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**KTR CAPITAL PARTNERS ACQUIRES
INTERWOOD BUSINESS CENTER IN HOUSTON, TX**

New York, NY- April 21, 2006 - KTR Capital Partners ("KTR") announced today that it has closed on the acquisition of Interwood Business Center, two industrial buildings equaling 192,000 square feet situated on approximately 10 acres within the Interwood Business Park, a 440 acre master-planned park with a mix of office and distribution facilities. The buildings are located at 14430 - 14440 John F. Kennedy Boulevard and 14439 - 14469 Heathrow Forest Parkway in the Airport/North submarket of Houston, TX. The Property is currently 81% leased to three tenants.

A. Donald Chase, Jr., Principal of KTR Capital Partners stated, "We are pleased to enter the Houston market with such a high quality asset in a strategic business location near Intercontinental Airport. The acquisition of Interwood Business Center is a great start towards our goal of creating a critical mass of industrial product in this dynamic market"

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 KTR:NYSE). Since December 1997, the KTR team has completed nearly \$2 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.