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View from the Top Real Estate Market Update

Allen Matkins
attorneys at law

January 21, 2010

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Deals Update

[CIM Group buys 372,000 sf San Francisco Office Building](#)

Rentv - Jan 14

LA-based CIM Group has acquired an 18-story, 371.8k sf Class A office building in San Francisco's South Financial District. The property, 211 Main Street, is located at the corner of Main and Howard streets, and includes a 50-car underground garage. It is fully leased to a number of tenants such as Charles Schwab & Company. Although the price was not disclosed, the San Francisco Biz Times estimates it was near \$112 mil, which would give it a value of about \$300/sf.

[Logistics provider renews 1 million sf leases in Chino](#)

Globe St. - Jan 13

Logistics provider IDS USA has signed three lease renewals in Chino totalling more than 1.1 million square feet with landlord Majestic Realty as part of one negotiation, according to CB Richard Ellis, which represented the logistics firm in the lease negotiations. CBRE's Frank Geraci, Walt Chenoweth, Juan Gutierrez and Patrick Wood of the Ontario office represented IDS, along with John S. Isaacs and Steve Sperber in the New York City office of CBRE.

[Twitter to double space in San Francisco](#)

San Francisco Business Times - Jan 5

Three months after tripling its San Francisco headquarters, social media company Twitter is again expanding its SoMa offices, a 41-month lease worth more than \$3 million.

Twitter has grabbed just under 32,000 square feet at 795 Folsom St., taking the entire third floor of the building, which is owned by [Westcore Properties](#). With the new lease Twitter now has 63,222 square feet in the building — enough space to accommodate about 350 employees. Twitter now has 156 employees, with 23 openings, according to its web site.

[Fractured condo note in Chino trades for \\$13 million](#)

Globe St. - Jan 6

Overseas investors specializing in distressed assets have acquired the \$22 million first trust deed to a 107-unit fractured seniors condo project in Chino for \$13.4 million. The project consists of 80 two-bedroom and 27 one-bedroom units ranging from 650 to 1,200 square feet that are designated for residents 55 and older. The note was a participation loan between China Trust Bank and the First Bank of Beverly Hills, which was taken over by the FDIC in late April 2009.

[Taiwan investor buys \\$24 million building in San Francisco's financial district](#)

Globe St. - Jan 13

Taiwan-based Pacific Resources Stevenson bought the 49 Stevenson St. building, in the heart of San Francisco's financial district from a US institutional seller for \$24.2 million in an all-cash deal at a price that is approximately 40% below the current assessed value of the office property, according to Grubb & Ellis. In addition to Cressman, other members of the Grubb & Ellis team were vice president Michael Taquino and senior associate

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Kyle Kovac. The acquisition could mark the return of foreign investors to the city.

[Behringer Harvard acquires 134-unit seniors complex in Laguna Woods](#)

Behringer Harvard - Jan 6

[Behringer Harvard Multifamily REIT I](#) has acquired the newly built 134-unit San Sebastian seniors apartment complex through an alliance with Phoenix-based [Alliance Residential](#), according to the Dallas-based REIT. The property is at 24299 Paseo de Valencia and is a resort-style complex designed for seniors 55 or older.

[San Bernardino Apartment Complex Sells for over \\$21 Million](#)

Rentv - Jan 12

Broadstone Serrano, a 254-unit apartment community in San Bernardino, sold for \$21.25 mil (\$83.7k/unit) in a recent acquisition. The low-density (14.3 units/acre), garden-style property is located at 1930 College Ave, north of the 210 Fwy and just east of I-215.

Paul Runkle and Ralph DePasquale of Hendricks & Partners represented the seller, a major insurance company. They buyer was Strata Serrano LLC, an affiliate of Strata Equity Group, a 30-year-old San Diego-based investment firm. The property was financed with a new 65% LTV loan from Freddie Mac.

[Rockwood Capital acquires Sallie Mae's Reston office for \\$68 million](#)

Virginia Business - Jan 8

The Reston corporate headquarters of Sallie Mae has been sold to a San Francisco-based private equity firm for \$68 million. Rockwood Capital LLC acquired the 221,326-square-foot building in a sale/leaseback transaction announced today.

It was developed in 2004 as a class A, single tenant building for Sallie Mae, the country's largest provider of private student loans. Sallie Mae (SLM Corp.) will continue to lease the building for three years and 55 percent of the space for an additional seven years, providing a steady income stream to the new owner.

Equity & Debt Update

[FDIC sells \\$1 billion in distressed bank loans to Colony Capital Acquisitions](#)

Federal Deposit Insurance Corporation - Jan 8

The Federal Deposit Insurance Corporation (FDIC) has closed on a sale of an equity interest in a limited liability company created to hold certain assets out of 22 failed bank receiverships. The winning bidder of the Multibank Structured Transaction was Colony Capital Acquisitions, LLC, based in Los Angeles, CA. The FDIC as Receiver for the failed banks conveyed to the LLC a portfolio of approximately 1200 distressed commercial real estate loans, of which seventy percent were delinquent. Collectively, the loans have an unpaid principal balance of \$1.02 billion.

[Sunstone Investors Forfeiting group of 11 hotels to lender](#)

The Wall Street Journal - Jan 8

Sunstone Hotel Investors Inc., a real-estate investment trust based in San Clemente, Calif. is forfeiting a group of 11 U.S. hotels to Massachusetts Mutual Life Insurance Co. after stopping payments on a \$246 million mortgage, the latest example of a commercial-real-estate owner giving up a money-losing asset to a lender. The hotels, ranging from the Kahler Inn & Suites in Rochester, Minn., to the Holiday Inn Downtown in San Diego,

employment and labor law. [More...](#)

cumulatively generated \$20 million in annual cash flow. But their combined operating and interest expenses left Sunstone with a \$19.1 million annual loss. Sunstone turned over three other hotels—the W San Diego, the Marriott Ontario Airport hotel in Ontario, Calif., and the Renaissance Westchester in White Plains, N.Y.—to separate lenders in the past year.

Mall operator Simon Property Group tries to buy back \$3.25 billion worth of its notes

The Wall Street Journal - Jan 12

The huge U.S. mall owner and operator Simon Property Group wants to buy back as much as \$3.25 billion worth of its notes. The tender offer covers 10 series of notes with maturities ranging from 2011 to 2013. In October, Simon said third-quarter profit dropped as occupancy declined at regional malls and outlet centers, although the results were better than analysts forecast.

Digital Realty sells \$100 million in notes to Prudential

Forbes - Jan 8

Digital Realty Trust Inc. said it has agreed to sell \$100 million aggregate principal amount of its senior unsecured term notes to Prudential Investment Management Inc. and its affiliates.

The notes, which will be sold by the company's **Digital Realty Trust** operating partnership, will be issued in two series. The series D notes will have a principal amount of \$50 million, an annual interest-only rate of 4.57 percent and a five-year maturity. The series E notes will have a principal amount of \$50 million, an annual interest-only rate of 5.73 percent and a seven-year maturity.

The sale of the notes is expected to close on Jan. 20.

California hotel foreclosures quadrupled in 2009 due to travel drop

Business Week - Jan 7

There were 62 foreclosures on hotels in the state last year, compared with 15 in 2008, Irvine, California-based Atlas Hospitality Group said. Properties in default jumped almost six-fold to 307, said Atlas, which specializes in selling hotels. The survey only covered California. About 1,200 loans totaling \$28.2 billion and backed by 1,800 U.S. hotels were included on a performance watch-list by Realpoint LLC as of the end of December. The list includes loans in default or at risk of default, according to the Horsham, Pennsylvania-based credit-rating company.

Government Action Update

No government action to report.

Special Features

No special features to report.

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