ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES FOURTH-QUARTER AND YEAR-END RESULTS FOR 2009

Toronto, March 9, 2010 -- Allied Properties REIT (TSX:AP.UN) today announced results for its fourth quarter and fiscal year ended December 31, 2009. "With strong operating and financial results throughout the year, we demonstrated convincingly that Class I office space holds up well in a downturn," said Michael Emory, President & CEO. "We also used our strong liquidity position to propel the business forward by completing $218 million in acquisitions on more favourable than normal terms."

Financial and Operating Results

The financial results for the quarter are summarized below and compared to the same quarter in 2008:

(In thousands except for per unit and % amounts)	Q4 2009	Q4 2008	Change	%Change
Net income	4,684	3,296	1,388	42.1%
Net income per unit (diluted)	$0.12	$0.11	$0.01	9.1%
Funds from operations ("FFO")	16,092	13,023	3,069	23.6%
FFO per unit (diluted)	$0.41	$0.42	($0.01)	(2.4%)
FFO pay-out ratio	79.8%	78.7%	1.1%	
Adjusted FFO ("AFFO")	13,261	10,603	2,658	25.1%
AFFO per unit (diluted)	$0.34	$0.34	$0.00	0.0%
AFFO pay-out ratio	96.8%	96.7%	0.1%	
Debt ratio	47.0%	49.4%	(2.4%)	

On October 2, 2009, Allied completed an equity raise for net proceeds of approximately $120 million, which it deployed over the remainder of the year. Had the net proceeds been deployed immediately, FFO and AFFO per unit for the quarter would have been between two and three cents higher than reported.

The financial results for 2009 are summarized below and compared to the prior year:

(In thousands except for per unit and % amounts)	2009	2008	Change	%Change
Net income	16,299	12,512	3,787	30.3%
Net income per unit (diluted)	$0.49	$0.42	$0.07	16.7%
Funds from operations ("FFO")	57,429	49,818	7,611	15.3%
FFO per unit (diluted)	$1.73	$1.68	$0.05	3.0%
FFO pay-out ratio	76.2%	77.6%	(1.4%)	
Adjusted FFO ("AFFO")	50,564	44,660	5,904	13.2%
AFFO per unit (diluted)	$1.52	$1.51	$0.01	0.7%
AFFO pay-out ratio	86.5%	86.6%	(0.1%)	
Debt ratio	47.0%	49.4%	(2.4%)	

Despite the temporary dilution in the fourth quarter and despite operating at a lower overall debt ratio, Allied's FFO and AFFO per unit in 2009 increased year-over-year by 3.0% and 0.7%, respectively. Allied's pay-out ratios for the year were 76.2% and 86.5%, respectively.

Allied maintained a high level of leased area in 2009, finishing the year at 96.1%. It renewed or replaced 87% of the leases that matured in 2009, in most cases at rental rates equal to or above in-place rents. It also made progress in negotiations involving several large-scale renewals and replacements in 2010 and beyond.

Allied finalized one of these negotiations in the fourth quarter when Desjardins agreed to renew its lease of 192,157 square feet at 425 Viger Avenue West in Montréal for a term of five years from the initial expiry date of December 31, 2012, at net rental rates equal to or above in-place rents. At the option of Desjardins, which is exercisable prior to the end of the renewal term, Allied will construct approximately 50,000 square feet of additional space at the property, taking advantage of surplus land acquired in 2006 and 2007. Upon occupancy of the additional space, Desjardins will lease approximately 242,157 square feet for a term of 20 years at net rental rates above in-place rents and with escalations every five years.

Post Year-End Lease Transactions

Following the year-end, Allied finalized two other negotiations, one involving a large-scale replacement at Cité Multimédia in Montréal and the other a large-scale renewal and expansion at 425-439 King Street West in Toronto.

- Motorola currently leases 73,532 square feet at Cité Multimédia pursuant to a lease that expires on May 31, 2011. Morgan Stanley has now agreed to lease a portion of this space from October 1, 2010, to September 30, 2020, and the balance of the space from May 1, 2011, to September 30, 2020, in both cases at net rental rates above in-place rents.

- Loblaw Properties currently leases 45,561 square feet at 425-439 King Street West pursuant to a lease that expires on October 31, 2010. Loblaw has now agreed to renew its lease of for a term of three and one-half years at net rental rates above in-place rents. Loblaw has also agreed to lease on the same terms another 15,187 square feet in the building

These and previous lease transactions have reduced the amount of square footage maturing in the next three years by 20% and have reduced the average annual amount of square footage maturing in the next five years to 12.5%.

Acquisitions

Allied completed $218 million in acquisitions in 2009, all of them in Toronto, at a weighted average capitalization rate of approximately 10.1%. On May 31, 2009, it completed the acquisition of 860 Richmond Street West for $4.2 million, on October 28, 2009, the acquisition of 151 Front Street West for $192 million and on December 17, 2009, the acquisition of 375-381 Queen Street West for $21.8 million.

The acquisitions completed in 2009 brought Allied's total assets to nearly $1.2 billion, a 10-fold increase from the time of its IPO in 2003. Allied now has the portfolio base to begin creating value on a large scale and the operational scope to deepen its human-resources.

Allied also announced the acquisition for approximately $14.5 million of managing co-ownership interests in 303 underground commercial parking spaces and 18,360 square feet of retail space to be constructed as part of condominium projects at 478, 560 and 650 King Street West. Each condominium project is adjacent to one or more of Allied's Class I office properties in the King & Spadina area of Toronto. Each acquisition is conditional upon condominium registration being obtained and is scheduled to close between 2011 and 2013. On closing, the acquisitions will significantly augment Allied's ability to provide parking to its tenants in the King & Spadina area.

Development

Allied made progress on its Toronto development properties in 2009. It brought 96 Spadina Avenue to substantial completion in May and 47 & 47A Fraser Avenue to a point where substantial completion can reasonably be anticipated in 2010. Allied also completed the renovation and initiated the lease-up of 544 King Street West.

At the large end of its development spectrum, Allied obtained municipal approval for its intensification project at 134 Peter Street and significantly expanded the scope of the project with the acquisition in December of 375-381 Queen Street West. The project is now a two-phase project known as QRC West and is described in detail for pre-leasing purposes at www.qrcwest.com.

Allied also put 905 King Street West into development in late 2009 after identifying it as an optimal building for expanding the capacity of 151 Front Street West. The building already has four diverse fibre-entry points, internal point-of-presence with Allstream, Bell, Cogeco and Rogers, significant electrical power with two feeder lines, a 600 kilowatt diesel generator on the roof, diesel fuel storage in the lower parking levels and room for expansion of both electrical power and cooling. Allied plans to upgrade approximately 60,000 square feet in the building to a standard equivalent to 151 Front Street West and expects to achieve a substantial increase in annual net rental revenue from the current level of $12 to $14 per square foot.

Despite putting 905 King Street West into development, Allied's development and acquisition activity in 2009 reduced the cost of its Properties Under Development from 4.0% of Gross Book Value at the beginning of the year to 3.2% at the end of the year. This leaves Allied with considerable capacity to pursue QRC West and other intensification projects going forward.

Liquidity

Allied funded its acquisitions in 2009 with the issuance of equity, leaving it in a strong liquidity position at the end of the year with a conservative debt ratio of 47.0%. Aside from $17 million drawn on its $70 million line of credit, it had no variable rate debt at the end of the year. Going forward, Allied has a very moderate mortgage maturity schedule, with $7 million in mortgages maturing in 2010, $15 million in 2011 and $37 million in 2012, and is well positioned to take advantage of acquisition opportunities.

Cautionary Statements

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 and year ended December 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, 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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