

PRESS RELEASE - FOR IMMEDIATE RELEASE

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**AGREE REALTY CORPORATION REPORTS THIRD QUARTER 2003
OPERATING RESULTS**

Third Quarter 2003 Highlights:

Financial Information

- Diluted FFO per share of \$0.49
- Diluted FFO per share before charge for early extinguishment of debt \$0.64
- \$0.485 per share quarterly dividend paid
October 16, 2003
- Completed \$43.2 million offering of Common Stock

FARMINGTON HILLS, MI (October 29, 2003) - Agree Realty Corporation (NYSE: ADC) today announced results for the quarter ended September 30, 2003. For the third quarter, funds from operations were \$3,127,000 (\$4,088,000 before a charge for early extinguishment of debt) compared with funds from operations in the third quarter of 2002 of \$3,432,000. Diluted funds from operations per share were \$0.49 per share (\$0.64 per share before a charge for early extinguishment of debt) compared with \$0.67 per share for the third quarter of 2002. Net income decreased to \$1,857,000 as a result of a charge for early extinguishment of debt as explained below, or \$0.33 per share on a diluted basis, compared with net income for the third quarter of 2002 of \$2,137,000, or \$0.48 per share. Total revenues increased 11.5% to \$6,843,000, compared with total revenues of \$6,140,000 in the third quarter of 2002. A reconciliation of net income to FFO is included in the financial table accompanying this press release.

For the nine months ended September 30, 2003, funds from operations were \$10,548,000 (\$11,509,000 before a charge for early extinguishment of debt) compared with funds from operations for the nine months ended September 30, 2002 of \$10,056,000. Diluted funds from operations per share were \$1.90 per share (\$2.07 per share before a charge for early extinguishment of debt) compared with \$1.96 per share for the third quarter of 2002. Net income was \$6,475,000, or \$1.33 per share on a diluted basis, compared with net income for the comparable period last

year of \$6,200,000, or \$1.39 per share. Total revenues increased 12.8% to \$20,549,000, compared with total revenues of \$18,211,000 for the comparable period last year.

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

The Company paid a cash dividend of \$0.485 per share on October 16, 2003 to shareholders of record on September 30, 2003. The dividend is equivalent to an annualized dividend of \$1.94 per share and represents a payout ratio of 75.3% of funds from operations before a charge for early extinguishment of debt for the quarter.

Financing

On August 4, 2003 the Company completed an offering of 1,700,000 shares of common stock at a price of \$23.50 per share; on August 12, 2003 the underwriters exercised their over allotment option for an additional 255,000 shares at the same per share price. The net proceeds from the offerings of approximately \$43.2 million were used to repay amounts outstanding under the Company's credit facility.

During the third quarter 2003 the Company negotiated an early payment of three mortgage notes totaling approximately \$37 million and bearing an interest rate of 7.00%. Two of the mortgages totaling approximately \$30.3 million, were scheduled to mature in November 2005 and required a final payment in the amount of approximately \$28.2 million on the maturity date. The

third mortgage in the amount of approximately \$6.7 million had a scheduled maturity date of April 2013 and required a final payment in the amount of approximately \$2.9 million on the maturity date. This mortgage contained a provision that would reset the interest rate to the then current rate in December 2005.

The Company incurred a pre-payment penalty of 1.50% of the outstanding mortgage balance and wrote off unamortized mortgage costs on the three mortgages of \$406,000.

Portfolio Results

At September 30, 2003, Agree Realty Corporation's total assets were \$188,146,000. At quarter end the Company's portfolio consisted of 50 properties totaling 3.7 million square feet located in 13 states. The portfolio is 97% leased.

Agree Realty Corporation owns, manages and develops properties which are primarily single tenant properties and neighborhood community shopping centers, located in thirteen (13) 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>