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View from the Top Real Estate Market Update

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Deals Update

[Maguire Properties sheds OC office complex for \\$90 million](#)

LA Times - Mar 17

Commercial landlord Maguire Properties Inc. has sold a Santa Ana office complex for \$90 million as part of a long campaign to reduce debt and right itself financially. Buyers Lincoln Property Group and Angelo Gordon & Co. paid cash for the Griffin Towers complex. The transaction was the largest office sale in Southern California this year, according to real estate brokerage CB Richard Ellis Inc., which represented Maguire Properties in the deal. There were 34 prospective buyers, including foreign investors, real estate investment trusts, institutions and individuals.

[Kennedy Wilson venture buys \\$342M loan portfolio](#)

Kennedy Wilson - Feb 24

International real estate investment and services investment firm Kennedy Wilson (NYSE Amex: KWIC) today announced that it has acquired a \$342 million loan portfolio from a large regional bank. The acquisition is the first in a newly formed investment platform that Kennedy Wilson has created with a leading international financial institution. The venture will focus on acquiring sub-performing and non-performing commercial real estate loans and originating commercial whole loans and bridge/permanent multifamily loans.

[One of the few retail projects in the country begins construction in Fort Worth](#)

The Star Telegram - Feb 22

Construction on the 67-acre Renaissance Square shopping center in Fort Worth, Texas, is expected to begin in April. No pre-leases have been signed, but there has been a lot of interest, according to Lockard Development President Robert Smith Jr. "This is one of the few retail projects in the country right now," he says. "Retailers and restaurants are driving by the site weekly. The past six months have been busy."

[Liberty International in talks to sell its \\$560 million California shopping center business](#)

Financial Times - Feb 26

Liberty International, the UK's largest shopping mall owner, is in talks to sell its \$560 million US shopping center business based in Northern and Southern California to Miami-based Equity One as the next step in its planned demerger. Liberty is believed to be structuring the deal to trade the properties in return for equity in the US group, rather than cash, which would give the UK real estate investment trust a stake in any growth of the business in the future. The structure is also expected to be more tax efficient for Liberty International.

[Inland Real Estate pays \\$424M for retail portfolio](#)

South Florida Business Journal - Mar 5

An arm of the Inland Real Estate Group of Cos. has purchased 16 shopping centers, including three in South Florida, for \$424 million. The seller was a joint venture between TIAA-CREF and Developers Diversified Realty. CB Richard Ellis National Retail Investment Group represented the seller. The

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purchase was made on behalf of Inland American Real Estate Trust, a public, non-traded real estate investment trust. The 3.5 million-square-foot portfolio includes Boynton Commons in Boynton Beach, Paradise Place in West Palm Beach and Universal Plaza in Lauderhill.

Lakewood Ranch firm buys \$81 million in residential lots in Florida

The Herald Tribune - Feb 25

Starwood Land Ventures, a Lakewood Ranch firm formed three years ago to acquire distressed real estate, has bought one of the largest land purchases in Florida in the past year. Starwood Land officials say the company's \$81 million acquisition of nearly 5,500 lots from the bankrupt Touse Homes Inc. will allow it to re-energize communities from Jacksonville to Miami and generate sales to builders. Analysts said Starwood Land's deal could also send ripples throughout Florida's housing market, and spur activity because of its scope and size.

Hanover Real Estate Partners announces sale of Rosemead, CA office building

Trading Markets - Mar 10

Hanover Real Estate Partners announced the sale of a 270,000 square foot office building located in Rosemead, CA. The building was sold to Southern California Edison for \$33,750,000. A significant part of Hanover's fundamental investment strategy is to acquire properties or joint venture with existing owners to transition and reposition real estate properties through challenging economic conditions.

Related Companies to build Palm Beach County convention center Hilton

HotelWorld Network - Mar 11

The Palm Beach County Board of County Commissioners approved the unanimous recommendation by a County Selection Committee that Related Companies, L.P. develop the 400-room Palm Beach County Convention Center Hotel in West Palm Beach, Fla. using the Hilton Hotels brand. The New York-based real estate development company is known for building the Time Warner Center at Columbus Circle in Manhattan and CityPlace, the \$600 million retail and entertainment center in Downtown West Palm Beach.

South Bay campus to be sold

LA Times - Mar 3

Nissan's corporate headquarters in South Bay will be sold after 50 years in Los Angeles County. Up for sale is a cluster of 13 buildings including more than 700,000 square feet of office and light industrial space lie empty. The 42-acre Nissan campus has been taken over by 11 different businesses. The last piece of the campus will be resurrected by Kaiser Foundation Health Plan, which recently agreed to buy a rambling three-story office building, built by Nissan in 1984, for \$13.8 million. Kaiser plans to consolidate its South Bay operations there. Nissan sold its campus in 2006 to Kearny Real Estate Co. for more than \$75M.

Nationwide Health Properties acquires California medical office buildings

Zacks - Mar 3

Nationwide Health Properties Inc., a real estate investment trust (REIT) that invests in health care facilities, acquired five medical office buildings (MOBs) in California from Pacific Medical Buildings LLC. With the deal, Nationwide Health acquired 590,000 square feet of health care facilities. The aggregate transaction value is \$211M. The initial NOI (net operating income) yield from the properties, excluding a 190,000 square feet facility in Pasadena, California, which is in lease-up stage, is expected to be 7.6%.

employment and labor law.
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Jack in the Box 66-unit auction reaps \$39M

Chain Leader - Mar 3

The sale of 66 Jack in the Box Franchises netted just over \$39 million. The Live Auction was conducted by National Franchise Sales on February 23rd & 24th in Sacramento, CA under the direction of Beverly N. McFarland. The final price of \$39,018,877 exceeded the Stalking Horse Bids of \$27M obtained in the Sealed Bid process in February. Highest and best bids were awarded to a group led by Ben Nematzade for 31 units in the Fresno and Chico/Redding areas, a group led by Anvil Yadav for 31 units in the Sacramento area, a group led by Romesh Japra for Eureka and Crescent City, and Jyoti Madhurafor the remaining two units in the Fresno area.

Chicago area shopping center sold

Twin Cities Business Journal - Mar 1

Australian commercial real estate firm Centro Properties Group recently sold Oakdale Village shopping center to LaSalle Investment Management Inc. in Chicago for \$24.6M, according to public records. The sale comes less than three years after Centro bought the 151,126-square-foot power center from Bloomington-based developer Doran Cos. for \$37M.

LaSalle Properties makes hotel trade for \$95M

CoStar - Mar 3

LaSalle Hotel Properties, a Bethesda, MD-based hotel REIT, purchased the Sofitel Washington, DC Lafayette Square for \$95 million. Gem Realty Capital Inc., a real estate investment company headquartered in Chicago, sold the 237-room property at 806 15th St. NW in DC's East End for \$400,844 per room. Sofitel Washington is a 154,000-square-foot, 12-story hotel that opened eight years ago. It includes 17 suites, about 5,500 square feet of meeting space, a 70-seat iCi Urban Bistro and a 60-seat LeBar lounge at the corner of 15th and H streets, less than half a mile from the White House.

Six suburban shopping centers part of \$424M deal

Globe St - Mar 2

Six suburban shopping centers are among a portfolio of 16 properties purchased by Oak Brook, IL-based Inland Real Estate Acquisitions Inc. The centers, which total nearly 3.6 million square feet and are primarily in the Southeast, were bought from a joint venture between TIAA-CREF and Developers Diversified Realty for \$424M. Two of the sold centers are located in Duluth, Mn. Others are within and near metropolitan Atlanta.

Equity & Debt Update

\$845M debt offering boosts MGM prospects

Globe St - Mar 18

MGM Mirage has realized \$826 million in net proceeds from an \$845 million debt offering and will use the proceeds to prepay approximately \$820 million of loans under its credit line. The offering, which indicates investor support for the Las Vegas-based gaming and hotel company, was for \$845 million of senior secured notes. The offering follows an agreement that MGM struck with its lenders. The agreement included about half a dozen major provisions requiring MGM to reduce its debt to certain lenders, restructure its finances, extend the maturity date for some of its loans and repay approximately \$1.2 billion owed to lenders who have not agreed to extend the maturities on their loans.

WaMu reaches settlement with JPMorgan, FDIC

Associated Press - Mar 13

Washington Mutual Inc. has tentatively resolved disputes with JPMorgan Chase & Co. and the Federal Deposit Insurance Corp. over some \$4 billion

at issue in the bank holding company's Chapter 11 bankruptcy, a WaMu attorney said. WaMu attorney Brian Rosen told U.S. Bankruptcy Judge Mary Walrath on Friday that JPMorgan has agreed to turn over the money to Washington Mutual after deducting \$172 million as its share of tax refunds. In return, JPMorgan will get 70 percent of expected tax refunds resulting from WaMu's prior operating losses that are valued at about \$3 billion, with Washington Mutual getting 30%. WaMu also will get about 40% of a second round of operating-loss tax refunds valued at about \$2.6 billion, with roughly 60% going to the FDIC.

Summit Capital weighs US \$380m in real estate finance, including hotels

Hotels Magazine - Mar 3

Summit Capital will begin analyzing the feasibility of financing transactions in order to place approximately US\$380 million pool of non-recourse capital. Summit Capital's role is to present the lender with commercial real estate deals, with an emphasis on hotels, based on preset parameters. The lender will fund transactions on existing high quality assets starting at approximately US\$20 million in loan dollars with a minimum debt coverage ratio of 1.25 on a 25 or 30 year amortization with a five-year or a 10-year term.

Florida's Shore Club hotel faces foreclosure

South Florida Business Journal - Mar 10

The Shore Club hotel in South Beach has been hit with a foreclosure lawsuit. Collins Lodging, the representative of a commercial mortgage-backed security (CMBS) fund serviced by Miami Beach-based LNR Partners, filed a foreclosure action against hotel owner Philips South Beach, according to U.S. District Court for the Southern District of Florida records. The complaint seeks more than \$126 million in damages. Victor Diaz, an attorney with Miami-based Podhurst Orseck who represents the CMBS fund, said in a statement that Philips South Beach defaulted on the loan after missing payments since September.

General Growth lines up \$4 Billion more for bankruptcy exit

Wall Street Journal - Mar 8

Mall owner General Growth Properties Inc. has bolstered its case for exiting from bankruptcy as a stand-alone company by lining up nearly \$4 billion in commitments from creditors Fairholme Capital Management and Pershing Square Capital Management LP. The pledges—added to \$2.6 billion that Canadian property investor Brookfield Asset Management already has agreed to sink into General Growth—would allow the mall owner to eliminate most of its \$7 billion in unsecured debt. General Growth's board has yet to vote on the proposal. The offer calls for Fairholme to contribute the \$2 billion of General Growth's debt that it owns plus \$700 million of additional cash. The proposal comes as General Growth has scrambled to assemble a deal to compete with a \$10 billion buyout offer from rival mall owner Simon Property Group Inc.

Government Action Update

Government of California may raise \$2B in sale of office properties

Bloomberg - Feb 26

The State of California may raise more than \$2B from the sale of 11 office properties that would be the biggest commercial real estate deal in the state government's history. Almost 7.3 million square feet of office space in Los Angeles, San Francisco, Oakland, Sacramento and Santa Rosa may draw bids from investors worldwide, the state Department of General Services. Proceeds will be used to retire more than \$1B in bond debt and add at least \$660M to the state's general fund, according to the agency.

The California properties include two office complexes with a combined 3.3 million square feet in Sacramento; two buildings in Los Angeles with almost 1.2 million square feet; two buildings in the San Francisco Civic Center with 900,000 square feet; and an Oakland office tower with 700,000 square feet.

[First Citizens buys Sun American Bank out of FDIC receivership](#)

Triangle Business Journal - Mar 5

First Citizens Bank is buying another bank in a deal backed by the Federal Deposit Insurance Corp., the bank. First Citizens Bank won a competitive bidding process for the right to acquire the assets and most of the liabilities of Sun American Bank of Boca Raton, Fla. It is the second time this year and the fourth time in the past eight months that First Citizens has bought a bank out of receivership from the FDIC. The FDIC deal gives First Citizens the option of buying any bank-owned property and to assume the leases on any or all of the Sun American's branches.

Special Features

No special features to report.

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