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**KTR CAPITAL PARTNERS CLOSES ON
SENECA DEVELOPMENT SITE IN PEMBROKE PARK, FL**

New York, NY- August 31, 2006 - KTR Capital Partners ("KTR") announced today that it has closed on the acquisition of 31 acres of industrial land in Pembroke Park, FL. Located within the Seneca Industrial Park in southeast Broward County, the property is less than one mile from I-95 and midway between the Miami and Fort Lauderdale Airports and Ports. Purchased on behalf of Keystone Industrial Fund, KTR plans to develop the land with 4 institutional quality industrial buildings totaling approximately 540,000 square feet.

A. Donald Chase, Jr., Principal of KTR Capital Partners commented on the acquisition, "We are excited about our latest development in the land constrained area of South Florida. With the building approvals in place, we expect to be under construction on a speculative basis with the first two buildings this fall. The remaining acreage, capable of accommodating up to 260,000 square feet with varying configurations, will be developed immediately thereafter and can be provided to users on a build-to-suit basis."

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. For further information go to www.ktrcapital.com