

Omni enters Lake County with 'distressed' site buy

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An Eastlake office/warehouse complex will receive updating and other improvements in a drive to woo new tenants after Nationwide Insurance Co. of Columbus sold it to Omni Property Co. of Pepper Pike.

The upside — and the challenges — are obvious for the two-building complex: It encompasses a total of 114,000 square feet of flexible office/warehouse space, but is 42% vacant.

Omni on Aug. 4 acquired the buildings at 33801 and 33851 Curtis Blvd., a complex known as Curtis Centre, for \$2.05 million, according to Lake County land records. The complex dates from the early 1980s.

Pat Finley, Omni managing partner, said an investor group composed of him and several Omni associates formed Omni Curtis Centre LLC to make the company's first foray into Lake County.

"We feel we bought it for less than what it was really worth," Mr. Finley said. "We plan to spend about \$500,000 on initial improvements to bring it up to date. After that, we'll make continued improvements out of cash flow for the complex."

The purchase reflects the real estate market's increasingly problematic nature as Curtis Centre is a distressed property, meaning it was bought from a lender. Mr. Finley said

he does not know who the owner was prior to Nationwide. Lake County land records show Nationwide obtained title to the complex last February from GND Real Estate Co.

The Lake County auditor's office assigns the property a market value of \$4 million for property tax purposes. GND Real Estate paid \$3.85 million for the complex in 2002, Lake County records show.

Early results encourage the new owners. One tenant in the building already has agreed to expand, and Omni is in talks with three other companies considering the building, which could bring occupancy to 70% soon, Mr. Finley said.

Omni would not identify the prospects specifically, although Julie Fisher, Omni financial specialist, described them as a furniture company, restaurant management concern and another local service company.

Terry Coyne, a Grubb & Ellis Co. senior vice president and industrial unit director, said the Omni investors bought the building at the right price, "but they had to" if they're going to make the purchase work.

"Lake County is slow right now," Mr. Coyne noted.

Mr. Coyne called the transaction the "canary in the coal mine" and perhaps a sign of better things to come as more lenders recoup local buildings because of the generally weak economy. ■