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**HAGER PACIFIC PROPERTIES SELLS COOLER/FREEZER
BUILDING FOR \$20M**

Newport Beach and Carson, CA – October 13, 2005 – Hager Pacific Properties, one of the largest privately owned real estate investment firms in Southern California, announced today the sale of 1065 East Walnut, a Class-A, 177,465-square-foot cooler/freezer industrial facility, located in Carson, CA. The property was sold to HB & Sons of Mission Hills, CA for more than \$20 million.

Hager Pacific Properties invested approximately \$1 million during a 12 month renovation program to bring the property back to a Class-A status. In close proximity to the 91 and 710 freeways, the industrial facility includes 96,494 square feet of freezer/cooler space, a 28,315-square-foot FDA-compliant food processing plant, 30,000 square feet of office space and 22,656 square feet of high bay warehouse.

The most critical aspect of the rehabilitation of the property was improving the refrigeration system to ensure reliable cooling. The refrigeration control system was completely replaced providing for remote monitoring and control of the physical plant. This also allowed for energy management resulting in savings in excess of 40 percent on utility billings or approximately \$200,000 in annual electricity savings.

“This property was an ideal candidate for redevelopment in an area that is experiencing substantial growth,” commented Robert J. Neal, executive vice president of Hager Pacific Properties. “Not only did we bring reliability of refrigeration to our tenants, we also were able to bring substantial savings to their bottom lines through better energy management”.

Other upgrades to the property included component repairs and replacements throughout the refrigeration system, a new roof, renewal of the building's exterior surfaces, landscaping, rehabilitation of the parking areas, and remodeling of the main lobby.

Located in Carson, 1065 East Walnut provides critical freezer and cooler capacity within proximity to the thriving ports of Long Beach and Los Angeles. Due to the constrained supply of this type of facility, the outstanding demographics of the Southern California market, and the premiere location of this property, Hager Pacific saw a rare opportunity during the original acquisition of the building.

Michael Ross and Fred Cordova of Colliers Seely represented both the seller and the buyer in the transaction.

About Hager Pacific

Hager Pacific Properties, a real estate investment firm is guided by a contrarian investment philosophy implemented through the acquisition of under-valued real estate. The investments become more valuable through repositioning, renovation or reuse of the property. Hager Pacific Properties is the preferred buyer of challenging properties, and self-funds their real estate deals without outside capital or financing. The company's current portfolio consists of over 100 assets ranging in size from 25,000 to 800,000 square feet and features a wide range of product types including office buildings, warehouses, research and development complexes, apartment buildings, community shopping centers, freezer/cooler facilities and industrial facilities including the recently purchased 800,000-square-foot Stater Bros. Corporate Campus in Colton, CA. For more information on Hager Pacific Properties, please visit www.hagerpacific.com.
