

Glendale Purchase Towers Over Tri-Cities Deals

ACQUISITION: \$96 million for office building is highest in market this year.

A 22-story Glendale office tower has traded hands for \$96 million, the highest price paid for a single property in the Tri-Cities market this year.

Dallas-based **Granite Properties Inc.** acquired the 420,000-square-foot Class A building at 500 N. Brand Blvd. from an affiliate of **CBRE Group Inc.**, which was marketing it as part of a national six-property portfolio now being sold off in pieces.

The 23-year-old building is 82 percent leased to tenants such as construction materials maker **Vulcan Materials Co.**, **Employers Compensation Insurance Co.** and financial services firm **Principal Financial Group**.

Tom Miller, Granite managing director in Manhattan Beach, said the firm has been focused on Glendale since setting its sights on Southern California last year.

"We love what's going on in terms of diversification and the entertainment industry," he said. "Glendale, because it's adjacent to downtown (Los Angeles), Pasadena and Burbank, sits in a wonderful location to take advantage in what's happening in all three of those markets."

Granite intends to continue with improvements started by the previous owner, including updates to the lobby, restrooms and corridors.

It is the company's second purchase in Southern California after its 2012 acquisition of Orange City Square, a 386,000-square-foot office building in Orange.

Miller said Granite plans to continue to grow its presence here by up to 2 million



Sold: 500 N. Brand Blvd. in Glendale.

more square feet in the next year.

Arty Maharajh, vice president of research at the downtown L.A. office of brokerage **Cassidy Turley Inc.**, said the sale is a good indicator of institutional confidence in Glendale, where the vacancy rate has been above 20 percent for several quarters.

"This is in line with some signs of commercial real estate traction occurring in the Glendale office submarket, such as retail and mixed-use residential development as well as more tech, media and entertainment companies choosing to be located in Glendale," he said.

At about \$228 a square foot, the transaction marks the highest price paid in Glendale for a large Class A office property this year, according to **CoStar Group Inc.**

CBRE brokers **Russell Ingram**, **Sean**

Sullivan, **Kevin Shannon** and **Tom Bohlinger** represented the seller. Granite was represented internally by **Paul Bennett** and **Miller**.

Downtown L.A. Renewal

Wells Fargo & Co. has reduced its size by more than half at downtown L.A.'s Aon Center after renewing its lease.

The San Francisco bank inked an eight-year lease with landlord **Beacon Capital Partners** in April for about 85,000 square feet at the 707 Wilshire Blvd. building.

Terms were not disclosed but industry sources familiar with the deal value it at about \$25 million.

The new lease represents a 63 percent reduction from the approximately 180,000 square feet the bank occupied on noncontiguous floors at the building. It has been a tenant at the 1.1 million-square-foot property since it was built for **First Interstate Investment Services** in 1972.

"Wells Fargo has a long history as a major tenant in this iconic building, including a very significant retail branch," **Todd Doney** at CBRE, who represented the bank, said in a statement. "They were very pleased to be able to negotiate an attractive economic package to remain in the building."

Wells Fargo Bank renewed its lease for nearly 291,000 square feet at **Wells Fargo Tower** at 333 S. Grand Ave. on Bunker Hill downtown last year.

Historic Sale

A division of **Champion Real Estate Co.** has acquired the historic Casa Laguna apartment building in Los Feliz for nearly \$5.9 million.

The real estate investment and development company acquired the 18-unit apartment building at 5200 Franklin Ave. from **Hams**

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Properties LLC this month.

Built in 1928, the Casa Laguna is the final edition of a series of six Andalusian-style courtyard apartment buildings designed by architects **Arthur** and **Nina Zwebell**.

Units range from studios to two-bedrooms with an average monthly rental rate of \$3,475. Features include some two-level units with 20-foot ceilings, exposed beams, fireplaces, chandeliers, built-in bookshelves, private outdoor spaces and private basements.

Casa Laguna is one of the last of Zwebell-designed properties that has not been converted and sold as condominiums in recent years.

Ron Harris' team at **Institutional Property Advisors** represented both sides.

New Landlord

Chicago's **Equity Office Management LLC** has been named management and leasing agent for 19 Los Angeles County office buildings owned by its parent company, **Blackstone Group L.P.**

New York-based **Equity** paid \$85 million for a majority stake in a 31-building, 4.5 million-square-foot Southern California office portfolio last year; the 19 buildings are part of that portfolio.

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