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Pacific Gulf Properties sells Last of Apartments

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Eagle Real Estate acquires the upscale Daisy 7-11 complex in deal worth \$21.8 million

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CB Richard Ellis' Ontario office has negotiated the sale of the last property in a group of apartment complexes valued at \$107 million.

The sale of the Daisy 7-11 apartment complex in Diamond Bar for \$27.75 million complete the sale of Newport-based Pacific Gulf Properties Inc.'s apartment complex portfolio, said Sean Deasy, senior vice president with CB Richard Ellis.

Eagle Real Estate Group LLC in Anaheim purchased the property. The transaction was announced March 29.

All 11 apartment properties formerly by Pacific Gulf Properties are located in Ontario and the San Gabriel Valley. Collectively, the properties have 1,369 units.

The 204-unit property on Grand Avenue commanded a high price because it's located within the highly regarded Walnut Valley School District, Deasy said.

"People move to Diamond Bar just because of the schools," Deasy said.

CB Richard Ellis began working on the sale of Pacific Gulf Properties' portfolio about a year ago, said Deasy, the lead broker in the negotiations.

Originally, it tried to find one buyer, but decided it could get better value for the sites if it sold them to separate buyers.

All of the apartment complexes are upscale rentals for families.

"There were a few hiccups along the way, like there always are with a project this size, but I think we completed this about as efficiently as we could," Deasy said.

Pacific Gulf Properties decided to sell the properties as part of its transformation as a private real estate company with an emphasis on senior housing, Deasy said.

The apartment sale was meant to maximize profits for shareholders.

Eagle Real Estate believes it got a bargain price for the properties, said Randy Friend, a partner with company.

“Diamond Bar is a unique submarket with a lot of potential for growth,” Friend said. His company bought five Ontario properties from the Pacific Gulf Properties portfolio for about \$40 million. “We feel like we got a good but on a well-positioned asset.”

Western Nation Property Management Group in Irvine will manage the Daisy 7-11 complex. Eagle Real Estate Group will spend about \$2 million on improvements to the complex, including new carports, roofs and appliances, Friend said.