ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES FIRST-QUARTER RESULTS FOR 2010

Toronto, May 11, 2010 -- Allied Properties REIT (TSX:AP.UN) today announced results for its first quarter ended March 31, 2010. "We got off to a good start in the first quarter," said Michael Emory, President & CEO. "Our key performance measures were at or near target levels, and we made real progress in reducing our lease expiries and increasing the net rental income from maturing leases."

Financial Results

The financial results for the quarter are summarized below and compared to the same quarter in 2009:

(In thousands except for per unit and % amounts)	Q1 2010	Q1 2009	Change	%Change
Net income	4,581	3,876	705	18.2%
Net income per unit (diluted)	$0.12	$0.12	$0.00	0.0%
Funds from operations ("FFO")	16,869	13,929	2,940	21.1%
FFO per unit (diluted)	$0.43	$0.44	($0.01)	(2.3%)
FFO pay-out ratio	76.2%	73.9%	2.3%	
Adjusted FFO ("AFFO")	14,680	12,270	2,410	19.6%
AFFO per unit (diluted)	$0.38	$0.39	($0.01)	(2.6%)
AFFO pay-out ratio	87.6%	83.9%	3.7%	
Debt ratio	47.0%	49.3%	(2.3%)	

Effective March 31, 2010, Allied released Motorola from its lease of 73,532 square feet of space at Cité Multimédia in Montréal in exchange for an early-termination payment. This was done to accommodate the lease of the Motorola space to Morgan Stanley on the terms outlined below. Had the early-termination payment not been received, FFO and AFFO per unit would have been lower than reported by almost three cents and four cents, respectively.

Leasing

Allied finished the quarter with leased area of 95.0%. It renewed or replaced 35.6% of the leases that mature in 2010, in most cases at rental rates equal to or above in-place rents. This will result in an overall increase of 5.3% in the net rental income per square foot from the affected space.

Allied also made progress in negotiations involving several large-scale renewals and replacements in 2010 and 2011.

- Motorola leased 73,532 square feet at Cité Multimédia pursuant to a lease expiring on May 31, 2011. Morgan Stanley has agreed to lease a portion of this space for a term of 10 years from September 1, 2010, and the balance of the space for a term of nine years and eight months from May 1, 2011, in both cases at net rental rates above in-place rents and with a net rent escalation for the second five years of the term.

- SAP Labs currently leases 75,882 square feet of space at Cité Multimédia pursuant to a lease that expires on August 31, 2011. SAP Labs has agreed to renew its lease with respect to 53,029 square feet and take up another 30,236 square feet for a term of 10 years from September 1, 2011, at net rental rates above in-place rents and with a net rent escalation for the second five years of the term.

- Loblaw Properties currently leases 45,561 square feet at 425-439 King Street West in Toronto pursuant to a lease that expires on October 31, 2010. Loblaw has agreed to renew its lease and take up another 15,187 square feet for a term of two and one-half years from November 1, 2010, at net rental rates above in-place rents.

Finally, Allied filled two important vacancies in the first quarter, one in Toronto and one in Winnipeg. 96 Spadina Avenue in Toronto became a rental property in May of 2009 with 22,446 square feet unleased (24.5% of the total), including 9,361 square feet of storefront space that had been reconfigured for retail use. Dollarama has agreed to lease the storefront retail space for a term of 10 years commencing September 1, 2010, with a net rent escalation for the second five years of the term. CanTalk has agreed to lease 9,500 square feet at 70 Arthur Street in Winnipeg for a term of 10 years commencing October 1, 2010.

Liquidity

Allied ended the first quarter with a conservative debt ratio of 47.0%. Aside from $10 million drawn on its $70 million line of credit, it had no variable rate debt at the end of the quarter. Going forward, Allied has a very moderate mortgage maturity schedule, with $1.7 million in mortgages maturing in the remainder of 2010, $18 million in 2011 and $37 million in 2012, and is well positioned to take advantage of acquisition opportunities.

Restated Management Discussion and Analysis of Results and Financial Operations as at December 31, 2009

Allied announces the re-filing of the Restated Management Discussion and Analysis ("MD&A") for the year ended December 31, 2009. The re-filing of the MD&A is a result of participation in the Ontario Securities Commission Continuous Disclosure Review Program. Management emphasizes that there are no changes to the Consolidated Financial Statements with respect to results reported previously. These revisions were only applicable to the MD&A and related to the addition of content disclosures. In connection with the re-filing of the MD&A, the Company has also filed updated Certificates of its Chief Executive Officer and Chief Financial Officer pursuant to the provisions of National Instrument 52-109.

The restated MD&A is available on www.sedar.com.

Cautionary Statement

FFO and AFFO are not financial measures defined by Canadian GAAP. Please see Allied's MD&A for a description of these measures and their reconciliation to net income or cash flow from operations, as presented in Allied's consolidated financial statements for the quarter ended March 31, 2010. These statements, together with accompanying notes and MD&A, have been filed with SEDAR, www.sedar.com, and are also available on Allied's web-site, www.alliedpropertiesreit.com.

This press release may contain forward-looking statements with respect to Allied, 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. Allied's actual results and performance 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 Allied's Annual Information Form which is available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and Allied has no obligation to update such statements.

Allied Properties REIT is a leading owner, manager and developer of urban office environments that enrich experience and enhance profitability for business tenants operating from Toronto, Montréal, Winnipeg, Québec City and Kitchener-Waterloo. Its objectives 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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