

Real estate
is our domain™

GlobeSt.com™

May 20, 2011

DEAL-WRAP

CIP Buys 188,000-SF Portfolio, Plans Upgrades

By: Bob Howard

ORANGE COUNTY



Indiana Business Park

IRVINE, CA-Locally based **CIP Real Estate** has acquired a 188,000-square-foot multi-tenant industrial portfolio from **Union Development Co.**, an affiliate of **Barker Pacific Group**, for \$14 million in this week's roundup of commercial real estate news in the West. CIP bought the portfolio in a joint venture with a real estate investment fund managed by real estate investment firm **Blue Vista Capital Partners** and assumed a conduit loan as part of the deal. It plans capital improvements of approximately \$300,000 on the properties, which are in Los Angeles and Riverside counties. CIP principal **Eric Smyth** says that the transaction "represents a continuation of CIP's strategy of acquiring value-added multi-tenant business parks at below replacement cost." The company will remain an active buyer of this product type in 2011 because it anticipates "strong tenant demand for small industrial units in the next two years as the economy recovers and the construction industry begins to grow." The portfolio includes the 150,000-square-foot Indiana Business Park at

9800 Indiana Ave. in Riverside, 16,000-square-foot Cerritos Industrial Park at 10805 Artesia Blvd. in Cerritos and 22,000-square-foot Parkway La Mirada at 16810-16900 Valley View Ave. in La Mirada. CIP Real Estate will manage and lease the portfolio. **David Hasbrouck** and **Lars Platt** of **Cushman & Wakefield** represented Union Development Co. and CIP represented itself. The portfolio purchase increases CIP's Southern California portfolio to more than 1.54 million square feet of office and industrial space.

Alteryx Inc. signed a five-year lease for 11,021 square feet of office space for its corporate headquarters at 230 Commerce in the Irvine Technology Center in Irvine. Alteryx which specializes in creating business intelligence technology for mid-market and Fortune 500 companies, was represented by senior associate **Jon Swallow** of **Grubb & Ellis Co.** **Joe Winkelmann** of **Voit Real Estate Services** represented the owner of the property, **Bardeen Partners Inc.**

INLAND EMPIRE

Warren Lortie Investments bought an 86,449-square-foot industrial property at 43379-43397 Business Park Dr. in Temecula from **Foremost Carmel Mountain Ltd.** for approximately \$6.82 million, with EVP **Alan Pekarcik** and SVP **Dan Vittone** of the Irvine office of **Voit Real Estate Services** representing both the buyer and the seller. The project consists of two multi-tenant industrial buildings totaling 46,327 square feet, one multi-tenant flex building containing 12,681 square feet and one two-story, elevator-served, multi-tenant office building totaling 27,441 square feet. The buildings are situated on an

approximate 6.09-acre parcel, and each suite in all four buildings is individually metered for electricity. Pekarcik said that the buyer "is well positioned to increase returns as the submarket improves."

Shield Packaging of California bought a 78,021-square-foot industrial building at 5740 Schaefer Ave. in Chino from **MRC Properties LLC** for \$3.9 million. Shield was represented by VPs **Brad Yates** and **Richard Schwartz** of the Inland Empire office of **Colliers International**. MRC Properties was represented by **Larry Null** and **Douglas Earnhart** of **Lee & Associates**. Built in the 1970s, the property is an older metal building with 78,021 square feet of industrial space and 5,622 square feet of office space.

LOS ANGELES COUNTY

Achem Industry America Inc. bought a 128,000-square-foot industrial property at 13226 Alondra Blvd. in Cerritos from **Scope Properties LLC** for \$10.56 million and will use it as a distribution and light manufacturing center. The buyer, who will also build 4,000 square feet of new office space, was represented by SVP **Chris Sheehan** and VP **Adam Deierling** of Colliers International's Torrance office. The seller was represented by **Ted Carpenter** of **Carpenter & Associates**.

A Los Angeles-based 1031 Exchange buyer acquired the nine-unit Outrigger Apartments at 15 Outrigger St. in Marina Del Rey from private investors based in Hawaii for \$4 million at a 3.84% cap rate. Both parties were represented by EVP **Kitty Wallace** of Colliers International's West Los Angeles office. Wallace commented on the deal: "Almost immediately, we saw tremendous interest in the Outrigger Apartments. As expected, the property scored well with investors due to its coastal location, impeccable condition, and 100% occupancy rate. There was an aggressive bidding war over the asset and it finally sold at list price with \$100,000 hard money up front." The four-story complex was built in 1972 and was renovated in 1982.

Wrightwood Capital, through one of its managed funds, has invested \$3.4 million of preferred equity with a regional apartment owner and operator to facilitate the acquisition of two adjacent 24-unit, three-story apartment projects near the NoHo arts district and originally built in 1990. Wrightwood's partner plans to reposition the properties by updating the exterior and common areas, bringing rents to market and managing operating expenses. The partner's property management group will oversee capital expenditures and provide property management services.

Capitol Distribution, a Santa Fe Springs-based bulk food distribution company, signed a five-year, \$2.2 million lease for a 102,576-square-foot industrial property owned by **ProLogis** at 13930-13950 Mica St. in Santa Fe Springs. The tenant was represented by **Sheehan** and **Deierling** of Colliers, along with SVP **Phil Norton** of Colliers' Commerce office. Prologis represented itself. Sheehan and Deierling, along with VP **Josh Hayes** of the Colliers Ontario office, represented tenant **Royal Sugar LLC**, a New Jersey-based food distribution company, in a 50-month lease for a ProLogis property at 14659 Alondra Blvd. in La Mirada. Prologis represented itself.

Hydrofarm Inc., a manufacturer/distributor of hydroponics equipment and grow lights based in Petaluma, CA, signed a 45-month, 82,080-square-foot lease for industrial space owned by **Golden Springs Development Co.** at 12991 Leffingwell in Santa Fe Springs. Golden Springs was represented by senior EVPs **Clyde Stauff** of Colliers International's Irvine office and **Stephen C. Calhoun** of the Colliers Commerce office. The property was built in 2000 and will be used as a distribution center for light assembly and manufacturing by the new tenant, who was represented by **Steve Sprenger** and **Randy Lockwood** of Grubb & Ellis. The transaction is valued at \$1.9 million.

The US General Services Administration signed a 10-year, 43,936-square-foot lease for a regional training facility for a federal law enforcement agency that now occupies both floors of the Saturn Corporate Center at 1938-1968 Saturn St. in Monterey Park. The GSA was represented by **Jones Lang LaSalle's Jeffrey Ingham** and **Amy Aldridge**. Landlord **Global Pacific Development** was represented

by Grubb & Ellis Co. The federal government now occupies 100% of the two buildings located at the property.

WTAS, providers of tax, valuation and financial advisory and related consulting services to individual and corporate clients across the country, has leased 23,666 SF of space at the Mellon Bank Center, 400 Hope St. in Los Angeles. WTAS was represented by EVP **David Kluth** from the Downtown Los Angeles office of **UGL Services**, along with SVP **Justin Hodgdon** of the UGL Services Orange County office.

SAN DIEGO COUNTY

An affiliate of **Westport Capital Partners LLC** bought the 245,101-square-foot Center Pointe Business Park at 1280, 1290, 1300 and 1400 North Johnson Avenue and 750 and 900 Vernon Way in El Cajon from **Centerpointe I** and **Centerpointe II** for an undisclosed price. Both the buyer and the seller were represented by **Bryce Aberg** and **Brant Aberg** of **Cassidy Turley BRE Commercial** as well as **James Renner** and **Robbie Cornell** of **Inland Pacific Commercial Properties**. **Scot Eisendrath** of Cassidy Turley BRE Commercial's Financial Advisory Services Group provided financial expertise.