

PRESS RELEASE - FOR IMMEDIATE RELEASE

CONTACT: Kenneth R. Howe, Chief Financial Officer
(248) 737-4190

**AGREE REALTY CORPORATION REPORTS FOURTH QUARTER
2006 OPERATING RESULTS**

Fourth Quarter 2006 Highlights:

Financial Information

- Diluted FFO per share of \$0.63
- \$0.49 per share quarterly dividend paid
January 4, 2007

FARMINGTON HILLS, MI (February 27, 2007) - Agree Realty Corporation (NYSE: ADC) today announced results for the quarter ended December 31, 2006. For the fourth quarter, funds from operations increased 15.2% to \$5,260,000 compared with funds from operations in the fourth quarter of 2005 of \$4,567,000. Diluted funds from operations per share were \$0.63 per share compared with \$0.55 per share for the fourth quarter of 2005. Net income was \$3,719,000, or \$0.49 per share on a diluted basis, compared with net income for the fourth quarter of 2005 of \$5,773,000, or \$0.75 per share. Included in the fourth quarter 2005 results is a gain on the sale of a community shopping center in the amount of \$2,653,000. Total revenues increased to \$8,354,000, compared with total revenues of \$8,328,000 in the fourth quarter of 2005. A reconciliation of net income to FFO is included in the financial table accompanying this press release.

For the year ended December 31, 2006, funds from operations increased 3.5% to \$19,984,000 compared with funds from operations for the year ended December 31, 2005 of \$19,308,000. Diluted funds from operations per share were \$2.40 per share compared with \$2.36 per share for the year ended December 31, 2005. Net income was \$13,974,000, or \$1.83 per share on a diluted basis, compared with net income for the comparable period last year of \$16,048,000, or \$2.14 per share. Included in the 2005 results is a gain on the sale of a community shopping center in the amount of \$2,653,000. Total revenues increased to \$32,908,000, compared

with total rental revenues of \$31,585,000 for the comparable period last year.

"Our operating results for the quarter and year ending December 31, 2006 indicate that our strategy of developing quality retail properties leased on a long-term basis to national retailers provides our shareholders a consistent return on their investment," said Richard Agree, President and Chairman of Agree Realty Corporation.

Funds from Operations

Management considers Funds from Operations (FFO) to be a useful supplemental measure to evaluate operating performance. The Company considers FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions and excluding depreciation, FFO can help one compare the operating performance of a company's real estate between periods or as compared to different companies. FFO is defined by the National Association of Real Estate Investment Trusts, Inc. (NAREIT) to mean net income computed in accordance with generally accepted accounting principles (GAAP), excluding gains (or losses) from sales of property, plus real estate related depreciation and amortization. FFO should not be considered as an alternative to net income as the primary indicator of the Company's operating performance or as an alternative to cash flow as a measure of liquidity. In addition, our method of calculating FFO may not be comparable to the methods used by other REITs and, accordingly may be different from similarly titled measures reported by other companies.

Dividend

We paid a cash dividend of \$0.49 per share on January 4, 2007 to shareholders of record on December 22, 2006. The dividend is equivalent to an annualized dividend of \$1.96 per share and represents a payout ratio of 77.8% of funds from operations for the quarter.

Portfolio Results

At December 31, 2006, Agree Realty Corporation's total assets were \$223,515,000. At year end our portfolio consisted of 60 properties totaling 3,355,234 million square feet located in 15 states. The portfolio was 99.7% leased at the end of the year. For the year ended December 31, 2006 our fully diluted weighted shares outstanding were 7,653,336 shares. For the quarter ended December 31, 2006, our fully diluted weighted average shares outstanding were 7,667,183 shares

At December 31, 2006 our construction in progress balance totaled approximately \$5,315,000 and we capitalized \$198,000 of construction period interest during the fourth quarter 2006.

Lease Expirations

The following table shows lease expirations for the next 10 years for our freestanding properties and community shopping centers, assuming that none of the tenants exercise renewal options.

Expiration Year	Number of Leases Expiring	December 31, 2006		Annualized Base Rent	
		Gross Leasable Area	Percent of Total	Amount	Percent of Total
		Square Footage			
2007	5	24,300	.7%	\$ 178,399	.6%
2008	27	313,925	9.4%	1,396,808	4.6%
2009	20	193,326	5.8%	973,978	3.2%
2010	20	328,035	9.8%	2,031,328	6.7%
2011	25	231,524	6.9%	1,644,262	5.4%
2012	10	58,260	1.7%	513,016	1.7%
2013	1	51,868	1.6%	492,746	1.6%
2014	3	172,958	5.2%	824,206	2.7%
2015	11	730,525	21.8%	5,075,265	16.7%
2016	5	80,945	2.4%	1,664,513	5.5%
Thereafter	41	1,158,948	34.7%	15,628,821	51.3%
Total	168	3,344,614	100.0%	\$30,423,342	100.0%

Annualized Base Rent of our Properties

The following is a breakdown of base rents in place at December 31, 2006 for each type of retail tenant:

National	\$27,125,947	89%
Regional	2,146,579	7%
Local	<u>1,150,816</u>	<u>4%</u>
Total	<u>\$30,423,342</u>	<u>100%</u>

Major Tenants

The following is a breakdown of base rents in place at December 31, 2006 for each of our Major Tenants:

Borders (18)	\$ 9,861,727	32%
Walgreen (18)	6,648,599	22%
Kmart (12)	<u>3,847,911</u>	<u>13%</u>
Total	<u>\$20,358,237</u>	<u>67%</u>

Operating Partnership Units

As of December 31, 2006 there were 673,547 operating partnership units outstanding.

Agree Realty Corporation owns, manages and develops properties which are primarily single tenant properties and neighborhood community shopping centers, located in fifteen (15) states and leased to major retail tenants.

Agree Realty Corporation considers portions of the information contained in this release to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 27E of the Securities Exchange Act of 1934, both as amended, with respect to the Company's expectation for future periods. Such statements are, by their nature, subject to certain risks and uncertainties. The Company cautions that, as a result of a number of factors, actual results could differ materially from those set forth in this presentation. Other risks, uncertainties and factors that could cause actual results to differ materially than those projected are detailed from time to time in reports filed by the Company with the Securities and Exchange Commission, including Forms 8-K, 10-Q and 10-K.

For additional information, visit the Company's home page on the Internet at <http://www.agreerealty.com>.

Agree Realty Corporation
Operating Results (in thousands, except per share amounts)
(Unaudited)

	Three months ended		Year ended	
	December 31,		December 31,	
	2006	2005	2006	2005
Revenue				
Minimum rents	\$ 7,548	\$7,290	\$29,963	\$28,387
Percentage rent	13	29	54	68
Operating cost reimbursements	786	985	2,847	3,083
Other income	7	24	44	47
Total Revenue	8,354	8,328	32,908	31,585
Expenses				
Real estate taxes	469	433	1,821	1,749
Property operating expenses	320	577	1,638	2,012
Land lease payments	173	198	760	784
General and administration	940	1,526	4,019	4,191
Depreciation and amortization	1,233	1,176	4,851	4,637
Interest expense	1,176	1,102	4,625	4,159
Total Expenses	4,311	5,012	17,714	17,532
Income before minority interest and discontinued operations	4,043	3,316	15,194	14,053
Minority interest expense	324	266	1,220	1,145
Income before discontinued operations	3,719	3,050	13,974	12,908
Gain on sale of asset from discontinued operations	-	2,653	-	2,653
Income from discontinued operations	-	70	-	487
Net income	\$3,719	\$5,773	\$13,974	\$16,048
Net Income – per share – Dilutive	\$.49	\$.75	\$ 1.83	\$ 2.14
Reconciliation of Funds from Operations to Net Income				
Net income	\$ 3,719	\$5,773	\$13,974	\$16,048
Depreciation of real estate assets	1,205	1,163	4,745	4,684
Amortization of leasing costs	12	12	45	48
Gain on sale of assets	-	(2,889)	-	(2,896)
Minority interest	324	508	1,220	1,424
Funds from Operations	\$5,260	\$4,567	\$19,984	\$19,308
Funds from Operations – per share	\$.63	\$.55	\$ 2.40	\$ 2.36
Weighted average number of shares and “OP” units outstanding – Dilutive				
	8,341	8,347	8,325	8,164

Agree Realty Corporation
Consolidated Balance Sheets (in thousands)
(Unaudited)

	Dec 31,	Dec 31
	2006	2005
ASSETS		
Land	\$ 77,537	\$ 73,035
Buildings	189,117	185,872
Accumulated depreciation	(48,353)	(43,772)
Property under development	1,594	265
Cash and cash equivalents	464	5,715
Rents receivable	732	731
Deferred costs, net of amortization	1,441	1,241
Other Assets	983	1,212
<hr/>		
Total Assets	\$ 223,515	\$ 224,299
<hr/>		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Mortgages payable	\$ 48,291	\$ 51,561
Notes payable	20,500	17,500
Deferred revenue	12,104	12,794
Dividends and distributions payable	4,112	4,089
Other liabilities	2,210	1,749
<hr/>		
Total Liabilities	87,217	87,693
<hr/>		
Total Minority Interest	5,879	5,979
<hr/>		
Common stock	1	1
Additional paid-in capital	141,277	140,343
Accumulated deficit	(10,859)	(9,717)
<hr/>		
Total Stockholders' Equity	130,419	130,627
<hr/>		
	\$ 223,515	\$ 224,299
<hr/>		