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Bixby Land Acquires Another San Diego Office Building

By: Mark Mueller

COMMERCIAL

Irvine's Bixby Land Co. is looking to switch up its investment strategy to take advantage of the down market, but the real estate investor and developer still is completing a few conventional deals.

Bixby, which has more than doubled the size of its portfolio since 2006 and now counts about 6 million square feet of office and industrial space, recently snatched up another office in San Diego.

The company bought a 50,000-square-foot research and development building in the Sorrento Valley area, near the headquarters of Qualcomm Inc. The deal pushes Bixby's San Diego holdings to more than 600,000 square feet.

Bixby paid \$9.2 million, or about \$184 per square foot, for the office, which is occupied by technology manufacturer Quantum Design Inc. under a long-term lease.

It was an all-Orange County deal. The building was sold by Irvine's LBA Realty, which counts a San Diego portfolio totaling more than 20 buildings. LBA had acquired that and other nearby offices in 2005 in a \$28 million purchase.

Expect to see fewer conventional acquisitions going forward for Bixby. With the commercial real estate sector still far from a recovery, the company will start pursuing what officials are calling a "value-add investment strategy" to get better-quality buildings at discounted prices.

"We believe we can identify investment opportunities from distressed sellers needing to dispose of their properties," Chief Executive Bill Halford said.

Bixby's also been a seller of late. Garden Grove-based Goodwin Co. recently acquired a 44,228-square-foot industrial building from Bixby. The building is next to the ammonia manufacturer's headquarters, at 12200 Industry Street.

Goodwin paid \$3.6 million, or about \$82 per square foot, for the building. The company plans to expand operations into the building once the current occupant, a garage door maker, relocates.

Bob Goodmanson of CB Richard Ellis Group Inc. represented Bixby in the Goodwin sale, while Frank Adler of Lee & Associates represented the buyer. In the San Diego deal, Harry Stone of Voit Real Estate Services represented Bixby and LBA Realty.