

# REAL ESTATE

## Joint Venture Buys Old Pasadena Plazas for \$35 Million

**ACQUISITION:** Mixed-use properties include buildings dating back to late 1800s.

A group of historic trophy properties in Old Town Pasadena has a new owner. In an off-market transaction, real estate investment groups **Angelo Gordon & Co. LP** and **Cambra Real Estate** purchased Old Pasadena Plaza I and Old Pasadena Plaza



II in a joint venture for \$35 million. The deal closed in mid-January. The seller was an unnamed local investment group operating under the **Old Pasadena Plaza II LLC** name.

The properties include a handful of restaurants such as **Chado Tea Room** and **Café Bizou**, among other tenants. Both the 58,947-square-foot Old Pasadena Plaza I and the 13,868-square-foot Old Pasadena Plaza II are mixed-use properties that combine office and retail.

Both plazas, which have multiple North Raymond Avenue addresses, include buildings constructed in the late 1800s. Some of the properties were built in the early 1900s.

"There is a lot going on with this asset that makes it a trophy asset," said Bob Safai of Madison Partners, who represented both sides of the deal. "These are unique, one-of-a-kind

historic buildings."

Old Pasadena Plaza I includes three Raymond Avenue buildings and a building at 54-56 E. Holly St. Old Pasadena Plaza II includes a 13,868-square-foot building at 61 N. Raymond Ave. That property sits on one-third of an acre and was seismically retrofitted in the 1990s.

"There will be some renovation work to it. The older buildings require some TLC but it was in a very clean condition," Safai said.

### Westside Deal

Santa Monica-Wellesley Plaza, a Westside Class B office building, has changed hands for nearly \$30 million in a deal that closed Feb. 8.

**AZ Wellesley Plaza LLC**, the entity of an unnamed local real estate investment group, purchased the three-story building at 12304 Santa Monica Blvd. from a joint venture called **Santa Monica-Wellesley**. The joint venture comprises 10 private investors from Southern California.

The garden-style, 82,258-square-foot building, which was built in 1981 and is 98 percent occupied, sold for \$28.9 million.

T.C. Macker of Coldwell Banker Commercial Westmac said that the buyer purchased the property between Bundy Drive and Centinela Boulevard with plans to renovate it.

"Upgrading some of the common areas and upgrading the building to a more modern look with the idea of pushing rents and increasing the stature of the building could well position it to capture Class B tenants," said Macker, who represented both sides of the deal.

The average asking rent for Class B space in West Los Angeles was \$3.72 per square foot in the fourth quarter of 2007, up from \$3.11 a year earlier, according to Grubb & Ellis Co.

"The buyer got a building with a bit of upside in the future," said Macker, adding that Santa Monica-Wellesley sold the building because it was no longer interested in managing the property.

Craig Newlands of Coldwell Banker Commercial Westmac also represented both sides of the deal.

### South Bay Sale

**Diversified Holdings LLC** of Torrance purchased the Alondra Park apartment complex in Torrance for \$11 million in a deal that closed Jan. 30.

Diversified Holdings, headed by real estate investor Zaffar Hassanally, bought the 68-unit project at 3338 Redondo Beach Blvd. from Los Angeles real estate investment company **DMC Investment Group Inc.**

The deal breaks down to \$161,765 per unit — market rate for the area. The project, which includes a mix of studios and one- and two-bedroom apartments, was originally put on the market in September for \$11.2 million.

In the last three years, DMC has renovated nearly 75 percent of the 44-year-old property. Additions include a new roof, paint and landscaping. The average rental rate is about \$1,220 per month.

"(Hassanally) saw the diamond in the

rough. It could be taken to the next level over the next two years and generate 20 to 25 percent revenue growth," said Dave Casper of Hendricks & Partners Inc., who represented the seller. "The buyer is very good at renovating in the South Bay and has a reputation as a good owner in the area for the last 25 years. It's the right buyer for the deal."

DMC also sold a 67-unit Glendale apartment building for \$16.4 million in October. Casper said the company wants to acquire real estate out of the area. "I think, frankly, they got



Bought: Alondra Park complex was sold for \$11 million.

out at a good time," he added.

The buyer was represented by Mike McKinney of CB Richard Ellis Group Inc. Dean Zander of Hendricks & Partners also represented the seller.

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