

## WATT GENTON ASSOCIATES ANNOUNCES PARTNERSHIP WITH ALCION VENTURES FOR L.A. URBAN INFILL PROJECTS

-- First development is Lofts at Larchmont, 21 loft-style condominiums --

SANTA MONICA, Calif. – Watt Genton Associates has formed a partnership with Alcion Ventures to pursue development of multifamily and mixed-use urban infill projects in the Los Angeles metropolitan area. Watt Genton is an active developer based in Los Angeles and will lead the venture in identifying and securing projects. The partnership has just closed on the land acquisition for its first development, the Lofts at Larchmont, which will transform a former gas station site into loft condominiums.

“This partnership allows us to swiftly advance our infill development program in Los Angeles,” said Jonathan Genton, president, Watt Genton Associates. “As we pursue opportunities in the area we have a committed partner in Alcion. The strength of that relationship offers us a competitive advantage and enhances our ability to close quickly on new development deals.”

Alcion Ventures was formed in December 2004 by Martin Zieff and Mark Potter, formerly principals of AEW Capital Management LP. Based in Boston, Alcion Ventures is a real estate private equity firm that seeks to create value with local entrepreneurs through the acquisition, development or repositioning of real estate to generate high yield returns for its investors. Alcion Ventures recently raised its first investment fund with equity commitments totaling \$152 million. This is the firm’s initial investment in the Los Angeles area.

“Watt Genton Associates is well-established in the area and has an experienced team that creates quality mixed-use and multifamily projects. This partnership allows us to expand our investment strategy for developing urban infill multifamily projects in one of the top residential markets in the country,” said Mark Potter, managing partner, Alcion Ventures.

HFF Securities, L.P., an affiliate of Holliday Fenoglio Fowler, L.P., arranged the joint venture between Watt Genton Associates and Alcion Ventures.

The partnership's first project is in one of the area's most desirable neighborhoods. Located at 5700 Melrose Avenue, the Lofts at Larchmont is two blocks from Larchmont Village, a shopping and dining district that offers a variety of retailers from daily needs to high-end boutiques along with an eclectic array of restaurants in a charming "main street" setting. In addition, the new shops, clubs and restaurants in Hollywood are just a short distance. It also is convenient to the Metro Red Line and one mile from the 101 Freeway.

The Lofts at Larchmont will offer 21 condominium units, styled as both flats and lofts, ranging in size from 1,154 square feet to 1,500 square feet. The four-story building features a contemporary design and modern finishes such as concrete floors, high ceilings and large windows for residents to enjoy the city views.

"This is an ideal infill project, reusing the site of a gas station to bring housing to a mature residential area where there has been little or no new condominium development," added Genton. "Adjacent to the lovely Hancock Park community and an easy stroll to nearby amenities this project will provide entry-level housing in an area that is attractive to young professionals."

Site clean up is underway with construction expected to begin in winter 2005. The Lofts at Larchmont were designed by DE Architects.

Headquartered in Santa Monica, Watt Genton Associates is an affiliate of Watt Commercial Properties, one of the most experienced and largest owners, developers, and managers of commercial real estate in the Western United States. With more than 40 years of experience, Watt has a proven track record in developing and managing office, multifamily, industrial and retail properties. Watt Genton currently has more than 2.0 million square feet of projects under development or in the pipeline and more than 10 million square feet of commercial properties which it owns and manages.

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