

BH Returns to Aggressive Buying Mode

December 17, 2012

LOS ANGELES - GlobeSt.com has learned exclusively that locally based investment firm BH Properties LLC is completing one of its most successful years in its 15-year history. The firm had more than \$70 million in acquisitions and dispositions in 2012, has worked through difficult transactions, time-sensitive closing factors and repositioning real estate, and has more in store for 2013.

A recent acquisition for BH Properties is an industrial facility at 6700 South Pella Dr. in Tucson, AZ.

Among the company's highlights for the year are:

- The purchase of 6700 South Pella Dr., Tucson, AZ—a \$5.2-million acquisition of a 260,000-square-foot manufacturing and warehouse facility from Pella Corp.
- The closing of a loan secured by three pieces of collateral—industrial, office and land—in both Texas and Arizona, which closed close to par in less than 48 hours.
- The purchase of a performing loan for a 177,046-square-foot industrial business-park facility on 6.7 acres in Seattle, which closed in 48 hours.
- The off-market purchase of a note secured by a 209-unit multifamily project in Mesa, AZ, that features the closing of 13 two-story buildings in one week.
- The purchase of a single-tenant industrial property located near the Las Vegas Strip that was built in 1995 on a 4.54-acre site consisting of two industrial warehouse buildings containing a total of 65,600 square feet.

According to BH Properties' EVP Steve Jaffe, the firm has made multifamily ventures one of its top priorities this year. "We expect even bigger things in 2013 for the company as we look to expand our presence and build on our existing California portfolio."

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Jaffe tells GlobeSt.com, “We’ve always been a value-type buyer and historically would buy a lot of vacancy. Then we hit 2008 and stopped buying, for obvious reasons. During the downturn, we spent a lot of time working on our portfolio. We could offer below-market rents in a lot of places, and our NOI kept improving.” Jaffe says the downturn affected BH, but not in the same way as other firms. “By focusing on costs, we were able to continue to cause our NOI to grow. Then we started seeing the light at the end of the tunnel.”

The firm began buying again about two years ago, expanding its reach eastward—in fact, all the way across the country. “The plan, once we decided it was time to start buying again, was to be a little more geographic in our approach,” says Jaffe. “One of the challenges we learned in the downturn was that by being geographically diverse, the regional downturns didn’t affect us—and we were property-type diverse as well. If **office was down, retail was up.**”

As GlobeSt.com **previously reported**, in **September Floor and Decor Outlets of America Inc. was planning to open a large retail store in North Richland Hills, TX. The company had leased the retail site, which was earlier occupied by Walmart, from BH Properties.**

