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Long Beach, CA Attracts Foreign Investor

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Credit: Port of Los Angeles
Long Beach

Los Angeles

Baratow LLC of Palos Verdes Estates, CA, a foreign buyer from the Philippines who is looking to invest in Long Beach, CA has purchased 1762 E. 3rd St. in Long Beach for \$1.8 million. The buyer plans extensive improvements to the property including washers and dryers, plumbing upgrades, and changes to the face of the building. The 17-unit apartment community was sold at a cap rate of 7.3% with a 21-day escrow by 1762 E. Third St.

LLC of Anaheim, CA. The transaction was negotiated by Hendricks & Partners on behalf of the seller. Robert Strepp of H&P notes that "we are seeing more foreign investors buying properties these days because of the weak dollar and current exchange rate."

Ampco System Parking has taken 21,031 square feet in the AT&T Center located at 1150 S. Olive St. in downtown L.A. Ampco will use the AT&T Center location as one of its headquarter offices. Transwestern secured the lease on behalf of the tenant. "We were able to consolidate Ampco's two downtown Los Angeles locations to increase efficiency of its operations," says Jonathan Larsen, executive managing director at Transwestern. "The current downtown Los Angeles office market is uncertain and now is an ideal time for new and renewed leases. There is no telling how long a tenant will be able to take advantage of the economic climate and its aggressive terms. In fact, some brokerage firms saw a higher volume in transactions in the end of January 2010 than what was seen in 2009 and economists and commercial real estate professionals expect to see major growth in 2011 into 2012 in the Los Angeles office market, especially in high-rise, class A office buildings such as AT&T Center," he adds. CB Richard Ellis represented the landlord, LBA Realty.

The US Department of Defense has taken occupancy of the newly completed Los Angeles Military Entrance Processing Station in El Segundo, which was developed by Mar Canyon Grand LLC, announced Allan Mackenzie, president of Mar Ventures Inc., the LLC's managing member. The 32,980-square-foot building is located at 1776 E. Grand Avenue and features general office space, a state-of-the-art medical diagnosis and testing facility, medical office and lab space, classrooms, food service, meeting and ceremony rooms. The Department of Defense relocated the former Los Angeles MEPS to El Segundo from a decades old building on Rodeo Road in Baldwin Village after signing a 15-year lease.



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Val Surf has leased 6,000 square feet of retail space from Regency centers at Valencia Crossroads in Valencia, CA. Regency was represented by Centerra Retail Group. According to Aaron Keswick, Regency Centers leasing agent, the 179,603-square-foot shopping center is anchored by a 88,966-square-foot Kohl's and 35,000-square-foot Whole Foods alongside national retailers such as AT&T Mobility, Corner Bakery and Pei Wei. Valencia Crossroads is located at Valencia Boulevard and McBean Parkway.

NorthMarq arranged a \$14.2 million first mortgage financing for Summerhill Park, a 100-unit multifamily complex located in Sunnyvale, CA. Financing was based on a 10-year term with a 30-year amortization schedule, and was arranged for the borrower by NorthMarq through its seller-servicer relationship with Freddie Mac. The loan was a 78% of value cash out on a free and clear good quality apartment asset, according to NorthMarq. NorthMarq also arranged a \$16.5 million credit facility addition for Trabuco Villas, a 132-unit multifamily complex located in Lake Forest, CA. Financing was based on a four-year term plus two one-year extensions with full term interest only and was arranged for the borrower by NorthMarq through its seller-servicer relationship with Freddie Mac. NorthMarq also arranged a \$3.16 million first mortgage financing for Palm Garden Apartments, a 90-unit multifamily property located in El Monte, CA. Financing was based on a 10-year term with a 30-year amortization schedule, and was arranged for the borrower by NorthMarq through a Fannie Mae DUS lender. The transaction was a 100% affordable housing deal and a buyout of an existing institutional partnership.

The California Credits Group LLC has leased 20,700 square feet in Corporate Center Pasadena, a class A mixed-use project at 251 S. Lake Ave. in Pasadena, CA. "To accommodate CCG's tremendous growth over the last few years, Transwestern was able to negotiate below-market lease rates for CCG's new headquarters space. In relocating to Corporate Center Pasadena, CCG will now occupy one full floor versus operating out of multiple floors in an inefficient older building with small floorplates," says J.D. DeRosa, vice president at Transwestern, in a prepared statement. "CCG will also receive excellent signage rights facing South Lake Avenue and Del Mar Boulevard." Transwestern represented the tenant, CCG. CB Richard Ellis represented the landlord, UBS.

San Diego

James Burnett purchased 6,000 square feet of office space at 550 Lomas Santa Fe, in Solana Beach, CA from Donald J. Moore, Seymour Myers Trust and Jack A. Reingold for \$2.7 million. Cassidy Turley BRE Commercial represented the seller in the transaction. Foster & Co. represented the buyer.

Ross leased 26,232 square feet of retail space for 10 years at 3450 College Ave. in San Diego from Cornerstone Property Management for \$3.8 million. Cassidy Turley BRE Commercial represented the lessor in the transaction. Epsteen & Associates represented the lessee.

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Temecula Kilt LLC dba Tilted Kilt leased 6,900 square feet of retail space for 10 years at 26520 Ynez Rd., Suite A, in Temecula, CA, from O & S Holdings for \$2.8 million. Cassidy Turley BRE Commercial and Grubb & Ellis|WestMar represented the lessor in the transaction. Cassidy Turley BRE Commercial represented the lessee.

Enza Investments LLC purchased The Old City Hall Building, a 12-unit property located in the Gaslamp Quarter of Downtown San Diego for \$3.3 million. Marcus & Millichap's national multi-housing group had the exclusive listing to market the property on behalf of the seller. The Old City Hall Building is located at 433 G St., and comprises 12 lofts, ranging from 868 square feet to 1,818 square feet.

Las Vegas

A limited liability company has sold 313 Pilot Rd., an 11,513-square-foot industrial property in Las Vegas to an undisclosed buyer for \$1.5 million. Marcus & Millichap's Las Vegas office had the exclusive listing to market the property on behalf of the seller.

Seattle

Kirkland-based Weidner Apartment Homes has purchased the Cove, a 312-unit apartment complex located in Federal Way, WA, from Prometheus Real Estate Group for \$23 million, or \$73,717 per unit. The Cove is situated the West Campus neighborhood of Federal Way, which is linked to the Commons shopping complex and Twin Lakes. "Buyers believe that the bottom of the rental market is finally appearing on the horizon," says Jon Hallgrimson, senior vice president with CBRE, who brokered the deal on behalf of Prometheus. "We should see sales velocity gradually pick up over the course of 2010."

Denver

Marcus & Millichap Real Estate Investment Services has brokered the sale of Hampden Place Medical Center, a 66,339-square-foot three-story class-A medical office building in Englewood, CO, just south of central Denver. The sales price of \$18.6 million represents \$271 per square foot. John Smelter, a first vice president and senior director of the firm's Healthcare Real Estate Group in San Diego, represented the seller. Smelter also represented the buyer, Health Care Trust of America Inc. Adam Christofferson, a first vice president and broker of record for Colorado, also provided representation. "The property was thoughtfully planned under the direction of Development Solutions Group by the physician owners, in conjunction with the participating hospital system, to facilitate the ongoing profitability and sustainability of the tenant businesses," says Smelter. Built in 2004 on 2.81 acres, the property is located at 401 W. Hampden Place in Englewood, a few blocks from the Swedish Medical Center and Porter Adventist Hospital campuses in an area known as the Englewood City Center, a city center transit-oriented, mixed-use redevelopment.



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NorthMarq Capital arranged permanent financing for Hyde Park North Apartments located at 2925 Tremont St. in Colorado Springs, CO. The two-building apartment complex consists of 66 total units comprised of 48, one bedroom/one bath and 18, two –bedroom, two bath units. It was originally constructed in 1971 and is currently in the process of being renovated. Project amenities include a heated indoor swimming pool, laundry facility, clubhouse and public transportation access. The borrower was a division of Weidner Investment Services Inc., a Seattle-based, privately held owner of multiple multifamily properties.

Portland

The Portland office of Holliday Fenoglio Fowler LP has secured a \$3.3 million financing for Willow Creek, a 77-unit multi-housing community in Beaverton, OR. Working on behalf of the borrower, HFF associate director Tom Wilson placed the 10-year, 5.77% fixed-rate loan with HFF's correspondent Fannie Mae DUS Lender, M&T Realty Capital Corp. Loan proceeds are being used to acquire the property for a purchase price of \$4.8 million. Willow Creek is located at 903 SW 185th Ave. near the intersection of SW Baseline Road and SW 185th Avenue, approximately 10 miles west of downtown Portland. Completed in 1990, the 90% leased property has two-bedroom/two-bath units totaling 985 square feet each. "Willow Creek represents one of the first Portland metro multihousing acquisitions in 2010. The transaction reflects a rare opportunity to acquire a class-B asset at an attractive basis coupled with investment upside in a market with limited acquisition volume," says Wilson.