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Investor Bixby Land Acquires Bay Area Plant

REAL ESTATE: Full building goes for \$15M, big-name tenant

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Irvine's Bixby Land Co. has made its largest acquisition this year, paying \$15.2 million for an industrial building in Northern California.

The privately held real estate investor and developer said it is buying a 129,808-square-foot manufacturing facility in the Bay Area's Fremont.

It's the first buy in the East Bay city for Bixby, which owns about 1 million square feet of industrial and research and development space in neighboring Silicon Valley.

The Fremont building serves as the U.S. headquarters for France's AsteelFlash Group, one of the larger contract electronics makers.

AsteelFlash, formed by the 2008 acquisition of Fremont-based Flash Electronics Inc. by France's Asteel, is set to lease the entire building through 2017.

Some 500 people work there, according to AsteelFlash, which makes electronics for the defense, transportation, medical and communications industries.

Bixby's paying about \$117 per square foot for the building. The deal's capitalization rate—or expected return from rents—works out to about 8%, according to Bixby Vice President Mike Severson, who heads up acquisitions.

A venture of Foster City-based Legacy Partners and Chicago's Walton Street Capital LLC sold the Fremont building.

Bixby represented itself in the Fremont buy.

Greg Coith, Edmund Najera and Paul Nelson of Eastdil Secured LLC's San Francisco office and Steve Pace of Cassidy Turley's Santa Clara office represented the sellers.

Bixby officials said they paid cash for the building.

The deal's a "sign of our confidence in the long-term economic future of Northern California," said Bill Halford, Bixby's chief executive.

The company's on the lookout for other upscale buildings in the area, as well as in Southern California

and other markets in the West, officials said.

The Fremont deal's also a return to larger buys for Bixby, which has been relatively quiet in 2010.

Prior to the AsteelFlash building, the priciest deal this year by Bixby was in February, when it announced a \$9.2 million buy of a 50,000-square-foot office in San Diego.

That building, near the headquarters of Qualcomm Inc., was bought from Irvine's LBA Realty.

From Halford's arrival at Bixby in 2006 to early this year, the company has more than doubled the size of its portfolio, expanding to about 6 million square feet of office and industrial space.

Now the company reports having a portfolio of about 5.5 million square feet. It's shed a few industrial buildings of late, including the 231,444-square-foot Archibald Business Center in Ontario.

A partnership headed up by Aliso Viejo's CT Realty Investors said last month they were buying the Ontario building from Bixby in a \$9.5 million deal.