

Brentwood Developer to Build a Senior Project

TRANSACTION: Safran pays \$10.3 million in cash deal for Mar Vista site.

A Brentwood-based developer of affordable housing has scooped up a 1.3-acre piece of land in Mar Vista, where it will build an apartment complex for seniors.

Thomas Safran & Associates paid \$10.3 million in cash for the property at 11904-11976 Culver Blvd. in the Dec. 23 deal with seller Elins Enterprises.

Elins, a Sherman Oaks-based real estate investment company, had plans to move forward with an apartment project before Thomas Safran became interested in the site.

"The quality of the offer talked Elins out of doing (its project)," said Brent Sprenkle, a Sperry Van Ness Real Estate Services broker who represented Safran. "The buyer wanted the deal so it stepped up the terms and the price to make it fly. It was no bargain, let's put it that way."

Sprenkle said that Safran plans to build 168 low-income senior housing units on the site but still needs approvals. He said the project could break ground in six months.

The deal breaks down to about \$181 per square foot for the vacant parcel – a high price for the area and a motivating factor in Elins' decision to abandon its own plans for the site.

The company plans had changed with the real estate collapse. Originally, Elins planned to build condos on the property, but it retooled in the face of the downturn.

"The market tanked so they went back got a

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new architect and retooled it to build 90 apartments but then I approached them about selling property," Sprenkle said.

Elins represented itself in-house on the transaction.

Downtown Sale

The Hogan Group, a real estate investment firm and commercial brokerage based in downtown L.A., has bought a "working class" apartment building close to its home base.

The company purchased the 138-unit apartment building just west of the Pasadena Freeway in downtown for \$4.5 million through a limited liability corporation called 7223 Willoughby LLC.

The November deal with seller Tsai Yuh Living Trust breaks down to \$32,609 per unit.

Hogan, which owns other apartment buildings in downtown, plans to continue to operate the Cromwell Apartments at 739 Garland Ave. as a building that caters to the working class clientele that services many downtown office and retail projects.

"We are going to go after that entry-level tenant profile that comes here – the blue collar crowd that services things like L.A. Live in terms of janitorial cleaning, for example," said Brent Hogan, president of his namesake company. "I see it as a way to provide housing to



1920s Building: Cromwell Apartments sold.

the people working the blue collar jobs."

The 1920s building, which is protected by L.A.'s rent control ordinance, has 30 one-bedroom units and 108 studio apartments. The average monthly rent is about \$450 with the three-story building 20 percent vacant when the sale closed, Hogan said.

The apartment building has an adjacent 40,000-square-foot surface parking lot that Hogan could develop once the "market comes back." In the meantime, the new owner will upgrade the property.

"We are going to do cosmetic work, redo the units when they become vacant, add nicer appliances," Hogan said.

Suzanna Wilson of Healstone Investment Property & Management Inc. represented both sides of the deal.

Santa Monica Lease

Hirsch Bedner Associates Design Consul-

ants, an interior design firm that caters to the hospitality business, is remaining at its headquarters space in Santa Monica after inking a five-year renewal at One Santa Monica.

The December deal at the 3216 Nebraska Ave. office campus is valued at \$1.5 million.

Broker Blake Mirkin of CB Richard Ellis Group said that the company looked at a variety of properties in Santa Monica and Marina del Rey before deciding to stay at its current digs, owned by Newport Beach real estate investor Redwood Partners Inc.

"With this owner, with the deal we could negotiate, we would stay," said Mirkin, adding that the design firm enjoyed the 35-foot ceilings and other creative features of the space. The renewal commenced this month.

One Santa Monica is a five-acre office complex with three low-rise buildings. Hirsch Bedner is one of the largest tenants in the project. Mirkin declined to disclose the rental rate, though he characterized the deal as favorable to the design firm.

"The Santa Monica office market is remaining healthy, but there are substantial new vacancies and numerous larger blocks of space still available," he said.

Redwood represented itself in-house in the deal.

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