

# Office Complex Purchase Shores Up Playa Vista

ACQUISITION: \$27 million deal a rare sale in popular Westside leasing market.

By Jacquelyn Ryan

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A two-building Playa Vista office complex has traded hands for \$27 million in a rare sale for the submarket.

Downtown L.A. real estate firm Ocean West Capital Partners bought the 89,000-square-foot complex at 12555 Jefferson Blvd. from Dallas developer Lincoln Property Co. and a partner this month.

Lincoln acquired the complex for an undisclosed amount in a two-property portfolio purchase in 2010. The other property was a 120,000-square-foot office building in Moorpark now under contract to sell.

The 28-year-old Jefferson complex, comprising two connected buildings, was significantly renovated in 2008. It is 46 percent leased. Tenants include advertising company TBWA Chiat Day.

Lincoln received 14 bids for the property.

The sale is one of only a handful in the Playa Vista area in the last two years, and at \$302 a square foot it comes in at less than half the May sale price of a four-building portfolio on Waterfront Drive that Hines bought from Tishman Speyer Properties LP for \$643 a square foot, or \$218 million total.

David Binswanger, executive vice president of Southern California at Lincoln, said the increasing strength of the market inspired it to list the complex.

“There’s a lot of momentum behind Playa Vista and we thought it was a good time for us to sell,” Binswanger said. “I think it’s a great opportunity for Ocean West and they have a lot of wind at their backs in terms of the macromarket.”

Indeed, Playa Vista is heating up. Video-game maker Riot Games Inc. is negotiating for up to 300,000 square feet at a nearby Lincoln building. Other creative companies, including YouTube LLC and Microsoft Inc., have signed leases in the neighborhood.

What’s more, Lincoln is under way on the development of a long-planned 200,000-square-foot mixed-use shopping center, the Runway at Playa Vista, that will include a Whole Foods grocery and a Cinemark theater. It will also have 420 apartments and 35,000 square feet of office space. The development is expected to provide the type of amenities that had been lacking in the Westside neighborhood and discouraging some other companies from moving in.

Bob Safai and Matt Case, of Madison Partners, represented the seller. Ocean West, which could not be reached for comment, represented itself.