

## Class A office complex.

**T**HE sagging Glendale office market is getting a boost with the recent sale of Glendale Financial Square.

The Class A office complex at 225 W. Broadway changed hands for \$32.7 million, with buyer **Cambra Real Estate** paying about \$267 per square foot for the 1.8-acre property. It was sold by commercial real estate firm **Delma Properties Inc.**

The 122,000-square-foot office complex is 60 percent leased with the General Services Administration, its largest tenant, occupying 47,735 square feet of space. But demand is expected to pick up once **Caruso Affiliated Holdings' Americana** at Brand mixed-used development is completed.

The project, across from the Glendale Gal-

dale a second look as a residential.

Brand is slated to open next spring. "The city is promoting that side of town to grow so you have new jobs, new retail and residential, and the business will follow in our minds," said Lyn Fields of Madison Partners, who represented both sides of the deal.

Glendale trails the other Tri-Cities – Pasadena, with its old-money wealth that supports financial institutions, and Burbank, with its strong entertainment company base – in commercial leasing.

Pasadena's Class A space is 98.5 percent occupied and features rental rates as high as \$4 per foot per month. Similarly, Burbank is 97.5 percent occupied with rents pushing \$3.50 a foot. On the other hand, Glendale's Class A space is about 85 percent occupied with rents in the \$2.50 range, Fields said.

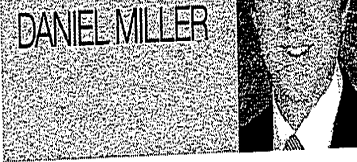
"It is natural that the tenant flow will go into

Glendale," said Fields, who noted that the renewed interest was reflected in the 13 offers Delma fielded for the property. The market rate deal closed at the end of July.

### Hot Storage

In the realm of digital storage and distribution, downtown Los Angeles is a pricey proposition these days.

Last week it was announced that **Hines Real Estate Investment Trust Inc.** bought downtown's One Wilshire building, a digital distribution center, from **Carlyle Group** for \$287 million.



And now **Net2EZ**, a Century City-based digital storage company, has signed an 11-year lease for 20,000 square feet at 600 W. Seventh St. The space comprises 5,000 square feet of offices and 15,000 square feet of storage for computer servers. **Net2EZ** specializes in backing up data for disaster recovery.

The deal with property owner **Digital Realty Trust LLC** is valued at over \$20 million, or about \$7.58 per square foot per month. That rate is more than double the rental rate for Class A office space downtown.

"It is one of the hottest sectors in commercial real estate right now," said Bryan Lewitt of Cushman & Wakefield Inc. "As our needs with streaming video and sites like youtube.com and facebook.com increase and people need to store data, it creates a big need for backup data."

The 450,000-square-foot, mid-rise Seventh Street data center building links up with One Wilshire, a main electronic distribution center between Asia and the United States.

"We have seen tremendous growth in the market," said Jamie Daquino, president of **Net2EZ**.

Lewitt, who represented the tenant in the deal, said that the data center space is the last block of large contiguous space available at the building. **Net2EZ** also operates a server farm in El Segundo and is currently looking for more space in the local market.

Reid Tussing and Jason Feeley of Cushman & Wakefield represented the landlord in the deal that closed July 9.

Chase Partners Ltd. has purchased the building from **Alliance Commercial Partners LLC** for over \$43 million.

The deal for the three-story building known as Hamilton Place closed July 25.

The new owner of the property will begin a renovation of the Class A property later this month, said John Anthony of GVA Charles Dunn Co. The renovations of the common areas, lobbies and courtyard are slated to wrap up in November. Chase Partners also will add a café.

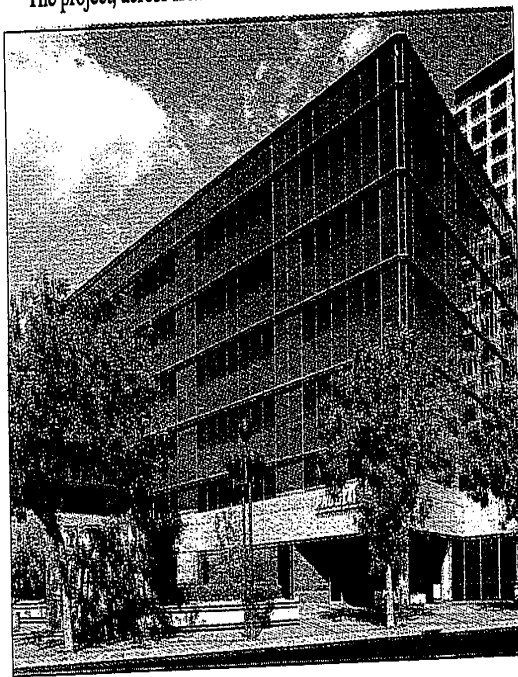
The property is only 25 percent occupied. In recent years Toyota Motor Co. had occupied 90 percent of the building but left the property. Current tenants include security firm Applied Signal Technology Inc. and transportation company Laidlaw International Inc.

Anthony, who represented the buyer and will handle leasing, said the building's location in the 190th Street submarket should help attract tenants. He said that the new owner already has a letter of intent from a potential lessee seeking 70,000 square feet of space.

"This particular submarket, the 190 corridor, is vastly improving and we see a big advantage in that we have the big block of space," he said.

David Parker and Rob Wood of GVA Charles Dunn also represented the buyer. The seller was represented by Kevin Shannon and Michael Moore of CB Richard Ellis Group Inc. Assisting Anthony in leasing will be Wood and Bill Bloodgood of CB Richard Ellis.

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Property: Glendale Financial Square at 225 W. Broadway.