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Morgan Stanley acquires Hughes Center

BY TONY ILLIA

Hughes Center has long been the valley's premier power-business address. The Las Vegas Chamber of Commerce and the Nevada Development Authority, until recently, called the 115-acre business park home. It had previously held the only genuine Class A office space available in Southern Nevada. It is also home to the Wells Fargo Tower -- Las Vegas' first high-rise office building.

Morgan Stanley recently acquired Crescent Real Estate Equities, owner of Hughes Center, for \$6.5 billion (or \$22.80 per share) in an all cash deal. The purchase price represents a 12 percent premium over Crescent's (NYSE: CEI) 30-day average-closing share price. The buyout is expected to close in the third quarter, pending shareholder and regulatory approval.

A TEXAS-SIZED APPETITE

Fort Worth-based Crescent is a 13-year-old real estate trust with more than 650 employees. The firm purchased the Hughes Center in 2003, for \$223 million, from Chicago-based General Growth Properties. The mixed-use complex is bordered by Sands Avenue, Flamingo Road, Paradise Road and Koval Lane. It consists of eight Class A office buildings totaling 1.1 million square feet, plus seven restaurants, a Kinkos and a Starbucks. There is also The Park at Hughes Center -- two 20-story residential condominium towers, along with a Residence Inn by Marriott and The Meridian at Hughes Center.

Crescent last month completed a 12-story, 275,823-square-foot addition inside Hughes Center. The \$44 million, Class A office tower, located at 3883 Hughes Parkway, is anchored by the law firm of Snell & Wilmer LLP. Kitchell Contractors was the general contractor. It marks Hughes Center's first new building in eight years.

The glass-and-steel tower features an adjacent six-level, 821-space parking garage. Crescent had previously planned on building a second, 11-story, 250,000-square-foot office building with an accompanying garage on the seven-acre site. Leases for 8.7 percent of Hughes Center's total office space

will expire in 2007, according to Crescent company records.

"Morgan Stanley's acquisition and entrance into the market signals its growing maturity, sophistication and attraction to institutional investors," said [John Restrepo](#), principal of [Restrepo Consulting Group](#), a Las Vegas-based economic-research group.

PROJECTS

Blue Heron completed the \$22 million, 23-home Stone Canyon residential subdivision at Buffalo Drive and Del Rey Avenue. Dax Contracting was the general contractor for the five-acre community.

Old Navy will open a 16,150-square-foot store inside The Boulevard Mall at 3528 S. Maryland Parkway in November. The Boulevard Mall, one of Nevada's largest enclosed shopping centers with 1.13 million square feet, is owned and operated by Chicago-based General Growth Properties.

RCS Development is building the \$12 million, 31,000-square-foot Plaza Las Americas shopping center at 536 and 546 N. Eastern Ave. The two-building complex is scheduled to finish in the fourth quarter.

Toreson Industries is developing a 1,000-acre, 600-home residential community in Lincoln County, six miles west of Rachel. "Lincoln Estates" will consist of home sites from one-half to 2.5 acres. Phase-one lots are priced at \$16,500 each, with full utilities available.

MILLION-DOLLAR DEALS

Colony Realty Partners bought the 368-unit Mesa Club apartments at 6151 Mountain Vista Street in Henderson for \$43.8 million, or \$119,021 per unit, from Sentinel Real Estate Corp. CB Richard Ellis' Spence Ballif and Jeff Swinger represented the seller.

BFS Diversified Products signed a 10-year, \$14.3 million lease for 253,200 square feet of industrial space at 4272 Corporate Center Drive in North Las Vegas. CB Richard Ellis' Donna Alderson and Greg Tassi represented the lessor, Prologis. The reported average rent equals 47 cents per square foot.

SGPS Holdings LLC bought 57,650 square feet of industrial space at 2845 Coleman Street in North Las Vegas for \$4.842 million, or \$83.98 per square foot, from Coleman Airpark Ltd. Sweetland Industrial Realty's Paul Sweetland IV represented the buyer and Colliers International's Greg Pancirov represented the seller.

JCRC LLC bought a 12,740-square-foot light-industrial building at 3070 E.

Post Road for \$2,652,500, or \$208 per square foot, from Sean Baker. IPG Commercial's Richard Luciani and Jeff Barton represented the seller, and Paul Sweetland IV represented the buyer.

5 Star Development LLC bought 12,480 square feet of industrial space at 3405 and 3415 W. Lake Mead Blvd. for \$1.683 million, or \$134.85 per square foot, from Roshpina LLC. Lee & Associates' Shawn Barashy represented both the buyer and seller.

RU Investments bought a 6,270-square-foot industrial building at 4760 Cartier Street in North Las Vegas for \$1.525 million, or \$243 per square foot, from Schwan's Development Corp. IPG Commercial's Elizabeth Moore represented the buyer.

Close Trust bought a 6,447-square-foot, light-industrial building at 98 Corporate Park Drive in Henderson for \$1,192,695, or \$185 per square foot, from Arvset LLC. Paul Sweetland IV represented the seller and Holler Commercial's Jack Holler represented the buyer.

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