**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES THIRD-QUARTER RESULTS FOR 2010 AND PROVIDES IFRS UPDATE**

**Toronto, November 10, 2010** -- Allied Properties REIT (TSX:AP.UN) today announced results for its third quarter and nine-month period ended September 30, 2010. Allied also provided an update on its preparation for adoption of International Financial Reporting Standards ("IFRS") in January, 2011.

"We made progress in all aspects of our business in the third quarter and took advantage of receptive capital markets to accelerate external growth, improve liquidity and secure capital at a very favourable cost," said Michael Emory, President & CEO. "In addition, we completed the external appraisal of our portfolio as at December 31, 2009, in preparation for the adoption of IFRS. It indicates an un-audited appraisal increment of $190 million without assigning value to the very significant intensification potential in our portfolio."

**Leasing**

Allied finished the quarter with leased area of 95%. It renewed or replaced 64% of the leases that mature in 2010, in most cases at rental rates equal to or above in-place rents. This will result in a very slight overall increase in the net rental income per square foot from the affected space.

Allied is very close to eliminating the bulge in its lease-maturity schedule that arose from the scheduled expiry of large tenancies in 2010, 2011 and 2012. It addressed the large expiry in 2012 with the early renewal of Desjardins Visa at 425 Viger Avenue West in Montréal. It also addressed the two large expiries in 2011 when it replaced Motorola with Morgan Stanley and finalized the early renewal and expansion of SAP Labs at Cité Multimédia in Montréal. This left Allied with two large expiries at Cité Multimédia this year, Compuware and CGI. With Compuware's partial renewal and GFI's expansion, it addressed the former expiry. Knowing it could achieve a better long-term outcome for Cité Multimédia with replacement tenants, Allied decided in the second quarter not to renew CGI's lease when it expires on December 31 of this year.

At the outset of the third quarter, Allied had five of CGI's office floors to lease. During the quarter, it negotiated a conditional lease transaction with a high-quality tenant for two of the five floors. The transaction is subject to approval later this month by the tenant's board of directors, which will also be considering a competing alternative. If Allied's transaction is approved, the lease will have a term of 20 years commencing November 1, 2011, and will be at net rental rates above in-place rents with escalations every five years. Allied also responded to a request for proposal from a high-quality tenant for two of the remaining three floors. The tenant has narrowed the alternatives under consideration to three, of which Allied's is one. Finally, two existing tenants at Cité Multimédia have expressed interest in expanding within CGI's office space. While the re-leasing is ongoing, Allied expects the process to be largely complete by year-end.

The success Allied has had in reconfiguring its tenant-base at Cité Multimédia put downward pressure on same-asset NOI in the third quarter. Also, because of the long-term leases Allied is putting in place at the complex, its leasing costs were higher than normal, increasing its AFFO pay-out ratio temporarily. The benefit going forward will be a complex with a higher level of net rent than anticipated at the time of acquisition, a considerably improved tenant-mix and a better than normal lease-maturity schedule.

**Financial Results**

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

| (In thousands except for per unit and % amounts) | Q3 2010 | Q2 2010 | Change | %Change |
|---|---|---|---|---|
| **Net income** | 5,462 | 4,608 | 854 | 18.5% |
| **Funds from operations ("FFO")** | 16,486 | 15,882 | 604 | 3.8% |
| **FFO per unit (diluted)** | $0.41 | $0.41 | $0.00 | 0.0% |
| **FFO pay-out ratio** | 80.1% | 81.1% | (1.0%) | |
| **Adjusted FFO ("AFFO")** | 11,472 | 11,641 | (169) | (1.5%) |
| **AFFO per unit (diluted)** | $0.29 | $0.30 | ($0.01) | (3.3%) |
| **AFFO pay-out ratio** | 115.1% | 110.6% | 4.5% | |
| **Debt ratio** | 46.1% | 48.0% | (1.9%) | |

| (In thousands except for per unit and % amounts) | Q3 2010 | Q3 2009 | Change | %Change |
|---|---|---|---|---|
| **Net income** | 5,462 | 3,789 | 1,673 | 44.2% |
| **Funds from operations ("FFO")** | 16,486 | 13,480 | 3,006 | 22.3% |
| **FFO per unit (diluted)** | $0.41 | $0.43 | ($0.02) | (4.7%) |
| **FFO pay-out ratio** | 80.1% | 76.6% | 3.5% | |
| **Adjusted FFO ("AFFO")** | 11,472 | 12,401 | (929) | (7.5%) |
| **AFFO per unit (diluted)** | $0.29 | $0.40 | ($0.11) | (27.5%) |
| **AFFO pay-out ratio** | 115.1% | 83.2% | 31.9% | |
| **Debt ratio** | 46.1% | 49.4% | (3.3%) | |

The financial results for the nine-month period are summarized below and compared to the same period in 2009:

| (In thousands except for per unit and % amounts) | 9-Month Period 2010 | 9-Month Period 2009 | Change | %Change |
|---|---|---|---|---|
| **Net income** | 14,651 | 11,615 | 3,036 | 26.1% |
| **Funds from operations ("FFO")** | 49,237 | 41,337 | 7,900 | 19.1% |
| **FFO per unit (diluted)** | $1.25 | $1.32 | ($0.07) | (5.3%) |
| **FFO pay-out ratio** | 79.1% | 74.8% | 4.3% | |
| **Adjusted FFO ("AFFO")** | 37,793 | 37,303 | 490 | 1.3% |
| **AFFO per unit (diluted)** | $0.96 | $1.19 | ($0.23) | (19.3%) |
| **AFFO pay-out ratio** | 103.0% | 82.9% | 20.1% | |
| **Debt ratio** | 46.1% | 49.4% | (3.3%) | |

The decline in FFO per unit for the nine-month period was largely attributable to lower average occupancy and a lower Debt Ratio. The decline in AFFO per unit was largely attributable the costs associated with the leasing success referred to above.

**Acquisitions**

Allied's acquisition activity accelerated in the third quarter, bringing its total acquisitions for the year to $60 million. It completed its first acquisition in downtown Calgary, moving its urban office platform ever closer to a national scale. Allied also completed two acquisitions in downtown Toronto.

Earlier today, Allied announced the acquisition of a 50% interest in The Breithaupt Block, a property under redevelopment in the Warehouse District of downtown Kitchener. On completion in 2013, it will compliment Allied's property at 72 Victoria Street. In addition, Allied is examining acquisition opportunities in Toronto, Winnipeg and Calgary. As a result, it remains committed to its 2010 target of $100 to $150 million in acquisitions.

**Liquidity**

Allied finished the quarter in a strong liquidity position with a conservative Debt Ratio of 46%. It had $24.6 million drawn on its $70 million line of credit at the end of the quarter. The mortgage financings scheduled for completion in the fourth quarter will enhance Allied's liquidity position considerably.

**International Financial Reporting Standards**

Continuing its preparation for adoption of IFRS in January, 2011, Allied completed the external valuation of its portfolio as at December 31, 2009. Fair valuing the portfolio using external appraisers will underpin the most substantive change to Allied's financial statements upon its adoption of IFRS.

Allied has chosen the "Fair Value" approach to investment properties for its going-forward IFRS financial statements. This accounting policy choice means that, starting in 2011, investment properties will be recorded at fair value on the Statement of Financial Position. Periodic changes in fair value will be recorded in the Statement of Operations. This could lead to increased volatility in reported net income and net income per unit but should not impact FFO or AFFO.

Allied's portfolio was appraised in its entirety by an independent, appraiser, Cushman & Wakefield. The appraiser used capitalization rates ranging from 7% to 10.2%, the high-point being the capitalization rate associated with Allied's property at 151 Front Street West in Toronto at the time of acquisition. The weighted average capitalization rate for the portfolio was 8.2%. In accordance with the requirements of IFRS, the appraiser did not assign value to the very significant intensification potential in Allied's portfolio.

The external appraisals indicate an un-audited value for our investment properties of $1.27 billion, which is $190 million above the value reported on December 31, 2009. The appraisal increment represents an 18% increase in the value of total assets at that time.

Allied Debt Ratio as at December 31, 2009, was 47%. As a percentage of the un-audited appraised value for Allied's investment properties at that time, Allied's Debt Ratio would have been 41%.

While there are certain industry-related issues that have not yet been resolved, Allied's IFRS transition project is progressing in accordance with its plan to be compliant by March 31, 2011, the first IFRS reporting date.

**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 ended September 30, 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, Kitchener and Calgary. 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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