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Investors Pay Top Dollar for Portfolio Enhancement Procedure

By Allen Wolfsheimer

In a Beverly Hills office buy that stands a cut above similar deals in the region, a 63.3k sf medical office property occupied primarily by high-profile plastic surgeons sold for \$55 mil, or \$869/sf, a record price for this type of property in LA County. The property is located at 120 S. Spalding Dr, in the heart of an area considered to be the premier destination for dermatology and cosmetic surgery in Beverly Hills (just ask RENTV founder Bloom where he got those 6-pack abs).



"Available medical office space is scarce on the Westside of Los Angeles, at less than 1% vacancy, and rents can be as much as 20% higher than the rates for other types of office space," said Madison Partners Principal Bob Safai. "Despite all the predictions of doom and gloom in this declining market, it's not surprising that this premier property sold for top dollar. I don't believe these doctors are going to go out of business," he added (at least not as long as Sly Stallone's mom still

has a few bucks in the bank).

Safai represented the seller, Beverly Hills-based Cambra Realty and New York investment advisor Angelo Gordon & Co. The buyer, the LeFrak Organization, represented itself. The LeFrak organization has recently begun acquiring properties in the West Los Angeles market, including an office property located at 9701 Wilshire Blvd in Beverly Hills, a block away from the Spalding medical building.

Rents in the medical building have been raised to \$6.25 per square foot per month from the previous range of \$3.75 to \$4.50, due to high demand and the scarcity of available medical space. In such markets as Beverly Hills, buyers appear confident that their investments will reap excellent returns in the long term, Safai tells us.