



DivcoWest Buys Continental Grand Plaza

June 1, 2014

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EL SEGUNDO, CA—DivcoWest has acquired Continental Grand Plaza in El Segundo for an undisclosed amount. The purchase marks the investment firm's second purchase in the El Segundo market this year.

Continental Grand Plaza is a two-building, 483,000-square-foot class-A office complex located at 300-400 Continental Blvd. DivcoWest was attracted to the purchased both for the quality of the asset and its location. The property is located in what they call a "key Los Angeles growth market." The property is located within close proximity to L.A.'s Green Line public transit station and executive housing communities. DivcoWest declined to comment on the transaction.

"The El Segundo market has tremendous investor activity," Steve Solomon, a managing director at JLL and broker unrelated to the deal, tells GlobeSt.com. For many investors this is the next market to see substantial absorption and rental rate increases due to the Westside and Playa Vista's substantial rental increases and capital buying product in the market." He adds that this is

particularly true for class-A creative office space, which has seen rental rate increases of 10% to 20% over the last 12 to 18 months. "Expect lease rates to increase depending on how much new or creative product hits the market," he says.

Earlier this year, DivcoWest [purchased](#) Gateway El Segundo, a 343,500-square-foot, five-building office and retail property close to the Continental Grand Plaza property. Similarly, DivcoWest did not release the terms of that transaction; however, industry sources unrelated to the deal estimate the cost to be close to \$75 million.