

REAL ESTATE / By J.K. Dineen and Blanca Torres

# Law firm seals Emeryville lease after landlord default

Law firm Bishop Barry Drath has finally found a port in the commercial real estate storm.

In early 2009 the East Bay firm started negotiating a deal with then-owner Hines to renew and downsize its lease at 2000 Powell St., part of the Watergate complex in Emeryville. Six months later the talks hit a major bump when Hines went into default on the property. After a few months of delays, negotiations resumed with TMG Partners, which a judge had appointed receiver of the property. But progress was again interrupted when the FDIC shut down Pacific National Bank, the lender on the property, and sold the bank's assets to US Bancorp.



Tobin

It was not until March 16 of this year that final agreement was reached and the documentation executed by the parties, according to Mike Tobin of GVA Kidder Mathews, who represented the tenant. "Unfortunately, delays and the increase in the degree of difficulty of today's transactions are not atypical, but the norm in today's real estate markets," said Tobin. "So goes commercial real estate in 2010."

The law firm took 16,233 square feet for an additional seven-year term extending to 2020. The landlord took back 7,800 square feet of extraneous space — giving the law firm \$1.2 million in savings.



The Taube Koret Campus offers multigenerational living with senior units.

## PALO ALTO

## Home construction nears finish line at Taube Koret

Regis Homes of Northern California is wrapping up construction on the final 42 units of its Altaire condo complex in Palo Alto.

Since it opened in spring 2009, the residential community has sold 50 of the 103 homes. Homes are scheduled to be delivered this summer.

Altaire is part of a 12-acre site, which includes the Taube Koret Campus for Jewish Life, a \$270 million multi-generational living and recreational center. As a part of the campus, Altaire has access to the adjacent Oshman Family JCC. The campus provides a community center

with a pool, spa, fitness facilities, sports field, educational programs and a preschool. The Steinberg Group designed the two- and three-story townhome community. Prices start in the high \$600,000s.

## SAN FRANCISCO

## SoMa software firm unloads all its office space

Activision is saying goodbye to SoMa. The interactive entertainment software company subleased its 22,500-square-foot home at 501 Folsom St., consolidating workers into other offices in Foster City and Redwood City.

Tyler Kellogg and Doug Houghton of CresaPartners in San Francisco recently represented Activision. The four companies subleasing the Activision space are Brighttalk, Practice Fusion, Twilio and Jambool. This 30,000-square-foot brick and timber building is owned by David Bruck.

"In a challenging leasing market, we were pleased to effectively handle space disposition for Activision," said Kellogg.

## OPPORTUNITY KNOCKS

## Brookfield fund unloads San Mateo office building

The Brookfield Real Estate Opportunity Fund unloaded 1730 S. El Camino Real in San Mateo for \$5.3 million.

The buyer, 1730 S. El Camino Real Partners LP was represented by John Held and David Wright of CB Richard Ellis' Foster City office.

The investment group that bought the property is headed up by John Leung of the Fremont-based real estate investment firm JKL Corp., according to California Secretary of State records. The 43,378-square-foot building is close to Highway 92 in downtown San Mateo and is walking distance to Caltrain. The new owners plan to renovate the building with new common area upgrades.

Additionally, ownership has tenant improvement dollars available putting them in position to move quickly in the pursuit of new tenants, according to CBRE.

## OAKLAND

## Law firm signs Oakland lease at Kaiser Center

Foley & Mansfield signed an eight-year lease for 23,445 square feet in the Kaiser Center at 300 Lakeside Drive in Oakland. The law firm is based in Minneapolis and will move its Oakland office from a separate downtown location to Kaiser Center, which is near Lake Merritt.

Kaiser Center, owned by Swig Co., is a 910,000-square-foot, 28-story office tower with retail space and a 1,339-space garage. It was built in 1960 as the headquarters for Kaiser.

Charlie Allen and Ryan Hattersley of Cushman & Wakefield represented the landlord in the transaction. Studley represented Foley & Mansfield.

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