

FOR IMMEDIATE RELEASE

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**KTR CAPITAL PARTNERS ACQUIRES 1531 NW 12TH AVENUE IN
POMPANO BEACH, FLORIDA**

New York, NY- January 3, 2008- KTR Capital Partners (“KTR”) announced today that an affiliate has closed on the acquisition of 1531 NW 12th Avenue in Pompano Beach, a submarket of Broward County, Florida. The 121,000 SF distribution facility was acquired through a sale-leaseback transaction with FlexSol Packaging, who will continue to occupy the entire building on a long term basis. The property is positioned on approximately 10 acres and benefits from direct frontage and convenient access to Interstate 95 via Andrews Avenue. The rail served facility was built in 1986 and renovated in 2000 and offers both dock high and drive-in loading capabilities.

PJ Charlton, Senior Vice President at KTR, stated, “This acquisition is a continuation of our strategy to acquire functional, well located properties in high barrier to entry markets. The property is fully leased on a long-term basis to a tenant that has a substantial investment in the space and overall we like the dynamics of this acquisition given the tenant demand in the submarket and the true scarcity of remaining developable land sites along the I-95 corridor in South Florida.

This acquisition brings our Florida portfolio to over 3.5 million square feet, all acquired or developed since 2005. We will continue to pursue acquisition and development opportunities throughout the state with a focus on Southeast Florida, Tampa, Orlando and Jacksonville.”

KTR CAPITAL PARTNERS

KTR Capital Partners is a private equity firm based in New York City that was established in November of 2004 to continue the highly successful real estate investment activities of Keystone Property Trust (formerly NYSE:KTR). Since December 1997, the KTR team has completed nearly \$3 billion of acquisitions and development. KTR is a recognized industry leader that has attracted investment capital from leading institutional investors for its first fund – Keystone Industrial Fund, L. P. - a \$500 million fund focused on value-add investments in the industrial real estate sector. The firm has offices in Suburban Philadelphia, Deerfield Beach, FL and Chicago. For further information please visit www.ktrcapital.com.

