

SALE OF CARLSBAD COMPANY STORES SETS RECORD

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\$356/sq. ft. sale sets all time high for sale of an outlet center

(Carlsbad, CA) – The sale this week of Carlsbad Company Stores by Newport Beach-based Craig Realty Group to Chelsea Property Group for \$102,900,000 set a record for the sale of an outlet center to a REIT. The purchase was conducted pursuant to a purchase option agreement granted to Chelsea Property Group prior to development of the Center. Steve Craig, president and managing partner of Craig Realty Group, was also a co-founder of Chelsea Property Group, which he took public in 1993. “The development of Carlsbad Company Stores was one of the most gratifying real estate projects I’ve ever worked on. It’s become a place where the community gathers and it has been a great privilege to be associated with the project.”

Carlsbad Company Stores opened on October 28, 1997 and sales quickly rose to one of the highest retail sales per square foot in the entire factory outlet industry. Despite periods of economic downturns and slumping retail sales, the Center has maintained double-digit sales growth year-over-year. The Center’s current sales of \$570/per square foot exceeds the national industry average by over double.

Carlsbad Company Stores has also been active in the community. The Center has provided numerous events and activities free of charge, such as the annual Holiday Tree Lighting Show and monthly programs for children, adults and seniors. It has also helped small, grass roots organizations such as Dress For Success by becoming a much needed North County collection location. And most notably, Carlsbad Company Stores has helped raised over \$500,000 for local non-profit organizations through events at the Center, some of it coming as direct contributions from the Center. “We have enjoyed tremendous success due in great part to the support of our local community. Our contributions and support of fundraising efforts for local non-profit organizations has been a rewarding experience, enabling us to give back to the community” says Anita Boeker, director of marketing.

Craig Realty Group is a shopping center development firm founded by Steven L. Craig and is based in Newport Beach, California. The firm specializes in upscale factory outlet centers. The company owns and operates Citadel Outlets, in Los Angeles, California, Woodburn Company Stores located near Portland, Oregon, Cabazon Outlets located near Palm Springs, California, and Outlets at Anthem located in Phoenix, Arizona. Craig Realty Group also manages Lake Elsinore Outlets located in Lake Elsinore, California. Craig recently opened an upscale designer outlet center in Brescia, Italy called Franciacorta Outlet Village that is 50 miles east of Milan, Italy. The company is currently developing The Plaza at San Clemente (Marblehead) in San Clemente, California, a 640,000 square foot mixed-use project, and Sussex Commons Lifestyle Outlets in Frankford Township, New Jersey a 325,000 square foot upscale factory outlet and is in the final stages of acquiring Conroe Outlets in the Houston metro area. Prior to founding Craig Realty Group, Craig developed Desert Hills Premium Outlets in Cabazon, which is one of the largest and most successful manufacturer outlet centers in the world and was instrumental in developing Camarillo Premium Outlets in Camarillo, California.

For more information about the company visit www.craigrealtygroup.com.

CONTACT: ANITA BOEKER
CRAIG REALTY GROUP
(858) 530-4005