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**PREFERRED DEVELOPMENT BEGINS REHAB
OF RIVER FOREST RETAIL BUILDING**

For Immediate Release:

(CHICAGO, -- Oct. 2, 2006) -- Preferred Development, Inc. recently began the total gut and rehab of a retail building at the intersection of North Avenue and Lathrop Street, in River Forest, Ill.

The 5,000-square-foot building will have space for two or three tenants, with unit sizes ranging from 1,200 to 2,900 square feet per unit. Starbucks, the anchor tenant, will occupy an 1,860-square-foot corner unit. The brick and stone building will have parking for 35 cars.

The project will be completed in December 2006.

Arcline Associates, Downers Grove, designed the project, financed by LaSalle Bank.

Omar Rihani, of Preferred Development, is the project manager.

Founded in 1993, Preferred Development is one of the most aggressive turnkey, build-to-suit, single and multi-tenant developers in the Midwest. The Chicago-based company, headed by Evan Oliff and Tom Morabito, currently owns a portfolio with more than 850,000 square feet of investment grade real estate. For more information, visit www.preferreddevelopment.com.