

Barstow, CA
Lee & Associates Sells Barstow Bowling Alley

The Inland Empire North office of Lee & Associates has closed on the Barstow Bowling Alley located at 750-760 East Main Street in Barstow, CA.

Dr. Ronald J. Barbieri, Senior Vice President of Lee & Associates' Inland Empire North office represented both the buyer and seller. Revolutions, the new owner of the ±35,625 sq. ft. bowling alley and restaurant are in the process of completely refurbishing the facility into a state of the art entertainment center that would include a family orientated sports bar and restaurant, an enlarged arcade with state of the art equipment and 24 renovated and upgraded bowling lanes.

The new owners have been under construction for the last four weeks. They actually started the renovation prior to the close of escrow in order to have the bowling alley portion of the entertainment center open for league play by the middle of October. The general public will be able to use the bowling facility by early November. Revolutions anticipate having the arcade and restaurant operational by the middle of November. Revolutions will be making significant changes to the building's façade, parking lot and landscaping, which hopefully will be completed for the grand opening scheduled for early December. ■

Fremont, CA
Asilomar Partners Snag UBS Property

Local Silicon Valley investors, Asilomar Partners, purchased a 3-building, 195,000 sq. ft. research and development campus located at 49000 Milmont Drive in Fremont from UBS Realty. The project had been marketed for over 4 years, most recently as a residential redevelopment site, but in the short term, Asilomar plans to keep it as an office/R&D project.

Asilomar plans to lease the property to companies requiring office and R&D space with heavy power—4000-8000 amps per building, at a rate well below the current market rental rates with very low operating expenses. Asilomar will divide the buildings down to roughly 12,000 sq. ft. and have already completed a lease for a considerable portion of one of the buildings.

Silicon Valley broker, Mike Webber of GVA Kidder Mathews, says the transaction is a signal that some buyers feel the prices for quality projects are close to the bottom of the market and therefore a good time to take action. Webber, who represented Asilomar, says, "The purchase reflects the commitment of a well-respected local buyer who feels positive that the leasing market in Silicon Valley will soon be on the rebound." ■



Los Angeles, CA
Colliers Works with Golden Boy Properties

In one of the few office properties in West Hollywood to trade hands during the first quarter of 2009, Golden Boy Properties, LLC, acquired a 5,665 sq. ft. single-tenant office asset for an undisclosed price.

The property, located at 9014 Melrose Avenue, just east of Doheny, was previously owner occupied. The new owner/user that acquired the building will take occupancy after they finish remodeling.

Brent Bissell, associate vice president in Colliers International's Downtown Los Angeles office, who, along with Chris Dumont, managing director at Colliers International, represented the seller, a private investor, in the transaction.

According to Bissell, "The company that acquired the property was previously leasing office space on West Pico and this was the firm's chance to invest in a prime piece of real estate at an advantageous time for buyers to acquire."

Willa McNamarra with Beitler Commercial represented the buyer, Golden Boy Properties, LLC, in the transaction. ■

Los Angeles, CA
Grubb & Ellis to Market Former Postal Facility

Grubb & Ellis Company announced that it has been selected by the U.S. Postal Service to market for sale a former postal facility site located at 313 Grand Blvd. in Venice. The parcel of land totals approximately 78,000 sq. ft. and is improved with a single-story building offering 15,890 sq. ft. of space.

The property has had multiple uses since its construction in 1957. Prior to serving as a carrier annex for the USPS for past 21 years, 313 Grand Blvd. housed a grocery store. The property is surrounded by various restaurants, upscale shopping centers and high-end housing developments.

The U.S. Postal Service account is managed by Grubb & Ellis' Government Services and Corporate Services groups. ■

San Diego, CA
Ground Floor of Downtown Mixed-Use Project Changes Owner

Grubb & Ellis|BRE Commercial announced that it facilitated a \$13.8-million sale of the 42,973 sq. ft. ground floor retail space, that houses an Albertson's grocery store, located at 655 14th St.

Albertson's leases the ground floor retail parcel of Market Street Village and has 22 years and six options left on its lease.

This sale represents one of the more unique transactions in the downtown area because it is a long-term investment property that was originally part of a larger mixed-use project. Therefore, the complex original lease and operating structure created a strong interest level from investors. In addition, the transaction had a high loan-to-value percentage, which is no longer available in the current market.

Chuck Klein, Tim Winslow, Kevin Held and Jason Kimmel of Grubb & Ellis|BRE Commercial represented the seller, EVALBS, LLC. Douglas Hamm of Baxter Realty Group, Inc. represented the buyer, LIAD, LLC. ■

Temecula, CA
Medical Office Condominium Sold

Cushman & Wakefield announces that a 1,680 sq. ft. medical office condominium in Rancho Pueblo Center, at 31493 Rancho Pueblo Rd., Unit 11, in Temecula, CA, has sold. Financial terms were not disclosed.

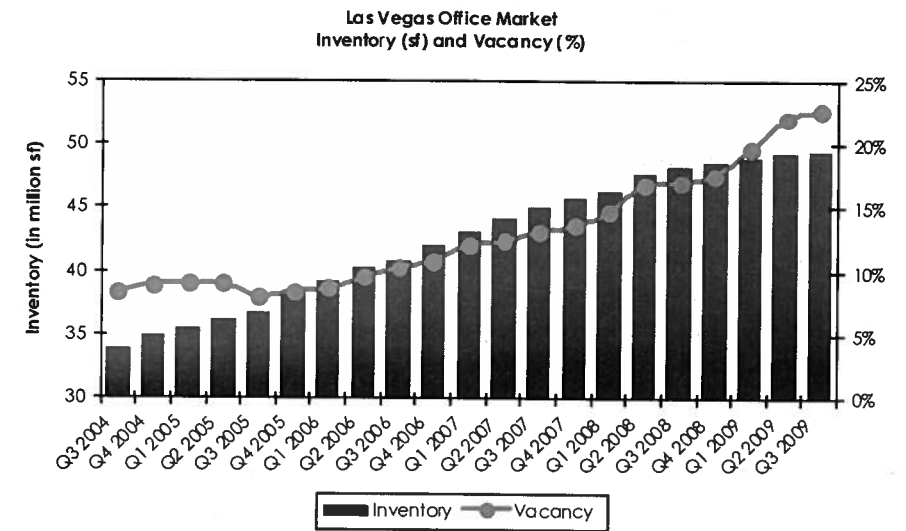
The buyers, Kishore K. Vasant and Smita K. Vasant, were represented by Brandon Sudweeks of Sudweeks Commercial Real Estate. The seller, Rancho Pueblo I, LLC, was represented by Kevin Tremblay of Cushman & Wakefield.

The buyer plans to use the office condominium for a medical office.

Rancho Pueblo Center is a five-building, 109,000 sq. ft. office project. Other tenants include Inland Urgent Care and Rossi Land Company. The project was built in 2007 by Covenant Development. ■

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- Average asking lease rates – Pricing in the office market continued to erode as weak demand forced landlords to cut rents. The market-wide average asking rent reached \$2.14 per sq. ft. per month, which is on par with price points from four years ago. Posted rents witnessed a sizeable drop from the \$2.32 average reported in the preceding quarter and were down 9.3 percent from a year ago. Effective rents, which factor in concessions, are likely down much further.
 - Class A - \$2.26 per sq. ft. (down from \$2.81 per sq. ft. in Q2 2009);
 - Class B - \$2.13 per sq. ft. (down from \$2.20 per sq. ft. in Q2 2009); and
 - Class C - \$1.79 per sq. ft. (down from \$1.81 per sq. ft. in Q2 2009).



Commentary:

According to Applied Analysis Project Manager Jake Joyce, "With weakening demand for office product, excess supply levels and only a handful of projects actively under construction, it is likely the market will see development activity essentially cease by mid 2010. In the near term, pricing adjustments will continue to prevail as business contraction continues and lender-involved transactions set the bar. While the development community continues to struggle through the correction period, the brokerage community may very well remain busy as tenants seek out more cost-effective rental and/or ownership options as leases expire."

Applied Analysis Principal Brian Gordon added, "The amount of occupied product continued to decline for the fourth consecutive quarter, while vacancies followed the expected path -- rising significantly. Assuming market demand returns to normalized levels, approximately three and a half years of excess, effective inventory remains on the books. This timeline combined with the period at which market demand turns positive could result in elevated vacancies for a period of five years or more. There are several factors that could shift the correction timelines, including economic diversification efforts and expansions in the medical field for an aging senior population." ■