

Op Fund Exits Houston With 655,261-SF Sale (GlobeSt.com)

HOUSTON-Brookfield Asset Management has hawked a 20-building, 655,261-sf flex industrial portfolio to InSite Commercial Real Estate. The Toronto-based seller, bidding goodbye to the metro, inherited the asset last fall in a \$177-million, 3.2-million-sf acquisition of US properties.

Industry sources believe the Brookfield Real Estate Opportunity Fund collected \$50 per sf to \$70 per sf for the portfolio based on sales of similar properties. The portfolio consists of the 296,400-sf Commerce Center at 9000 Southwest Freeway; 88,314-sf Commerce Park North at 15621 and 15631 at Blue Ash Dr.; 151,898-sf Plaza Southwest Business Park at 7302 and 7350 Harwin St., 5601 and 5750 Bintliff Rd., and 5755 Bonhomme; 71,647-sf Technipark Ten Service Center at 16115 and 16133 Park Row; and 47,702-sf Westchase Park at 3120-30 Rogerdale Rd.

"It was part of their plan to sell off the entire portfolio in pieces and to add value where they could," says David Boyd, with Boyd Commercial LLC who represented the local buyer, which previously had leased and managed the 20-year-old portfolio. He estimates InSite Commercial will invest several million dollars to stabilize the 80%-leased assets.

"This portfolio provided a value-added opportunity to capitalize in the strong current market," Boyd tells GlobeSt.com. "The overall occupancy of the properties is currently underperforming in the market. InSite will make significant capital improvements to help stabilize them."