

# THE WALL STREET JOURNAL.

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## PLOTS & PLOYS

*Breaking News From WSJ.com's Developments Blog*

### Distressed Buyer Is Rewarded

*San Francisco Firm Sees  
Nice Return on the Sale  
Of Buildings Bought Low*

Some gutsy investors who paid rock-bottom prices at the market's low point are beginning to cash out.

Take the case of private-equity firm **Tribeca Cos.** This month it completed the last of a series of sales of a total of 12 San Francisco Bay-area apart-

ment buildings in transactions valued at more than \$40 million, according to Tribeca.

The San Francisco firm took control of the properties after buying their nonperforming mortgages from the buildings' lender, Swiss bank **UBS AG**, for about \$31 million in late 2009. The apartments were formerly owned by the Lembi Group, which had been one of San Francisco's largest landlords.

Tribeca says it bought the properties at a price that yielded an overall annual return in the 6%-7% range and sold them in deals that yielded an overall return in the 4%-5%

range.

"The reality is Tribeca took some risk by buying the note and were compensated," says Dan Safier, president of the privately held Prado Group of San Francisco, which last week bought nine of the properties containing about 155 apartment units.