

PRESS RELEASE - FOR IMMEDIATE RELEASE

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

First Quarter 2006 Highlights:

Financial Information

- Diluted FFO per share of \$0.58
- \$0.49 per share quarterly dividend paid
April 13, 2006

FARMINGTON HILLS, MI (May 2, 2006) - Agree Realty Corporation (NYSE: ADC) today announced results for the quarter ended March 31, 2006. For the first quarter, funds from operations were \$4,870,000 compared with funds from operations in the first quarter of 2005 of \$4,777,000. Diluted funds from operations per share were \$0.58 per share compared with \$0.60 per share for the first quarter of 2005. Net income was \$3,387,000, or \$0.44 per share on a diluted basis, compared with net income for the first quarter of 2005 of \$3,302,000, or \$0.45 per share. Total revenues increased 5.7% to \$8,272,000, compared with total revenues of \$7,824,000 in the first quarter of 2005. A reconciliation of net income to funds from operations is included in the financial table accompanying this press release.

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 April 13, 2006 to shareholders of record on March 31, 2006. The dividend is equivalent to an annualized dividend of \$1.96 per share and represents a payout ratio of 84.5% of funds from operations for the quarter.

Portfolio Results

At March 31, 2006, Agree Realty Corporation's total assets were \$216,598,000 and our portfolio consisted of 59 properties totaling 3,362,971 million square feet located in 15 states. The portfolio was 98.1% leased at the end of the quarter. For the quarter ended March 31, 2006 our fully diluted weighted average shares outstanding were 7,652,469 shares.

At March 31, 2006 our construction in progress balance totaled approximately \$1,695,000 and we capitalized \$23,000 of construction period interest during the first 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	March 31, 2006		Annualized Base Rent	
		Gross Leasable Area		Amount	Percent of Total
		Square Footage	Percent of Total		
2006	7	23,573	.7%	\$ 196,625	.7%
2007	13	70,200	2.1%	604,086	2.0%
2008	27	313,005	9.5%	1,396,300	4.7%
2009	15	179,590	5.4%	882,697	3.0%
2010	19	322,685	9.8%	1,967,203	6.6%
2011	20	221,201	6.7%	1,531,054	5.2%
2012	2	2,760	.1%	26,760	.1%
2013	1	51,868	1.6%	492,746	1.7%
2014	3	172,958	5.2%	824,206	2.8%
2015	11	730,525	22.1%	5,072,330	17.1%
Thereafter	43	1,210,513	36.8%	16,686,425	56.1%
Total	161	3,298,878	100.0%	\$29,680,432	100.0%

Annualized Base Rent of our Properties

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

National	\$26,375,031	89%
Regional	2,165,579	7%
Local	<u>1,139,822</u>	<u>4%</u>
Total	<u>\$29,680,432</u>	<u>100%</u>

Major Tenants

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

Borders (18)	\$ 9,714,132	33%
Walgreen (17)	6,320,599	21%
Kmart (12)	<u>3,847,911</u>	<u>13%</u>
Total	<u>\$19,882,642</u>	<u>67%</u>

Operating Partnership Units

As of March 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	
	March 31,	
	2006	2005
Revenue		
Minimum rents	\$ 7,532	\$7,052
Percentage rent	14	19
Operating cost reimbursements	712	753
Other income	14	-
Total Revenue	8,272	7,824
Expenses		
Real estate taxes	440	440
Property operating expenses	547	621
Land lease payments	195	195
General and administration	1,051	920
Depreciation and amortization	1,202	1,139
Interest expense	1,154	1,054
Total Expenses	4,589	4,369
Income before minority interest and discontinued operations	3,683	3,455
Minority interest expense	296	291
Income before discontinued operations	3,387	3,164
Income from discontinued operations	-	138
Net income	\$3,387	\$3,302
Net Income – per share	\$.44	\$.45
Reconciliation of Funds from Operations to Net Income		
Net income	\$ 3,387	\$3,302
Depreciation of real estate assets	1,177	1,160
Amortization of leasing costs	10	12
Minority interest	296	303
Funds from Operations	\$4,870	\$4,777
Funds from Operations – per share	\$.58	\$.60
Weighted average number of shares and “OP” units outstanding	8,326	8,007

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

	March 31,	Dec 31
	2006	2005
ASSETS		
Land	\$ 73,035	\$ 73,035
Buildings	184,800	185,032
Accumulated depreciation	(44,790)	(43,772)
Property under development	495	265
Cash and cash equivalents	238	5,715
Rents receivable	449	731
Deferred costs, net of amortization	1,211	1,241
Other Assets	1,160	1,213
Total Assets	\$ 216,598	\$ 223,460
LIABILITIES AND STOCKHOLDERS' EQUITY		
Mortgages payable	\$ 50,129	\$ 50,722
Notes payable	12,200	17,500
Deferred revenue	12,621	12,794
Dividends and distributions payable	4,093	4,089
Other liabilities	1,171	1,749
Total Liabilities	80,214	86,854
Total Minority Interest	5,945	5,979
Common stock	1	1
Additional paid-in capital	143,138	143,138
Accumulated deficit	(10,107)	(9,717)
Unearned compensation	(2,593)	(2,795)
Total Stockholders' Equity	130,439	130,627
	\$ 216,598	\$ 223,460