

PRESS RELEASE – FOR IMMEDIATE RELEASE

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AGREE REALTY CORPORATION REPORTS OPERATING RESULTS FOR THE THIRD QUARTER 2008

Third Quarter 2008 Highlights:

- 3rd quarter FFO increases 7.0% year-over-year
- \$0.50 per share quarterly dividend paid October 14, 2008

FARMINGTON HILLS, MI (October 29, 2008) - Agree Realty Corporation (NYSE: ADC) today announced results for the quarter ended September 30, 2008. For the third quarter, funds from operations (“FFO”) increased 7.0% to \$5,532,000 compared with funds from operations in the third quarter of 2007 of \$5,170,000. Diluted funds from operations per share were \$0.66 per share compared with \$0.62 per share for the third quarter of 2007. Net income was \$3,849,000, or \$0.50 per share on a diluted basis, compared with net income for the third quarter of 2007 of \$3,613,000 or \$0.47 per share. Total revenues increased 6.9% to \$9,029,000, compared with total revenues of \$8,450,000 in the second quarter of 2007. A reconciliation of net income to FFO is included in the financial tables accompanying this press release.

For the nine months ended September 30, 2008, FFO was \$16,118,000 compared with FFO for the nine months ended September 30, 2007 of \$15,473,000. FFO per diluted share was \$1.93 compared with \$1.85 for the nine months ended September 30, 2007. Net income was \$11,194,000, or \$1.46 per diluted share, compared with net income for the comparable period last year of \$10,821,000, or \$1.41 per diluted share. Total revenues increased 5.1% to \$26,586,000 compared with total revenues of \$25,291,000 for the comparable period last year.

“We are extremely pleased with the operating results for the quarter, and expect continued growth as our projects in Silver Springs Shores, Florida, Port St. John, Florida and Brighton, Michigan are completed.” said Richard Agree, President and Chief Executive Officer. “Despite difficult market conditions, we achieved year-over-year growth of 7%. We continue to execute our long-term business plan of developing projects for high-quality national retailers and look forward to upcoming announcements highlighting additional development activity.”

Dividend

The Company paid a cash dividend of \$0.50 per share on October 14, 2008 to shareholders of record on September 30, 2008. The dividend is equivalent to an annualized dividend of \$2.00 per share and represents a payout ratio of 75.6% of FFO for the quarter.

Portfolio

At September 30, 2008, the Company’s total assets were \$252,714,000 and its portfolio consisted of 68 properties located in 16 states and totaling 3,447,554 square feet. The portfolio was 99.2% leased at the end of the quarter.

The Company's construction in progress balance totaled approximately \$9,045,000 at September 30, 2008, and we capitalized \$106,000 of construction period interest during the third quarter of 2008.

Lease Expirations

The following table, as of September 30, 2008, sets forth lease expirations for the next 10 years for the Company's freestanding properties and community shopping centers, assuming that none of the tenants exercise renewal options or terminate their leases prior to the contractual expiration date.

<u>Expiring Leases</u>					
Expiration Year	Number of Leases Expiring	Square Footage	Percent of Total	Annualized Base Rent	Percent of Total
2008	5	12,300	0.4%	\$72,860	0.2%
2009	19	191,726	5.6%	966,717	2.9%
2010	21	304,757	8.9%	1,824,426	5.5%
2011	27	236,154	6.9%	1,695,218	5.1%
2012	14	76,560	2.2%	617,385	1.9%
2013	16	314,313	9.2%	1,682,771	5.1%
2014	4	174,558	5.1%	837,006	2.5%
2015	11	651,242	19.0%	4,665,262	14.0%
2016	5	80,945	2.4%	1,664,513	5.0%
2017	4	55,303	1.6%	848,440	2.5%
Thereafter	51	1,325,043	38.7%	18,419,060	55.3%
Total	177	3,422,901		\$33,293,658	

Annualized Base Rent of Properties

The following is a breakdown of base rents in effect at September 30, 2008 for each type of retail tenant:

<u>Credit Analysis</u>				
Retail Tenant	Annualized Base Rent	Percent of Total	Square Feet	Percent of Total
National	\$29,477,050	88.6%	2,931,456	85.6%
Regional	2,640,792	7.9%	375,206	11.0%
Local	1,175,816	3.5%	116,439	3.4%
Total	\$33,293,658		3,423,101	

Major Tenants

The following is a breakdown of base rents in effect at September 30, 2008 for each of the Company's major tenants:

Tenant Analysis				
Retail Tenant	Annualized Base Rent	Percent of Total	Square Feet	Percent of Total
Borders	\$9,861,727	29.6%	979,474	28.4%
Walgreen	8,599,599	25.8%	345,130	10.0%
Kmart	3,847,911	11.6%	999,766	29.0%
Subtotal	\$22,309,237	67.0%	2,324,370	67.4%

Outstanding Shares and Operating Partnership Units

For the three months and nine months ended September 30, 2008, the Company's fully diluted weighted average shares outstanding were 7,690,538 and 7,690,096, respectively. The basic weighted average shares outstanding for the three months and nine months ended September 30, 2008 were 7,677,790 and 7,676,787, respectively.

The Company's assets are held by, and all of its operations are conducted through, Agree Limited Partnership, of which the Company is the sole general partner. As of September 30, 2008, there were 673,547 operating partnership units outstanding and the Company held a 92.05% interest.

Agree Realty Corporation owns, manages and develops properties which are primarily single tenant properties leased to major retail tenants and neighborhood community shopping centers. The Company currently owns and operates a portfolio of 68 properties, which are located in 16 states and contain 3.4 million square feet of gross leasable space.

The Company 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 21E of the Securities Exchange Act of 1934, each as amended. These forward-looking statements represent the Company's expectations, plans and beliefs concerning future events. Although these forward-looking statements are based on good faith beliefs, reasonable assumptions and the Company's best judgment reflecting current information, certain factors could cause actual results to differ materially from such forward-looking statements. Such factors are detailed from time to time in reports filed or furnished by the Company with the Securities and Exchange Commission, including the Company's Form 10-K for the year ended December 31, 2006. Except as required by law, the Company assumes no obligation to update these forward-looking statements, even if new information becomes available in the future.

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 September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Revenues:				

Minimum rents	\$8,339	\$7,755	\$24,451	\$23,084
Percentage rent	-	14	5	30
Operating cost reimbursements	690	681	2,127	2,164
Other income	-	-	3	13
Total Revenues	<u>9,029</u>	<u>8,450</u>	<u>26,586</u>	<u>25,291</u>
Expenses:				
Real estate taxes	466	468	1,383	1,393
Property operating expenses	394	381	1,347	1,327
Land lease payments	205	169	545	507
General and administration	1,039	966	3,264	2,938
Depreciation and amortization	1,366	1,259	4,009	3,756
Interest expense	1,377	1,280	3,877	3,608
Total Expenses	<u>4,847</u>	<u>4,523</u>	<u>14,425</u>	<u>13,529</u>
Income before minority interest	4,182	3,927	12,161	11,762
Minority interest	333	314	967	941
Net Income	<u>\$3,849</u>	<u>\$3,613</u>	<u>\$11,194</u>	<u>\$10,821</u>
Net Income Per Share - Dilutive	<u>\$0.50</u>	<u>\$0.47</u>	<u>\$1.46</u>	<u>\$1.41</u>
Reconciliation of Funds from Operations to Net Income: (1)				
Net income	\$3,849	\$3,613	\$11,194	\$10,821
Depreciation of real estate assets	1,335	1,230	3,912	3,674
Amortization of leasing costs	15	13	45	37
Minority interest	333	314	967	941
Funds from Operations	<u>\$5,532</u>	<u>\$5,170</u>	<u>\$16,118</u>	<u>\$15,473</u>
Funds from Operations Per Share - Dilutive	<u>\$0.66</u>	<u>\$0.62</u>	<u>\$1.93</u>	<u>\$1.85</u>
Weighted average number of shares and OP units outstanding - dilutive	<u>8,364</u>	<u>8,366</u>	<u>8,364</u>	<u>8,371</u>

(1) 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 and after adjustments for unconsolidated partnerships and joint ventures. Management uses FFO as a supplemental measure to conduct and evaluate the Company's business because there are certain limitations associated with using GAAP net income by itself as the primary measure of the Company's operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, management believes that the presentation of operating results for real estate companies that use historical cost accounting is insufficient by itself.

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. Further, while the Company adheres to the NAREIT definition of FFO, its presentation of FFO is not necessarily comparable to similarly titled measures of other REITs due to the fact that not all REITs use the same definition.

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

	September 30, 2008	December 31 2007
Assets		
Land	\$87,234	\$87,234
Buildings	210,434	197,034
Accumulated depreciation	(57,159)	(53,251)

Property under development	9,045	4,806
Cash and cash equivalents	159	545
Rents receivable	753	770
Deferred costs, net of amortization	1,493	1,261
Other assets	755	949
Total Assets	<u>\$252,714</u>	<u>\$239,348</u>
Liabilities		
Mortgages payable	\$68,519	\$45,760
Notes payable	29,200	36,800
Deferred revenue	10,897	11,414
Dividends and distributions payable	4,231	4,212
Other liabilities	2,046	3,652
Total Liabilities	<u>114,893</u>	<u>101,838</u>
Total minority interest	<u>5,853</u>	<u>5,896</u>
Stockholders' Equity		
Common stock	1	1
Additional paid-in capital	143,116	141,261
Accumulated deficit	(11,149)	(10,648)
Total Stockholders' Equity	<u>131,968</u>	<u>131,614</u>
	<u>\$252,714</u>	<u>\$239,348</u>