

Investment group pulls out with \$22.2M sale

By Christian Conte
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SOUTHSIDE -- Florida Office Property Co. has invested in office space in major cities all over the state, but Jacksonville is no longer one of them.

The Quadrant office buildings on Salisbury Road, the last of the company's three properties in Jacksonville, sold for \$22.2 million Dec. 21 to an Atlanta-based investment group comprising two 50 percent partners, KRG-Quadrant LLC and Quadrant Partners LLC.



"They were a terrific investment," Florida Office Property President Gavin Campbell said. "Jacksonville is one of the great markets."

The two Class A buildings that totaled 216,960 square feet were built in 1987 by Regency Development Group. Florida Office Property bought it for \$23.9 million in 1998 and in 2006, the property had an assessed value of \$16.5 million, according to the Duval County Property Appraiser's Office.

The Chicago-based company bought the Quadrant as part of a package investment that also included Westland One on Lake Gray Boulevard and a vacant 5-acre parcel of land on Belfort Road. Campbell declined to disclose the cost of the total package, but the vacant land was the first to be sold for \$1.2 million in 2001 for the construction of the Borland Groover Clinic.

Westland One, a 36,304-square-foot Class B/office flex building, sold in October 2005 to BGKP Westland One LLC, based in Santa Fe, N.M., for \$4.6 million.

In the late 1990s, Florida Office Property began buying about 3.5 million square feet of office space in Jacksonville, Orlando, Tampa, Miami, Naples and Fort Lauderdale and over the past 10 years has been selling the assets off. The company's remaining properties total 978,556 square feet of space in three Orlando buildings and one Miami building.

Two of those properties, including the Miami building, which is the largest single holding at 326,335 square feet, are also for sale. Campbell said those that are not for sale now will likely go on the market during the next 24 to 36 months.

The company intends to sell off all the property in its original portfolio before any future acquisitions are made, he said.

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Although Campbell does not intend to invest in any other properties in Jacksonville through Florida Office Property, its parent company, Steelbridge Capital LLC, also based in Chicago, is searching for office property at the Beaches to add to its portfolio that already includes property in 200 submarkets.

"There's a lot of good stuff going on over there," Campbell said of the Beaches area. "We're pretty bullish on it."