

Property Pickup Pumps Up Pasadena's Prospects

ACQUISITION: Laurus' \$52.5 million deal seen as sign of blooming market.

CENTURY City real estate investment and development firm **Laurus Corp.** has purchased a 163,000-square-foot, eight-story building in Pasadena for \$52.5 million.

The property, at 199 S. Los Robles Ave., was sold by **Heitman**, a Chicago investment and management firm that bought the building in 2005 for nearly \$43 million.

At \$322 a square foot, the price paid for the 91 percent-leased building was another example of rising prices in a rebounding market.

"That is a higher price than what we've seen on other buildings recently trade at," said **Scott Unger**, a senior associate at **Charles Dunn Co. Inc.** Unger, who wasn't involved in the deal, specializes in office leasing and sales in the San Gabriel Valley and Burbank-Pasadena-Glendale submarkets.

REAL ESTATE

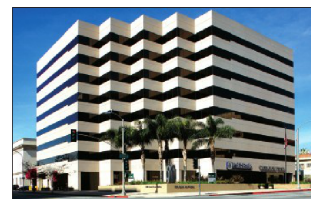
He noted that 234 E. Colorado Blvd., an older building with a better location between El Paseo and Old Pasadena, sold in October for about \$296 a square foot. Down the street, 177 E. Colorado sold in March for about \$278 a square foot. But an abundance of investment money in the market might have pushed up the price for 199 S. Los Robles, even though it's not as close to Colorado.

"There's just so much money available in the capital markets," Unger said. "And Pasadena, through the cachet of a burgeoning tech scene, the Rose Parade, Rose Bowl, all those factors have this capital chasing product in the Pasadena market."

Industrious Acquisition

Newport Beach investor **Alere Property Group** bought the 17.5-acre Cerritos West Industrial Park late last month, banking on its ability to take advantage of a tight industrial market by raising rents.

CBRE Global Investors sold the seven-building complex for \$43.9 million, or \$111 a square foot. The buildings at the property, bounded by 166th Street, Carmenita Road and Manning Way, range in size from 13,000 square feet to 34,000 square feet.



Purchased: 199 S. Los Robles Ave. building in Pasadena.

Barbara Emmons, the vice chairwoman at **CBRE Group Inc.** who represented both parties in the deal, said access to six major freeways, a sub-market vacancy rate of 2.5 percent and the park's 100 percent occupancy all fed the deal — as well as Alere's confidence that there is plenty of upside.

"More of their strategy (on this deal) is to push the rental rates on the buildings," she said. "When the vacancy is so low, you can push rental rates."

CBRE analysts have predicted rental rates in the Mid-Cities submarket will grow 6.2 percent in 2015, Emmons said, because small businesses, which usually occupy business parks, have been rebounding as the economy improves and investors see them as able to withstand rent increases.

The Cerritos West buildings were built between 1977 and 1978 and renovated within the past five years. Each features parking, and dock-high and grade-level doors. The area's major airports are between 16 and 40 miles away and the ports of Long Beach and Los Angeles are 20 miles away.

"It's more of a seller's market right now and very competitive for buyers," Emmons said.

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Deal Roundup

Palo Alto's **Broadreach Capital Partners** has sold the Ocean Park Plaza in Santa Monica for \$47 million in an all-cash deal. The two-building, 100,000-square-foot property was purchased by New York investor **Westbrook Partners**.

Broadreach was represented by **Andrew Harper** of real estate services firm **Holladay Fenoglio Fowler's** L.A. office. ... **Paragon Commercial Group** and **Canyon Catalyst Fund**, a unit of **Canyon Capital Realty Advisors**, have announced the purchase of Hawthorne Plaza, a 98,000-square-foot grocery-anchored retail center at Hawthorne and El Segundo boulevards in Hawthorne. Terms of the deal were not disclosed, but information at real estate data provider **CoStar Group Inc.** indicated that the sale price was \$26.4 million. The seller, a limited liability partnership, was represented by **Geoff Tranchina** of **Wilson Retail Group** and **Deborah Collins** of the **Collins Co.** ... Postproduction firm **Lit Post** has leased 15,700 square feet for a new regional headquarters in Hollywood at 900 N. Cahuenga Blvd. Terms of the deal at the 44,300-square-foot building were not disclosed, but the asking rent for the building was \$2.95 a foot a month, valuing the annual rent at a little more than \$555,000. The deal was the second in as many months at the building, owned by **Birch Tree Properties** and **Metric Holdings Inc.** In the earlier deal, **Vince**, a contemporary fashion brand, leased 28,541 square feet for a regional headquarters. The building was represented by **Jones Lang LaSalle's Nicole Mihalka** and **Mike Fowler**. There was no tenant rep in the Lit Post deal. **Vince** was represented by **Suzanne Lee**, **Katie Bernhisel** and **Nicky Heryet** of **DTZ Cassidy Turley**.

Agency Shift

New York residential brokerage **Douglas Elliman Real Estate**, which tapped former **John Aaroe Group** Executive Vice President **Tom Dunlap** and former **Partner's Trust** Partner **Cory Weiss** to open its L.A. office, has lured a number of agents from the **Agency**. Joining the new outpost, which will be based in Beverly Hills, are **Jeb O'Reilly**, **Julia Brodsky**, **Tori Barnao** and **Gersh Gershunoff**. Seven members of the 35-person staff were recruited from **Agency**.

Staff reporters **Marni Ushero** and **Carol Lawrence** contributed to this report.