

Rowland Heights Auto Center Sold in \$4.5 Million Deal

TRANSACTION: Sherman Oaks investor buys site that rents to 12 car repair shops.

DIAMOND Development LLC has sold a multi-tenant automotive center in Rowland Heights for \$4.5 million to an unnamed Sherman Oaks private investor.

The deal for the 27,309-square-foot center closed on Aug. 24 and breaks down to \$165 per square foot for the single-story development. It sits on 1.7 acres and has 12 automotive repair shops as tenants.

The property is 100 percent occupied and all the tenants are signed to long-term leases, said Kevin Fryman of Hanley Investment Group Real Estate Advisors, a boutique retail investment advisory firm.

The deal was a leasehold sale of the structure and the 31 years remaining on the ground lease. Rowland Ranch Properties LLC, a large local landowner, has title to the property.

"Rowland Ranch Properties wanted to retain the rights of the land and didn't want to manage real estate so they allow people to develop real estate and get income from the land," Fryman said.

Diamond, based in Solana Beach, is an investment group but it doesn't normally own leasehold properties. On the other hand, the undisclosed buyer has a portfolio of leasehold properties. "They are very comfortable with this type of asset," said Fryman. "It is purely cash-flow driven."

Diamond Development had built the automotive center in 1989.

The buyer was represented by Greg Sklar of Remax and Bob Hoyt of Colliers International. The seller also was represented by Edward Hanley of Hanley Investment Group.

Koreatown Mixed-Use

A forthcoming mixed-use development will give Angelenos who aspire to use their car less a

cadre of stores and institutions – from coffee shops to yogurt stores and banks – are to be expected. "We are being very selective on tenants," Rothman said.

The proximity to the subway stop is a boon for the project, especially when it comes to retail access. The entrance and exit to the subway station "dumps you into a portion of our retail," said Rothman.

A sales office opens in September.

Downtown Relocation

Environmental engineering and consulting firm Brown and Caldwell will move to downtown Los Angeles from the Westside this November.

The firm has signed a seven-year deal for

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7,465 square feet of space at 801 S. Figueroa St. The deal with landlord Mani Bros. LLC is said to be a market-rate transaction for Class A space. The terms of the deal were not made available.

On average, the asking rent for Class A space in downtown was \$2.90 in the second quarter, according to data provided by Grubb & Ellis Co. "They came to downtown because they have

some contacts with the city of Los Angeles and it is part of the larger trend of tenants moving from the Westside," said Andrew Altman of Cushman & Wakefield Inc., who represented Brown and Caldwell.

The Walnut Creek firm, which is relocating from 11111 Santa Monica Blvd., has 49 offices across the country.

The 24-story office tower at 801 S. Figueroa St. is one of the newer office buildings in downtown, opening in 1992.

Mani Bros. was represented by John Eichler of Cushman & Wakefield.

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