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RiverRock Hits 10M SF, Expands Offices

By Bob Howard

SANTA ANA, CA-RiverRock Real Estate Group has reached 10 million square feet of property under management with its latest, 410,000-square-foot assignment and will open two new Los Angeles offices as the company continues to expand during the downturn. RiverRock has been hiring new staff and execs, adding offices and expanding its portfolio throughout the downturn, says company founder John Combs, who tells GlobeSt.com that property management is counter-cyclical and that current conditions represent an opportunity for the firm to expand even further.

RiverRock's latest assignment comprises 409,652 square feet of class A Los Angeles area office space owned by Beverly Hills-based Cambra Realty. The portfolio includes a 100,365-square-foot building at 10351 Santa Monica Blvd., a 94,461-square-foot building at 10780 Santa Monica Blvd. and two five-story buildings totaling 214,826 square feet at 6310 and 6330 San Vicente Blvd. that Cambra recently acquired.

In addition to a new West L.A. office to service the new assignments, RiverRock plans to open a new West L.A. office of its Value Maximization Unit, a new division that it launched last year, which is headed by industry veteran Carla Gazzolo and specializes in stabilizing distressed assets. RiverRock already has offices in Woodland Hills and Long Beach, but the new offices in West L.A. will help in the company's Los Angeles expansion plans, Combs says.

RiverRock has hired two new people for its new Los Angeles office and has been hiring for other offices as well. "Property management is counter-cyclical. It always does better in a down market," Combs says.

Combs explains that downturns generate more business for property management firms for a variety of reasons. For one, building owners focus more intently on retaining tenants, reducing expenses and other property management functions. Combs notes that retaining tenants, in particular, requires property managers with excellent interpersonal skills.

In addition, downturns eventually produce property sales to new owners who are often looking for a new property management company. Property sales in the current downturn remain sluggish, but industry experts expect transaction volume to increase in the coming months and years, creating opportunities for management firms to win business from new owners, Combs points out.

RiverRock's new L.A. branch will bring the firm's total number of West Coast offices to 10. Its 10 million square feet under management includes about one-third each of office, industrial and retail space.

The new Cambra properties will be overseen by RiverRock Real Estate Group senior property manager Marisa Gilmore. As part of its assignment for the newly acquired Cambra office buildings, RiverRock will execute a program of building improvements, capital expenditures, energy management and other program elements designed to improve both the efficiency of the building and conditions for tenants.