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McMinnville senior operator makes \$65M buy

Portland Business Journal by **Wendy Culverwell** , **Business Journal** staff writer

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The Springs Living, a McMinnville-based senior housing operator, has dramatically increased its business with a \$65 million deal to buy four Portland-area properties from Grayco LLC.

[The Springs Living](#) paid \$65 million for the senior housing centers formerly operated by Grayco, a real estate management firm formed by the late [John Gray](#). The deal closed Nov. 1.

[Fee Stubblefield](#), founder of The Springs Living, said the Grayco portfolio attracted many buyers; he was honored to be selected.

"I think the fact that we're a local Oregon company with similar principles and a slow growth strategy helped us," he said.

The Springs Living teamed with **Harrison Street Real Estate Capital LLC**, a Chicago-based private equity firm formed by the family that started **Motorola Inc.**, to purchase the properties.

The deal adds 419 units to The Springs Living's portfolio, for a total of about 1,200.

It is now among the larger independent senior living operators in the region, a deal that gives it greater ability to take advantage of economics of scale.

"It adds a lot of efficiencies," Stubblefield said. Its 10 properties are concentrated in the Portland-to-Salem area with two in Montana.

Marcus & Millichap Real Estate Services brokered the deal. Stubblefield said the new ownership will invest in updates and expansions at most of its new holdings.

Chicago-based Holliday Fenoglio Fowler LP arranged the \$56 million five-year floating-rate loan from General Electric Capital to acquire, reposition and renovate the portfolio.

The deal added 300 employees to the company, bringing its full-time employment count to roughly 1,000.

He declined to disclose revenue. The Springs Living manages only communities it owns. Stubblefield owns the company. [David MacVicar](#) is president and CEO.

Its new holdings are:

- Carman Oaks, a 174-unit property in Lake Oswego,
- Cedar Creek, a 58-unit property in Sherwood,
- The Wilsonville, a 95-unit property in Wilsonville, and
- Mill Creek Point, a 92-unit property in The Dalles.

The portfolio is 86 percent occupied.

Its partner, Chicago-based [Harrison Street Real Estate Capital](#), is a private equity investment firm started by the heirs of the founder of Motorola. The firm has \$4 billion in assets under management, including 6,000 units of senior housing, together with medical office space, self-storage units and boat storage.



Wendy Culverwell covers real estate, retail and hospitality.