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For Immediate Release

Morgan Stanley Real Estate Raises \$4.2 Billion International Real Estate Opportunity Fund

NEW YORK, March 9, 2006 -- Morgan Stanley Real Estate announced today that it has successfully concluded fundraising for its Morgan Stanley Real Estate Fund (MSREF) V International with \$4.2 billion of equity commitments from investors in North America, Europe, Asia, Africa and Australia, including major pension funds, endowments and foundations, and private individuals. The Fund will acquire a diversified portfolio of assets primarily in Japan, Asia-Pacific and Europe.

“Equity capital flows into real estate continue to be robust and investors are looking globally for investment opportunities,” said Sonny Kalsi, Managing Director and Global Head of Morgan Stanley Real Estate Investing. “We are able to successfully identify and execute on opportunities that exist around the world based on our geographically diverse platform, our worldwide relationships with corporations and real estate companies, and our view that real estate market fundamentals continue to improve.”

MSREF V International will invest in real estate portfolios across all property types, publicly traded or privately held real estate companies, and direct real estate assets and developments. The Fund has already committed approximately 50% of its capital to these types of investments predominantly in Japan, China and Western Europe.

Morgan Stanley Real Estate has an established record of successfully executing real estate investment programs on a global basis. Since 1991, Morgan Stanley Real Estate has formed six real estate opportunity funds. U.S.-focused funds include MSREF I, MSREF II, MSREF III Domestic and MSREF IV Domestic and international funds include MSREF III International and MSREF IV International.

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Morgan Stanley Real Estate is comprised of three major global businesses: Investing, Banking, and Lending. Since 1991, Morgan Stanley has acquired \$77.5 billion of real estate assets worldwide and currently manages \$43.1 billion in real estate assets on behalf of its clients. In addition, Morgan Stanley Real Estate provides a complete range of market-leading investment banking services to its clients including advice on strategy, mergers, acquisitions and restructurings, as well as underwriting public and private debt and equity financings. Morgan Stanley is also a global leader in real estate lending and, using its own capital, originated upwards of \$26 billion in commercial mortgages in 2005. For more information about Morgan Stanley Real Estate, go to www.morganstanley.com/realestate.

Morgan Stanley (NYSE: MS) is a global financial services firm and a market leader in securities, investment management, and credit services. With more than 600 offices in 28 countries, Morgan Stanley connects people, ideas and capital to help clients achieve their financial aspirations.

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