



McPhee: Pacific Region Remains Positive

Broker Update recently interviewed Charlie McPhee, ProLogis' regional director for capital deployment in the Pacific Region.

BU: You came to ProLogis last year through the merger with Catellus. Tell us a bit about your background and experience.

CM: I was with Catellus for seven years. For the first six years, I oversaw development in Southern California, and I most recently held national responsibilities working for Ted Antenucci. Prior to joining Catellus, I was in charge of commercial and industrial development and leasing for the Howard Hughes Corporation. Before that, I was a broker in downtown Los Angeles with both the Charles Dunn Company and CB Richard Ellis.

BU: How has leasing activity been recently?

CM: In general, the region is extremely active. We are seeing positive rent growth in most markets, and we are trending positive in net absorption. There is very significant investing activity, which has created a highly competitive environment, specifically in the Inland Empire and Seattle areas. In the Southern California markets, cap rates for well-located, Class-A facilities in the Inland Empire are down to 5 to 6%, and the same holds

true for infill markets. Other Pacific region markets are 25 to 100 basis points higher than Southern California, depending on location and quality of product.

BU: What ProLogis developments in the Pacific region are you most excited about?

CM: There are several exciting vertical development opportunities occurring throughout the region. We have current or planned development projects in Denver, Central Valley in Northern California, the Port of Olympia in Seattle, Portland and Reno. And that doesn't count the many investment activity opportunities.

One especially interesting project developed by Catellus is the Schriever Space Complex at the L.A. Air Force Base, where we just had the ribbon-cutting ceremony on April 24th. This unique project highlights how our recent merger will allow ProLogis to leverage Catellus' extensive experience with multi-faceted, mixed-use developments.

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ProLogis executives at the Schriever Space Complex ribbon-cutting ceremony: Mike Englard, first vice president, development; Frederick Schumacher, vice president, project management; Charlie McPhee, senior vice president and regional director, and Walt Rakowich, president and chief operating officer.

Broker of the Month

Aaron Hodgdon

The Hodgdon Group
San Bernardino, California



Aaron Hodgdon of The Hodgdon Group in San Bernardino, California is the ProLogis Broker of the Month for April 2006. Earlier this year, Aaron represented Ashley Furniture Industries, Inc. in its lease of more than 683,000 SF at ProLogis Park Redlands in San Bernardino County, California.

ProLogis senior vice president Charlie McPhee said, "Aaron served a unique role in this transaction, acting as a broker, logistics consultant, construction manager and financial consultant. His development and construction management experience gave him a thorough understanding of the client's needs, and he was actively involved with every phase of the project to ensure the best methods were employed to meet those needs. Plus, his trusted business relationship with key Ashley executives made for an extremely smooth transaction."

Aaron has been an industrial broker for five years and has been in commercial real estate for 15 years. In his free time, he enjoys spending time with his family and skiing. He is also a licensed pilot.

Congratulations to Aaron!



Schriever Space and Missile Systems facility, Los Angeles Air Force Base



Property of the Month: Northern New Jersey

This 359,965-square-foot, flow-through facility with 36-foot clear height is strategically located at ProLogis Park Port Reading in Port Reading, New Jersey. The building is divisible and available immediately. Call Marc Petrella at 201-369-5370 for more information.



“Habit is either the best of servants or the worst of masters.”

-- Nathaniel Emmons

Featured Properties

Market	Property Name	Sq. Ft.	Clear Height	ProLogis Contact	Telephone
Inland Empire	ProLogis Park I-210 #2	1,197,051	30'	Mike Del Santo	909-673-8710
South Atlanta	ProLogis Park Greenwood #400	867,400	32'	Rodney Davidson	678-398-2820
Chicago	ProLogis Park 80 #1	806,400	32'	Jim Neswold	630-350-5415
Central New Jersey	Exit 8A Distribution Center #11	751,005	36'	Lisa Clark	609-409-2120
Baltimore	Edgewood Distribution Center #1	602,250	26'/46'	Mark Levy	703-212-5406
Memphis	ProLogis Park Stateline #1	600,000	32'	Chip Brown	901-547-2143
Dallas	ProLogis Park Mesquite #2	521,200	30'	Rob Huthnance	972-884-9292
Indianapolis	ProLogis Park 267 #1	501,120	36'	Dan Meador	317-228-6200
Pennsylvania	Middletown Distribution Center #3	490,140	28'	Megan Buffington	717-790-5102
Greenville	Greenville Distribution Center #1	434,798	20'/36'	Perry Major	864-527-0417
Louisville	ProLogis Park I-65 II	426,000	32'	Darin Manning	513-874-9728
Chicago	Alsip Distribution Center #1	392,618	29'	Jim Neswold	630-350-5331
Central New Jersey	Exit 7A Distribution Center #2	387,510	24'	Lisa Clark	609-409-2120
Chicago	ProLogis Park 57 #1	319,683	32'	Jim Neswold	630-350-5331
Columbus	Brookham Distribution Center #1	305,268	24'	Brian Marsh	614-275-5406

For a full listing of our availabilities, please visit www.prologis.com and select Property Search.

Charlie McPhee Interview (continued from page 1)

BU: What development trends have you noticed in recent years?

CM: Continued land constraints — due to the lack of well-located, entitled land in growing markets — have had a significant impact on development, increasing competition in these markets. Land buyers are going to have to take more risks, and I think ProLogis is uniquely positioned to do just that, particularly on a global basis.

BU: What is your perspective of how the integration of Catellus and ProLogis has been proceeding?

CM: The merger has progressed extraordinarily well. Jeff Schwartz and Walt Rakowich recognized in the beginning that there is a tremendous compatibility between the two companies. They did a great job in terms of seeing the complementary skills and areas of expertise.

The other part of the merger that people lose sight of is that, throughout this transition, we've been accomplishing an enormous amount. We really haven't lost a step. We've ramped up our overall activity and are seeing very positive results.

**“Talent wins games.
Teamwork wins championships.”**

-- Michael Jordan



For any questions or comments about ProLogis Broker Update, please contact Phil Nugent at pnugent@prologis.com or 303-567-5674.