

## RODAMCO, NA BUYS 65% STAKE IN ABBEY



Donald G. Abbey, CEO

The Abbey Company's new partnership with Rodamco, North America, which has invested \$125 million in the firm, has set the stage for an ambitious, but carefully orchestrated, expansion program. "Rodamco's endorsement of our successful acquisitions and property management agenda positions us to proceed towards substantially increasing our real estate holdings to some \$600 million over the next three years," said Donald G. Abbey, co-chairman and CEO. At present, the firm's \$200 million portfolio of office, industrial, and retail properties, totaling more than 2 million square feet, is concentrated in Southern California.

Rodamco, NA is a subsidiary of Rodamco NV, based in Rotterdam, The Netherlands. Rodamco NV's global assets of approximately \$7 billion make it one of the largest publicly traded, globally diversified property funds in the world. CGR Advisors of Atlanta, headed by chairman and CEO Cecil Conlee, serves as advisor to Rodamco, NA, which has U.S. assets in excess of \$3 billion. Rodamco's investment in Abbey represents the purchase of 65% of the firm's outstanding common stock, with the balance retained by Don Abbey, a 20-year veteran of the real estate industry. Rodamco advisor Conlee has joined Abbey's board of directors, serving as co-chairman with Abbey. The Abbey Company, established by Abbey in 1990, has been shaped into a vertically integrated, diversified real estate organization with its own professional staff capable of handling all facets of operations, including acquisitions, leasing, property and asset management,

and construction services. "We have a very hands-on philosophy for maintaining the discipline of our portfolio," Abbey asserts. Abbey purchases well-located class B and C properties which have not reached their potential because of economic or physical problems. These sites are then renovated and repositioned in the local marketplace, in an effort to enhance value and substantially improve cash flow via higher occupancies and rental income. Assets are then held for their on-going revenue stream and long-term appreciation. "We are providing capital, of course, but also supporting the strategic direction of the company. While we will not be involved in the day-to-day operations of the portfolio, we will interact with Abbey's management team on a regular basis," Conlee noted, elaborating on Rodamco's role. "We fully endorse the firm's strategy of advantageous acquisitions of B and C properties, adding value that leads to increased returns. The Abbey Company will carry on exactly as before, and we trust that it will do so even bigger and better now with the additional capital." For Rodamco, the Abbey investment provides a presence in Southern California, an area where it was not previously adequately represented, as well as diversity in property type and quality. Rodamco's North American portfolio is currently comprised of entity investments, direct property investments, and partnerships in direct property investments. Rodamco's investment in Abbey is part of its entity investment program, which currently includes interests in six other highly-focused and proven real estate owners/operators, representing a capital investment in excess of \$1 billion. "Despite our new and larger capital base," concludes Abbey, "Our future growth will most certainly be based on the same formula and fundamental principles which have brought us to our present status as a successful, services-oriented, value-delivered entrepreneurial organization."

## THREE PROPERTIES ADDED TO PORTFOLIO

The Abbey Company's recent acquisition of commercial properties in California's San Diego and Ventura counties signals the firm's rapid move towards portfolio expansion, just weeks after it increased its capital base through the partnership with Rodamco, NA. The Abbey Company purchased the three assets from John Hancock Mutual Life Insurance Company. The retail properties, located in La Mesa and Escondido in San Diego County, and in Oxnard in Ventura County, comprise more than 168,000 square feet of gross leasable area (GLA). "The addition of two more retail centers in the San Diego region, which we entered last year with the acquisition of a single property, heralds Abbey's vigorous drive into the southernmost sector of California," said Robert C. LeMoine, executive vice president and director of acquisitions. "Through

these transactions with John Hancock Mutual Life Insurance Company, we've also established an initial presence in Ventura County, north of Los Angeles. As is our practice, the newly purchased properties are being renamed 'Commerce Centers' for common identity." Brett S. Albrecht, Abbey's vice president for asset management, reported that the three properties are undergoing upgrades including new signage, lighting, landscaping, improved access, individually targeted leasing and marketing programs, and on-site management. The company will explore expansion opportunities where feasible.

The newly renamed La Mesa Commerce Center, formerly Village Station, stands just a few miles east of San Diego in the mature sector of San Diego County. The 5.88 acre site



La Mesa Commerce Center



Escondido Commerce Center

contains 57,643 sq. ft. of GLA and provides a mix of retail, medical office, and destination service facilities including restaurants and a dance studio. Built in 1964, the center underwent renovations in 1987 and again 1995.

La Mesa Commerce Center is situated at the signalized intersection of Severin and Bryan Drives, and features entrances from both streets. By creating a new identity for the property, Abbey will focus on drawing the attention of the 25,000 cars which pass the property daily, according to Albrecht. Severin Drive is a principal commuter route with direct access to an Interstate 8 interchange. Additionally, a park-and-ride station for trolley service to downtown San Diego is located directly opposite the site.

The newly acquired 46,110 square foot Escondido Commerce Center is part of a larger 144,110 square foot complex anchored by The Sports Authority in the flourishing North San Diego County area. Located on Valley Parkway, the Escondido region's main retail corridor, the property has entrances on Auto Park Way, West Ninth Avenue, and dual access from Valley Parkway. There are traffic signals at both intersections.

Developed in 1987, the property is opposite the city's dominant power center and adjoins a site with Home Depot and

Albertson's. "We have a tremendously attractive retail location, situated between The Sports Authority and Home Depot, and opposite the center with Target, Toys 'R' Us and TJ Maxx," observed LeMoine. "With no small shop space in the adjoining Home Depot/Albertson's property, smaller tenants like Kinko's select this center for its visibility and proximity to major destination retailers."

The company's move into Ventura County comes with the acquisition of the former Vineyard Plaza, a 64,400 sq. ft. retail project at the signalized intersection of Oxnard Boulevard and Vineyard Avenue, the gateway to Oxnard. Some 50,000 cars pass the 5.5 acre site each day. The 10-year-old community shopping center, which will be renamed Oxnard Commerce Center, features a variety of retailers, restaurants and services to meet the needs of nearby residents as well as those the central business district in of this expanding marketplace. Nearby are two of the county's largest multi-tenant office complexes, and 1,000 homes are under construction within two miles.

"While Oxnard Commerce Center now offers a traditional mix of destination and service, it is ideally suited to expand its 'back office' and medical office tenancies," explained Albrecht. "Our objective is to reposition this asset to enhance its identity along this very busy street and bring in other viable tenancies."



Oxnard Commerce Center



## WHO'S MOVING IN AND UP



Eric Schoof

The Abbey Company has named four veteran real estate execs regional managers with responsibility for overseeing the leasing, marketing and management of properties in their respective areas. Eric J. Schoof, most recently a senior manager, now oversees the Inland Empire region consisting of ten

properties in Riverside and San Bernardino Counties. Prior to joining Abbey in 1996, the licensed California real estate broker was a project manager and leasing director for Arical Properties. Another former senior manager, Holly Smith-Forsythe, is now responsible for the Orange County and Los Angeles regions,



Holly Smith-Forsythe

which include eight properties. A real estate professional with over 13 years experience in Southern California, she joined Abbey in 1997 from Voit Management Company, where she was involved in the management of office, retail and industrial properties in Los Angeles, Riverside, and San Bernardino counties. Former property manager Rick L. Smith now heads the High Desert Region, comprised of seven properties in Los Angeles, Ventura, and San Luis Obispo Counties. Prior to joining Abbey in 1998, Smith worked in the retail sector as a senior sales manager for Best Buy and Circuit City. He also has over 15 years of construction supervision experience. Also joining the regional manager team is Nancy Eagle, who handles three properties in the San Diego County area. She was most recently vice president of property management for Spectrum Property Management, managing a portfolio of office, retail, and industrial properties. Eagle is a certified property Manager and a licensed California real estate broker. In other appointments, Cherie Kordik has been elevated from property manager to director of transitions for newly purchased properties. She will continue her property manager duties for several Abbey sites in Orange and Los Angeles Counties. Kordik, a licensed California real estate salesperson, has over 12 years of experience in property management and leasing. Before joining Abbey in 1998, she



Rick L. Smith



Cherie Kordik

she served as a senior portfolio manager for Taylor Enterprises. She holds the Real Property Administrator designation from the Building Owners and Managers Institute. In the High Desert Region, Sherie Calhoun and Julie Richter have joined the company as assistant property manager and tenant services coordinator, respectively. Prior to coming on board, Calhoun coordinated property management for Lincoln Properties for over four years. Richter has 18 years experience in retail management, working as an operations manager for such major chains as CompUSA and Office Depot. She is a licensed realtor in California. Danielle Perlongo has joined Abbey as a senior accountant, with responsibility for accounts receivable and lease administration for the entire portfolio. She brings 14 years of experience in accounting, including seven years in property management, most recently at Insignia/ESG where she prepared financial information for over 1.3 million square feet of space. Kathi Wheeler is the new leasing/marketing manager for the Inland Empire portfolio. Her responsibilities include all leasing and marketing functions for Abbey's properties in that region. She most recently served as leasing and marketing director for California Coast, a retail real estate consulting firm in Newport Beach. And finally, Yan Guan has joined Abbey as a real estate analyst. She comes to the company with five years experience as a commercial real estate analyst for such firms as Insignia/ESG Commercial Group and Burnham Pacific.



Danielle Perlongo



Chris Reilly

**Acquisitions:** The Abbey Company has appointed fifteen-year industry veteran Chris Reilly to the role of director of acquisitions for the new Northern California Region. Reilly spent the past ten years with CB Richard Ellis, most recently in San Francisco where he advised international clients on investment strategies in the U.S. During his time with the firm, he

also held overseas assignments in Hong Kong and Singapore. Prior to that position, Reilly worked for Strand Court Properties in London, where he was responsible for identifying and completing a number of retail and office developments around Europe. Additionally, Steve Hamilton has been named director of acquisitions for the San Diego region. He brings seven years of acquisitions experience in the San Diego market to Abbey, previously holding similar positions with CLEAR Management, LLC and Gerrity Morgan Stanley Realty.



Steve Hamilton

**West Inland Empire Office:** Bret Van Nortwick has joined Abbey as senior manager of the new West Inland Empire office located at the Transpark Office Center in Ontario. In this new post, he is responsible for the financial and operational management of approximately 600,000 square feet of office, industrial and retail space in Transpark Com-



Bret Van Nortwick

merce Center, Upland Commerce Center, Glendora Commerce Center and Diamond Bar Commerce Center. An 11-year veteran of the commercial real estate industry, Van Nortwick spent the previous five years managing a large portfolio of retail and office properties in Riverside, Orange, Los Angeles and San Diego counties for Investors' Property Services. Also at that office, Ed

Middleton has been named senior leasing manager, responsible for the day-to-day leasing activity for the four properties handled by the West Inland Empire Office. Middleton has over 12 years of experience as a licensed real estate agent, most recently with CB Richard Ellis in the City of Industry. Michelle Braunwalder has joined Abbey as assistant manager of the West Inland Empire office. Her responsibilities include tenant relations, tenant accounting, project accounting, lease administration, and general support for all management and leasing functions of the West Inland Empire portfolio. Braunwalder has five years of industry experience and most recently spent three years at Koss Properties where she managed Class A office properties in the Inland Empire and Los Angeles areas.



Ed Middleton



Michelle Braunwalder



Anne Domonoske

**Central Coast Region:** Anne Domonoske has come on board as tenant services coordinator for Oxnard Commerce Center. She comes to the company with seven years of experience in commercial and residential property management, overseeing more than 300,000 square feet of space. Her background also includes ten years of combined experience in marketing, finance, accounting and insurance.



Audrey J. King

Audrey J. King has joined The Abbey Company as regional manager for the Los Angeles region, which includes six properties totaling approximately 550,000 square feet. King, a licensed real estate sales person, has over 13 years experience managing Class A and B properties for private and institutional investors. Most recently, she served as a

regional controller for Compass Management and Leasing, overseeing properties in Southern California, Arizona and Utah. Prior to that, she was vice president of commercial properties for Anchor Pacifica Group, with responsibility for the leasing and operations of properties in Los Angeles, Orange and San Bernardino counties.

**San Diego Region:** Gloria Lopez has been named assistant manager for the San Diego region. She has spent 14 years in retail property management as an assistant manager for such companies as CB Commercial, The Lomas Santa Fe Group and Burnham Pacific.

**Corporate Office:** Fairee Enriquez has joined the accounting department as a staff accountant. Enriquez has three years of property management experience, two of which she spent preparing financials for 1.5 million square feet of assets. Stacy Newbold is the newest member of the administrative support team. She has over ten years of administrative experience, including five in commercial real estate.

Linda Doring has been promoted from receptionist to administrative support in the corporate services department. She has 10 years of office management and administrative support experience, most recently as a sales and marketing coordinator for a broadcast audio/video distributor.



Linda Doring

The Abbey Company also named Joseph Tonsich to senior property manager for the Central Coast region. In his new position, he is responsible for the day-to-day leasing, marketing and management of real estate assets valued at over \$10 million. Those properties currently house more than 60 tenants. Prior to joining Abbey, he was a senior property manager for Lobero Management and Development Company, where his responsibilities included office, retail, mini-storage, and industrial properties in excess of 340,000 square feet. He also managed Lobero's grape vineyard and almond orchard division in Central California. Tonsich, a licensed real estate broker, is a former commercial pilot/flight instructor.



Joseph Tonsich

## GULLEN LEADS TEAM OF LEGAL EXPERTS



David J. Gullen

Real estate and the law are — metaphorically speaking — synonymous in today's complex business world. No one knows that better than Don Abbey, who describes David J. Gullen, Esq., as "both a great real estate attorney and a trusted advisor."

Gullen has been involved with The Abbey Company from its inception, having drawn up its corporate papers. Today, he coordinates all aspects of the firm's legal work including sale and purchase contracts, leases, and title transfers. A partner in Nelson Gullen Bronson & Katz, LLP, of Los Angeles, he has specialized in federal and state income taxation, and real estate and business transactions for more than 30 years.

This trusted advisor comes to Abbey with an impressive pedigree. He received his A.B. degree in economics from Boston College, where he graduated cum laude; and his law degree from Georgetown University, where he was editor of the Law Journal. Gullen served as a trial attorney

for four years under the Attorney General's honor program at the U.S. Department of Justice, Tax Division, where he litigated on behalf of the government on controversies involving a spectrum of complex tax issues. Gullen later was awarded a fellowship to New York University Law School, where he received his Master of Law degree in taxation.

In addition to real estate and business transactions, his experience in the tax field encompasses all facets of income taxation, including corporate mergers, reorganizations, acquisitions and liquidations; partnership and limited liability company taxation; and the tax aspects of real estate transactions.

Gullen has been a lecturer at the University of Southern California Tax Institute, Chairman of the UCLA Entertainment Tax Institute, Professor of Taxation at USC, and a frequent speaker on diverse tax subjects.

Summing up his role with the company, Gullen commented, "Don Abbey is very focused. He knows exactly where he's taking the company. He calls the plays, and I clear the way of legal obstacles so he can get there."

# ABBEY ACQUIRES INLAND EMPIRE COMPLEX

In its biggest single acquisition to date, The Abbey Company has purchased a 425,000 square foot, 11 building complex of office and industrial buildings in Ontario—the hub of the western portion of Southern California’s rapidly growing Inland Empire. With the addition of Transpark Commerce Center—Abbey’s seventh acquisition this year—the company has purchased more than 1 million square feet of commercial, retail and industrial real estate in less than eight months. The total portfolio now stands at 2.8 million square feet, up from 870,000 square feet at the close of 1996. Transpark, the sixth asset purchased by the company from the John Hancock Mutual Life Insurance Company, was acquired for approximately \$20 million—a new high for Abbey. Reflecting on the company’s activity thus far this year, director of acquisitions Robert B. Albrecht observed, “This is a torrid pace, even for Abbey. And more deals are on the horizon, with an additional \$25 million earmarked for acquisition by year-end.” Among the markets The Abbey Company is targeting for the first time is Northern California.

Abbey’s newest asset is strategically set on a tree-lined 26.2-acre campus fronting Inland Empire Boulevard and flanked by the San Bernardino Freeway (I-10). The site is also convenient to Interstates 15 and 60.

The property houses seven low-rise office buildings totaling 206,393 square feet and four warehouse/distribution structures aggregating 218,052 square feet. The site’s industrial buildings were developed in 1981, followed by the office structures in 1984 and 1985.

GTE is Transpark’s largest industrial tenant, which fully occupies a two-story 70,340-square-foot office building. While Transpark’s industrial buildings are fully leased, the office space is currently 78% occupied. In an effort to bolster of-



office occupancy, Abbey immediately instituted an aggressive leasing/management program, setting up an on-site West Inland Empire office that will also serve as a base for three other Abbey properties in the market.

Elaborating on the property’s strategic location, Albrecht says: “Transpark’s corporate tenants benefit from easy access via Ontario’s superb highway network and the site’s location off an I-10 interchange, near the main entrance of the Ontario International Airport’s newly expanded passenger terminal. Also advantageous is Transpark’s proximity to the Ontario Mills Mall and the Ontario Convention Center.”

Tenants also benefit from Ontario’s extensive transportation network. The area is served by the Southern Pacific and Union Pacific railroads, bus lines, and air transport via Ontario International—the second busiest airport in the Greater Los Angeles area.

Ontario, located 30 miles east of downtown Los Angeles, is the second largest city in San Bernardino County, with an estimated 150,000 residents. The city is also considered the primary employment center in the Inland Empire, comprised of San Bernardino and Riverside Counties.

## ABBEY CLOSES \$85.2 MILLION LOAN

The Abbey Company said it has closed on an \$85.2 million loan from J.P. Morgan of New York, utilizing a portion of the firm’s extensive real estate portfolio as collateral. Proceeds of the 10-year, interest only, fixed-rate mortgage will be used to retire an existing revolving line of credit with Morgan - the Wall Street investment bank - and Wellsford Real Properties, Inc.

“This fixed-rate note not only ensures the continued stability of our portfolio but reflects Abbey’s general business plan for the on-going acquisitions of office, industrial, and retail properties as long-term investments,” said Donald G. Abbey, President and CEO. The firm has already added more than one million square feet to its portfolio this year, aided by the infusion of \$125 mil-

lion from the investment by Rodamco, North America.

Set at more than three-quarters of a point below the current prime rate of 8.25%, the interest rate for the new loan testifies to Abbey’s financial strength and creditworthiness.

Discussing J.P. Morgan’s relationship with Abbey, Morgan vice president Bernie Costello stated, “I met Don about three and a half years ago and he presented a very impressive, credible real estate program, so much so that we fashioned an acquisition line around his needs. Since that time, the company’s growth and performance have exceeded all of our expectations. This latest financing is the next step. We are pleased to continue to provide the tools to grow the company in the manner Don Abbey wants to.”

# NL SERVICES DOES IT ALL

Well-maintained and operated properties are the hallmark of The Abbey Company. Keeping them in top notch condition is the responsibility of Anaheim based NL Services, which is the primary contractor utilized on Abbey projects. "Preventive maintenance often may be the critical factor in our business," explains NL Services president Sam Aldrich. "Solving and fixing small problems prevents them from becoming bigger and more costly ones."

The word "services" in the firm's name mirrors its activities when it involves any type of real property. NL Services is a licensed general contractor and many members of its crews are licensed in their various trades. That covers a lot of territory, ranging from general repairs to masonry and landscaping, from roofing to air conditioning, from painting and signage to tenant improvements, as well as plumbing, lighting, electrical work, and tree trimming.

Directing the crews, which total nearly 60 specialists, Aldrich faces the challenge of not only handling repairs and upkeep, but regularly scheduled systematic inspections of all properties and their operating elements in order to detect or anticipate potential problems. "Our commercial property services organization's ongoing systems maintenance program benefits Abbey tenants by reducing or eliminating down time for repairs," he said.

Aldrich, a veteran of nearly two decades in the real estate and construction industries, also oversees NL's tenant-improvement proposals.

"By controlling operating costs," comments Abbey Chairman and CEO Donald G. Abbey, "NL Services helps our bottom line. Equally important, NL allows us to provide maximum value to our tenants for their rental dollars."

## EXPANDING ABBEY BUYS OFFICE BUILDING AND AIRPORT INDUSTRIAL PROPERTIES



Robert C. LeMoine

Continuing its Southern California expansion drive during the second quarter of 1999, The Abbey Company increased its holdings by over 400,000 square feet. The firm acquired a Class A office building in the City of Commerce, as well as fully-leased industrial properties at Riverside Airport and Long Beach Airport. Retail properties purchased in Oxnard, La Mesa and Escondido earlier in the

year, along with Abbey's most recent acquisitions, have pushed 1999's portfolio gains to more than 585,000 square feet. All but the Long Beach Airport building, a sale/lease-back transaction, were bought from John Hancock Mutual Life Insurance Company.

"These acquisitions not only reflect our organization's rapid growth but diversity in the type of properties owned and operated," explained Robert C. LeMoine, executive vice president, acquisitions. "They are particularly indicative of Abbey's wide-ranging capabilities for value enhancement."

The latest portfolio additions include the newly named



Commerce Corporate Center

Commerce Corporate Center, situated on a two acre site at 5800 S. Eastern Avenue, in the City of Commerce. The 66,224-square-foot, Class A, five-story office building is located in the heart of the Vernon/Commerce industrial sub-market.

According to Robert B. Albrecht, director of acquisitions, its long-term credit tenants include Bank of America and PIASC Insurance. CB Richard Ellis, the international commercial real estate brokerage organization, also maintains offices in the complex, which was completely renovated in 1997 and is now 86% leased. "The City of Commerce is ideally located just six miles from downtown Los Angeles and has excellent highway access being traversed by the Santa Ana Freeway (I-5) and the Long Beach Freeway (I-710)," stated Albrecht. "Commerce represents a unique blend of residential and commercial/industrial areas."



Arlington II

Also added to the roster was the 131,263 square foot industrial building adjoining Riverside Airport and an existing Abbey complex in California's thriving Inland Empire. Located at 7145 Arlington Avenue at Van Buren Boulevard, the intersection of two major roads in Riverside County's largest city, the building is fully occupied by Mendocino Forest Products, a former unit of Louisiana Pacific, Inc. The single story structure, on a 15-acre site, incorporates warehouse distribu-

tion facilities and approximately 6,000 square feet of office space. "Since Abbey already owns the contiguous Arlington Air Park Plaza, the purchase of Arlington II provides more than 700 feet of Arlington Avenue frontage, with the rear portions of our buildings facing the airport," said LeMoine. "With Arlington II's site coverage of less than 20%, we will explore various opportunities to benefit both properties, including new construction and increased parking." Also studied will be potential synergistic financial and leasing advantages of unifying the rear exposure of the combined projects with direct access into Riverside Airport.

The company is also considering integrating the appearance of the two buildings through signage, landscaping, and facade treatments in an effort to enhance street frontage identity along Arlington Avenue.

Developed in 1976, Arlington II recently benefited from a \$400,000 upgrade, which included a 302 car parking lot, and improvements to the loading docks and rail siding configuration. The contiguous Arlington Air Park Plaza complex, acquired in 1994, comprises 86,847 square feet of office and light industrial space in five abutting single story buildings on 5.63 acres.

In another airport property transaction, Abbey added the 205,257-square-foot AASI Building, adjoining Long Beach Airport in the City of Long Beach. The Los Angeles County site is located at 3205 Lakewood Boulevard, between Donald Douglas Drive and Spring Street. Completed only last September, the facility was purchased from Advanced Aero-dynamics & Structural, Inc. (AASI), in a sale/leaseback transaction. AASI continues to occupy the property under a long-term lease. The acquisition includes taking assignment of a 40-year ground

lease for the building's site of more than 10 acres, plus options to lease adjacent parcels of some 4.7 acres of Long Beach Airport property for potential future expansion.



AASI, a public company, is a Federal Aviation Administration certified firm which designs, develops, manufactures, and markets propjets and jet aircraft for the international business, commercial, and government markets.

The single-story, 34-foot-high building's interior configuration provides aircraft manufacturing, warehouse and hangar facilities, plus 22,541 square feet of mezzanine offices. "This transaction at Long Beach Airport allows us to participate in Southern California's burgeoning aviation industry," observed LeMoine. "Gulfstream Aerospace is located in two nearby buildings. McDonnell Douglas, now Boeing, also has an aircraft production plant here." The general aviation facility, served by three commercial air passenger carriers and major overnight package delivery services, is readily accessible by contiguous I-405 (San Diego Freeway) interchanges. Abbey's acquisition is propitious, with Long Beach Airport destined for growth via new construction and redevelopment of sites of older facilities, which will be razed. Ground will be broken later this year for a build-to-suit hangar; and UPS plans to construct a package sorting center.

## REVIEWING ABBEY'S ACQUISITION CRITERIA

As the Abbey Company moves forward on the previously announced objective to triple its \$200 million portfolio over the next three years, it's timely to take a look at the firm's basic criteria for acquisitions of Class B and C office, industrial and retail properties.

In general terms, Abbey is actively seeking multi-use business parks; office parks and lowrise freestanding office buildings; strip centers incorporating retail shops and/or restaurants, medical offices and service businesses; medical buildings; automotive centers; as well as industrial parks or free-standing industrial buildings.

The minimum targeted size is 50,000 square feet for office buildings; 100,000 square feet for industrial properties; and 40,000 square feet for retail centers. Ground leases are also acquired. Abbey's price range on acquisitions ranges from \$2 million and up, with the typical deal in the \$5 million to \$15 million range. The firm will also consider purchasing real estate portfolios from \$20 million and up.

Geographically, the firm is now moving beyond Southern California into other parts of the state, as well as into neighboring states. Primary counties targeted currently include: Los Angeles, Orange, Riverside, San Bernardino,

San Diego, Ventura, Kern, Santa Barbara, and Sacramento. Within those counties, areas of particular interest include Palm Springs/ High Desert region; the San Gabriel Valley; the Highway 101 corridor extending from Calabassas to San Luis Obispo, Bakersfield; Southern Orange County; Los Angeles' South Bay; and the Route 210 corridor.

The company is also targeting out-of-state areas including Northern Nevada, as well as Phoenix and Tucson, Arizona. By concentrating on a particular region, the way Abbey targets Southern California, properties are operated on a more efficient, cost-effective basis. Because Abbey's professionals are exceptionally knowledgeable about the company's geographic markets, Abbey has a competitive edge that enables it to act swiftly when a property meets the requirements. Indeed, closings can be completed in under 35 days.

Chairman and CEO Don Abbey is quick to point out that the company's acquisition criteria are not cast in stone. "There always will be exceptions to any set of conditions, so we exercise flexibility," he noted. "While criteria are designed to support analysis and action, there is no substitute for creativity and inspired performance."

# COMPANY TO EXPAND INTO NORTHERN CALIFORNIA

The Abbey Company has launched a concerted expansion drive into Northern California, where it intends to establish a strong presence via property acquisitions. At the same time, the company is also moving to increase its real estate holdings in the San Diego region, where it now owns three retail centers - two of them purchased earlier this year.

Newly on board to spearhead the growth campaign are real estate veterans Chris Reilly and Steve Hamilton. "Their broad experience will help accelerate Abbey's initial acquisitions in the Northern California Region, as well as additional properties in the San Diego area to complement our portfolio," said Robert LeMoine, executive vice president, acquisitions.

Offices will be established in the Northern California area following the acquisition of the company's first property in that region. As in its established regions, the company is seeking well-located Class B and C office, industrial, retail and mixed-use properties priced at \$2 million and up. The

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Abbey's portfolio currently reaches northward as far as its designated Central Coast region, which includes retail centers in Santa Maria and Oxnard. This latest expansion drive will include the San Francisco Bay Area and areas to the south, eventually creating property clusters to more efficiently provide localized leasing and management services,

## JANSEN DIRECTS VITAL TITLE SERVICES

As a real estate executive for well over a decade before established his own firm, Don Abbey utilized the services of many of the companies and professionals who would later play similar roles in the success of The Abbey Company. That list includes Frank Jansen, who today the senior vice president, special projects at Chicago Title Company's Los Angeles office. Jansen and Chicago Title have handled the title work and escrow responsibilities for all properties in the Abbey portfolio, often providing requisite services for title transfers within short deadlines. "Don's a very demanding client, but he's very loyal. We enjoy working with him because he tells us exactly what's involved in specific property acquisitions, and depends on us to deliver," Jansen said.



Frank Jansen

Associated with Chicago Title for more than two decades, Jansen is a high profile achiever and recognized leader in his industry. He and his staff provide title and escrow services absolutely critical to Abbey's operations. Those services include arranging title searches; ensuring that titles are clear; processing financial records involving purchases, sales, and loans; holding all funds in trust; handling the closing when ownership is transferred and funds disbursed; and

recording the transaction with proper government agencies. During his early years with Chicago Title, Jansen - who earned a BA in Finance and Management from Pepperdine University's School of Business - devised a strategic plan designed to capture a substantial share of the commercial and industrial real estate market in Southern California for his firm.

As vice president, commercial/industrial sales during the latter part of the 1980's, he fully carried out that plan by marketing title insurance and handling closing coordination for more than \$10 billion in real property transactions, including such high profile local projects as Cal Plaza, Citicorp Plaza, Chase Plaza, 865 Figueroa, and 444 Flower.

Jansen today is responsible for the national marketing and coordination efforts necessary to close in excess of \$50 billion in commercial and industrial property transactions within a special unit of Chicago Title that delivers elite, personal service to real estate attorneys, developers, brokers, lenders, and investors throughout the U.S. - including The Abbey Company. According to Jansen, Don Abbey's business conduct reminds him of the days when deals were made on the basis of a hand-shake and mutual trust. "You can depend on Don's word," he noted. "We know that's not always true of others in business today."

## PROPERTY UPDATES

Cityview Office Plaza in Garden Grove, site of the Abbey Company's corporate headquarters, now boasts an occupancy rate of 97% and a roster of long-term tenants.

When Abbey purchased the 135,184-square-foot complex six years ago in the midst of Southern California's recession,

occupancy stood at just 68%. Also clouding the property's fiscal stability was the fact that 25% of that occupied space represented tenancies at will or month-to-month leases. Within two years, Abbey had increased and was maintaining Cityview's occupancy at 80% in a market then averaging a 65% occupancy rate.



Nubia Cortez-Pasko

Occupancies hit the 90% mark in 1996 and have moved up since 1997, when Nubia Cortez-Pasko took over as leasing manager for the property now headed toward full occupancy. "Leasing activity remains strong and rental rates have continued to climb steadily," she noted.

Included among Cityview's tenants are the Orange County Department of Education, International Paper, Neilson Media Research/Dun & Bradstreet, U.S. Army, and the district offices of Congresswoman Loretta Sanchez and State Senator Joseph Dunn. Abbey's corporate offices comprise some 8,000 square feet in two contiguous buildings.

An extremely accessible location has complemented Abbey's aggressive leasing and management program at the



City View

complex of 20 two-story, garden-style buildings — ranging from 5,000 square feet to 10,000 square feet in size—on an eight-acre tract on Lewis Street, near the intersection of Chapman Avenue. The site is adjacent to the Crystal Cathedral, a landmark from which the Rev. Robert Schuller operates his weekly-televised, world-wide ministry. The new Block at Orange regional outlet shopping center is directly across the street.

Located near the confluence of three major highways - Santa Ana Freeway (I-5), Garden Grove Freeway (Route 22), and Orange Freeway (Route 57) - Cityview has responded to the general principles by which Abbey operates all of its properties. Improvements undertaken following the acquisition included decorating and refurbishing vacant offices; upgrading and improving the appearance and visibility of all signage; moving the leasing office to a central location; and instituting a promotional campaign to enhance identity.

"The half-million-dollar facelift to the facades of the Cape Cod-style buildings— painting or replacing all wood siding - has certainly given the project eye appeal as a desirable office location as we near 100% occupancy," said Cortez-Pasko.



Scott San Filippo

Added Scott San Filippo, vice president of operations, "This property is a prime example of Don Abbey's personal credo that success is achieved by focusing on the fundamentals."

With an occupancy rate of 80%—up 15 percentage points in the last 90 days alone—the Moreno Valley Commerce Center is emerging as another success story for The Abbey Company.

The occupancy rate stood at 61% last September when Abbey purchased the 111,000-square-foot, multi-use business park, located southeast of Riverside, CA. To make matters worse, 16% of the space was occupied by tenants holding leases that had expired over three years ago—with no rent increases since the time their deals had lapsed.

Under the direction of leasing manager Kathi Wheeler, who took over the property in mid-March, an aggressive leasing and management program was implemented. The program incorporated the following elements:

- The leasing office, previously located in the back of the park, was moved to a more visible spot in the front with strong street visibility.
- Vacant suites in need of much repair were renovated to turnkey condition, including new paint and carpet.

- Monument and tenant signs were upgraded to both enhance their appearance and increase visibility.
- A direct mail campaign was launched to increase the property's exposure to local tenants.

In the last 90 days, Wheeler consummated 17 lease transactions for over 43,000 square feet, including seven new tenants and one expansion. Notably, some of the space now occupied had been vacant for over six years. The nine remaining deals represented conversions of the tenants with expired leases. "Not one left," Wheeler explained. "All agreed to at least a three-year renewal at an increased rent with annual bumps."

With leasing activity remaining strong, occupancy is expected to continue to climb.

Centrally located on Alessandro Blvd., the 8.4 acre site contains eight single-story multi-tenant buildings, as well as a freestanding fast food restaurant. The project, which offers excellent access to the 60 and 215 Freeways, was built in 1986.

With an occupancy rate of 93% and climbing, Glendora Commerce Center has brought new economic activity to the city of Glendora, CA, in another continuing success story for The Abbey Company. When Abbey purchased the 70,179-square-foot office/retail center in late 1997, it had a 30% vacancy rate and poor exterior appearance. Additionally the property's image and meager tax revenues were not benefiting Glendora, which enjoys a reputation as one of the most beautiful communities in the San Gabriel Valley. Abbey's experience as a turnaround specialist dictated a physical makeover, plus a creative marketing and leasing program. Senior leasing manager Holly Smith-Forsythe (now a regional manager), shepherded the leasing and promotional campaign to enhance local recognition of Abbey and its newest commercial venture.

The center's facade was painted and spruced up, gaining the community's attention and approval of local officials. This immediate cosmetic improvement and Forsythe's attendance at City Council meetings helped pave the way for a zoning change from a Planned Redevelopment into a C-3 Retail Commercial Zone—conforming with similar properties in the area. Subsequently, Forsythe was able to lease 4,000 square feet to a Mexican restaurant after working with the Council to sanction its alcoholic beverage license. Additional leases have pushed the center towards full occupancy in just a year's time. "We knew that with the right marketing techniques, this not-so-glamorous property could be turned around into a fabulous 'win-win' situation," said Forsythe. "Our expectations are proving correct."

# RECENT LEASE SIGNINGS

## **Abbey Center, Palm Springs, CA**

Supercruiser.com, new lease for 2,285 sq. ft.; Terra Nova Planning, renewal for 2,495 sq. ft.; Topaz Health, new lease for 1,614 sq. ft.

## **Aliso Viejo Commerce Center, Aliso Viejo, CA**

Nagoya Sushi, Inc., new lease for 2,400 sq. ft.; Pacific Automotive, new lease for 3,740 sq. ft.; Giantano's signs new lease for 1,600 sq. ft. full service salon/spa

## **Anaheim Stadium Business Park, Anaheim, CA**

Lunada Bay Corporation, renewal for 41,931 sq. ft.

## **Arlington AirPark Plaza, Riverside, CA**

Netseller, renewal for 5,864 sq. ft.

## **Cityview Office Plaza, Garden Grove, CA**

Travis Engineering, renewal for 2,033 sq. ft.; Pediatric Services of America, renewal for 1,726 sq. ft.; FWH Financial, renewal for 1,601 sq. ft.; Teamworks, renewal for 1,357 sq. ft.; Kinsel, Streiff, Newton & Oshiro, renewal for 4,495 sq. ft.; So. Cal Investigators, renewal for 2,644 sq. ft.; Community Funding, new lease for 2,374 sq. ft.; Mortgage Capital Resource Corp. new lease for 1,591 sq. ft.; APS, new lease for 3,606 sq. ft.

## **Colton Courtyard, Colton, CA**

Video Wiz, renewal for 3,500 sq. ft.; Schooners Restaurant, renewal for 3,705 sq. ft.

## **Escondido Commerce Center, Escondido, CA**

Family Christian Stores, new lease for 4,200 sq. ft.

## **Gardena Commerce Center, Gardena, CA**

Voice Box Communications, new lease for 1,320 sq. ft.

## **Glendora Commerce Center, Glendora, CA**

LJ Ballroom Dance Center signs new lease for 5,576 sq. ft. dance studio, bringing the center to 93% occupancy.

## **La Mesa Commerce Center, La Mesa, CA**

Round Table Pizza, renewal for 4,000 sq. ft.

## **Oxnard Commerce Center, Oxnard, CA**

Grand Illusions Hair Design, renewal for 1,535 sq. ft.

## **Moreno Valley Commerce Center, Moreno Valley, CA**

Ace TV, new lease for 2,939 sq. ft.; Moreno Valley Transmission, renewal for 3,640 sq. ft.; Video Time, renewal for 4,209 sq. ft.; Manual A. Rochas, new lease for 6,175 sq. ft.; Good-year Tire signs for expansion of its retail automotive facility from 900 sq. ft. to 4,830 sq. ft.

## **Nevada Street Plaza, Redlands, CA**

Primecare Medical Network, renewal for 22,464 sq. ft.; Cycle Craft, renewal for 4,336 sq. ft.; The San Bernardino Sun newspaper signs new lease for 3,800 sq. ft. space, which will serve as a distribution center; Accent Business Forms, a tenant since 1992, renews for 5,324 sq. ft. space that it utilizes as a warehouse/distribution facility.

## **Santa Maria Commerce Center, Santa Maria, CA**

Pasta Express, renewal for 1,932 sq. ft.; All Valley Pet Hospital, renewal for 2,617 sq. ft.

## **Sierra Gateway Business Center, Palmdale, CA**

United States Department of Defense, new lease for 2,539 sq. ft.

## **Upland Commerce Center, Upland, CA**

Salvation Army, renewal for 9,862 sq. ft.

## **Victoria Plaza Business Center, Long Beach, CA**

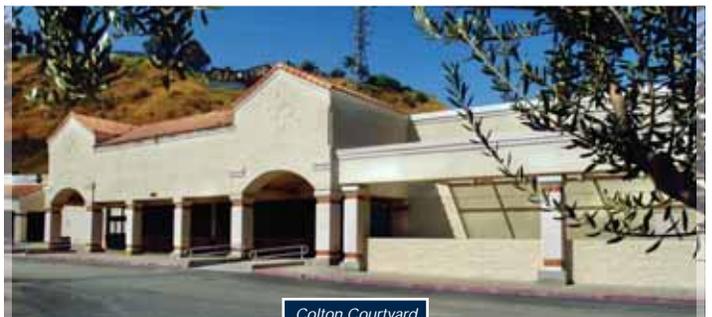
World Trade Printing, new lease for 6,449 sq. ft.; Wil Tec, renewal for 10,444 sq. ft.

## **Wimbledon Village Business Center, Victorville, CA**

Key City, renewal for 3,456 sq. ft.; County of San Bernardino, new lease for 1,567 sq. ft.; Questar Imaging, new lease for 2,044 sq. ft.



Glendora Commerce Center



Colton Courtyard



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