

Oaktree Looks to Flip Bank Offices

An **Oaktree Capital** partnership appears poised to capture a quick profit as it markets 2.2 million square feet of office buildings fully leased to **Wells Fargo**.

Bids for the package are expected to reach \$235 million, or \$106/sf. Oaktree and its partner, **National Financial Realty**, acquired the 15 buildings six months ago as part of a larger portfolio it bought from **KBS Realty** for roughly \$71/sf in an off-market deal.

At the estimated value, a buyer of the listed buildings would see an initial annual yield of about 6%. Broker **CBRE** will consider offers on individual properties or the entire portfolio.

The buildings, housing administrative offices, data centers and bank branches, are in Georgia, New Jersey, North Carolina, Pennsylvania, South Carolina and Virginia. Wells leases all the space until 2024.

The largest properties are a 450,000-sf building at 1100 Corporate Center Drive in Raleigh; a 443,000-sf property at 7711 Plantation Drive in Roanoke, Va.; a 343,000-sf building at 809 West 4 1/2 Street in Winston-Salem, N.C.; and a 336,000-sf property at 3579-3585 Atlanta Avenue in Atlanta.

The 15 buildings were part of a 40-property, 3.4 million-sf portfolio that Oaktree and National Financial, both based in Los Angeles, bought from KBS in March for \$240 million. The price had been struck several months before the deal closed, and property values were on the rise in the interim. The Oaktree partnership evidently believes the offered buildings have continued to see significant gain. The team's plans for the remaining 25 properties are unclear.

The 40 properties had been part of a much larger portfolio of bank offices and branches that KBS, of Newport Beach, Calif., took over in 2011 from **Gramercy Capital** after that New York firm defaulted on debt. ❖