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MAGELLAN GROUP RECEIVES FINANCING ON 530,000-SQUARE-FOOT INDUSTRIAL/OFFICE BUILDINGS IN LOS ANGELES

\$34.5 Million CMBS Loan Signals Improvement in Capital Markets

Los Angeles Real Estate Investor an Established Presence in Southern California

Los Angeles, Calif. – February 14, 2011 – [The Magellan Group](#), a leading Southern California real estate investment and development firm, has refinanced its Grace Place industrial/office buildings in Los Angeles, Calif. with a \$34.5 million loan from Morgan Stanley. The Magellan Group obtained the 10-year loan with a fixed interest rate of 5.86% to retire existing short-term and mezzanine debt one year prior to maturity and to capitalize on the favorable interest rate environment and the recovering CMBS market.

Located at 5556 and 5650 Grace Place in the City of Commerce, the fully leased properties consist of a 500,000-square-foot industrial building and an adjacent 30,000-square-foot office building. The Magellan Group acquired the properties in 1998 as part of a portfolio purchase that included over 1 million square feet of commercial space.

“The key to unlocking the value in the portfolio was to reposition and re-lease the 500,000-square-foot industrial building,” said [Kevin Staley](#), Principal and Co-founder of The Magellan Group. “We were able to successfully capitalize on the property’s excellent location, 30-foot clear height and other building and site attributes to reconfigure the building and tenancy and create highly functional distribution space on a multi-tenant basis.”

The Magellan Group has strong roots in Los Angeles that date back to the 1980s when Kevin Staley and Magellan Group Principal and Co-founder [Martin Slusser](#) were responsible for redeveloping numerous former manufacturing facilities in the area, including the landmark redevelopment of The Citadel in the City of Commerce.

“We started acquiring and redeveloping properties in the Commerce area over 25 years ago,” said Slusser. “Our longstanding relationships in this market provide a decided advantage to our tenants, investors and lenders.”

Jeff Hudson in the Los Angeles office of George Elkins arranged the financing through the Los Angeles office of Morgan Stanley.

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About The Magellan Group

[The Magellan Group](#) is a leading Southern California real estate investment and development firm with in-house acquisition, development, finance, leasing and property management expertise. Co-founded by [Martin Slusser](#) and [Kevin Staley](#) in 1990, The Magellan Group has acquired and developed more than 4 million square feet of industrial, self-storage and aviation properties with a total value in excess of \$500 million. The Magellan Group utilizes its Magellan Industrial Fund to acquire properties that can benefit from the company's proven ability to add value through repositioning, renovation, leasing and improved management operations. The firm also operates Magellan Storage, a regional leader in self-storage facilities, and Magellan Aviation, one of the top providers of hangars and services at McClellan-Palomar Airport in Carlsbad, Calif. www.magellangrp.com.

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