



Trumark Venture Purchases Vacant 130k sf Sunnyvale Building

5/10/10

Trumark Commercial, in a joint venture with Harbert United States Real Estate Fund IV L.P., has acquired a vacant, 130k sf office building in the Peery Park area of Sunnyvale. The two-story building is located at 645 Almanor Ave, at the intersection of Hwy 101 and N. Mathilda Ave, with visibility from the 101 Fwy.



Before



After

From what we hear from brokers in the area, Trumark purchased the building from Prudential Insurance Company for about \$5.2 mil, or \$40/sf. They're planning on spending another \$6 mil to \$7 mil on a complete renovation of the property that will include LEED certification.

Constructed in 1972, the concrete tilt-up building sits on approximately seven acres and is near a number of technology companies. The site includes approximately 650 parking spaces. It has been vacant for several years now.

The renovation is set to begin in three months and is expected to be completed by the year's end. Most of the material taken out will be recycled. New features will include: the use of recycled materials; the addition of windows and lobbies; a new exterior curtain wall of aluminum and glass; a new roof and modernized heating, ventilation and air-conditioning systems.

According to Ron Winter, Principal at Danville-based Trumark, the redeveloped building will be ideal for a single tenant looking to integrate its workforce in one location, but multiple companies could share the space. While the vacancy rate of R&D buildings in the Mt. View to North San Jose corridor is around 18% to 20%, similar buildings of over 120k sf have a much lower rate of approximately 7%, Winter points out.

"We saw a niche in the market for an office building of this size. There's no other space like this vacant in Peery Park and the demand is there," Trumark Principal and Co-Founder Gregg Nelson said.

Harbert United States Real Estate Fund IV, L.P., an equity investor sponsored by Harbert Management Corporation, will also fund the renovation. The all-cash transaction was brokered by Christine Sahadi-Slonek and Jeff Ramirez of Cornish & Carey Commercial in Santa Clara, working directly with Zack Haller, who leads Trumark's acquisition initiatives for commercial development.