



FOREST CITY WASHINGTON NAMES CB RICHARD ELLIS TO LEASE INITIAL OFFICE BUILDING AT THE YARDS

Washington D.C.,----- (July 11, 2007) Forest City Washington, Inc. (FCW) has announced the selection of CB Richard Ellis (CBRE) as the exclusive office brokerage firm to handle the leasing of the initial office building that Forest City is developing in Southeast Washington, D.C. as a part of its urban mixed-used project known as The Yards.

The Yards is a 42-acre urban mixed-use project in Southeast DC that is expected to include 1.8 million square feet of new-construction office space, 2,800 residential units, approximately 300,000 square feet of retail space and a significant riverfront park. The project, to be built in phases, will ultimately include over 30 buildings and blend all-new construction with adaptive reuse of existing, historic, former industrial buildings that were originally part of the Washington Navy Yard Annex. Construction on several first-phase buildings at the site is scheduled to begin this fall.

“We are very pleased to have CB Richard Ellis join us in our ongoing efforts to revitalize Southeast DC,” said Deborah Ratner Salzberg, president of Forest City Washington, Inc. “To have a company with their high level of expertise and global reach will greatly help to establish the office tenant component of The Yards,” she added.

“Forest City has an impressive track record nationwide of re-energizing whole sections of major cities by creating very successful, large scale urban revitalization projects,” said Ernest Jarvis, managing director of CBRE in DC. “The Yards is just the kind of urban mixed-use project they do so well. We’re very excited to become a part of it, especially in its early stages.”

Jarvis said the senior leasing team that will be dedicated to leasing the FCW buildings will include himself as well as CBRE’s Randy Harrell, Kevin Howard, Roberta Liss and Mark Mallus.

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The 401 M Street SE Building (376,000 gross square feet) will be located on the southeast corner of M and 4th Streets SE, just east of the new Department of Transportation headquarters. It will be 10 floors above grade with an upscale urban grocery store planned at street level and a three-level underground garage. It is scheduled to begin construction next year with delivery expected in 2010.

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About Forest City Washington

Forest City Washington is a wholly owned subsidiary of Forest City Enterprises, Inc., a \$9 billion NYSE-listed national real estate company. The Company is principally engaged in the ownership, development, management and acquisition of commercial and residential real estate and land throughout the United States. Details can be found online at www.forecity.net or www.fcwashington.com.

About CB Richard Ellis

CB Richard Ellis Group, Inc. (NYSE: CBG), an S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2006 revenue). With over 24,000 employees, the Company serves real estate owners, investors and occupiers through more than 300 offices worldwide (excluding affiliate and partner offices). CB Richard Ellis offers strategic advice and execution for property sales and leasing; corporate services; property facilities and project management; mortgage banking; appraisal and valuation; development services, investment management; and research and consulting. In 2007, *Business Week* CB Richard Ellis one of the 50 "best in class" companies across all industries. For more information online, visit www.cbre.com.

Safe Harbor Language

Statements made in this news release that state Forest City or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. It is important to note that Forest City's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, real estate development and investment risks, economic conditions in Forest City's target markets, reliance on major tenants, the impact of terrorist acts, Forest City's substantial leverage in the

ability to service debt, guarantees under Forest City's credit facility, changes in interest rates, continued availability of tax-exempt government financing, the sustainability of substantial operations at the subsidiary level, significant geographic concentration, illiquidity of real estate investments, dependence on rental income from real property, conflicts of interest, competition, potential liability from syndicated properties, effects of uninsured loss, environmental liabilities, partnership risks, litigation risks, risk associated with an investment in a professional sports franchise and other risk factors as disclosed from time to time in Forest City Inc.'s SEC filings, including, but not limited to, Forest City Enterprises, Inc.'s annual and quarterly reports.