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Pacific Property SoCal Deals Top \$116M

By Bob Howard

LOS ANGELES-Pacific Property Co. of Palo Alto has closed on more than \$116 million of Southern California deals, including two in which a joint venture of Pacific and Horsham, PA-based Capmark has acquired multifamily properties in Hollywood and San Dimas for repositioning. The third deal was the sale of a property in Northridge.

In San Dimas, a joint venture between Pacific and Capmark paid \$45.25 million for the Lakes at Raintree Village, a 288-unit apartment complex at 444 North Amelia Ave. that has been renamed Waterstone San Dimas. During a projected three-year hold period, Pacific plans to invest more than \$3 million in the repositioning, which will include a comprehensive renovation of the property.

Rory Gardner, managing director at Pacific's Westwood office, tells GlobeSt.com that the company has now completed in excess of 30 transactions totaling more than \$1 billion with Capmark, which formerly was known as GMAC Commercial Mortgage. Gardner says that the San Dimas property reflects the characteristics the firm looks for in an investment: a submarket with high occupancy coupled with rental upside through improved management and capital investment. The San Dimas complex was 98% occupied at the time of the sale.

In a separate transaction, Pacific and Capmark acquired the 243-unit Hollywood Studio Club at 1745 North Wilcox for \$42.45 million. Pacific, which has renamed the property the Victor Hollywood, plans to spend roughly \$4 million to reposition the complex to a "hip, modernized, resort-style property" that will appeal to the younger, more urban Hollywood crowd.

"Pacific remains extremely enthusiastic about the apartment fundamentals in the Hollywood area at large, as occupancy levels remain extremely tight and the area continues to benefit greatly from a sustained influx of capital and new development projects," Gardner comments. The Victor Hollywood complex, for example, was 99% occupied at the time of the sale.

Pacific bought the San Dimas property from a private investor in a deal that was brokered by Greg Harris and Andrew Hodac of Marcus & Millichap. It acquired the Hollywood complex from the locally based Kor Group in a transaction that was brokered by Marc Renard of Cushman & Wakefield.

Pacific's third recent Southern California deal was the nearly \$29 million sale of the 152-unit Village at Granada Hills in Northridge, a transaction that was reported recently on GlobeSt.com. Pacific acquired the property in 2004 in a repositioning play.

Pacific's CEO, Al Pace, comments that despite rising interest rates, the company anticipates being a substantial net buyer in 2006 "due to the attractive fundamentals in the major West Coast MSAs." Privately owned Pacific Property is looking at multifamily acquisitions throughout the West Coast, from Seattle to San Diego, Pace notes.

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