



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNOUNCES STRONG FIRST-QUARTER RESULTS**

Toronto, May 12, 2009 -- Allied Properties REIT (TSX:AP.UN) today announced results for the first quarter ended March 31, 2009. They are summarized below and compared to the prior quarter and the same quarter in 2008:

(In thousands except for per unit and % amounts)	Q1 2009	Q4 2008	Change	%Change	Q1 2008	Change	%Change
Net income	3,876	3,296	580	17.6%	2,945	931	31.6%
Net income per unit (diluted)	\$0.12	\$0.11	\$0.01	9.1%	\$0.11	\$0.01	9.1%
Funds from operations ("FFO")	13,929	13,023	906	7.0%	11,834	2,095	17.7%
FFO per unit (diluted)	\$0.44	\$0.42	\$0.02	4.8%	\$0.42	\$0.02	4.8%
FFO pay-out ratio	73.9%	78.7%	(4.8%)		75.6%	(1.7%)	
Adjusted FFO ("AFFO")	12,270	10,603	1,667	15.7%	11,698	572	4.9%
AFFO per unit (diluted)	\$0.39	\$0.34	\$0.05	14.7%	\$0.42	(\$0.03)	(7.1%)
AFFO pay-out ratio	83.9%	96.7%	(12.8%)		76.5%	7.4%	

"Our portfolio performed very well in the first quarter," said Michael Emory, President & CEO. "We expect this to continue over the remainder of the year, in large part because of our exceptional market penetration, significantly lower operating costs and highly sought-after building attributes."

Allied maintained a high level of leased area, finishing the quarter at 97.2%. Despite de-levering its business in 2008, Allied increased its FFO and AFFO per unit over the prior quarter and maintained FFO and AFFO pay-out ratios well below the average for Canadian REITs.

Allied finished the quarter in a strong liquidity position, with a conservative debt ratio of 49.3%. Aside from \$13.5 million drawn on its \$70 million line of credit, Allied had no variable rate debt at the end of the quarter. On its mortgage debt, Allied had a weighted-average interest rate of 5.6% and a very good interest-coverage ratio. Finally, Allied had \$5 million in mortgages maturing in the remainder of 2009 (1% of its total mortgage debt), \$7 million in 2010 (1%) and \$15 million in 2011 (3%).

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, 2009. 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. 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 the leading provider of Class I office space in Canada, with portfolio assets in the urban areas of Toronto, Montreal, Winnipeg, Quebec City and Kitchener. 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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FOR FURTHER INFORMATION, PLEASE CONTACT:

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