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Commercial Real Estate

Offices at Braker sells at bankruptcy auction for \$102M

Here's what we know about the site's new California-based owner



[Enlarge](#)

The Offices at Braker, formerly owned by Nate Paul's World Class Holdings, was sold at a bankruptcy auction in late February.

ARNOLD WELLS/ABJ

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A sprawling North Austin office park previously owned by [Nate Paul's](#) World Class Holdings has officially changed hands after a long legal fight.

The 13-building Offices at Braker business park has been sold for \$102,250,000 to Braker Metric Business Parks LLC, according to bankruptcy court records. The sale

of the park, which spans roughly 45 acres and includes 546,823 rentable square feet, was approved Feb. 23.

The World Class affiliate that owned the site, WC Braker Portfolio LLC, filed for [Chapter 11 bankruptcy protection in May 2022](#). Paul could not be reached for comment.

Braker Metric Business Parks LLC is a shell company connected to California-based MIG Real Estate, according to property records. MIG already owns properties adjacent to Offices at Braker, according to real estate records, and now has a handful of Austin properties [in its portfolio](#).

The map above provides a snapshot of the holdings of MIG Real Estate after its recent acquisition. The firm's new Offices at Braker properties are highlighted in red, while its previously owned properties, owned under the shell company Braker Business Park LLC, are highlighted in yellow.

It's unclear what MIG plans to do with the property, but a representative of Keen-Summit Capital Partners LLC, which brokered the sale, confirmed that at least a portion of the site falls under updated city of Austin zoning rules that [allow for taller and denser construction](#) in that part of North Austin, known as the North Burnet/Gateway district.

MIG was not immediately available for comment. The firm claims on its website that it seeks long-term investments that "maximize returns by revitalizing and adding value to properties through the progressive, data-driven implementation of renovation or reposition strategies, focused management, and leasing and capital programs shaped and made more efficient by new technologies." The company primarily operates on the West Coast, but lists Texas among its target markets.

Offices at Braker is less than two miles from Austin FC's Q2 Stadium and [The Domain](#) — which is Austin's hottest submarket and has long been considered the Texas capital's second downtown. The area surrounding Offices at Braker is also well-known for bars and entertainment venues — for instance, Bouldin Acres selected a site adjacent to the business park [for its second location](#).

Even as [Austin's office market has cooled](#) alongside the rest of the U.S., the \$102 million sale price for Offices at Braker shows an appetite remains for commercial real estate deals. The property received eight qualified bids, Keen-Summit [said in a Feb. 23 announcement](#).

ATX Braker, an entity controlled by Los Angeles-based Karlin Real Estate LLC, was the second highest bidder with a \$102 million offer. Still, Karlin stands to gain from the sale because the firm owns the debt for [both the senior mortgage note and mezzanine loan](#) attached to property. Karlin attorney [Mitch Karlan](#) of Gibson Dunn & Crutcher estimated in May 2022 that the balance on those debts was about \$100 million — \$70 million on the senior note and nearly \$30 million on the mezzanine loan.

Karlin declined to comment for this story. The firm had previously attempted to put the Offices at Braker [site up for foreclosure](#). It also bought another prized World Class asset — the 156-acre former 3M corporate campus in Northwest Austin — at a Travis County foreclosure auction [in the summer of 2021](#). Karlin is planning to transform that site into a [1.1 million-square-foot commercial campus](#) called Highpoint at 2222.

Disputes over the Offices at Braker site predate Karlin's involvement; the Braker portfolio has been the subject of legal entanglements [since at least 2019](#).

The sale of Offices at Braker marks the latest setback for Paul's World Class Holdings, which has seen its enviable Austin real estate portfolio picked apart in recent years as legal and financial challenges have mounted. Paul built the World Class empire while espousing an extreme “buy and hold” strategy that saw the firm’s properties appreciate tremendously during a boom time for the city. But [an August 2019 raid](#) by federal authorities of the company’s downtown headquarters caused a cascading effect for World Class, which has been beset by bankruptcies, foreclosures and lawsuits ever since.

The legal wrangling [continued in 2022](#), a year which also saw World Class sell off some of its most desirable properties through the bankruptcy process. That included a [\\$588 million deal](#) for the company’s Great Value Storage portfolio; a [\\$95 million agreement](#) for sites around The Austonian tower; the [\\$65 million purchase](#) by The Related Cos. of a six-acre development South Congress Avenue site and the [\\$20.1 million sale of a downtown building](#) at 309 E. Third St. to a company affiliated with Austin real estate veteran [Sandy Gottesman](#).



[Enlarge](#)

Nate Paul, founder of Austin-based World Class.

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Paul told The Real Deal in March that he had "a large amount of capital to go out there and invest." Over the summer, he deployed some of the proceeds from the Great Value Storage sale to purchase **World Class properties out of bankruptcy** through a shell company called Rising Tide Investments LLC. World Class in September also purchased a new property: a collection of low-slung buildings at 11530 Menchaca Road, near the Valentina's Tex Mex BBQ restaurant. Regarding the future of that property, **Paul told ABJ** in November that his firm expected to "come out with a plan for it in a little bit."

Former UT basketball star and NBA champion **Avery Bradley sued Paul in December** over a multimillion-dollar investment Bradley said went wrong, marking a high-profile crack in Paul's circle while adding another twist for World Class in a chaotic year for the investment firm.

<https://www.bizjournals.com/austin/news/2023/03/01/offices-at-braker-sells-at-auction-for-102m.html>