THE WALL STREET JOURNAL.
WSJ.com

January 22, 2014, 10:40 AM ET

Plots & Ploys: ‘Artic’ Front Hits Miami

Starwood Hotels & Resorts Worldwide Inc. sold one of its most prestigious properties, the St. Regis Bal Harbour Resort, kicking off what is expected to be a flurry of sales activity by the company over the next three years.

The Qatar-based Al Rayyan Tourism Investment Company, or Artic, paid $213 million for the 207-room Miami hotel, which will continue to be a St. Regis and managed by Starwood, the company said.

The Stamford, Conn., hotel operator owns 46 hotels world-wide but is selling many of those properties as it joins its main peers by focusing on management and franchising, rather than the more-volatile business of hotel ownership.

Credit Suisse analyst Joel Simkins wrote last month that Starwood could raise $3 billion from property sales by 2016.

The St. Regis Bal Harbour is considered one of the company’s jewels after Starwood invested about $750 million in developing the condo and hotel project that opened in 2012. The 300 condos are nearly all sold out for a total of $1.1 billion.

Simon Turner, Starwood president of global development, said more sales are coming. “We continue to see strong interest in our remaining assets from investors around the world,” he said in a statement.

–Craig Karmin

Federal Offense

A group of New York-focused investors are making a wager on Uncle Sam.

A venture of Princeton Holdings LLC and Bluestone Group has reached a deal to pay between $450 million and $500 million for a portfolio of office and industrial buildings scattered throughout the U.S. that total more than 3 million square feet, according to a real-estate executive involved with the deal.

The portfolio’s largest tenant: the federal General Services Administration, which leases office space on behalf of other agencies. The 14 buildings, being sold by UrbanAmerica Advisors LLC, include a pair of low-slung office buildings in San Diego that host the Department of Veterans Affairs, and a Lakewood, Colo., building that houses the Department of the Interior, according to a marketing brochure for the portfolio.

–Eliot Brown

Bell Tolls in the East Bay

As the tech sector has boomed, office landlords in San Francisco and Silicon Valley have flourished.

Now a landlord is betting that some of the growth will spill over to the East Bay, long a cheaper alternative.

Sunset Development Co. has joined with MetLife Inc. to pay more than $250 million for a 2 million square-foot office complex in San Ramon, Calif., according to Ed Hagopian, an executive vice president at Sunset. AT&T Inc. was the seller of the Skidmore Owings & Merrill-designed property that used to be the headquarters of Pacific Bell.

As much as half the complex’s space is set to become vacant as AT&T scales back over the next two years. But the area has numerous large, fast-growing companies, and Sunset is hoping that one or two will move there.

“There is a real shortage of office space in the Bay Area,” Mr. Hagopian says.

–Eliot Brown