

**From the San Francisco Business Times:**

**<http://www.bizjournals.com/sanfrancisco/print-edition/2011/08/12/orchard-partners-sprees-nets-four.html>**

## Real Estate

# Orchard Partners' spree nets four industrial plots

**Premium content from San Francisco Business Times by J.K. Dineen and Blanca Torres**

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**Orchard Partners** has been on a buying spree. In the last five months, the Lafayette-based investment firm bought four industrial properties totaling 1.5 million square feet, including the 323,254-square-foot Huntwood Logistics Center in Hayward and the 191,989-square-foot Dowe Industrial Center in Union City.

The Hayward property, at 31353 Huntwood Ave., is fully leased to **Mohawk Industries Inc.**, a maker of flooring materials, and sits on about 15 acres.

The property is a "rare asset" in the Bay Area market in terms of size, quality, and location, said **Jeff Starkovich**, a broker with Cassidy Turley BT Commercial, who represented Orchard in the deal along with **Jay Hagglund**.

The other East Bay building, at 33300 Dowe Ave., sold for \$12.4 million and is leased to Southern Wine & Spirits, a beverage distributor with a large presence in Union City.

The firm also bought a 72,281-square-foot building on 3.12 acres at 8190 Byron Road in Whittier and a two-building, 885,263-square-foot warehouse complex on 45.55 acres in Auburn, Wash.

The deals indicate that industrial property buyers — both owner-users and investors — are no longer sitting on the sidelines.

"Institutional investors are looking at buying high-quality, fully-leased properties," said **Jon Cook**, a broker with Townsend Commercial Real Estate, who represented Orchard in the Union City deal along with **Steve Chess**, also of Townsend. The two brokers also represented the seller, **Trident Partners**.

Orchard, founded in 2007, is headed by **Tyler Higgins**, who co-founded the firm after 16 years with **AMB Property Corp.**, and **Mike Biggar**, who also co-founded Orchard Investors LLC and worked for its predecessor company Orchard Properties.

Orchard Partners has been involved in more than \$500 million worth of property transactions on the West Coast.

“Each of these acquisitions was made with institutional capital partners who understand the inflection point of asset pricing today relative to replacement cost, and we are confident that these infill industrial properties will perform well over time,” Higgins said. “We continue to look for more industrial acquisitions in the Bay Area, Seattle and Southern California.”

### **Lease deals abound at revived 555 Montgomery**

When East West Bancorp took over **United Commercial Bank** nearly two years ago, it sold many of the properties that failed bank had on its books.

But it held on to 555 Montgomery St. — and right now that is looking like a pretty good decision.

Over the last few months, **Jean Ko** and **Anton Qiu** of **TRI Commercial**, who represent the building owners, have executed seven deals in the building, roughly 41,500 square feet. The new leases include a 14,500-square-foot deal on the 14th floor with the United States division of the Japanese cosmetics company DHC. The company, which was previously located at 155 Sansome, makes products based on the belief that olive oil makes for more radiant skin. **Patty Axelrod** and **John-Clay Morris** of Touchstone Commercial represented the tenant.

Other new tenants in the building include Sanford Wittels & Heisler LLP (a boutique class-action litigation law firm), Dryden, Margoles, Schimanek & Wertz (also a law firm), CIBT (a passport and visa expediting service), and **Griffin Partners**, which provides capital and advisory services to tech companies.

“We were fortunate to have an ownership in a deal-making mode, and they understood the challenging market,” said Ko.

### **Shorenstein Properties closes ninth fund**

**Shorenstein** and joint venture partner Santa Monica-based Worthe Real Estate Group have acquired 13031 Jefferson Blvd., a 20-acre development site in the Los Angeles coastal suburb of Playa Vista.

Shorenstein purchased the property on behalf of Shorenstein Realty Investors Nine, L.P., an investment fund formed in 2008 with over \$2 billion in committed capital. The investment period for Fund Nine is now closed with this deal. Late last year, the company closed capital raising for Shorenstein Realty Investors Ten, L.P., a \$1.23 billion fund including \$75 million committed by Shorenstein.