

Investor's Santa Monica Move a Record Setter

ACQUISITION: Joss Realty pays \$1,004 a square foot for creative office property. By [Hannah Miet](#)
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Joss Realty Partners, a New York real estate investment firm making its first investment on the West Coast, has entered the market in a big way, buying a Santa Monica office building for the highest price per square foot ever in Los Angeles County.

Joss dropped \$23.7 million, or \$1,004 a square foot, for the 23,557-square-foot creative office building at 1315 Lincoln Blvd. The seller is a partnership formed by Lincoln Property Co. of Dallas and ASB Real Estate Investments of Bethesda, Md. The deal easily eclipsed the \$717-a-square-foot average sale price for Santa Monica office buildings, according to CoStar Group Inc.

Larry Botel, managing partner of Joss, said the firm jumped at the chance to acquire the two-story building, built in 2005, because the opportunity to acquire such a property in the area is rare. Office space is in high demand in the supply-constrained market, which is dominated by long-term landlords.

The building is fully occupied by L.A.'s City National Bank, New York communications firm Chandler Chicco Agency, Chicago media software firm Centro Media, Beverly Hills luxury car dealership O'Gara Coach Co. the workout studio Dethrone Basecamp.

Botel said Joss will make improvements based on feedback from the five tenants, which he expects will remain at the property. The building also has a 136-stall parking structure, a rarity for the city.

The seller was represented by Bob Safai, president of Madison Partners, along with Brad Schlaak.

Kroenke Retail Grab

St. Louis Rams owner Stan Kroenke's Kroenke Group, a Columbia, Mo., real estate investor and developer, acquired a portfolio of five retail properties in the San Fernando Valley last month for \$115 million.

The firm purchased the five Northridge shopping centers, totaling 268,362 square feet, from New York investment firm Angelo Gordon & Co. At \$429 a square foot, the deal surpassed the \$387-a-square-foot average sale price for retail properties in the Valley, according to CoStar.

The portfolio consists of 19320, 19350 and 19324-19352 Nordhoff St., and 8941-8959 and 9001 Tampa Ave. All of the properties were between 76 percent and 100 percent leased at the time of the sale. Tenants include Lane Bryant Inc., 24 Hour Fitness, Bed Bath & Beyond Inc. and Petsmart Inc.

Eastdil Secured represented the seller in the sale, and did not respond to requests for comment. Representatives of Kroenke Group, which represented itself in the transaction, did not respond to requests for comment. Angelo Gordon & Co. also did not respond to requests for comment.

Kroenke's plans for the properties are unclear. Long before he became a National Football League owner, the bread and butter of Kroenke's estimated \$6.3 billion fortune was made developing shopping centers and warehouses across the country, many of them anchored by Wal-Mart Stores Inc. (Kroenke is married to a niece of Wal-Mart founder Sam Walton.)

Kroenke is already heavily invested in Los Angeles. He owns a home in Malibu and, more recently, bought a 60-acre site in Inglewood from Wal-Mart and is partnering with the developers of Hollywood Park on a proposed \$1.86 billion football stadium on the joined sites.

Fully Leased

Two recent leases brought a 463,153-square-foot industrial distribution building in Santa Fe Springs to 100 percent occupancy.

Gelson's Markets, a supermarket chain headquartered in Encino, signed a 10-year lease valued in excess of \$20 million. It is taking 248,000 square feet at the two-year-old Class A building at 13833 Freeway Drive. The company will use most of the space as a distribution hub, with 30,000 square feet as offices, said Craig Stevens of Colliers International, who represented Gelson's in the deal along with Stephen Calhoun and Tyler Stevens.

Gelson's is expanding, Stevens said, and is looking to grow south into Orange County and San Diego, so Santa Fe Springs seemed like an appropriate midpoint.

"Part of it is that this is also a big food corridor and similar businesses like to be around each other," Stevens said.

The landlord, Golden Springs Development Co., was represented by another Colliers team of Clyde Stauff, Christopher Sheehan and Calhoun.

The balance of the property, 214,849 square feet, was leased by USC/AMD, a division of L.A. packaging manufacturer Oak Paper Products Co. Inc.

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