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BEYOND THE BUSINESS CARD

RICHARD ALLEN

TITLE: Chief executive officer COMPANY: The Allen Group

ichard Allen, chief executive officer of San Diego-based office and industrial development firm The Allen Group, comes by his entrepreneurial streak naturally.

Allen's parents started five different businesses in a 21-year span, ranging from candy distribution to paper cup manufacturing. After graduating from Bowling Green State University in Ohio in 1971, it was the paper cup business that brought Allen to California in 1985 and Visalia in 1986.

The paper cup business was sold three years later and the Allen family got into real estate. During the early '90s, they had capital to invest at a time when others did not. They bought empty industrial buildings in Visalia, fixed them up and sold them.

The Allen Group built up a very large portfolio of office buildings and eventually sold the assets to Los Angeles-based real estate investment trust Kilroy Realty Corp. Allen turned his attention to distribution centers and single-family homes in the Central Valley.

The homebuilding business was sold in 2001 to San Diego's Corky McMillin Cos., allowing The Allen Group to focus on building large master-planned industrial parks next to major inter-modal rail

While Allen maintains a home in Visalia, he lives most of the time in San Diego County's Rancho Santa Ee community with his wife Jane. The two have been married 37 years, but have been together for more than 40 years since high school in Ohio. Their son Luke works for The Allen Group as the company's California Development Coordinator.

What intrigued you about logistics real estate?

That developed on industrial focus early on in Visalia and maintained that. It was ongoing since we sold the cap business back in '89. I had come across a project in Shafter, the International Trade and Transfer Center.

Shaffer, the International France was France Council Project, Russ Peret Je's project As part of my due diligence, a inited line Alliance Project, Russ Peret Je's project in Tessa. The ITTC was adjacent to the Durington Northern Senia Fe railroad and there was some talk about inter-modal development. What was driving excitoners to

the Alliance Project was the inter-modal center.

The ITTC ended up reviewing from 150,000 square fact to more than 1 million square feet. Those buildings needed to be — and the tenants wanted to be — located neat to where these thousands of containers of goods were coming from

How is your business changing as fuel prices and the economic slowdown impact trucking companies accessing major distribution centers?

major distribution centers?

Interestingly, as fuel prices go up and the economy becomes more challenging, that really has been height to us. He have a L.1 million-equan-foot facility in Komas City and we've talking to a nationally known company that is receiving the majority of their goods from overseas. They are in 16 different facilities in the Komas City area. Now they have to be more efficient because the margins are being squeezed. They're looking at relocating to a L.1 million-square-foot facility near the now later would buristigate northern Santa be project. As full prices go up, it becomes more and more important to locate these mega facilities close to where the goods are coming in.

What do you see as the biggest opportunities and challenges for commercial real estate in California?

The capital markets are the biggest challenge right new and the covering. The receasion that is occurring, if that how we're new describing it, has caused everybody to pull in their horse. The shortage of capital is making it difficult for everyone to de horizon.

What non-real estate experience is in your background that

you find yourself drawing upon in your real estate work?

I was fortunate to grow up with any parents starting five different businesses. The
one thing I learned in that process is the key to business is hiring the right people. You hire the people with the experience and skills to do the work. If you have a better town

What is one thing people should know about you before doing business with you?

I think the thing we have really prided ownelves on is honesty and integrity and being able to do a dead on a hundshahe — hind of the old school of deing husiness. It's

net all about making money. We've been fortunate enough to do good business over the years and we are well-capitalized, but it's more important to us to take care of our clients and our employees and maintain our reputation that we have built up over

If you weren't doing this, what would you be doing?

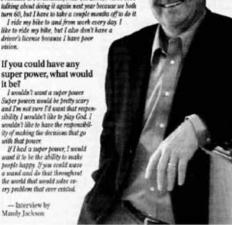
My problem is I have the same problem my father has and that is a proposity to go out and start other businesses. If weren't in the real estate business, I have about there or four other ideas for businesses that I'd go out

Where do you like to vacation?
My wife and I really onjey riding our bicycles.
I really wanted to ride my bicycle across America.
I saled my wife to drive the car behind me and the said she wented to do it with me. We node from San Francisco to Portsmouth, N.H. (in 2000). We've been talking about doing it again next year because we both turn 60, but I have to take a comple months off to do it. I ride my bike to and from work every day. I like to ride my bike, but I also don't kane a

If you could have any super power, what would

it be? I wouldn't want a super pe I wouldn't want a super power.
Super powers would be prefly scery
and I'm not sure I'd want that responshibility. I wouldn't like to play God. I
wouldn't like to have the responsibility of making like decisions that go with that tower

If I had a super power, I would want it to be the ability to make people happy. If you could wave a wand and do that throughout the world that would solve ev-ery problem that ever existed.



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