

David Geffen Sells Malibu Beach Inn for \$80M

By [Kelsi Maree Borland](#) | Los Angeles



MALIBU, CA—The Mani brothers, **Simon Mani** and **Daniel Mani**, have purchased the 47-room **Malibu Beach Inn** from **David Geffen** for \$80 million.

The sales price equates to \$1.7 million per room, which is the highest price paid per room for a **hotel** outside of New York, Florida and Hawaii.

The property was not brought to market, and Geffen hadn't planned to sell it. Rather **Madison Partners'** broker **Bob Safai** closed on the 1031 exchange sale of **801 Figueroa** with the Mani brothers, and they needed another high-profile property to complete the exchange. Safai approached Geffen, who he had represented in the purchase of the Malibu Beach Inn in 2005, and worked out an off-market transaction. "The Mani brothers only buy and own trophy assets, and it doesn't get any more trophy than this," Safai tells [GlobeSt.com](#). "This is the most trophy boutique hotel on the ocean on the West Coast." Safai represented both the buyer and the seller in the transaction.

Geffen purchased the property in 2005 for \$29 million, and invested an additional \$10 million into the property on upgrades. The record-worthy sales price was the result of the high net worth of the two parties involved, according to Safai. "I think this sales price was the product of having a seller who doesn't need the money and having a buyer that was in a 1031 exchange, and we married those two people together," he says. "This was really a win-win transaction for the circumstances. That is really the most accurate way to say it."

Properties in Malibu rarely trade hands, let alone a trophy asset like this one, with a prime location on Carbon Beach. Still, the Malibu Beach Inn has performed particularly well in the market, with above average occupancy and revPAR ratings, and Safai believes the new owners will continue to grow the property's value. "The new ownership coming in that can create additional pizzazz with their Hollywood and **SoHo House** background, and they will hopefully take this asset to another level," says Safai. "I think you are looking at a one-of-a-kind asset that doesn't come around very often."

The hotel market all around Los Angeles is experiencing a revolution, with new developments that seem to be announced daily. On the other side of town in North Hollywood, a local

developer just **announced** plans to build an art-centric boutique hotel on a 26,000-square-foot lot.