec City. 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.*

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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