

## REAL ESTATE

## Mamo Takes Over LB Marketplace

Company buys out partner Pacific Castle for \$67 million

By HANNAH MADANS *Staff Reporter*

Santa Ana-based **Mamo Properties Inc.** bought out Irvine-based partner **Pacific Castle Management Inc.**'s share of the Long Beach Marketplace for \$67 million, records show.

The center contains 12 retail properties along Pacific Coast Highway.

Buildings ranged from 57% to 100% leased at the time of the sale, according to **CoStar Group Inc.** data.

Tenants at Long Beach Marketplace include **Trader Joe's Co.**, **California Pizza Kitchen Inc.** and **Ruby's Diner Inc.**

The Long Beach Marketplace isn't the only shopping center in Long Beach to sell in the past year.

**Regency Centers** purchased the Circle Marina Center at 4600-4782 Pacific Coast



Fully Leased: Long Beach Marketplace includes a CPK.

Highway from **Wang Partnership** for \$49 million in September.

The center was 95% leased at the time to tenants including **Staples Inc.** and **Big 5 Sporting Goods Corp.** It includes an adjacent 25,000-square-foot office building.

**Jade Enterprises** purchased a portfolio of seven retail buildings in Long Beach from an individual for \$32 million in March.

Properties other than retail have also been in high demand in the city.

**Boeing Co.** sold its 93-acre former C-17 Long Beach facility to **Goodman Group** for \$230 million last year, according to sources familiar with the matter.

A 234-unit multifamily building at 1718 Ximeno Ave. sold for \$72.5 million.

**Advanced Real Estate Services Inc.** purchased the property from **Blackstone Group** and **Phoenix Realty Group**.

The 206-unit Landing at Long Beach at 1613 Ximeno Ave. sold for \$72 million. **Friendly Franchisees Corp.** purchased the property from an investment fund managed by **Western National Group Inc.**

**MG Properties Group** bought a 158-unit building at 595 Pine Ave. from **Sares-Regis Group** for \$48.9 million.

A handful of large multifamily development projects are underway in the area, as well, including the 106-unit Ocean View Tower, the 163-unit Pacific, the 315-unit Shoreline Gateway and the 160-unit Beacon Apartments.

**Positive Investments Inc.** in August purchased the Residence Inn Long Beach, a 216-room hotel, for \$45 million. It was part of portfolio acquisition of a handful of **Blackstone Group** hotels.



Open Space Upgrade: Pasaroyro is undergoing a \$50 million renovation.

## Large Office Properties Set Major Renovations

Work underway at big-ticket sites in Pasadena, DTLA

By HANNAH MADANS *Staff Reporter*

The office space construction boom in Los Angeles is extending to large properties in Pasadena and downtown.

The Pasaroyro, formerly known as Corporate Center Pasadena, occupies a 6-acre city block and is comprised of four buildings containing more than 650,000 square feet of commercial space.

The property's downtown-based owner, **Coretrust Capital Partners**, is working on a \$50 million renovation of the space, which it purchased in 2018 for \$254 million.

**Brookfield Properties**, meanwhile, is in the midst of a \$170 million remodel of downtown's iconic California Market Center, also known as CalMart or CMC.

Brookfield announced March 16 that it had completed renovations of one of the complex's three 13-story buildings. The property also includes a two-story building that once housed a bank. That structure will be removed with the goal of making the site more inviting and creating public space.

The two buildings join a string of properties that are undergoing or have completed overhauls in the area.

During the fourth quarter of 2019, 3.8 million square feet of office space was under construction in Los Angeles, according to data from **Jones Lang LaSalle Inc.** That includes about 577,000 square feet of large-scale renovations such as conversions.

### Pasaroyro revamp

Changes at Pasaroyro include revamping public spaces, updating elevators and lobbies, and adding service businesses.

One of the biggest undertakings has been converting a 60,000-square-foot "concrete slab" into a desirable plaza area for tenants, said **Spike Whitney**, executive vice president at Coretrust.

Adding shade to the area was a big part of the project, he said, in order to "get people outside."

Coretrust acquired leases of some of the ground-level spaces, including a Souplantation, to further execute its vision for the space. Whitney said Coretrust will likely introduce two or three restaurants into the space.

Coretrust has signed 100,000 square feet in leases and 90,000 square feet in lease renewals since acquiring the property.

The company recently signed coworking company **Industrious** to two floors at the building. It has also signed a lease deal with luxury brokerage **The Agency**.

"We were attracted to Industrious and their sense of hospitality," Whitney said, adding that the company had more mature businesses than other coworking companies, which was good for the building.

Renovations at Pasaroyro are expected to be completed later this year.

"We're reimagining an office property with a 1980s feel to be attractive and intriguing for today's workforce," Whitney said. "We have to serve the needs of our existing customers and attract new talent."

JLL is handling leases for the property.

### Downtown makeover

Brookfield Properties' reimagining of the CMC is aimed at creating a mixed-use creative office and fashion campus. It will include a 5,000-square-foot rooftop tenant amenity space and a ground floor with public space and retail.

The remodel is designed by **Geusler**. It is expected to be completed in 2021.

"Spanning an entire city block, this large-scale, adaptive-reuse mixed office development is emerging as an unparalleled urban nexus in the heart of Los Angeles' fashion district," **Bert Dezzutti**, Western region executive vice president at Brookfield Properties, said in a statement. "The new CMC improvements include floor-to-ceiling exterior glass, enhanced tenant amenities and a lively retail and fashion hub. CMC will soon reorient and redefine L.A.'s approach to the 21st century workplace, drawing top office firms and fashion labels from across the West Coast."

A handful of large office properties underwent extensive renovations in the L.A. market last year.

Playa District — formerly the Howard Hughes Center — completed a \$32 million renovation in June.

The Colorado Center in Santa Monica wrapped a \$40 million upgrade to its common areas in June, as well.

## CGI Secures \$48 Million in Financing

Developer will use funds for project in Koreatown

By HANNAH MADANS *Staff Reporter*

Woodland Hills-based **CGI Strategies** has received a \$47.8 million construction loan from an unnamed national lender for a project in Koreatown.

Century City-based **Dekel Capital Inc.** arranged financing for the project, known as The Fedora and located at 837 S. Fedora St.

The building is slated to have seven stories and two levels of parking.

It will offer 200 units, with 10% set aside for low-income renters. The property will feature studio, one- and two-bedroom options.

The Fedora will have a clubhouse, courtyard and rooftop lounge. It is expected to wrap construction by mid-2022.

The project is CGI's third ground-up multifamily development in Koreatown in the past 36 months, adding a total of 380 units to the area.

"CGI is an experienced developer that has a strong track record of developing ground-up developments and income-producing real estate in Southern California, including several other developments in the Mid-City/Mid-Wilshire/Koreatown neighborhoods," Dekel Principal **Shlomi Ronen** said in a statement. "Given the strength of the market and the sponsor's expertise, we received a robust response from potential lenders."

Multifamily development in Koreatown has been booming for the last few years. Koreatown-based **Jamison** has more than 1,000 units in development in the area, and properties are commanding high sale prices.



Financial Boost: CGI got a \$47.8 million loan for The Fedora.

Century City-based **Cityview** sold an equity stake in the 346-unit The Pearl on Wilshire last year that valued the property at \$171 million. And **Equity Residential** purchased the Next on Sixth apartment building for \$189 million. **Alhambra Place Partnership** purchased the 60-unit Kodo nearby for \$29.3 million.

Sales volume for multifamily properties in L.A. in 2019 was \$9.5 billion, up 350% since 2009, according to data from **CBRE Group Inc.**

Multifamily housing properties gave investors a 9.2% return on investment over the last five years, according to a CBRE study, making the category a desirable investment.

Dekel Capital is off to a busy start in 2019. The company announced in March that it had secured \$59.3 million in construction financing for a 74,000-square-foot mixed-use creative office building in West Los Angeles being developed by Sawtelle-based **Urban Offerings Inc.** and **Meridian Group**.