

FOR IMMEDIATE RELEASE

Contact

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

**KTR CAPITAL PARTNERS ACQUIRES
6101 WEST WASHINGTON STREET IN PHOENIX, AZ**

New York, NY- May 12, 2006 - KTR Capital Partners ("KTR") announced today that it has closed on the acquisition of 6101 West Washington Street, a cold storage facility located on a 31 acre site in the southwestern industrial submarket of Phoenix, AZ. KTR purchased the property on behalf of Keystone Industrial Fund. The building offers 110,457 square feet of highly functional "Class A" freezer space, along with 84,520 square feet of grocery/cooler space. In addition, there are 18 acres of developable land which can yield approximately 300,000 square feet of distribution space in a separate building. The existing building has been acquired vacant.

A. Donald Chase, Jr., Principal of KTR Capital Partners stated, "This unique asset with the freezer/cooler building and the additional land for development represents a compelling value-add opportunity for KTR. It is the only grocery facility in the southwestern United States capable of accommodating a 200,000 square foot tenant and has already generated significant interest from users in this sector. "

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.