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## THE GRAPEVINE

**Eli Simon** and **Adam Berns** have left **Och-Ziff Real Estate**, where they were principals, to start an investment shop. The New York firm, **EA Capital**, will acquire retail and mixed-use properties in up-and-coming neighborhoods in New York, Los Angeles and San Francisco. The duo also will target retail space in “captive” secondary markets, such as college towns. Simon and Berns plan to raise capital from wealthy individuals, family offices and private equity firms. They worked together at New York-based Och-Ziff for four years. Berns also had a two-year stint at **Blackstone**.

**Shawn Lese** has joined **TH Real Estate** as a managing director in New York. Lese

See **GRAPEVINE** on Back Page

## Blackstone Pitching Adjacent Boston Towers

**Blackstone** is selectively shopping two adjoining office buildings in Boston’s Back Bay that are valued at up to \$1.5 billion.

The offering encompasses the 760,000-square-foot building at 500 Boylston Street and the 524,000-sf building at 222 Berkeley Street. The properties, which occupy an entire city block and share a 1,000-space garage, are likely to trade as a package.

Blackstone assumed the Class-A buildings via its 2007 acquisition of **Equity Office Properties** of Chicago. It is marketing them to a small group of potential buyers via **Eastdil Secured**.

The listing comes at a time when the supply of high-quality office listings in Boston is thin but investor demand is strong. The desirable Back Bay location will likely only add to the interest.

The roughly 9 million sf of Class-A office space in the Back Bay is controlled by

See **BLACKSTONE** on Page 10

## Industrial Shop Shifting Tactics in Hot Market

The ongoing boom in the industrial sector is prompting a longtime build-and-hold shop to broaden its strategy.

**Pattillo Industrial Real Estate** has spent 65 years developing warehouses in Georgia and nearby states and operating them long term. Now it’s preparing to sell off a big chunk of its holdings to fuel an expansion that will make it a more-active buyer and seller in a wider geographic area.

The firm has tapped **Cushman & Wakefield** to market 4.6 million square feet at Stone Mountain Industrial Park in Atlanta — representing almost a quarter of its 20 million-sf portfolio. The brokerage hasn’t provided guidance to investors yet, but market pros estimate the offering is worth somewhere in the vicinity of \$150 million, at a capitalization rate around 7.5%.

In turn, Pattillo plans to invest \$200 million of equity in acquisitions and speculative construction within 18 months. Moving forward, it expects to recycle an

See **TACTICS** on Page 7

## Asian Group Snares Landmark Seattle Tower

A group of Asian investors led by Hong Kong fund shop **Gaw Capital** has agreed to buy the landmark Columbia Center skyscraper in Seattle.

The purchase price for the 1.6 million-square-foot tower is about \$725 million, or \$467/sf, according to market pros. **Eastdil Secured** is brokering the sale for **Beacon Capital** of Boston.

The price is the second-highest ever fetched by a Seattle office property, after **Amazon.com’s** \$1.2 billion purchase three years ago of its headquarters in the South Lake Union submarket. The sale also marks a hard-won turnaround of the downtown property by Beacon.

The 76-story tower, at 701 Fifth Avenue, is the tallest building in Seattle, at more than 900 feet, and one of the tallest west of the Rockies. It was built in 1985 by developer **Martin Selig** as the headquarters of **Seafirst Bank**, a unit of **Bank of America**. In 1989, Selig sold the property — then called Columbia Seafirst Center — to

See **SEATTLE** on Page 5

## Expandable Manhattan Rentals Listed

A distinctive apartment building in Manhattan's East Village has been put up for sale, with bids expected to come in around \$190 million.

The property, at 250 East Houston Street, encompasses 130 units and 22,000 square feet of street-level retail space. The offering also includes 120,000 sf of air rights that could be used for additional development.

**HFF** is marketing the property for the **Rosen** family, which developed it in 1989. The 13-story brick building, called Red Square, is known for having a statue of Vladimir Lenin and a large misnumbered clock on its roof.

The offering should appeal to redevelopers that could use the air rights to build rental apartments or residential condominiums on attached land, which now houses a one-story retail extension. A buyer also could seek to boost rents on the existing units, which are 30-35% below those at comparable properties that have been recently renovated.

The apartments are fully occupied. There are 21 rent-stabilized units, while the rest carry market rates. Amenities include a doorman, laundry facilities, a sun deck and storage space.

The retail space is just 68% leased. The nine tenants pay rents that average less than half the \$200/sf being achieved in nearby buildings.

The marketing campaign highlights the recent flow of institutional capital into properties in Greenwich Village, the East Village and the Lower East Side. A planned **Ian Schrager** hotel a few blocks away at 215 Chrystie Street is one example.

Red Square is on the north side of Houston Street, between Avenues A and B. ❖

## Hines Showing Richmond Complex

**Hines** is pitching a Class-A office complex in Richmond, Va., to value-added investors.

The 952,000-square-foot Riverfront Plaza is just 72% occupied, well below its 95% average over the past two decades.

The property, which encompasses twin 21-story buildings, is expected to attract bids in the vicinity of \$185 million, or \$194/sf. That's a sharp discount to the \$277.5 million that Houston-based Hines and a partner, **Sumitomo Real Estate** of Japan, paid in 2006, when the complex was fully occupied. Hines later bought out Sumitomo's interest.

In 2013, **Wells Fargo** vacated 200,000 sf and another tenant downsized its space. A buyer would aim to bring the occupancy rate in line with the 94% Class-A average in Richmond. **Eastdil Secured** has the listing.

Law firm **Hunton & Williams** has a lease until 2025 on 28% of the space. Another 30% is leased to investment-grade or other creditworthy tenants, including **Merrill Lynch**, **Morgan Stanley**, **Raymond James** and **UBS**. The weighted average remaining lease term is more than eight years. Leases for less than 20% of the space are scheduled to expire within six years.

Riverfront Plaza, which was completed in 1990, is at 901 and 951 East Byrd Street, next to the **Federal Reserve Bank of**

**Richmond** and a few blocks from the **Supreme Court of Virginia** and **U.S. Court of Appeals for the Fourth Circuit**. It is one of only a few large office properties along the James River. ❖

## Invesco Marketing LA-Area Offices

**Invesco Real Estate** is pitching an office complex near Los Angeles to core investors.

The 394,000-square-foot property, in the Valencia neighborhood of Santa Clarita, Calif., is 96% leased. Bids are expected to weigh in at about \$400/sf, or \$158 million. **Eastdil Secured** has the listing.

The four-building complex, called Valencia Town Center, is along Town Center Drive and Magic Mountain Parkway. It was developed in phases between 1998 and 2001.

The property is next to the 1.5 million-sf Westfield Valencia mall. That desirable location has allowed the complex to command rents of about \$27/sf, some 33% higher than the Santa Clarita average.

**Princess Cruise Lines** occupies 310,000 sf, or 79% of the space, under a lease that runs until 2026. Other tenants include **Bank of America** and **Morgan Stanley**.

Dallas-based Invesco acquired the property in 2007 from **Thomas Properties** of Los Angeles for \$157.3 million, or \$399/sf. ❖

## Luxury Rentals Available Near Boston

A developer is marketing a new luxury apartment complex in suburban Boston.

The 328-unit Batch Yard, in Everett, Mass., is expected to attract bids of about \$160 million, or \$488,000/unit. The developer, **Post Road Residential** of Fairfield, Conn., has given the listing to **HFF**.

At the estimated value, the initial annual yield would be about 4.5%, based on the current 75% occupancy rate. But the complex, which was finished in January, is still in its initial leasing phase, so the buyer's return would rise as the property is stabilized.

The complex is at 25 Charlton Street, just off Route 1 and about five miles north of downtown Boston. It incorporates a former factory that manufactured Charleston Chew candy bars. Post Road redeveloped the factory, retaining exposed beams and brick walls in some areas, and built additional structures.

The units have 1-3 bedrooms, 11-foot ceilings, hardwood floors, granite countertops and washer/dryers. Some apartments have balconies or patios. The amenities include a large fitness center, an outdoor pool, an Internet cafe and a rooftop deck.

Rent growth and occupancy rates are holding up well in Greater Boston, despite a tidal wave of construction. **Marcus & Millichap** projects that the average occupancy rate across the market will slip by just 30 bp this year, to 95.7%, even though 6,200 apartments came on line last year and another 9,000 are slated for completion this year. The average rent rose 5% last year and is projected to grow another 3.1% this year. ❖

## Chicago Retail Space, Garage Listed

**Intercontinental Real Estate** is marketing the retail and garage portions of a mixed-use complex near Chicago's Magnificent Mile.

The offering, valued at \$140 million, encompasses 251,000 square feet of retail space and 1,154 underground parking spaces at River East Center, a two-building property in the affluent Streeterville neighborhood that also includes 620 residential condominiums and a 455-room Embassy Suites hotel.

**HFF**, which is advising Boston-based Intercontinental, touts the offering as presenting a rare opportunity to buy a big chunk of well-located urban retail space. Such space is in strong demand, but is typically offered in more bite-size chunks.

The retail space, which is 96.4% leased, is on the lower three floors of the two buildings. The tenants include a 21-screen AMC Theatre, upscale bowling alley Lucky Strike, LA Fitness, Walgreens, BMO Harris Bank, a Bright Horizons child-care center and several restaurants. The garage produces income via agreements with the separately-owned hotel and condominiums.

The larger building is the 58-story Residences at River East Center, at 322 East Illinois Street. The adjacent 18-story building, at 600 North State Street, contains the Embassy Suites Chicago-Downtown, owned by **Host Hotels & Resorts**, a Bethesda, Md., REIT.

The site is two blocks east of North Michigan Avenue and four blocks west of Navy Pier, a top city tourist attraction. Some

70,000 people with an average household income of \$122,000 live within a one-mile radius, and nearly 80% of those residents have a bachelor's degree. The population is expected to grow 8.4% within five years.

The area is attractive to retailers. High-end grocer Whole Foods opened a store in January, and Target plans to open one of its small-scale urban format stores, TargetExpress, later this year. Both sites are within a block of River East Center.

The complex was developed in 2002 by Chicago-based **MCL Cos.**, led by developer **Daniel McLean**. MCL sold the retail space and garage to Intercontinental in 2006 for \$117.5 million. ❖

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## Sofitel Near San Francisco on Market

A **Prudential Real Estate Investors** partnership is offering a luxury Bay Area hotel that's expected to fetch about \$155 million.

The 421-room Sofitel San Francisco Bay, in Redwood City, Calif., underwent some \$9 million of renovations last year. It's being offered subject to a management agreement with **Accor**, the Paris-based hotel company that operates the Sofitel line.

**Eastdil Secured** is marketing the property for Pru, of Madison, N.J., and its partner, **Lodging Capital** of Chicago.

The hotel is on 6.2 acres along U.S. Route 101, roughly halfway between downtown San Francisco and the heart of Silicon Valley. It's within a mile of the headquarters of **Oracle** and **Electronic Arts**, and six miles from a **Google** office complex in Redwood City.

The property includes 20,000 square feet of event space, an outdoor pool, fitness and business centers and several restaurants and bars. A buyer could continue renovating guest rooms and increase the event space to further drive revenues.

Financial information was unavailable, but marketing materials say room rates at the Sofitel typically outperform its competitive set. Hotels in the surrounding San Mateo/Redwood City submarket area had an average occupancy rate of 81.1% for the first four months of the year, up from 77.2% in the same period last year, according to **STR**. Room rates rose 13% to \$180.62, pushing revenue up a whopping 18.7%, to \$146.43/room.

The market-average revenue was just \$111.04/room in 2012, when Pru and Lodging Capital acquired the hotel for \$92.5 million. At the time, luxury hotels were largely out of favor with investors due to high maintenance costs compared with other hotel categories. But buyers lately have shown more willingness to venture into the high end of the market, following several years of revenue growth and projections for continued improvement. ❖

## Medical Offices for Sale in Manhattan

Investors are getting a crack at a medical-office condominium in Manhattan.

The 83,000-square-foot block of space is at 345 East 37th Street, in a luxury rental building called The Corinthian. Bids are expected to come in around \$50 million, or \$600/sf. **Eastdil Secured** is marketing the space for **ProMed Properties** of New York.

The condo is in the three-story base of the 57-story tower and includes 12,000 sf of street-level retail space. ProMed, a subsidiary of Israeli firm **Gazit-Globe**, has spent \$1.7 million on renovations in the past four years, including a new roof and upgrades to the lobby and common areas.

The building is at First Avenue, adjacent to the Queens Midtown Tunnel entrance, and extends through the block to East 38th Street. It's three blocks north of New York University Langone Medical Center, which helps drive demand for medical-

office space in the neighborhood.

The condo is 70% leased to multiple tenants. The pitch is that a buyer would have the opportunity to fill the vacant space and raise rents. Marketing materials note that residential development in the surrounding Murray Hill submarket is expected to draw affluent residents and increase demand for medical offices. Asking rents at the property average \$55/sf, which is some 20-30% below those in the Upper East Side neighborhood to the north. ❖

## California Retail Center Up for Grabs

A REIT is marketing a grocery-anchored shopping center in the San Francisco Bay Area that was completed three years ago.

The 35,000-square-foot Geary Marketplace, in Walnut Creek, Calif., is fully leased. Bids are expected to hit about \$25 million, which would indicate a 5% initial annual yield. **HFF** is advising the seller, **American Assets** of San Diego.

Specialty grocer Sprouts Farmer's Market occupies 72% of the space. The company operates 200 stores across 12 states and posted \$3 billion of sales last year, up 22% from 2013. Sprouts and the in-line tenants all have long-term, triple-net leases.

Geary Marketplace is on a three-acre site at 1510 Geary Road, just off Interstate 680 and 25 miles northeast of downtown San Francisco. About 323,000 vehicles pass the center daily. Some 130,000 residents with an average household income of \$107,000 live within a three-mile radius.

The center is less than a half mile from Contra Costa Centre Transit Village, a 125-acre mixed-use development that encompasses 2.4 million sf of Class-A office space, two full-service hotels, 2,700 apartments and 50,000 sf of retail space. The development surrounds the Pleasant Hill/Contra Costa BART Station, which handles 5,000 passengers a day.

The surrounding 680 Corridor submarket is tight, with 10.7 million sf of retail space that is 96.3% occupied. Similar East Bay retail properties have an average asking rent of \$55/sf on a triple-net basis. The most-recent agreements have exceeded \$65/sf, according to marketing materials.

American Assets bought Geary Marketplace from its developer, **Hall Equities** of Walnut Creek, in 2012 for \$21 million. ❖

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## Spruced-Up Washington Offices Listed

A **Heitman** partnership is preparing to market a recently upgraded office building in downtown Washington.

The 169,000-square-foot property, at 2001 L Street NW, is expected to fetch offers of around \$110 million from core investors. Chicago-based Heitman and its partner, **Minshall Stewart Properties** of Bethesda, Md., have given the listing to **Eastdil Secured**.

The partnership acquired the property in 2012 for \$63.4 million and launched a substantial renovation that upgraded it from Class-B to Class-A status. The work included updating all mechanical systems, relocating the lobby to add more office and retail space and installing a three-story glass facade.

The 10-story building is 87% occupied, slightly below the 90% average in the central business district. Leases for some 89,000 sf have been signed over the last six months. That includes a new 15-year contract with **Urban Land Institute**, which is taking 33,000 sf for its headquarters. There is underground parking for 182 cars.

The property is in the Golden Triangle, a portion of downtown Washington with a concentration of upscale shops, restaurants and hotels. It's within several blocks of the Farragut West and North Metrorail shops. ❖

## Value-Added Ga. Warehouses for Sale

In an offering geared to value-added investors, a **Harbert Management** partnership is pitching a suburban Atlanta industrial park that's just 70% leased.

The 1.2 million-square-foot Gwinnett Corporate Center, in Norcross, Ga., is expected to attract bids of about \$90 million, or \$76/sf. Harbert, a value-add fund shop in Birmingham, Ala., and its partner, local developer **Dexter Cos.**, have given the listing to **Cushman & Wakefield**.

The property is in the strong Interstate 85 Northeast submarket, which is 93.1% occupied. The pitch is that the buyer will be well positioned to lease the vacant space because the 146.6 million-sf submarket is gaining steam. The average occupancy rate has climbed for 12 straight quarters, firms are currently seeking to lease more than 5 million sf, and rents are on the rise, according to marketing materials.

The offering includes a six-acre parcel suitable for development. There's virtually no other land available for development nearby, and no construction is planned or under way in the submarket.

The 53 occupants at Gwinnett Corporate Center have a weighted average remaining lease term of 3.4 years. The major tenants include **Cintas**, **Netflix**, **Siemens** and **Texas Instruments**. No single tenant leases more than 5% of the space, limiting the exposure to the rollover of any single lease. On average, the tenants have been at the site for more than 15 years.

The park, which encompasses 17 warehouses, is at Corporate Drive and Shackelford Road, next to two major Interstate 85 interchanges: Beaver Ruin Road and Steve Reynolds Boule-

vard. Dexter developed the buildings from 1985 to 2002. They range in size from 41,000 sf to 117,000 sf and have minimum ceiling heights of 20-23 feet. ❖

## Central NJ Complex, Land on Block

An **Investcorp** partnership is offering a mixed-use complex and an adjacent parcel in the Central New Jersey town of Plainsboro.

The offering is expected to attract bids of about \$85 million. The 549,000-square-foot Princeton Forrestal Village complex is 93% occupied. It encompasses 332,000 sf of office space, 40,000 sf of medical offices and 177,000 sf of retail space. The parcel is approved for the development of 394 residential units.

Bahrain-based Investcorp and its partner, **Lincoln Equities** of East Rutherford, N.J., are offering the complex and the land as a package via **HFF**. A buyer could sell the land, which might be worth more than \$20 million. Or an investor interested in the complex could team up on a bid with a residential developer.

The 42-acre property is at Two Village Boulevard, along U.S. Route 1, about 45 miles southwest of Manhattan. The Investcorp partnership acquired it in 2010 from a **GE Capital** joint venture for \$55 million.

The complex consists of 10 buildings constructed between 1987 and 2010. The office tenants include law **Reed Smith**, **Comag Marketing** and **TIAA-CREF**. Recent leases have commanded rents of \$25-27/sf. That's in line with the Princeton submarket's average asking rent of \$26.03/sf in the first quarter, according to **CBRE**.

The medical-office space is fully leased. The tenants include **Princeton Plastic Surgeons**, **Princeton Longevity Center** and **Surgical Specialists of Princeton**. The property is about a mile from a newly relocated hospital, **University Medical Center of Princeton**.

The retail tenants include a fitness center and spa, three restaurants, a food court, a daycare center and a dance studio. ❖

## Seattle ... From Page 1

Seafirst for \$355 million. **Equity Office Properties** of Chicago acquired it in 1998 for \$404 million.

In 2007, at the top of the market, **Blackstone** acquired Equity Office and flipped Columbia Center to Beacon for \$621 million. The building's occupancy rate plunged to 60% during the recession, and Beacon defaulted on its mortgage. But the company was able to negotiate an extension and hold on to the building.

In the early stages of the recovery, downtown properties like Columbia Center suffered as technology firms gravitated toward the southern and northern fringes of Seattle. Amazon vacated almost 500,000 sf at Columbia Center in 2011 even as it gobbled up space elsewhere in the city.

But Beacon has managed to lease up much of the vacant space. Occupancy now stands at 91.3%, according to **CoStar**. The tenants include **Freestone Capital**, **NBC News'** digital group, online music service **Rhapsody** and the **U.S. Department of Health and Human Services**. ❖



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## Zurich Unit Offering Virginia Offices

**Zurich Alternative Asset Management** is shopping a well-occupied office complex in Northern Virginia.

Bids are expected to come in around \$30 million, or \$248 per square foot, for the two-building property in Herndon. The complex encompasses 121,000 sf, with 94% of the space leased to six tenants. That's well ahead of the 87.2% occupancy rate for the Herndon/Reston submarket.

**HFF** is representing Zurich Alternative, the New York investment arm of Switzerland's biggest insurance company. The property is expected to draw interest from core investors.

The complex is made up of a two-story building at 510 Spring Street and a single-story building at 535 Huntmark Park Drive. Each encompasses slightly more than 60,000 sf. The 535 Huntmark Park Drive property is fully leased to the **U.S. General Services Administration**, which has occupied it since construction was completed in 1999. The building at 510 Spring Street is 89% leased. Its tenants include **Black Box Network Services** (23,000 sf) and **Inovalon** (12,000 sf). The complex has parking for 350 cars.

Overall, the tenants have an average remaining lease term of five years. Both buildings have data-center infrastructure with access to local fiber-optic cables and a neighboring power substation, popular features for mission-critical GSA facilities.

The property is in the popular Dulles Technology Corridor and within walking distance of a planned Metrorail station that is due to be completed by 2020. It is about 23 miles west of Washington and five miles from Washington Dulles International Airport. ❖

## Tactics ... From Page 1

average of 5-10% of its portfolio per year. And while it will continue to employ long-term holds on most properties, that could now mean 15-20 years instead of 50.

"We are expanding the playbook," said **Larry Callahan**, a 30-year veteran of the Atlanta firm and its chief executive for the past decade. "The words Pattillo and sales were never in the same sentence. Our general orientation was build and hold forever — never sell. But as a developer, you want to keep creating value and do it more frequently. If you hold on to everything, it slows the pace. Further, if you sell at a judicious pace and at opportune moments, you provide steady fuel for an expanded new investment program."

Pattillo initially focused on the Atlanta area, then other parts of Georgia, and in the 1990s entered Jacksonville and Charleston, S.C. Last year it made a move into South Carolina's Greenville/Spartanburg market, including the speculative construction of a 160,000-sf warehouse in Spartanburg that it quickly leased to **Kenco Logistic Services**.

Now, the company is widening its geographic scope while continuing to focus on high-growth areas. It's looking at Orlando, Tampa, Charlotte and Louisville. In November, it broke into the Nashville area, paying **GE Asset Management**

\$15.6 million for a vacant 400,000-sf building in Lebanon, Tenn.

That deal marked another departure for Pattillo — its first purchase of an existing building. The firm's typical game plan had been to buy a large tract of land in a growth area, sit on it until the right moment and then build an industrial park. The company now plans to be more flexible. "We'll go in and study a new place and try to determine the best initial move, instead of always buying acres," Callahan said.

The family-owned firm remains conservative about leverage, typically shunning construction loans and waiting until tenants are lined up before putting debt on a property. It has never worked with equity partners, but doesn't rule that out.

Pattillo took the first step in its new disposition strategy in December, when it sold a 775,000-sf industrial park in Decatur, Ga., to **High Street Equity** of Boston for \$23.4 million.

In putting 80 buildings at Stone Mountain Industrial Park on the market, Pattillo is divesting its signature project, which it began developing in 1963. The listing represents about half the complex. (The rest is owned by end-users.) The offered space is 90% leased. Major tenants include **Southern Regional Distribution** (230,000 sf), **Graphic Packaging** (200,000 sf), **Thermo Pac** (135,000 sf) and **Comcast** (120,000 sf).

Pattillo's effort to grow more quickly comes at a time when strong fundamentals are driving demand for warehouses. The nationwide industrial occupancy rate hit 93.1% at the end of the first quarter, its highest level in a decade, according to **JLL**, while construction is still playing catch-up after the downturn. Some 142.1 million sf of space was delivered last year, compared with an annual average of 184 million sf from 2004 to 2008.

**CBRE** says tenant demand is growing twice as rapidly as supply, pushing rents up sharply. The firm projects rent growth of 6.2% in 2015, the strongest since 2006. Competition for new space is especially fierce, as the shift from bricks-and-mortar retail toward e-commerce calls for modern distribution centers.

In Pattillo's home market of Atlanta, there was a record 16.9 million sf of industrial space under construction at the end of the first quarter, nearly two-thirds of it speculative. A Cushman research report suggests there's room for more: "As Atlanta's industrial market continues to tighten, creating a lack of supply of big-box options for warehouse/distribution space, the race is on for developers to deliver speculative product in order to keep up with the momentum of tenant demand." ❖

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## ON THE MARKET

## Industrial

Property	Size	Estimated Value	Owner	Broker	Color
College Business Park, Upland, Calif.	313,000 sf	\$35 million \$112/sf	AEW Capital, Boston	Cushman & Wakefield	17 buildings, each 14,000-23,000 sf. Occupancy: 93%. The buildings are on four separate parcels, which a buyer could sell off individually. The roughly 24-acre park is near Interstates 10 and 210. Upland is in the Inland Empire, about 35 miles east of Los Angeles.

## CALENDAR

## Main Events

Dates	Event	Location	Sponsor	Information
June 15-16	U.S. Real Estate Opportunity & Private Fund Inv. Forum	New York	IMN	<a href="http://www.imn.org">www.imn.org</a>
Nov. 17-19	REIT World	Las Vegas	NAREIT	<a href="http://www.reit.com">www.reit.com</a>
Mar. 8-9, 2016	PREA Spring Conference	Boston	PREA	<a href="http://www.prea.org">www.prea.org</a>

## Events in US

Dates	Event	Location	Sponsor	Information
June 8-10	CRE Finance Council Annual Conference 2015	New York	CRE Finance Council	<a href="http://www.crefc.org">www.crefc.org</a>
June 9-10	REIT Week 2015	New York	NAREIT	<a href="http://www.reit.com">www.reit.com</a>
June 10	Northeast Industrial Real Estate Summit	Jersey City, N.J.	CapRate Events	<a href="http://cre-events.com">cre-events.com</a>
June 10-11	Seniors Housing Midwest	Chicago	InterFace	<a href="http://interfaceconferencegroup.com">interfaceconferencegroup.com</a>
June 15-16	Greater Chicago & Midwest Data Center Summit	Chicago	CapRate Events	<a href="http://cre-events.com/dcchicago2015">cre-events.com/dcchicago2015</a>
June 16	Networking Event	Randolph, N.J.	RELA	<a href="http://www.rela.org">www.rela.org</a>
June 16	Networking Event	New York	YREPNY	<a href="http://www.yreppy.org">www.yreppy.org</a>
June 17	Networking Event	Boston	RELA	<a href="http://www.rela.org">www.rela.org</a>
June 18	Chicago & Midwest Healthcare Real Estate Summit	Chicago	CapRate Events	<a href="http://cre-events.com/dcchicago2015">cre-events.com/dcchicago2015</a>
June 24-25	Non-Traded REIT & Retail Alt. Investment Symposium	New York	IMN	<a href="http://www.imn.org">www.imn.org</a>
July 28	Networking Event	New York	YREPNY	<a href="http://www.yreppy.org">www.yreppy.org</a>
Sept. 16-17	Crowdfunding Forum for Real Estate	Santa Monica, Calif.	IMN	<a href="http://www.imn.org">www.imn.org</a>
Sept. 17-18	Bank Special Asset Forum: Real Estate, C&I & SBA Loans	Chicago	IMN	<a href="http://www.imn.org">www.imn.org</a>
Sept. 17-18	Real Estate Private Equity Forum on Senior Housing	Santa Monica, Calif.	IMN	<a href="http://www.imn.org">www.imn.org</a>
Sept. 22	Brooklyn Real Estate leadership Summit	Brooklyn	CapRate Events	<a href="http://www.cre-events.com">www.cre-events.com</a>
Sept. 28-29	Real Estate General Counsels Forum (East)	New York	IMN	<a href="http://www.imn.org">www.imn.org</a>
Sept. 28-29	Real Estate CFO Forum (East)	New York	IMN	<a href="http://www.imn.org">www.imn.org</a>
Sept. 30-Oct. 2	Institutional Investor Real Estate Conference	San Francisco	PREA	<a href="http://www.prea.org">www.prea.org</a>
Oct. 5-8	ULI Fall Meeting	San Francisco	ULI	<a href="http://www.uli.org">www.uli.org</a>

## Events Outside US

Dates	Event	Location	Sponsor	Information
June 17-18	PERE Summit: Europe 2015	London	PEI	<a href="http://www.perenews.com">www.perenews.com</a>
Sept. 10-11	GRI Europe Summit	Paris	GRI	<a href="http://www.globalrealestate.org">www.globalrealestate.org</a>
Oct. 5-7	Expo Real 2015	Munich	Messe Munchen	<a href="http://www.exporeal.net">www.exporeal.net</a>
Oct. 13-15	Commercial Real Estate Conference 2015	Toronto	NAIOP	<a href="http://www.naiop.org">www.naiop.org</a>
Nov. 17-18	European Real Estate Opportunity & Private Fund Inv.	London	IMN	<a href="http://www.imn.org">www.imn.org</a>
Nov. 18	European Crowdfunding Forum for Real Estate	London	IMN	<a href="http://www.imn.org">www.imn.org</a>

To view the complete conference calendar, visit [The Marketplace](http://TheMarketplace) section of [REALert.com](http://REALert.com)



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## Blackstone ... From Page 1

just a handful of investors. **Boston Properties**, which by itself owns almost half of that space, is seen as a likely bidder.

**Hines**, the big Houston developer, completed the 25-story tower at 500 Boylston Street in 1987 and the 22-story building at 222 Berkeley Street in 1991. Both have high-end finishes and have been consistently maintained at Class-A standards. A few months ago, Equity Office announced plans to add more retail space to the buildings, by both expanding them and converting some office space. The status of those plans is unclear.

The Boylston Street property is 90% occupied, according to **CoStar**. The tenants include **Steward Health Care** (127,000 sf) and law firms **Cooley** (63,000 sf) and **Skadden Arps** (48,000 sf). The first six floors are used mostly as retail space, occupied by tenants such as Marshalls, Talbots and several restaurants.

The other building is 97% occupied. Publisher **Houghton Mifflin Harcourt** leases 250,000 sf for its headquarters. Other tenants include **Liberty Mutual** (58,000 sf) and **Summit Partners** (33,000 sf).

The buildings are in a prime location, next to Trinity Church and within a few blocks of Copley Square and the high-end shopping district along Newbury Street.

The 12 million sf of Class-A and -B office space in the Back Bay was 90% occupied on March 31. Asking rents averaged \$57.16/sf. ❖



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## MARKET SPOTLIGHT

## Manhattan Apartment Market

- ❑ The \$6.8 billion of large sales last year was the second-highest annual tally, after the record \$8.4 billion in 2006. Some \$3 billion of trades have closed so far this year.
- ❑ An improving economy continues to drive up rents. The median rent is \$3,361, up 3.5% from a year ago. That marked the 14th straight monthly increase year-over-year, according to a report compiled by appraisal firm Miller Samuel and brokerage Douglas Elliman Real Estate.
- ❑ The vacancy rate dipped to just 1.37% in April, down 13 bp from a month earlier, according to Citi Habitats.

## On the Market

Property	Seller	Hit Market	No. of Apts.	Estimated Value		Broker
				(\$Mil.)	(Per Apt.)	
Paris (752 West End Avenue)	Crescent Equities	May	174	\$160	\$920	Eastdil Secured
210-220 East 22nd Street	Broad Street, Crow Holdings	April	207	130	628	HFF
1501 Lexington Avenue	Kenbar Group	November	160	95	594	Eastdil Secured
62 Avenue B	Magnum Real Estate, Meadow	March	81	80	988	Cushman & Wakefield
152 East 22nd Street	Kalim Associates	April	43	35	814	HFF
334 East 79th Street	Harbor Group International	January	46	28	609	Cushman & Wakefield

## Recent Deals

Property	Buyer	Closed	No. of Apts.	Sales Price		Broker
				(\$Mil.)	(Per Apt.)	
Caiola portfolio	Thor Equities	January	1,492	\$800	\$536	(None)
Belnord (225 West 86th Street)	HFZ Capital	March	218	575	2,638	(None)
1030-1048 Third Avenue	(Unidentified)	February	175	185	1,057	Eastdil Secured
30 Park Avenue	Thor, Cammbey's, partner	March	241	179	743	BlueGate Partners
Petersfield (301 East 21st Street)	Akelius Real Estate	May	196	168	855	CBRE
Beekman Tower (3 Mitchell Place)	Chaim Miller, partners	(Pending)	178	138	772	Eastdil Secured
Stone Street/HIG portfolio	Kushner Cos.	March	291	132	452	Marcus & Millichap
Nathaniel (138 East 12th Street)	Wafra Investment	February	85	98	1,156	HFF
Montrose (308 East 38th Street)	Gaia Real Estate, Acro Group	February	97	75	773	HFF
152 Ludlow, 149-151 Essex	(Unidentified)	(Pending)	22	29	1,322	JLL

**THE GRAPEVINE**

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moved over last month from **Grosvenor Fund Management**, where he spent the past three years as a senior director in Philadelphia, working on business development and capital raising. Lese previously was an executive director with **Morgan Stanley** in New York and London. At TH Real Estate, Lese is head of business development for North America. He reports to **Austin Mitchell**, the global head of business development. This week, **TIAA-CREF** gained full ownership of TH Real Estate by completing the acquisition of **Henderson Global Investors'** 40% share.

**Scott Bales** has joined **HFF's** capital-markets team on the West Coast. He previously was president of **Atlas Institutional Real Estate**, a Bay Area apartment boutique he founded in 2008. As a managing director in HFF's San Francisco office, Bales will focus on brokering apartment properties. He'll work closely with executive managing

directors **Sean Deasy** and **Matthew Lawton**, who co-head the national apartment platform.

**HFF** has added a retail investment-sales specialist in New York. **Isaac Shabot** started as an associate director last week. He will focus on urban retail sales, reporting to senior managing director **Andrew Scandalios**. Shabot previously was a leasing associate at **Ripco Real Estate** in New York for seven years. Before that he worked on acquisitions at **United Equity Investments** and was an associate at **Marcus & Millichap**.

**Gabriel Quezada** last week left **AIG Global Real Estate**, where he was a senior associate in the asset management group. He spent seven years at the firm and was based in Los Angeles. His future plans are unknown.

**Dividend Capital** has hired an asset manager at its Denver headquarters. **Eileen Hallquist** started last month as senior vice president, overseeing asset management for the office and industrial

properties held by the firm's Diversified Property Fund. She reports to president **Michael Lynch**. Hallquist previously was a vice president at **JBG Cos.**, a fund shop in Chevy Chase, Md. Before that she spent eight years at **Lowe Enterprises** as a senior vice president of development and seven years at **Potomac Capital Investment**, overseeing a portfolio of value-add assets.

Real estate executives will gather for a good cause on Wednesday night — a benefit for **Columbia University's** Taub Institute, which conducts research into Alzheimer's and other neurodegenerative illnesses. The event will feature a comedy show at Manhattan's Gotham Comedy Club. The headliner is **Susie Essman** of **HBO's** "Curb Your Enthusiasm." The **PGA** and **NHL** have donated items for a charity auction. **Broadacre Financial** of New York is hosting the event, which starts at 8 p.m. Attendees will include executives from **Apollo Real Estate**, **Bank of America**, **CBRE**, **Mack Real Estate** and **Morgan Stanley**. For more information, contact **Ashley Elich** at ashley.elich@columbia.edu.

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