

California firm latest to see value in Columbus real estate market

SVN EQUITIES BOUGHT properties in Dublin and on the west side as its entry into the local market — and says it's looking for more.

BY BRIAN R. BALL | BUSINESS FIRST

A California investment company has bought into the Columbus-area office and industrial market to the tune of \$20 million.

Irvine-based SVN Equities LLC in June purchased the Metro Lakes office building in Dublin and two warehouses and four office/warehouse buildings at the Westpointe Business Park off Roberts Road in Columbus.

Affiliates of Och-Ziff Capital Management Group LLC, an investment group from New York, sold the properties, which they bought in 2005 for a combined \$17.1 million. Och-Ziff had Grubb & Ellis | Adena Realty Advisors put the properties on the market for a combined \$22 million.

B. Young: Ohio offered a large portfolio for SVN Equities.

"It was a big enough investment for us to buy into the market for the first time," Young said. "Otherwise, we would have passed."

SVN Equities in 2006 bought two office buildings in the Cincinnati suburb of Blue Ash.

VALUE IN VACANCY

The 20-year-old Metro Lakes building at 485 Metro Place South has an 8 percent vacancy in its 96,876 square feet, but Young said a lease in the works could bring the unoccupied space to 2 percent.

The two distribution centers totaling 238,982 square feet have a vacancy rate of about 15 percent, while the office/warehouse buildings totaling 80,524 square feet are about 35 percent empty.

Young said the vacancies didn't deter the company since the combined portfolio had a healthy revenue stream listed by Adena at \$1.7 million a year.

Investment sales agent Christopher Salomone of Adena Realty led the marketing of the properties for Och-Ziff with leasing agents Andrew Jameson, Brett Cisler and John Underman.

"The portfolio is a nice mix of the stabilized Class A office with the value added (opportunity) of the industrial," Salomone said.

SVN EQUITIES

Business: Manages, leases, buys and sells retail, office and industrial properties.

Based: Irvine, Calif.

CEO: Rand Sperry

Portfolio: Owns nearly 6.5 million square feet of property valued at more than \$500 million.

Employees: 65

2007 revenue: More than \$10 million

Founded: 1998

Web site: svnequities.com

An executive with CB Richard Ellis Group Inc. said Columbus continues to attract real estate investors despite the strained financial markets that have

caused some deals to fold.

"Good times, bad times, there are people doing real estate deals," said Rob Click, CB Richard Ellis Group Inc. senior managing director in the Columbus office.

Young said SVN financed the deal by assuming Och-Ziff's \$16.6 million mortgage from General Electric Capital Corp. It must refinance the mortgage before the end of the loan's term in three years.

Young said SVN is interested in expanding its Columbus holdings, but it has yet to identify other properties.

"We would like to buy more," he said. "We feel Columbus is a relatively stable market with quality assets."

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