

*By Alex Finkelstein*

Last updated: Tuesday, July 13, 2004 10:42am

NORCROSS, GA-Rushmore Properties LLC, a two-year-old, Chicago-based company backed by the Chenco Group of Taiwan, has entered the metro Atlanta market with the \$18.7-million acquisition of a 14-building, 367,957-sf flex/office portfolio. Rushmore paid Transwestern Commercial Services an average \$50.82 per sf for the portfolio, which is located in the Peachtree Corners submarket. The single-story and two-story properties are at Northwoods Commons, Northwoods Business Center and the Business Park. Kevin Markwordt and Jon Kleinberg negotiated for Transwestern.

Transwestern acquired the portfolio in 2000. The properties were built between 1984 and 1986. Representing Rushmore were principals Marc Reinisch, Jenny Hall and Jay Weitzman.

"Our investment strategy includes leasing up the vacant space; upgrading the physical condition of one of the complexes; obtaining higher rents on a portion of one of the complexes by converting it to service retail space; and increasing general market rents as the Atlanta office market recovers," Reinisch says. In a prepared statement, the principals say they have collectively acquired retail, office, mixed-use and hotel properties totaling more than four million sf and representing a total capitalization of more than \$420 million in various national markets. Rushmore itself has acquired \$75 million in assets to date.

Rushmore's backer, the Chenco Group, is an Asian consortium with worldwide investments valued in excess of \$1 billion, according to Rushmore's statement. The US real estate advisor for Chenco is the Bascom Group of Irvine, CA.

"This discretionary equity allows Rushmore to pursue acquisitions and commit to attractive opportunities quickly and decisively," says Rushmore's Hall. "The principals of the company have an extensive network of private and institutional equity and debt relationships to facilitate its investment activities."

After repositioning and upgrading its acquired properties, Rushmore will either sell or refinance the assets "to maximize investor returns," Hall says.