

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST

PROXY

FOR USE AT THE ANNUAL AND SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON MAY 3, 2004

The undersigned unitholder of Allied Properties Real Estate Investment Trust (the "Trust") hereby appoints Gordon R. Cunningham, or failing him, Michael R. Emory, or failing either of them, _____ as proxy, with power of substitution, to attend and vote in respect of all Units of the undersigned at the Annual and Special Meeting of Unitholders to be held on Monday, May 3, 2004, and at any adjournments thereof:

1. FOR or WITHHOLD FROM VOTING in the election of trustees named in the Management Information Circular of the Trust dated April 1, 2004 (the "Information Circular").
2. FOR or AGAINST the resolution approving the implementation of a long term incentive plan for the Trust on substantially the terms described in the enclosed Information Circular.
3. FOR or WITHHOLD FROM VOTING on the appointment of BDO Dunwoody LLP, Chartered Accountants, as auditors of the Trust and authorizing the directors to fix the remuneration of the auditors.

In their discretion, with respect to each matter hereinbefore specified as to which a choice has not been specified, or any amendments or variations to the matters hereinbefore specified, or on such further or other business as may properly come before the meeting or any adjournments thereof.

The proxy named above will vote for or withhold from voting, as the case may be, the Units in respect of which he is appointed in accordance with the directions indicated above. **In the absence of such direction, such units will be voted "FOR" the above-mentioned items.**

The undersigned hereby ratifies and confirms all that the said proxy may do by virtue hereof, granting to the said proxy full power and authority to act for and in the name of the undersigned at the said meeting or meetings and hereby revokes any proxy or proxies heretofore given to vote, attend or act with respect to the said Units.

This proxy is solicited on behalf of management of the Trust, and will be voted for or withheld from being voted, as stated above, in accordance with the instructions of the undersigned on any ballot that may be called for and, if the undersigned has specified a choice with respect to any matter to be acted upon, the Units shall be voted or withheld from being voted accordingly at the aforementioned meeting and at any adjournments thereof. The undersigned has the right to appoint a person to attend and act for him or her and on his or her behalf at the meeting other than the persons named above. Such right may be exercised by inserting in the blank space provided the name of the person to be appointed, who need not be a unitholder of the Trust, or by completing another proper form of proxy.

This proxy should be completed by annuitants of plans holding Units signed and dated by trustees of such plans.

The undersigned hereby acknowledges receipt of the Notice of the Annual and Special Meeting of Unitholders dated April 1, 2004 and of the Information Circular furnished therewith.

DATED the _____ day of _____, 2004.

Unitholder's Signature

Name of Unitholder (PLEASE PRINT)

(Please sign exactly as your name appears on your Unit certificates. If the unitholder is a corporation, this proxy must be executed under corporate seal or by an officer or attorney thereof duly authorized. Please date this proxy where indicated. If the date is not completed, the proxy shall be deemed to be dated on the day on which it is mailed).

Notes:

1. Unitholders may vote at the meeting either in person or by proxy. A proxy should be dated and signed by the Unitholder or by the Unitholder's attorney authorized in writing. If not dated, this proxy shall be deemed to bear the date on which it was mailed by the Trustees of the Trust.
2. **You have the right to appoint a person (who need not be a Unitholder) other than the persons designated herein to represent you at the meeting either by striking out the names of the persons designated on the reverse side hereof and inserting the name of the person to be appointed in the blank space provided or by completing another proper form of proxy and, in either case, delivering the completed proxy in the envelope provided or to CIBC Mellon Trust Company, 200 Queens Quay East, Unit 6, Toronto, Ontario, M5A 4K9 at any time up to and including 12:00 p.m. (noon) on the last business day preceding the day of the meeting, or any adjournment thereof, or to the Chairman of the meeting at any time prior to the commencement of the meeting or any adjournment thereof.**
3. The Units represented by this proxy will be voted in accordance with the instructions of the Unitholder on any ballot that may be called for. **In the absence of direction, this proxy will be voted for each of the matters referred to herein.**
4. A completed proxy must be delivered in the envelope provided or to CIBC Mellon Trust Company, 200 Queens Quay East, Unit 6, Toronto, Ontario, M5A 4K9 at any time up to and including 12:00 p.m. (noon) on the last business day preceding the day of the meeting, or any adjournment thereof, or to the Chairman of the meeting at any time prior to the commencement of the meeting or any adjournment thereof.