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StarPoint Properties buys Fresno's Guarantee Financial Center

FRESNO

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- Deal is valued at \$4.5 Million
- 'Significant upside potential'

StarPoint Properties LLC of Beverly Hills says it has purchased the Guarantee Financial Center, a 15-acre, approximately 151,000-square-foot office campus in Fresno for \$4.5 million.

Bob Safai of Madison Partners represented the seller, a joint venture between Cambra Realty and Angelo Gordon.

"This was an excellent opportunity to acquire an underperforming yet prominent office building in a historically stable market. The purchase price is reflective of distress and significantly below replacement cost," says StarPoint Properties President/CEO Paul Daneshrad. "The property offers a rare combination of current cash flow and significant upside potential with the ability to deliver IRR returns in the thirties."

Located near the campus of California State University, Fresno, the property, which was built in stages throughout the 1970s, is currently 45 percent leased. Located in the East Shaw Corridor of Fresno's office market, it is also close to dining and retail amenities.

Beverly Hills-based Lucent Capital worked exclusively on behalf of StarPoint to secure the acquisition financing. The non-recourse portfolio loan provided 75 percent loan-to-cost leverage and was priced at an interest rate of 6.75 percent with an initial term of five years and interest-only debt service, says StarPoint.

The \$5.5 million senior bridge loan includes funds to lease up and reposition the asset, according to Lucent Managing Director Steven Yazdani who arranged the financing.

StarPoint's renovation plans include aesthetic improvements such as upgrading the façade and common areas, including a landscaping overhaul. The firm also plans to address deferred maintenance issues such as repairing elevators and replacing roofs. In addition, the property will be rebranded with a new name and identity to reposition the revitalized 15-acre site.

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