

Real estate
is our domain™

GlobeSt.com™

LOS ANGELES—New York-based **Curo Enterprises** has acquired 900 Seward St., a 40,313-square-foot office property in the Hollywood Media District, from **Vista Investment Group** for \$19 million, a price of \$471 per square foot. **Deluxe Entertainment Services Group** [leased the property](#) at the end of 2014 after the previous tenant claimed bankruptcy. The new 10-year triple net lease prompted Vista Investment to sell the asset.

“The seller got a brand new 10-year deal, and that is the time to sell a building, when you have a net leased asset with a brand new lease term,” **Matt Case**, a broker at **Madison Partners**, tells GlobeSt.com. “Also, there is a lot going on in the area. The media district is one of the tighter and stronger markets in Southern California, and combined with a 10-year lease, the stars sort of aligned.” Case represented the seller in the transaction along with his Madison Partners colleagues **Darin Beebower** and **Bob Safai**. A fully leased triple net office asset is a rare find in the Hollywood market, where creative office conversions currently rule. Despite the nature of the property, however, Case received a lot of interest in the sale. “We had tremendous interest, but you after to find the buyer that wants what we call a coupon clipper. It is a 10-year net lease with annual bumps. It has a predictable income,” he says. “A lot of the market in general and particularly in this area is looking for value-add deals. Those groups, obviously, aren’t looking for a 10-year net lease deal. That said, there was still tremendous interest.”

Case received 12 offers for the property and got the pricing that he expected. “Given what is going on in the marketplace and the fervor in Hollywood right now, we felt that we would get strong pricing in the \$450 to \$500 per foot range, and we certainly fell right in the middle of that spectrum,” he adds.

Although this property wasn’t a value-add play, the changing dynamics in the markets help to push values on this property. “The fundamentals in Hollywood have improved so much, and we are seeing tremendous absorption and rent growth. There are a lot of office users flocking to get into that market, and if you look at Southern California, there are a handful of really hot markets right now, and Hollywood is right up there with all of the hot markets,” says Case. “We are seeing a lot of large leases and rent growth.”

The property is a post-production audio facility, and has been used as an audio facility by the last three tenants. The property features seven audio stages that are supported by a central machine room, edit bays, R&D rooms, administrative offices, kitchens and lounge areas. It is 100% leased through February 2025.