

Santa Ana Business Center Buy Prelude to Makeover

MCA's Largest Purchase; \$70M Goal for 2014

MCA Realty, a Santa Ana-based investments and management firm that started operations in 2011, has made its largest purchase to date with the buy of a business and retail center in its hometown.

The company recently closed on the purchase of Brookhollow Freeway Showroom Center, a four-building property that runs along the Costa Mesa (55) Freeway near Warner Avenue.

The buildings, which total about 87,609 square feet, sold for \$9.5 million, or \$108 per square foot. That's a steep discount over the last price paid for the property, whose tenants include a **Kid's Room Furniture** and **Sit 'n Sleep**. The property is 63% occupied.



REAL ESTATE
Mark Mueller

An affiliate of Seattle-based **Washington Capital Management** sold the property, which it paid a reported \$17.2 million for in 2005.

The new owners are planning a makeover of the Showroom Center with the goal of repositioning the property as a retail destination, according to **Tyler Mattox**, principal for MCA Realty.

It's a plan similar to one Newport Beach-based **Burnham USA** oversaw several years ago at the South Coast Collection shopping center along the San Diego (405) Freeway in Costa Mesa.

"Southern California's multitenant industrial market is progressing in a unique way," Mattox said. "Selected high-visibility indus-



1540-1548 Warner Ave.: Brookhollow Freeway tenants include Sit 'n Sleep furniture store

trial properties are being renovated into contemporary showroom projects. Owners and investors are creating spaces that deliver a distinctive experience to consumers."

Expected upgrades to the property include more prominent signage along the 55, as well as a potential name change.

"People have driven by it for 30 years, but it might have gotten lost in the shuffle," said Mattox, a former senior vice president at **CBRE Group Inc.** who started MCA with fellow principals **Jared Gordon** and **Peter Cheng**.

The purchase of the Santa Ana property, with its retail component, is a slight departure in strategy for MCA Realty. To date, the company has focused most of its attention on multitenant industrial properties.

It's spent some \$35 million on acquisitions this year and has targeted the Las Vegas, Phoenix, Inland Empire and Austin, Texas, markets for most of its deals. Its industrial portfolio now runs about 700,000 square feet.

The only other local property in its portfolio is a building along North Grand Avenue that holds its headquarters.

"If we could do all our (deals) in Orange County, we would," Mattox said.

MCA will have more opportunities to buy locally next year. It is looking to spend upward of \$70 million on real estate buys in 2014 and will be looking at office deals in addition to industrial buys, Mattox said.

The company currently relies on private capital for funding but might bring on an institutional investor as it increases the pace of purchases, he said.

Joe Winkelmann of **Voit Real Estate Services** represented MCA Realty in the Brookhollow acquisition. Voit's **Mike Hartel** and **Kevin Turner** represented the seller.

Winkelmann, Hartel and Turner will handle leasing for the property, which includes a vacant 31,710-square-foot building.

School Sale

Irvine-based **TRI Pointe Homes Inc.** has closed on the purchase of a second former school site in Huntington Beach where it plans to build a home development.

CoStar Group Inc. records show the builder recently closed on a 12.4-acre site on

Yorktown Avenue, where 81 single-family homes are planned.

The site previously held the Lamb School and was sold by the **Fountain Valley School District**. A deal between the school district and TRI Pointe had been in the works for a few years.

Records show TRI Pointe paid about \$20.8 million, or a little more than \$250,000 per home lot, for the land.

The sale comes about seven months after TRI Pointe paid the Fountain Valley School District a reported \$14.8 million for an 8.5-acre site on Pioneer Drive that previously held the Wardlow School. That land will hold another 49 homes in a project slated to open next year under the Truwind name.

KBS Hires

Newport Beach-based **KBS Realty Advisors** has added a pair of local brokerage executives to oversee large portions of the company's nationwide portfolio.

Brett Merz, previously a senior vice president for the Newport Beach office of **Cresa Partners**, is now a senior vice president at KBS and an asset manager for the company's central region. He'll oversee properties in Chicago, St. Louis and Louisville.

Tim Helgeson was also named a senior vice president and asset manager at KBS, where he'll oversee assets and assist with acquisitions in Southern California, Las Vegas and Salt Lake City. He comes from **Newmark Grubb Knight Frank**, where he most recently was a senior managing director in the company's Newport Beach office.

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White Nelson Diehl Evans renews lease at Jamboree Business Center



Pictured left to right:

Dave Doran of White Nelson Diehl Evans and Randy Parker and Stacy Garcia of Travers Realty

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Irvine Company Office Properties is pleased to announce that **White Nelson Diehl Evans** has renewed its lease of approximately 27,000 SF at **2875 Michelle** in **Jamboree Business Center**.

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We extend our appreciation to **Randy Parker** and **Stacy Garcia** of **Travers Realty** for their efforts with the lease transaction and thank White Nelson Diehl Evans for remaining a valued customer at 2875 Michelle.



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