

# Buchanan Street Finds Value in Self-Storage Units

**REAL ESTATE:** Chairman Brunswick touts 'inflation hedge'

■ By PETER J. BRENNAN

NEWPORT BEACH — Robert Brunswick, chairman of Buchanan Street Partners, sees an emerging edge for self-storage facilities as a real estate investment.

Self-storage is generally more cost efficient than multifamily or industrial rents on a per square foot basis, so consumers are learning to utilize storage as a replacement to an extra bedroom, closet, attic or garage, he said.

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Buchanan Street Partners paid \$21M to buy a self-storage facility in Auburn





Hoag Innovators funded the purchase of the Vectra WB360, which has 92 cameras taking simultaneous photos within one second and turning them into a 3D avatar of the patient's entire body to help detect skin cancer

## Brunswick

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"It's outsourcing of our storage needs for both businesses and people," Brunswick told the Business Journal. "They can put in things that they don't need at their fingertips."

"Investors in general view self-storage much like multifamily as it provides for spread of risk with its diversified tenant base and a great hedge against inflation with the nature of its short-term leases."

The sector is now having its time in the spotlight because of inflationary pressures.

Brunswick's Buchanan Street Partners last October paid \$21 million to buy a 116,500-square-foot facility that includes 825 self-storage units and 40 RV parking spaces in the Northern California town of Auburn. The firm is now up to 5,900 self-storage units with a pending purchase of another 1,000 units in a project in Santa Clarita that will soon close.

It's one example of how Brunswick hasn't slowed down since a year ago when he won a Business Journal **Innovator of the Year Award**.

On Jan. 1, he becomes chairman of **Hoag Memorial Hospital Presbyterian**, Orange County's second largest hospital with \$1.5 billion in revenue for the year ended Sept. 30.

And on Sept. 12, Brunswick will be the featured speaker at the Business Journal's 10th annual Innovator of the Year Awards, slated to be held at the **Irvine Marriott**.

### Charity Focus

Brunswick, who grew up in Laguna Beach where he was a lifeguard, has long been involved in community affairs in Orange County.

In 2007, he established the **Buchanan Children's Charities**, a nonprofit that works to improve the lives and educational opportunities for Orange County's children. The charity's signature fundraising events have included Challenge for Children, Encore for Education and the Real Estate Summit.

He is a founding member of the **UC Irvine Center for Real Estate** and has taught multiple commercial real estate classes to UCI

undergraduate and graduate students as an adjunct professor.

Along with his wife **Kitty**, the pair in 2017 started **Hoag Innovators**, which is a competition that enables doctors to quickly obtain funding for their projects. Brunswick describes Innovators as a "concept that combined a **Ted Talk** with a **Shark Tank** with a private equity investment meeting where we all sit down and hear from the doctors about new game-changing innovations."

The group's attracted about 140 members, including 70 families. To become a member, a person must donate a minimum of \$250,000 over a five-year period. Members have raised \$25 million, including a \$10 million endowment, which Brunswick wants to add another \$25 million.

In the past year, it awarded \$2.2 million to fund advancements in women's health, neurosciences, cancer, interventional radiology and digestive health. It's now funded over 22 separate innovation projects covering all the Hoag institutes.

Three investments that have impressed Brunswick include: a prostate score urinary bio marker enabling men to avoid needless prostate biopsies; a **Vectra 360** machine that allows for a whole body 3D imaging to identify potential skin cancers; and an augmented reality-based visualization and navigation platform for minimally, invasive ultrasound and CT guided needle-based procedures for soft tissue and bone.

Hoag Innovators also has been selected by the **Association for Healthcare Philanthropy** to present at its 2024 International Conference.

He said his incoming role as chairman of Hoag's Board will provide him with a great vantage point to make sure our Innovators group aligns with the hospital's evolution.

Hoag currently is spending about \$1 billion to expand its facilities in Irvine.

### Robust Lending

Brunswick in 1999 co-founded Buchanan, a real estate investment management firm that focuses on value investing. During the firm's 25 years, it's invested more than \$8 billion in real estate debt and equity investments.



Kitty and Robert Brunswick in 2017 began Hoag Innovators as a way to quickly fund projects sought by doctors



Hoag physician, Alexander Misono, MD, presents MediView technology at 2024 Hoag Innovators spring meeting



Buchanan Street Partners last November paid \$71M to buy Village Business Park, a 5-building, 301K-SF industry campus in Buena Park

His company has developed what he calls a "robust lending platform," which is active in commercial and multi-family products. And Buchanan is growing its network of registered investment advisors.

"More and more high net worth individuals want to access real estate," he said.

Last November, it paid \$71 million for **Village Business Park**, a 5-building, 301,328-square-foot industry campus in Buena Park. It's in the process of refurbishing Village Park center and putting together a new business plan.

A year ago, Brunswick said office sellers weren't capitulating yet. Now he's optimistic that deals are coming to the market. He said regional banks are particularly hurting with loans in the office sector, he said.

"They're being forced to liquidate some of those loans," he said. "We're still in the early innings of the office malaise."

If the volunteer work and his own business weren't enough to keep busy, Brunswick also conducts an once-a-month podcast with prominent executives such as **Katie Koch**, CEO of **TCW Group**, which has \$197 billion in assets under management.

In July, he interviewed his friend **Eric Hovde**, chief executive and chairman of **Sunwest Bank** and who is running to become a U.S. senator from his home state of Wisconsin.

"My podcast is not a political platform, but it gave me a chance to understand why a guy like Eric would want to run," Brunswick said. ■