



NEWS RELEASE

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CONTACTS:

PHOTOS INCLUDED

**Jordan Schnitzer, President
Donna Wolf, Director of Marketing
Harsch Investment Properties
503.973.0295
donnaw@harsch.com**

HARSCH INVESTMENT PROPERTIES
MAKES ENTRANCE INTO SOCAL'S DYNAMIC
COACHELLA VALLEY WITH \$48 MILLION PURCHASE

PORTLAND, OREGON – Harsch Investment Properties announces the purchase of two community shopping centers in the rapidly growing Coachella Valley - Plaza La Quinta, a 124,152 square-foot shopping center and One Eleven Town Center, a 141,786 square-foot shopping center, for the combined purchase price in excess of \$48 million. The seller was M&H Realty Partners. Jeff Weber, Managing Director, Eastdil Realty, San Francisco, represented both parties.

“We have wanted to continue to diversify our retail portfolio geographically and have been looking at opportunities in the Palm Desert area for some time,” said Jordan Schnitzer, President, Harsch Investment Properties. “Both of these properties fit our criteria of having great tenants and being located at the two best retail corners in the Coachella Valley.”

Coachella Valley has developed into one of the premier destination resort areas in the country with over 100 golf courses along side high-end resorts and golf course communities. Largely populated by tourists and visitors, the trend away from seasonal to full time residents is evident in evolving demographics showing annual population growth rate of 4.4% since 1990. It is centrally located in the dynamic Riverside County – one of the fastest growing counties in California.

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We couldn't be more pleased to have such well positioned and well located shopping centers as our entry into this marketplace," said James Pate, Senior Vice President Retail. With this purchase, the company's retail portfolio now totals in excess of 2.7 million square feet.

Plaza La Quinta, which occupies the SW corner of the intersection of Washington Street and State Highway 111 in La Quinta, is poised to take advantage of the explosive new residential growth in La Quinta. This highly visible and well-traveled highway boasts the highest traffic count in the area with over 69,000 cars per day.¹ Anchored by a recently remodeled and expanded Vons grocery, the project is 100% leased with 36 tenants that include Lumpy's Discount Golf and the well-known Beer Hunter Restaurant.

With Palm Desert commanding over 1/3 of the retail sales in the Valley, One Eleven Town Center, located on the NW corner of State Highway 111 and Town Center Way, is in the heart of Palm Desert shopping. Strategically sandwiched between the 870,000 square-foot Westfield Shoppingtown Palm Desert and the 515,000 square-foot Desert Crossing and in close proximity to the trendy, upscale El Paseo District, it is "Main and Main" for destination retail shoppers. Anchored by Best Buy and Cost Plus, the project is 95% leased with 27 tenants that include World Gym and Starbucks Coffee.

Harsch Investment Properties, headquartered in Portland, Oregon, is a privately held real estate company that acquires and develops properties for its own portfolio. The company currently owns and operates 125 properties in seven states including: Oregon, Washington, California, Nevada, Arizona, Colorado and Oklahoma. Its commercial real estate portfolio comprises more than 16 million square feet of office, retail and industrial properties. Additionally, the company owns and manages more than 2,700 multifamily housing units. More company information can be found by going to www.harsch.com.

1) Newport Traffic Studies; January 14, 2004

