

# Grubb Aims to Boost Balance Sheet in Brea Sale

## Office Part of NNN Realty, Tenant-in-Common Legacy

**A**s Santa Ana-based commercial brokerage **Grubb & Ellis Co.** continues to work to resolve financial challenges tied to its ill-fated 2007 merger with NNN Realty Advisors, one local property bought by an NNN affiliate is going up for sale.

The **Saturn Business Park**, a 121,143-square-foot office building in Brea, recently was put on the sales block. The building has been in receivership the past few months.

The two-story building, which was bought during the last real estate boom, is on a 5.6-acre site at the northwest corner of Imperial Highway and Saturn Street, near Brea's Union Plaza shopping center.



**REAL ESTATE**  
 Mark Mueller

The building last was owned by a unit of Santa Ana's **Triple Net Properties LLC**, part of NNN Realty, which bought it in late 2005.

Business Journal records show the office trading hands for \$22 million, or about \$182 per square foot, at the time.

Triple Net made its name in the last real estate boom through its use of tenant-in-common deals, pooling smaller individual investors to buy large properties.

With commercial property values falling in the past few years, that line of business largely has dried up.

Grubb currently is looking to offload much of NNN's legacy business—now handled by its **Daymark Realty Advisors** subsidiary—as part of a bid to improve its balance sheet.

San Diego's Trigild Inc. recently was tapped to be the court-appointed receiver for the Brea property, which is about 61% occupied.

Bob Prendergast and Baker Morphy from the local office of Jones Lang LaSalle have the listing.

The asking price for the building hasn't been disclosed. Sources familiar with the office expect it to trade hands for a little less than \$20 million.

### Bascom Expands

Irvine-based apartment investor **Bascom Group LLC** has bought a two-property, 840-unit apartment portfolio in the Denver area for nearly \$32 million.

The portfolio includes the Fairways at Lowry, which has 450 apartments of about 500 square feet each in Aurora, Colo.

Fairways went for \$16.7 million, or about \$37,000 per unit.

Also included in the deal was the Village at Coronado, a 390-unit complex in Thornton with apartments that run about 700 square feet.

It was bought for \$15 million, or about \$38,000 per unit.

Bascom partnered with The Carlyle Group, a Washington, D.C.-based asset management firm, in the all-cash buy. The seller was not disclosed.

Both properties subsequently were refinanced through Freddie Mac, according to Bascom. The company now owns and operates a portfolio of 90 complexes totaling 27,468 units across nine states.

### Strategic Buy

**Strategic Storage Trust Inc.**, a Ladera Ranch-based nontraded real estate investment trust that focuses on self-storage facilities, has bought an 11-property portfolio for a combined \$44 million.

The deal includes about 6,300 units and 821,000 square feet spread over Georgia, New Jersey, New York, Pennsylvania and Virginia.

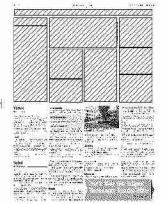
The sites will be rebranded under the SmartStop Self Storage trade name.

Strategic Storage was launched in 2008 and now owns 72 properties in 17 states and Canada.

### HOA News

Lake Forest-based homeowners association management company **Professional Community Management of California Inc.** was tapped for duties at one of the larger developments opening in Irvine this year.

Professional Community Management said it reached an agreement with Newport Beach-based **Irvine Company** to help manage its



Stonegate community near the former El Toro marine base.

There currently are 2,241 houses for sale in Stonegate, as well as 991 apartments.

Sales of the homes—most of them being built by Irvine Co.'s homebuilding arm, **Irvine Pacific LP**—began earlier this year.

Professional Community Management will serve as an agent to the local homeowners association's board of directors, providing budget guidance, communication to residents, coordinating projects and managing vendors for landscaping and other services.

Stonegate will be the eighth Irvine Co. property managed by Professional Community Management. Others include Woodbury East, Woodbury, and parts of Turtle Ridge.

Professional Community Management's total portfolio includes more than 110,000 homes and apartments in 280 community associations, for a combined real estate value of more than \$45 billion.



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2929 E. Imperial Highway: expected to fetch \$20 million or less