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## *Fund Capitalized Partly by Latin Americans Buys in California*

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Palisades Mexico Partners has made the first acquisition on behalf of a \$50 million investment fund it has raised. It paid \$20.8 million, or nearly \$172/sf, for 2929 Imperial Highway, a 121,143-square-foot office building in Brea, Calif., in a deal brokered by JLL.

The property was purchased from an investor group, KWR Saturn LLC, which had bought it in 2012 for \$10.8 million, when it was 60 percent leased. The property, which was managed by Koll Co., is now fully leased to Zodiac Aerospace and Underwriters Laboratories.

Palisades Mexico lined up financing from RBS.

The investment manager is a venture between Joaquin de Monet, founder and managing principal of Palisades Capital Realty Advisors, a Los Angeles consultancy, and Sergio Arguelles, president and chief executive of Finsa, one of Mexico's largest developers. De Monet, a 17-year industry veteran, previously had been a senior executive at GE Capital's Arden Realty operation.

The venture raised capital for the fund, Palisades Private Capital Fund I, from a network of high net-worth investors and family offices. Roughly 70 percent of its investors are foreigners, primarily from Latin America. It has a value-add strategy and will pursue investments in suburban office properties that it would hold for a period of roughly three to five years.

"This is a prime time to acquire well-located, attractive office assets in western U.S. markets," Arguelles said. "With the U.S. economy on the upswing, Latin American investors are looking for trustworthy U.S. partners to facilitate investments in assets with generous upside potential. The Brea office building is such an opportunity."

De Monet added: "Strategically situated suburban markets are just beginning to recover from the nation's economic downturn, offering investors an opportunity to acquire high-quality assets at well-below replacement cost."

The building at 2929 Imperial was constructed in 1985 and has been completely renovated. It is close to state routes 91 and 57, major thoroughfares in northern Orange County, Calif.

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