

Hospital Sees Healthy Outlook on Miracle Mile



Sold: Miracle Mile property bought for \$295 million.

ACQUISITION: Pickup by Cedars-Sinai draws high square-foot rate of \$646.

CEDARS-SINAI snapped up a 24-story office tower on Wilshire Boulevard for \$295 million this month, or nearly \$646 a square foot. That makes it the priciest deal per square foot on Miracle Mile in at least the past decade, according to CoStar records.

The seller was Morgan Stanley & Co., which purchased the site in 2010 for \$174 million, or about \$380 a square foot.

CBRE Vice Chairman **Todd Doney** represented Cedars.

The deal marks a spike from other recent trades in the submarket: An office building at 6300 Wilshire sold last year for \$148.5 million, or about \$364 a square foot.

Cedars had been leasing nearly all of the building it just acquired, a 456,680-square-foot property at Wilshire and San Vicente boulevards, the hospital said in a statement.

"It was more cost-efficient to buy the building than to continue leasing," Cedars said.

Coated with Brazilian granite and dark, reflective glass, the building was designed in 1986 by the Luckman Partnership and

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architect I.M. Pei, famous for his glass pyramid outside the Louvre Museum.

The hospital also owns 45 pieces of property in West Los Angeles, including hospital buildings, offices, parking lots, and vacant land.

Student Housing

Saban Real Estate just loaded up its portfolio with 19 student housing projects for \$508 million. The deal, which includes Austin, Texas-based management company Campus Advantage as a partner, makes Saban one of the country's largest holders of off-campus student housing, said Managing Director **Bowen Hsu**.

The Century City real estate investor, a subsidiary of billionaire **Haim Saban's Saban Capital Group Inc.**, also focuses on the self-storage and federal office sectors, targeting properties that generate strong cash flow over time, even during weak economic cycles.

"We've gravitated toward some things that have a better story in down cycles," Hsu said. "There will always be students."

He said that Saban Real Estate targeted high-ranking schools, picking up the portfolio of 12,083 beds at nearly a dozen universities in the South and Midwest, and on the East Coast, including Penn State, Michigan State, and Florida State universities.

The properties are deemed "purpose-built student housing" — off-campus but primarily intended for student use, with leases operating on a school-year cycle in 11-month terms. Parents often co-sign with their children, helping to guarantee payments.

Saban plans to spend about \$30 million on renovations — but installing luxury amenities is not necessarily in the cards. Part of the strategy is to keep costs low to attract students without deep pockets. The locations are farther from campus than typical student housing, which also brings down the price point.

"Not every student is there without taking out loans and Pell grants and things like that," Hsu said. "The difference between \$1,000 and \$400 is a big difference."

Lease Locks

Ratkovich Co.'s Bloc complex downtown signed leases this month totaling 300,000 square feet. The newcomers are engineering firm KPFF, planning consultancy PlaceWorks, office furniture designer Krug Furniture, real estate investor Arc Capital Partners, film distributor Mance Media, and tech firms One Medical and MediaAlpha. ... Also downtown, engineering firm HBR Inc. signed a 10-year lease for 28,000 square feet at CIM Group's Two California Plaza in a deal valued at \$13.9 million. ... In Hollywood, Live Nation Entertainment Inc. renewed its lease for 25,000 square feet for three years at Souferian Group's 1800 N. Highland Ave. ... Olive Hill Group this month leased 11,000 square feet at 200 Corporate Pointe in Culver City to Ipsos Insight, a subsidiary of Paris-based research firm Ipsos. The lease, good for seven years, is worth \$3.1 million.

Staff reporter Daina Beth Solomon can be reached at dsolomon@labusinessjournal.com or (323) 549-5225, ext. 237.



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