



## DivcoWest Buys 483 KSF Class A Office Complex in El Segundo, Calif.

May 29, 2014

By Scott Baltic



DivcoWest has completed the purchase of Continental Grand Plaza, a two-building, 483,000-square-foot Class A office campus at 300-400 Continental Blvd. in El Segundo, Calif., the company announced Tuesday.

The transaction's price and terms were not disclosed, and as of press time the company had not provided any further information to *Commercial Property Executive* about the deal.

Continental Grand Plaza reportedly is close to executive housing communities and LAX and is within walking distance of L.A.'s Green Line transit system.

Last month and only a block away from Continental Grand Plaza, DivcoWest purchased Gateway El Segundo, a five-building office and retail portfolio. Details on that transaction were similarly unavailable.

The DivcoWest announcement touted the Continental Grand Plaza purchase as the company's "second investment in what they believe is becoming a key Los Angeles growth market for media and technology-related companies."

A 42,275-square-foot lease at 400 Continental Blvd. by Regus, which bills itself as the world's largest provider of flexible workspaces, was noted by Cushman & Wakefield as one of the more significant first-quarter leases in L.A.'s South Bay submarket.

Continental Grand Plaza's other tenants include Carbon Computing, Cox Target Media, Dmedia USA, Gaines Investments L.L.C., Integral Systems Inc., Klein Partners Capital Corp., Lowell Capital, MTM Technologies Inc. and Tasc Inc.

The latest South Bay office report by Cushman & Wakefield says the submarket is seeing increasing leasing activity while vacancy inches down, but cautions that a surge of spec renovated space in El Segundo (about 410,000 square feet in three buildings) will probably push vacancy rates back up later this year.

Office rents, meanwhile, are finally starting to move up a bit, after being fairly flat for about four years. Direct rental rates average \$2.08 per square foot per month, or up about 3 percent over a year ago, according to Cushman & Wakefield.

In April, *CPE* reported that **DivcoWest had acquired the Avallon, a five-building, 318,000-square-foot Class A office campus in Austin** from Highbrook Investment Management L.P.

And in January, DivcoWest announced its **acquisition of One Kendall Square, in Cambridge, Mass., an 11-building campus that includes 670,000 square feet of office, lab and retail space**; a nine-screen movie theater; a 1,500-space garage; and a small development parcel. The seller was a joint venture of Rockwood Capital L.L.C., of White Plains, N.Y., and Related Beal, of Boston, and the deal's unconfirmed price tag was \$395 million.