

NEWS RELEASE

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PHOTO ATTACHED

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HARSCH INVESTMENT PROPERTIES CLOSES
THIRD MAJOR PUGET SOUND ACQUISITION OF 2004

BELLEVUE, WASHINGTON – Harsch Investment Properties announces the purchase of Plaza 520 Business Park, a 130,195 square foot, multi-tenant business park in Bellevue. The purchase price was \$20,000,000. With this purchase, the company's Seattle regional portfolio now totals in excess of 1.73 million square feet of office, industrial and retail properties, as well as, 542 multi-family housing units.

"We continue to look for value added acquisitions and development opportunities in the Puget Sound area," said Jordan Schnitzer, President. "Our Puget Sound regional management team, headed by Scott Coombs continues to do an excellent job providing superior service to our 500 tenants in the marketplace."

The property is located just south of Highway 520 in Bellevue, on the N.E. corner of 130th Avenue N.E. and Northrup Way. The eleven-building, 11.8 acre project was originally developed by the Seller, Peter Joufflas, in 1978 and has enjoyed a long history of above-average occupancy. At the time of closing there were 14 tenants, including Windemere East Real Estate, First American Title Insurance, Siemens, Rockwell Publishing, Safeway, and United Way. Mark Flippo and Kip Durrell of Pacific Real Estate Partners represented both parties in the transaction and will be retained by Harsch to handle the leasing for the project.

"The Bellevue Central Business District has leased over 800,000 sf over the past 6 months, and suburban office properties like Plaza 520 are well positioned to capitalize on the strengthening Eastside market conditions", said Scott Coombs, Vice President, Seattle Regional Manager. "I am excited to be back involved with the Eastside office market. This market has rebounded quickly as the economy has strengthened."

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This is the second property Harsch has purchased from Mr. Joufflas in the Puget Sound region. In May of 2000, Harsch acquired the then 63,000 square-foot, Pavillions II Shopping Center in Federal Way for \$7,500,000 and have since redeveloped into its current 127,000 square-foot configuration anchored by Best Buy, Office Max and PetSmart. Other Puget Sound area acquisitions for this year are the 291,000 square-foot Fife Business Park in March and the 165,000 square-foot SeaTac Village Shopping Center in Federal Way in June.

Harsch properties in the area include the Medical Dental Building, a 318,000 square-foot office building located at 509 Olive Way in downtown Seattle; Cloverdale Business Park, a 195,000 square-foot park on South Cloverdale, South 93rd Business Park, a 196,000 square-foot park on South 93rd and 15 Avenue South, and South 96th Business Park, a 98,000 square-foot park located at South 96th and 4th Avenue. Other retail properties in the area include Ross Plaza, a 190,000 square-foot shopping center located in Federal Way at Pacific Highway South which is scheduled for a \$14 million renovation beginning October 2004.

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 17 million square feet of office, retail and industrial properties. Additionally, the company owns and manages more than 2,500 multifamily housing units. More company information can be found by going to www.harsch.com.

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