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ST. JOHN PROPERTIES INITIATES CONSTRUCTION ON NEW 313,000 SQUARE FOOT BUSINESS COMMUNITY IN ANNE ARUNDEL COUNTY

Arundel Overlook will be comprised of eight buildings and is positioned near MD Routes 100 and 295, adjacent to Arundel Mills

BALTIMORE (July 24, 2006) – St. John Properties, Inc. has initiated construction of its newest business community in the Baltimore-Washington, D.C. metropolitan area, a 68-acre park in Anne Arundel County that can support approximately 313,000 square feet of flex/office space. Arundel Overlook is positioned near the intersection of MD Routes 100 and 295 (Baltimore-Washington Parkway), is adjacent to the Arundel Mills shopping mall and situated approximately two miles from BWI Airport.

The business community represents the 43rd project for St. John Properties, a full-service real estate development company that has constructed and manages nearly 12 million square feet of space throughout the country. Arundel Overlook is also the company's 12th business park in Anne Arundel County and its sixth in the BWI Airport sub-market. St. John Properties has broken ground on 901 Mercantile Drive, a 33,120 square foot, single-story flex/office building and 921 Mercantile Drive, a 42,120 square foot structure. The cumulative 75,000 square feet of space is expected to be operational by year-end.

According to a recently-released report from Towson University, Anne Arundel County will be the beneficiary of nearly 13,000 new jobs over the next ten years, as a result of the influx of employees from the Base Realignment And Closure (BRAC) program. NAI KLNB's 2005 end-of-year Office Market Report termed Anne Arundel County "one of the fastest growing commercial real estate markets within the Baltimore-Washington, D.C. Metropolitan area, a trend that has continued for the past two decades. It features the second highest median household effective buying income of all counties in the area."

901 and 921 Mercantile Drive will feature 16 foot high ceiling heights and thirty foot wide spaces, with spaces ranging from 2520 square feet to 42,120 square feet of space. Free surface parking is available and services both buildings.

Construction commences on Arundel Overlook - 2

“We have experienced a rapid leasing pace with all of our Anne Arundel County-based projects, and Arundel Overlook contains all the necessary fundamentals to insure its success in this highly-active real estate market,” explained Ed. St. John, President and Founder of St. John Properties, Inc. “The design of the buildings is in response to the needs of small and medium-sized companies to achieve maximum flexibility, first floor access, dock or drive-in loading capabilities and easy expansion options. Companies servicing the defense contracting industry will have strong interest in this project, but the Park’s location within the corridor will also make it attractive to an entire spectrum of different companies,” he added.

“I am proud of St. John Properties’ investment in the County,” said County Executive Janet S. Owens. “They are a leader in the market and on top of commercial expansion in Anne Arundel County. We welcome this addition.”

“St. John Properties has a strong record of success with all of its real estate holdings, and they have consistently executed a proven real estate formula in Anne Arundel County,” said Aaron Greenfield, president and CEO of the Anne Arundel County Economic Development Corporation. “With vision and commitment, St. John Properties has invested in our county and is a key part of our strong economy,” he added.

Earlier this year, St. John Properties announced its intentions to develop more than one million square feet of new space in the local market, for the second year in a row. As of year-end 2005, the St. John Properties portfolio was 97% leased and included more than 1500 tenants. The total real estate investments of the company are valued at more than \$1.1 billion.

Founded in 1971 as MIE Properties, Inc., St. John Properties, Inc. owns and has developed nearly 12 million square feet of flex, warehouse, office and retail space in Maryland, Colorado, Louisiana, Virginia and Wisconsin. For more information about the company, visit www.stjohnpropertiesinc.com.

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