

Posted date: 11/2/2009

Receiver Finds Taker for Torrance Development

SALE: Apartment project bought for \$28.1 million in an unusual deal.

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The Hampton at South Bay, a 152-unit Torrance apartment project, has been sold for \$28.1 million in a rare real estate deal.

The project, at 20707 Anza Ave., was sold Oct. 21 to Realty Center Management Inc., a West L.A. multifamily investor, in a transaction handled by a Los Angeles County Superior Court-appointed receiver.

The previous owner, an investment group led by JPI West, a unit of Irving, Texas-based multifamily developer JPI, had been in default on its loan with its lenders, a group led by Union Bank of California. The lenders had initiated foreclosure proceedings but canceled them and had the receiver sell the property on its behalf, according to Ron Harris and Greg Harris, Marcus & Millichap brokers who handled both sides of the deal.

"It was the first institutional-sized, court-appointed receiver sale in L.A. County during this cycle," said Ron Harris, who is not related to Greg Harris.

Michael Fiorina, the court-appointed receiver, said that sometimes lenders seek receivers to handle sales to avoid becoming part of the "chain of title" on a property.

"They were just the lender, and if you own the building it is a potential legal exposure," said Fiorina, president of Total Cos., a real estate services company based in Koreatown.

The deal for the 156,324-square-foot luxury property, a short drive from the beach, breaks down to \$180 per square foot or \$184,868 per unit. The apartments were built in 1963 and renovated by the prior owner in 2007; they were 88 percent occupied at the time of the sale.

Dave Mercer, chief executive of Realty Center Management, said his company considers the property a "long-term hold" and will renovate the units as they become vacant. Realty Center Management also plans to do a seismic retrofit.

Greg Harris said that the average rent is nearly \$1,900 per month. But Mercer said that rents could be increased once units are renovated.

Union Bank did not return calls for comment.