

Spaces and Places: Parcel along I-880 sold to Opus West

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By Katherine Conrad

One of the last vacant parcels of land alongside Interstate 880 that developers have yearned to buy for years just sold to Opus West.

Don Little, head of Opus West's Northern California region, said escrow closed last week on the 15-acre parcel in Fremont's Bayside Business Park.

"People were trying to buy (it) for years and the seller had the attitude that the land was not for sale," said Little. "People in the business finally decided to stop beating their heads against the wall."

That changed in the fall when Pepper Lane Properties of Los Gatos, known as Bayside, decided the time had come to sell - and approached Little.

"The sellers did surveys to determine the fair market value and told Don, 'If you buy for this price, it's yours.' That's why it never hit the market," explained Tom Taylor, a broker with CB Richard Ellis, who represented Opus in the deal, along with broker Ben Rojas.

Pepper Lane previously had done business with Opus West when it sold the company a 25-acre parcel on Monterey Road in San Jose in 2000, Taylor said.

Little also credited his company's past relationship with Pepper Lane, as well as his willingness to meet the seller's price. He would not disclose the amount Opus paid for the property, but sources estimated the deal was worth about \$12 million.

"We like it so much because it's in the middle of a mature high-quality business park with freeway identity in a site that is part of the Silicon Valley environment," Little said.

Located west of the freeway, the business park is home to such tenants as Boston Scientific, Mattson Technology, Themis Computer and Micron Technology.

The park's appeal was illustrated in a seven-year lease, valued at \$40 million, recently signed with Boston Scientific, a medical-devices developer. The company, headquartered in Natwick, Mass., expanded in the park by 94,000 square feet - to more than 360,000 square feet - in the deal signed with landlords TMG Partners and JER Partners.

Opus West, known for the Opus Center tower on Santa Clara Street it built in 2002 in downtown San Jose, envisions an entirely different product for its new parcel.

Little said the future Fremont Tech Center will feature 12 freestanding buildings totaling 219,000 square feet for sale to individual owner/users. The buildings, which should be up in a year, will range from 5,000 to 45,000 square feet, and will have such "green" features as white roofs and drip irrigation.

"We see a real shortage of supply for smaller-sized spaces," Little said. "You'd be hard-pressed to find a Class A freestanding building under 15,000 square feet for sale. That's extremely rare."

Jim Beeger, a broker with Cornish & Carey Commercial, however, questioned whether the market for commercial condominiums has been saturated, although he noted that this location is superb for such a product.

The commercial condo "phenomenon has been going on for four years. There's a finite number of buyers - unless you're targeting a segment of the market that has not been targeted before," he said.

"But I'm hard-pressed to think of a better site for this purpose. This has fantastic visibility, and identity and visibility equal credibility in Silicon Valley."

BROKERS OPEN WALLETS: The tally of the donations collected at the annual Association of Silicon Valley Brokers dinner in March is in: \$110,499 was collected from brokers and developers that will be donated to Senior Housing Solutions, San Jose Family Shelter and Next Door Solutions to Domestic Violence.

Mark Ritchie, head of Ritchie Commercial and president of the brokers association, said this seventh year of the brokers dinner brought in the largest amount of money for these real estate-related causes. The charities each will receive \$36,833, Ritchie said.

SOBRATOS' WALLET OPENS EVEN WIDER: In the past three months, Sobrato Development has donated millions of dollars worth of real estate to the Silicon Valley Community Foundation and the Sobrato Family Foundation.

Its most recent donation, 2440 El Camino Real in Mountain View, is valued at \$36 million. The Sobratos also donated \$135 million earned from the sale of 488 Almaden Blvd. in downtown San Jose and in December donated \$42 million in another real estate gift.

Charities appreciate donations from the Sobratos, who allow the non-profits to spend the money on operating costs, such as rent and salaries, if necessary. In the fall, the Sobratos also donated 18 acres in Coyote Valley to Gavilan College for a campus.