

FOR IMMEDIATE RELEASE

Contact

Caroline Lannen
KTR Capital Partners
(484)530-1841
information@ktrcapital.com

**KTR CAPITAL PARTNERS ACQUIRES 4404 WEST DISTRICT BOULEVARD
IN CHICAGO, IL**

New York, NY- January 4, 2008- KTR Capital Partners ("KTR") announced today that an affiliate has closed on the acquisition of 4404 West District Boulevard in Chicago, IL. The 305,000 SF distribution facility was acquired from Dominick's, a subsidiary of Safeway Corporation. The property is approximately 6 miles from downtown Chicago and is positioned on 12 acres, with an additional 10 acres of vacant land. The existing facility features 23' clear ceiling heights, 72 exterior docks in cross-dock configuration, 3,500 SF of office space and 95 car parking spaces. The property benefits from a location within an Economic Empowerment Zone, providing various economic incentives for new businesses moving to the District. In addition, KTR plans to improve the vacant portion of the site with a 180,000 SF modern distribution facility. With this acquisition, KTR's portfolio of industrial assets in the Chicago area has grown to over 5 million square feet.

Brian Milberg, Senior Vice President at KTR, stated, "The existing building is a very functional cross-dock facility located within the city limits of Chicago. It can be sub-divided and is well situated to serve tenants that require convenient access to locations in and around the loop. The new building will be a modern state-of-the art distribution building with highway visibility and excess trailer parking."

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.