

Hollywood Office Tower Selling for \$92 Million (Exclusive)

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The deal for the 6922 Hollywood Blvd. property is one of the biggest commercial real estate transactions in the area in several years.

The entertainment office building at 6922 Hollywood Blvd. is selling for about \$92 million in one of the biggest commercial real estate transactions in Hollywood in several years, according to multiple sources with knowledge of the area's real estate market.

The 12-story building is being sold by Hollywood-based real estate developer and investor CIM Group to Hudson Pacific Properties, a publicly traded commercial real estate investment firm that owns Sunset Bronson Studios and Sunset Gower Studios.

The deal for the roughly 190,000-square-foot building, formerly known as the TV Guide Hollywood Center, is currently in escrow and is expected to close in September. As part of the transaction, Hudson Pacific will assume CIM's existing mortgage on the property. The tower is across from Grauman's Chinese Theatre and adjacent to the Hollywood Roosevelt Hotel.

The Class A building is 99 percent leased and home to several entertainment and media firms, including movie trailer company Trailer Park, advertising firm Euro RSCG Worldwide and Ralph Edwards Productions, among others. The property formerly housed the headquarters of TV Guide.

The building is trading hands for roughly \$484 per square foot, a higher per foot price than other recent entertainment office building sales in Los Angeles. Nearby, the Sunset Media Tower is set to trade hands for roughly \$238 per square foot; in February, Tribeca West, a West L.A. entertainment office complex, traded for \$384 per square foot. During the real estate boom, quality Los Angeles office buildings typically sold for more than \$400 per square foot, though prices have come down well below that benchmark since the economic collapse.

Trailer Park is the building's largest tenant. The company currently occupies 56,880 square feet at the tower but will expand to a total of roughly 71,000 square feet by the end of the month, said Steven Salas of commercial real estate brokerage Madison Partners, who is the leasing agent for the property along with Madison colleague Joe King.

"The Hollywood market has continued to attract the entertainment, technology and media sectors over the last couple of quarters and activity has picked up dramatically," said Salas. He and King will continue to handle leasing for the property.

West L.A.-based Hudson Pacific, which went public in June 2010, has quickly become a major player in the Hollywood office market, scooping up several notable properties in the last half-decade. In 2007, for example, the company purchased Sunset Gower Studios for north of \$200 million. In addition to its two studio properties, Hudson Pacific owns the 115,000-square-foot Technicolor Building, which is next to Sunset Gower. The company declined to comment.

The 6922 Hollywood Blvd. building isn't the only major Hollywood office property in the process of being sold. The 22-story Sunset Media Tower, located at 6255 Sunset Blvd., is set to trade hands for about \$76.5 million. The building, which is about 25 percent vacant, is being sold by its nearly three dozen individual owners to Kilroy Realty Corp., a West Los Angeles real estate investment firm; the deal has not been inked, though it is expected to be signed shortly and the transaction would close by the end of summer. Tenants there include Magical Elves Productions; Associated Production Music, a music library and music services company; and Nielsen Media Research, a unit of Nielsen Co.

"These are two of the better buildings in Hollywood," said Leron Gubler, president of the Hollywood Chamber of Commerce. "What we've sensed in talking to some real estate brokers is that there is an upswing in interest for office space in Hollywood."

Hudson Pacific was represented by Bob Safai of Madison Partners, who declined to comment. CIM was represented by Carl Muhlstein of Cushman & Wakefield and Sean Sullivan of Eastdil Secured. Muhlstein declined to comment and Sullivan did not immediately return a phone call seeking comment.

A CIM spokesperson said the company's principals were traveling on business out of the country and were unavailable for comment.

Email: Daniel.Miller@THR.com