

Younan Properties Completes Southern California Exodus with \$58 Million Sale

Disposition of final California asset yields healthy profit for Younan Properties and its investors

LOS ANGELES, CA (September 13, 2006) With the \$58 million sale of Pacific Pointe, at 879 West 190th Street in Gardena, CA, Younan Properties, Inc. (YPI), has divested its \$1.5 billion office portfolio of all California assets. Transwestern Commercial Services purchased the 260,000-square-foot property in the 190th Street Corridor, at the intersection of the I-405 and I-110 Freeways.

Younan Properties has owned the Class A steel frame office building since February 2004, when it acquired it for \$34 million in a joint venture partnership with Philadelphia-based institutional investment management firm URDANG Capital Management. Its sale generated an impressive 86% annual IRR to Younan Properties and a total return of more than 240% on invested capital in the two and one half years the property was held.

We entered the Southern California office market at a very good time and we were able to purchase a significant portfolio of asset in a short period of time. The significant compression of the cap rate in Southern California has created negative leverage on most transactions. We have enough experience in this market to know this is an alarming trend and a great indicator of an over-valued market, commented Zaya S. Younan, Chairman and CEO of Younan Properties, Inc. In high growth areas in Chicago, Dallas and Houston, we're confident we can achieve positive leverage in rising appreciation that we feel will mirror what has been happening in Southern California in recent years.

Rick Putnam, principal of Trammell Crow Company's Irvine office, represented both buyer and seller in the transaction.

This sale is a true demonstration of Younan Properties' vision in identifying strong opportunities in the marketplace and adding value to a property to leverage those opportunities, Putnam stated. With significant interior renovations and aggressive marketing on the leasing side, Younan Properties boosted occupancy at Pacific Pointe from 60 to 90 percent while reducing the operating expenses by as much as 25%, which supported achieving a top sale price.

Built in 1988, Pacific Pointe is a 12-story office building occupied by major tenants that include Bowman and Brooke LLP, CBeyond Communications, Inc., IBM, Northrop Grumman Corporation, Kintetsu International Express and Hyundai.

Younan Properties greatly exceeded our expectations in achieving maximum profitability in this investment, commented joint venture partner David Rabin, Managing

Director, Acquisitions of URDANG Capital Management. Their team's ability to manage the property's operating expenses was key in increasing the value of the asset.

In June, Younan Properties completed the \$50.5 million sale of Sepulveda Center, a 173,727-square-foot Class A office building at 3415 Sepulveda Boulevard in Los Angeles, CA. The transaction generated an impressive 125% annual IRR to Younan Properties and a total return of more than 300% on invested capital in the two and one half years the property was held.

Known for its detailed, hands-on approach to improving operational efficiencies while maintaining top building standards for tenants, Younan Properties' management team has more than four decades of experience in developing and managing commercial real estate in high growth markets throughout the United States. Headed by Zaya S. Younan, Younan Properties has accumulated more than \$1.5 billion in real estate holdings since its inception in 2002. The company's national portfolio currently includes 18 Class A office properties totaling more than six million square feet.