

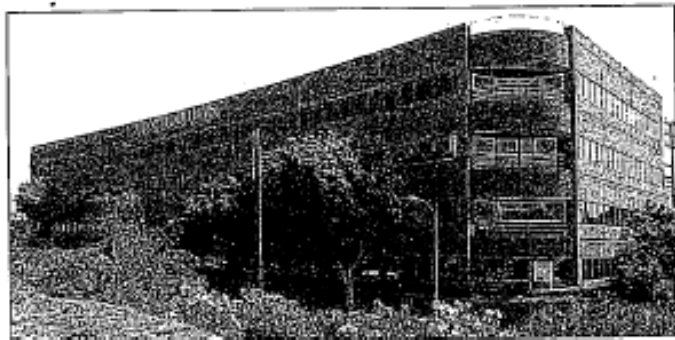
January 21, 2008

West L.A. Deal Raises Specter of Commercial Slowdown

ACQUISITION: Four-story office building sells for less than \$360 per square foot.

A four-story office building in West Los Angeles has traded hands for \$33 million, or less than \$360 per square foot, a price that reflects the lowering of values due to the credit crunch.

Real estate investment groups Angelo Gordon & Co. LP and Cambra Real Estate purchased the 10780 Santa Monica Blvd. building in a joint venture from Arden Realty Inc. The deal closed at the end of December.



Bought: Building on Santa Monica Boulevard in West L.A.

Bob Safai of Madison Partners, who brokered both sides of the deal, said the commercial real estate market is starting to slow down as lenders tighten their purse strings.

Gary Weiss of Madison Partners, who also handled both sides of the deal, added that the buildings Arden sold to Cabi West Coast Acquisitions LLC for about \$1.5 billion last summer were priced at an average of \$500

per square foot.

"The values are off somewhat in terms of sales by anywhere from 10 to 15 percent and this is in line with that," said Weiss.

But Safai noted that there was strong interest in the property, with 14 prospective buyers making offers.

"The trick to the deal was there were a lot of bidders that wanted to buy the property and simultaneously the capital markets were melting down and there weren't a lot of debt providers," he said.

Though the buyers purchased the property with financing, Angelo Gordon & Co. could have paid all cash, Safai said.

The Class B+, 92,486-square-foot building is 98 percent leased and mostly houses smaller, local businesses. Weiss said that the per-foot-per-month asking rent at the 1984 building is \$3.65, on a full-service gross basis.

Safai said that the deal was able to get done during a tumultuous time in the market because Angelo Gordon & Co. has worked with Arden Realty in the past and the two companies share a high level of trust.

Arden Realty is a unit of GE Real Estate, which is a division of General Electric Co.