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**KTR CAPITAL PARTNERS ANNOUNCES CLOSING OF FIRST FUND WITH
\$505 MILLION IN COMMITMENTS**

New York, NY - April 24, 2006 - KTR Capital Partners ("KTR") announced today it has closed Keystone Industrial Fund, L. P. (the "Fund"). The Fund, which is expected to be the first in a series, exceeded its target capitalization with a total of \$505 million in equity commitments. Partners in the Fund represent a diverse group of institutional investors including public and corporate pension plans, insurance companies, foundations, financial institutions and fund of funds. The Fund will be leveraged to acquire and develop over \$1.4 billion of real estate assets.

KTR will seek value-add opportunities in industrial real estate that enable the Fund to deliver superior risk adjusted returns to its Limited Partners. With emphasis on supply constrained submarkets, the Fund will focus on acquiring, opportunistically developing, repositioning and selling industrial properties throughout North America. The principals of the firm have a wide array of industry experience representing expertise in all facets of real estate acquisitions, development, construction, finance, operations and asset management. To date, the Fund has made investments in major markets throughout the United States including but not limited to Chicago, Central and Northern New Jersey, South Florida, Houston, Charlotte, and Phoenix.

Robert Savage, a Senior Principal commented on the closing "We are pleased with the success of the capital raise for our first investment vehicle since exiting the public REIT market. We believe that KTR's value-added strategy combined with an integrated operating platform positions us to build on a track record of success and a leadership position in the industrial real estate sector."

Since the Fund's initial closing in October 2005, KTR has closed 13 transactions representing \$244.3 million in total investments. The Fund's in-service portfolio is comprised of 2.7 million square feet in addition to approximately 300 acres of land which can accommodate 3.3 million square feet of development.

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 \$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.