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Deals Updates

Office

[Carlson Center tower to sell for \\$54M](#)

Minneapolis Business Journal - Jan 13

KBS Real Estate Investment Trust II Inc. signed a contract to buy the 288,000-square-foot office building in Minnetonka, Minnesota, for about \$54.4 million plus closing costs. The building, which has an assessed value of \$39.3 million, according to Hennepin County property-tax records, was put on the market in August by New York-based pension fund manager TIAA-CREF. The 601 Tower is at 601 Carlson Parkway. The 15-story office building was built in 1989. Today, it is 90% leased to 43 tenants, according to the regulatory filing.

[KDC sells two office buildings to Cole Real Estate for \\$51M](#)

Globe Street - Jan 7

KDC has sold off two class A office buildings to Cole Real Estate Investments for a total of \$51 million. The Phoenix-based investor acquired a 147,107-square-foot property leased to the California State Automobile Association Inter-Insurance Bureau for \$29 million and a 150,000-square-foot asset leased to Dell Perot Systems for \$22 million. The acquisitions are the first deals that Cole has completed with KDC, according to Robert Micera, Cole's chief investment officer for office and industrial. The California State Automobile Association Inter-Insurance Bureau (CSAA) is an affiliate of AAA of Northern California. It uses the LEED Silver certified building as an operations center. Located in Oklahoma City, the property was built specifically for CSAA and completed in 2009. The Dell Perot Systems property, located in Lincoln, NE, was completed in 2009, is leased to Dell for another nine years, is used for business operations including a call center.

[Meritex Enterprises announces Atlanta office portfolio acquisition](#)

Marketwire - Jan 5

Meritex Enterprises, Inc. announced the acquisition of a ten-building, 726,000 square foot, office/warehouse portfolio in Atlanta, Georgia from Young Ventures, L.P. and The Estate of Maxwell W. Young. The class-A, multi-tenant properties range in size from 41,000 to 122,000 square feet and are located in the northern suburbs of Lawrenceville, Norcross, Smyrna, and Kennesaw. The portfolio is currently 95% occupied with 40 tenants, many of which are corporate or regional headquarter locations. The properties will be managed by Dan Ward and Sharon Willis of Meritex who are both based in Atlanta.

[JV buys Tampa office building](#)

Florida Real Estate Journal - Jan 5

A joint venture consisting of affiliates of TriGate Capital, LLC, Feldman Equities, Inc., and Tower Realty Partners, Inc. has acquired the 134,065sf Fountain Square II office building in Tampa. Tower Realty Partners, Inc. will manage

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Allen Matkins is a full-service law firm with more than 220 attorneys practicing in seven offices throughout California. Some of the areas of focus at Allen Matkins include green and sustainable construction, construction, corporate, real estate, project finance, business litigation, taxation, land use,

and lease the building. Fountain Square II is a Class A office building in the Fountain Square Office Park, which is located in Tampa's Westshore office market. The property has nearly immediate access to Veterans Expressway and is less than a five minute drive from the Tampa International Airport.

environmental, bankruptcy, creditors' rights, intellectual property and employment and labor law. [More...](#)

[Watergate Towers office complex in Emeryville sold for \\$130 million](#)

San Mercury News - Jan 5

The Watergate office complex in Emeryville have been bought by a joint venture led by an realty firm in a \$130 million deal, executives said. The seller was U.S. Bank, which took over the buildings through foreclosure in February 2010. The three buildings fell into default in July 2009 on their \$152 million mortgage. Emeryville Office LLC was the entity that bought the buildings, Alameda County property records show. The three buildings, located at 1900, 2000 and 2200 Powell St., total 814,000 square feet. The buildings are a short distance from the east end of the Bay Bridge. One of the buildings is 58% vacant, another building is 39% vacant and a third building is 25% vacant.

[Grubb & Ellis Healthcare REIT II acquires three medical office buildings in Texas and Oklahoma](#)

PR Newswire - Jan 4

Grubb & Ellis Healthcare REIT II, Inc. announced that it has acquired Lawton Medical Office Building Portfolio, a two-property medical office building portfolio on the campus of Southwestern Medical Center in Lawton, Okla., and Ennis Medical Office Building, a 30,000-square-foot medical office building in Ennis, Texas. Located at 5604 and 5606 SW Lee Blvd., the Lawton Medical Office Building Portfolio is comprised of two three-story Class A single-tenant facilities totaling approximately 62,000 square feet on the campus of the 199-bed Southwestern Medical Center. Built in 2008, Ennis Medical Office Building is a single-story, multi-tenant medical office building located adjacent to Ennis Regional Medical Center, a 60-bed acute-care facility that serves residents of the Dallas suburb. The medical office building is currently 95% leased to a variety of tenants, including a primary medical services provider, outpatient surgery center and an internal medicine practice.

[Brookfield sells Riverside Plaza in Chicago](#)

New York Real Estate - Jan 2

Brookfield Real Estate Opportunity Fund has sold the one million-square-foot 300 South Riverside Plaza in Chicago's West Loop to a group of private investors led by Joseph Mizrahi and David Werner. The sale was led by Jones Lang LaSalle managing directors Bruce Miller and Jim Postweiler and vice president Jascint Vukelich. JLL senior vice president Dustin Stolly and managing director Dave Hendrickson arranged a \$120 million senior leasehold mortgage through UBS for the deal to close. The 23-story class A building is 97% leased to a strong base of credit and institutional tenants. Brookfield bought the property in 2006 and added value by acquiring air rights, which were included in the sale.

Retail

[Kimco Realty reports \\$151.1M in shopping center acquisitions](#)

City Biz - Jan 20

Kimco Realty Corporation reported fourth quarter and year-to-date acquisition and disposition activity, which included acquiring four shopping centers totaling 982,000 square feet for approximately \$151.1 million, including \$50.9 million in mortgage debt. The properties, which are 97 percent occupied, are located in North Carolina, South Carolina, Texas and Maryland.

[Federal Realty acquires Tower Shops in Davie, Florida](#)

Costar - Jan 19

Federal Realty Investment Trust expanded its South Florida retail portfolio through the acquisition of Tower Shops, a 372,000-square-foot community retail center on 67 acres in Davie, FL for \$66.1 million. Turnberry Associates previously owned the center. According to the buyer, the property has significant opportunity for redevelopment and expansion with an anchor tenant line-up that includes Ross, TJ Maxx, DSW, Michaels, Old Navy and a Best Buy scheduled to open in the fall of 2011. Costco and Home Depot are nearby "shadow anchors." Tower Shops is located at 1904 S University Drive near the intersection of University Drive and I-595, two major roads in central Broward County.

[Cedar Shopping closes \\$49.1M property acquisition](#)

Bloomberg - Jan 18

Cedar Shopping Centers Inc. said it completed the \$49.1M acquisition of a Pennsylvania shopping center. Colonial Commons in Lower Paxton Township, Pa., is 93 percent leased with main tenants Giant Food Stores, Dick's Sporting Goods, L.A. Fitness, Marshalls and JoAnn Fabrics. The company funded the acquisition with a \$28.1M commercial mortgage-backed security loan and its existing secured revolving credit facility. Cedar Shopping Centers bought the retail property from Centro Properties Group.

[Vestar acquires two Southern California centers](#)

Los Angeles Business Journal - Jan 17

Vestar Development Co. is ramping up its acquisitions of existing shopping centers. In Vestar Development Co., in partnership with Rockwood Capital of San Francisco and Equity One of Miami, the Phoenix company purchased two retail centers in Southern California. Purchase prices of the acquisitions were not disclosed. One is the Vernola Marketplace in Mira Loma. The second is the Talega Village Center in San Clemente

[Maryland retail center sold to State Pension Fund for \\$102.5M](#)

Costar - Jan 14

The State Retirement & Pension System of Maryland sold the Festival at Riva shopping center in Annapolis, MD, to American Realty Advisors for approximately \$102.5 million. The 25-year-old complex has 304,251 square feet of retail space anchored by Giant Food & Pharmacy at the corner of Riva Road and Forest Drive in the Baltimore submarket. Other major retailers include T.J. Maxx, Michaels, PETCO and Party City.

[Pinole retail center sold](#)

Contra Costa Times - Jan 10

Investors said that they have bought Pinole Vista Shopping Center. Pinole Vista's buyer was Retail Opportunity Investments Corp., a firm based in New York. The price for the 165,000-square-foot complex was bought for \$20.8 million. CB Richard Ellis arranged the transaction. Pinole Vista, which was sold by a group of Southern California investors, is anchored by Kmart, Lucky and Dollar Tree, although the Lucky building wasn't included in the purchase because it's under separate ownership.

[Alameda shopping center sold for \\$181 million](#)

San Jose Mercury News - Jan 7

The Alameda Towne Centre has been sold to an Atlanta-based company for \$181 million. The sale follows Harsch Investment Properties, which has owned the 600,000 square foot property since 1979, embarking on a major redevelopment of the site over the past eight years that included the recruitment of anchor business such as Trader Joe's and Old Navy. The new owner is Jamestown Properties, which also owns One Times Square and the Chelsea Market in New York City, as well as Pacific Place at 44 Fourth St. in

San Francisco.

[Elbit Imaging signs deal for acquisition of seven shopping centers for \\$75M](#)

RTT News - Dec 29

Elbit Imaging Ltd. said that its indirect subsidiary EPN Investment Management, LLC, has signed a Real Estate Purchase and Sale deal, to buy from certain affiliates of Charter Hall Retail REIT seven retail shopping centers in the U.S. The purchase price of the properties is US\$75 million, out of which an amount of US\$22.7 million shall be paid by way of assumption of property-level debt. The company stated that the properties have net operating income of about US\$7.0 million, which reflects an annual yield of nearly 9.2%.

Industrial

[DCT Industrial Trust acquires nine California properties for \\$79M](#)

Globe Street - Jan 5

DCT Industrial Trust Inc. has acquired nine properties in the Southern California area with a total value of \$79.5 million. The buildings are being acquired in three transactions, including one for the controlling interests in five distribution facilities, a second for three cross-dock truck terminals and a third for a single bulk distribution building. In one transaction, DCT Industrial is acquiring five facilities comprising 818,029 square feet located in the Inland Empire West and East submarkets. In a second transaction, DCT Industrial acquired three cross-dock truck terminals encompassing 233 dock doors and located on 24.5 acres. The truck terminals are located in high-demand, in-fill locations in Sun Valley, Orange and Downey, CA. In a third transaction, DCT Industrial acquired a 50,709-square-foot bulk distribution facility located in Ontario, CA.

Resort/Hotel

[Hersha Hospitality Trust buying Capitol Hill Suites for about \\$47.5M](#)

Washington Business Journals - Jan 20

Hersha Hospitality Trust said that it is buying Capitol Hill Suites for about \$47.5 million. The hotel owner and real estate investment trust said buying the 152-room property helps it expand further in the Washington, D.C., market. Capitol Hill Suites is near the U.S. Capitol Complex, the House of Representatives office complex, the U.S. Supreme Court and the Library of Congress.

[DiamondRock to buy hotel in Times Square](#)

Reuters - Jan 18

Real estate investment trust DiamondRock Hospitality Co. said it would acquire a hotel property under development in Times Square, New York City for \$112.5-\$135 million. Upon completion, the hotel is expected to contain about 250 to 300 guest rooms. The number of guestrooms could be increased to about 400, if certain permits are obtained, which could push up the purchase price to about \$178 million, the company said in a statement. The hotel, which is being developed by an affiliate of Walton Street Capital LLC and private real estate investment company Highgate Holdings, is expected to be complete in about 24-30 months, with an anticipated opening date in 2013.

[Hilton Alexandria sells for \\$121 Million](#)

Costar - Jan 11

Dallas-based Crow Holdings purchased the 496-room Hilton Alexandria Mark

Center in Alexandria, VA, for \$121 million on behalf of its real estate fund. Denver-based commercial real estate manager Amstar and Memphis, TN-based lodging management company Davidson Hotel Co. sold the 30-story hotel after acquiring the property for \$93.2 million 66 months ago. Amstar said it decided to sell the hotel now because Mark Center, the two-tower, 1.4 million-square-foot mixed-use project that is part of the Base Realignment and Closure program, is currently under development next to the Hilton Alexandria and 6,400 U.S. Department of Defense workers are scheduled to move into the new office space this year.

[Sheraton Universal Hotel in Los Angeles sold to Chinese developer](#)

NRE Online - Jan 6

The Shenzhen New World Group, a Chinese real estate developer, has bought the Sheraton Universal Hotel in Los Angeles for an estimated \$90 million, according to published reports. The 20-story, 451-room hotel was recently transformed through a \$30 million renovation, according to John Strauss, managing director of Jones Lang LaSalle Hotels, which brokered the transaction.

[Miami shopping center sells for \\$95M](#)

Miami Herald - Jan 6

London Square, a retail shopping center and office building located at the intersection of SW 137th Avenue and SW 120th Street in Miami, has sold for \$95.25 million. The property was acquired by institutional investment advisor, RREEF on behalf of an unnamed European client. London Square serves the trade area of West Kendall community in southwest Miami-Dade County. The shopping center totals 299,103 square feet, including a 60,665-square-foot office building. The property is currently 99% leased and features a line-up of national and regional tenants including Ross Dress for Less, TJ Maxx / Homegoods, Miami Children's Hospital, Party City, Dollar Tree, Sergio's, Starbuck's and others.

Residential

[JV inks \\$630 Million in senior living facilities](#)

Bloomberg - Jan 11

In a joint venture with Sunrise Senior Living, CNL Lifestyle Properties has purchased 29 senior living communities across 12 states in a transaction valued at \$630 million. The acquisition marks CNL Lifestyle Properties' entry into the senior living market and complements the REIT's demographics-driven investment strategy. Sunrise will operate the communities under a long-term management agreement. Goldman Sachs Lending Partners provided \$435 million in financing for the deal. CNL owns 60% of the joint venture. Sunrise owns the remaining 40%.

[JV pays \\$44M for California student housing community](#)

Globe Street - Jan 6

Pierce Education Properties (PEP) has entered into a joint venture with Harrison Street Real Estate Capital, a real estate private equity firm based in Chicago, to acquire the Palms on University, a 607-bed, off-campus housing community serving University of California Riverside students. The acquisition price was \$43.5 million. PEP plans to maintain the property as the premier student apartment community servicing the UC Riverside marketplace. Developed in 2005, the Palms on University—previously Sterling University Palms—is a class-A student housing community serving the University of California Riverside.

The property is located within walking distance to campus, and is comprised of 152 two- and four-bedroom units.

EQUITY & DEBT UPDATES

[Transwestern Investment refinances offices for \\$69M](#)

Globe Street - Jan 21

The improvement in the capital markets in 2010 encouraged Transwestern Investment Co. to refinance five office properties in Illinois and Michigan, according to Holliday Fenoglio Fowler LP. Transwestern gained \$65 million for a local fund from New York City-based Prime Finance. The properties include Centennial Center, One Century Centre and Two Century Centre in Schaumburg, IL, as well as Lisle Executive Center in Lisle, IL and the Tri-Atria building in Farmington Hills, MI. The portfolio, totaling more than one million square feet, is about 83% occupied.

[Blackstone reworks \\$7 Billion debt owed on 2007 office buy from Zell](#)

Real Estate Channel - Jan 5

Blackstone Group LP says it has completed a deal to rework the \$7 billion in cash it still owes from a 2007 office transaction with Chicago entrepreneur Sam Zell's Equity Office Properties Trust. In another refinancing, Blackstone says it has reworked the balance sheet of Hilton Worldwide Inc., the firm's single-largest investment, cutting Hilton's \$20 billion debt load by nearly \$4 billion. At the same time Blackstone Group said it is finalizing a new \$15 billion fund, the largest fund for buyout deals since the financial crisis erupted and one of the largest on record. The fund will be the sixth largest on record, based on information from data tracker Prequin. The MetLife building in Manhattan, valued at about \$1 billion, is among those in the Equity Office Property portfolio Blackstone is reworking. The other Class A buildings are in Boston, New York and California. The largest building in the portfolio, valued at an estimated \$1 billion, is 1095 Ave. of the Americas in Midtown Manhattan.

[Philadelphia office tower refinanced through CMBS offering](#)

Real Estate biz - Jan 5

123 S. Broad Partners LP, the joint venture partnership of SSH Real Estate and Young Capital, has refinanced the office tower at 123 South Broad St in Philadelphia. Citigroup Global Markets Realty Corp. provided a ten-year, fixed-rate loan which will be contributed to an \$876.5 million commercial mortgage-backed security (CMBS) offering. The loan is secured by condominium Unit II of the office tower, which is made up of floors 6-30 and accounts for approximately 620,000 square feet of the property's 880,000 total square feet. As of closing, the property is approximately 86% occupied. The 892,282-sf office facility is 29 stories, serviced by 16 elevators with tenant corridors appointed with decorative wood or marble. Amenities include professional on-site management, 24/7 manned security, and on-site banking. Adjacent to City Hall and Court, 123 South Broad is located along the revitalized Avenue of the Arts.

[Freddie Mac funds first mezzanine deal](#)

Costar - Jan 12

Freddie Mac funded its first mortgage using the new mezzanine finance arrangement. Freddie Mac purchased a \$47 million first mortgage loan from M&T Capital Realty Corp. for Metro Place at Camp Springs, is a 397-unit garden style affordable apartment community in Camp Springs, MD. The borrower, Metropolitan Apartments at Camp Springs LLC, secured a mezzanine loan for \$6.75 million from Berkshire Properties.

[Starwood Capital Group buys \\$157M non-performing commercial loan portfolio](#)

NRE Online - Jan 6

Starwood Capital Group, a private investment firm based in Greenwich, Conn., has acquired a non-performing commercial loan portfolio with an outstanding principal balance of \$157 million from a major Midwest regional bank. The portfolio of loans was purchased for 40 cents on the dollar, representing a price of approximately 32% of initial capitalization, according to the company. The portfolio consists of 137 commercial loans with concentrations in Florida, Indiana, Michigan, North Carolina and Ohio.

Government Action & Analysis Updates

[Fed to back new rules to rein in home foreclosure abuses](#)

Huffington Post - Jan 5

The Federal Reserve has reversed its opposition to new rules reining in foreclosure abuses, and will support stronger regulations on the nation's largest banks, according to a source familiar with the matter. The Wall Street reform legislation required federal regulators to write new rules governing the broken market for mortgage bonds. The FDIC has been pushing hard to ensure that new regulations on the mortgage bond market include clear instructions for how banks handle mortgages-- and under what circumstances they can evict delinquent borrowers. The Fed had opposed using the mortgage bond rules to crack down on foreclosure abuses, despite pressure from the FDIC. But FDIC General Counsel Michael Krimminger recently told the Fed his agency would not support any new mortgage bond regulations that do not include strong rules forbidding foreclosure abuses.

SPECIAL FEATURES

None to report

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