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## Portfolio Churning Yields About \$2M

By *Connie Gore*



**1701 W. Euless Blvd.**

DALLAS—Spinning from start to close in a quick timeframe, Los Angeles-based BH Properties LLC has passed two class C office assets in separate deals to investment partnerships in Fort Worth and San Jose, CA. The value-add plays have crossed the finish line as all-cash transactions, drawing nearly \$2.1 million in a churning of a 17-asset portfolio that was picked up last April.

The 42,537-sf Metro Center at 1701 W. Euless Blvd. in Euless and 30,318-sf Finley Plaza at 3317 Finley Rd. in Irving went for below their replacement costs of nearly \$30 per sf, according to the deals' broker, Ron Hebert, a director in Dallas for Encino, CA-based Marcus & Millichap Real Estate Investment Services. He tells GlobeSt.com that the 23%-leased Metro Center drew five offers and 57%-occupied Finley Plaza garnered six, with the winners placing the highest bid in their respective packs.

Hebert says both new owners are planning upgrades as part of their value-add plans to improve returns for the suburban properties. Metro Center, built in 1971 on 1.7 acres, was bought by a private investor from Fort Worth, who only buys Tarrant County properties. His broker was Russell Turman in Marcus & Millichap's Fort Worth office. Hebert sourced the Finley Plaza buyer, also a private investor. The asset was developed in 1972 on 1.8 acres along a major thoroughfare in its suburb, a positioning that mirrors Metro Center's location.



**3317 Finley Rd.**

BH Properties acquired the 17-asset office portfolio from a Lacey, WA-based joint venture between Capitol Development Co. and Prudential Blume Realty Co. "These properties did not quite fit their portfolio," Hebert says.

Hebert adds the decision was made to market the office buildings separately to glean a higher return. "I find it's best not to sell things as a portfolio," he emphasizes. "I've always gotten a higher number."

Hebert credits the quick closes to the all-cash scenarios. Metro Center went down as a 30-day look and two-day close because there were so few tenants, he says, adding Finley Plaza changed hands in a 20-day look and 10-day close. "I still see the market as active for private equity for deals less than \$20 million," he concludes.