

AMB Property Corporation Updates National Industrial Facility Demand Forecast Through March 2003

Proprietary Forecasting Model Calls for Two Quarters of Moderate Net Absorption; 3Q02 Net Absorption of 14.3 Million Square Feet is First Positive Absorption Since 4Q00

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AMB Property Corporation, a leading owner and operator of industrial real estate, today released its six-month national forecast of industrial space demand, calling for two more quarters of positive net absorption. Net absorption measures the total amount of square feet leased over a period of time, less the space that is vacated during the same period.

Through its Industrial Absorption Indicator (IAI), a model comprised of the Federal Reserve Board's manufacturing output data and a proprietary algorithm, AMB forecasts 43 million square feet of positive absorption in the U.S. for fourth quarter 2002. Net absorption of less than a million square feet is projected during the first quarter of 2003.

Earlier this year, the AMB IAI predicted positive absorption for the third quarter of 2002, after six quarters of negative absorption. Actual third quarter industrial absorption figures of 14.3 million square feet were reported by Torto Wheaton Research last week.

David C. Twist, AMB's director of research, said, "The IAI has an 88% correlation to industrial demand six months out, and we are pleased that in May, it correctly predicted positive third quarter absorption. While we don't interpret our newest positive absorption forecasts as a signal of an imminent strong recovery, we do feel that the worst is over."

AMB's head of real estate operations, Bruce H. Freedman, added, "The key contribution of the AMB IAI is its ability to predict directional shifts in national net absorption of industrial space. By applying its forecasts to the marketplace, industrial property owners and operators can take the necessary steps to proactively manage real estate portfolios through changing economic cycles. More importantly, the model can assist with planning operational strategies that more closely align industrial supply with demand."

The forecasts, historical accuracy and background of the AMB IAI are summarized in the Information Center of the company's website at www.amb.com.

AMB Property Corporation is a leading owner and operator of industrial real estate in North America. As of September 30, 2002 AMB owned, managed and had renovation and development projects totaling 97.2 million square feet (9.0 million square meters) and 1,032 buildings in 27 markets. AMB invests in industrial properties located predominantly in infill submarkets of major hub and gateway distribution markets. The Company's portfolio is comprised largely of High Throughput Distribution(R) facilities -- industrial properties built for speed and located near airports, seaports and ground transportation systems.

This press release contains forward-looking statements about business strategy, future leasing activities, acquisition opportunities and future plans, which are made pursuant to the safe-harbor provisions of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve numerous risks and uncertainties and should not be relied upon as predictions of future events. The events or circumstances reflected in our forward-looking statements might not occur. In particular, a number of factors could cause AMB's actual results to differ materially from those anticipated, including, among other things, defaults on or non-renewal of leases by tenants, increased interest rates and operating costs, AMB's failure to obtain necessary outside financing, difficulties in identifying properties to acquire and in effecting acquisitions, AMB's failure to successfully integrate acquired properties and operations, AMB's failure to timely reinvest proceeds from any such dispositions, risks and uncertainties affecting property development and construction (including construction delays, cost overruns, AMB's inability to obtain necessary permits and public opposition to these activities), AMB's failure to qualify and maintain its status as a real estate investment trust under the Internal Revenue Code, environmental uncertainties, risks related to natural disasters, financial market fluctuations, changes in real estate and zoning laws, risks of doing business internationally and increases in real property tax rates. AMB's success also depends upon economic trends generally, including interest rates, income tax laws, governmental regulation, legislation and population changes. For further information on these and other factors that could impact AMB and the statements contained herein, reference should be made to AMB's filings with the Securities and Exchange Commission, including AMB's quarterly report on Form 10-Q for the quarter ended June 30, 2002.

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CONTACT: investors, analysts, Michelle C. Wells, +1-877-285-3111, or fax, +1-415-394-9001, or ir@amb.com, or media, Sara J. Butz, +1-415-733-9478, or fax, +1-415-477-2078, or sbutz@amb.com, both of AMB Property Corporation

Web site: <http://www.amb.com/>

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