

Westwood Terrace Changes Hands for \$54M

By [Bruce Haring](#) | Los Angeles

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LOS ANGELES-The five-story Westwood Terrace office building has been purchased for \$54 million.

The 150,632-square-foot property was bought by a joint venture between Ocean West Capital Partners and Westbrook Partners.

CBRE's Kevin Shannon, Ken White, Todd Tydlaska, and Mike Moll represented the seller, Jamison Properties, in the transaction. Westwood Terrace was an off-market acquisition and allegedly generated interest from several parties trying to pre-empt the marketing process, according to the brokers.

Shannon says there have been only nine transactions over \$50 million to trade since June, 2012 in West Los Angeles, which has a base of nearly 49 million square feet. Only one or two of the previous nine properties had a blatant value-add component, he says. In addition, Westwood has one of the highest barriers to entry in Los Angeles because of restrictive zoning, premium land costs and a monopolized ownership of institutional Class-A office assets.

Westwood Terrace is currently only 67% leased. But rents for the existing tenants are over 50% below 2007 peak asking rents of \$4.25 per square foot, fully serviced for the property.

"1640 Sepulveda offered a fairly rare opportunity to own institutional quality value add real estate in West Los Angeles," says Shannon, who lead the investment team. "Investors are clearly attracted to the West LA market because of the anticipated strong rental growth driven by increasingly healthy tenant demand. Westwood Terrace presents a tremendous creative office repositioning opportunity with significant upside."

As previously reported by [GlobeSt.com](#), a CBRE Research report indicates creative office space tenants are expanding beyond the traditional users of such space.