

Miramar Buys Northrop Building for \$37 Million

Aerospace firm has two years on lease; deal signals El Segundo ‘momentum’

SANTA Monica-based **Miramar Capital Advisors** has acquired Redondo Beach Business Court, a 124,400-square-foot office building and separate day-care facility for \$36.7 million.

Newmark Knight Frank’s West Coast Capital Markets President **Kevin Shannon**, Executive Managing Director **Ken White** and Managing Director **Michael Moore**, along with senior managing directors **Eric Adams**, **Chris Strickfaden** and **Eric Lastition** represented the seller, New York City-based **Gramercy Property Trust Inc.**

The building’s tenant, **Northrop Grumman Corp.**, had less than two years remaining on its lease on the property at 3701 Doolittle Drive in Redondo Beach, according to NKF.

“The asset is really part of the El Segundo market, which has a ton of momentum,” Shannon said. “It’s an unusual situation where you have a credit tenant with only about a two year’s lease term. We think the tenant is probably going to renew, but if they don’t, the buyer is going to be fine because it’s a great reposition play and we’ve seen a lot of low-rise aerospace campuses converted to attractive creative space. That opportunity is available here in the unlikely event that the building becomes available.”

The building, built in 1986, is close to El Segundo’s Main Street retail areas, with more than 3 million people living within 20 minutes



Win-win: 3701 Doolittle Drive in Redondo Beach was sold by Gramercy Property.

of the Redondo Beach Business Court, according to the firm.

Miramar’s purchase comes at a time of high office vacancies in the overall Beach Cities submarket, which includes Redondo Beach. The third quarter’s 16 percent vacancy in the area is above the countywide rate of 14.8 percent, according to Chicago brokerage firm **Jones Lang LaSalle Inc.** Beach Cities’ Class A rents at \$2.61 a square foot are also cheaper than the \$3.64 a square foot countywide. But according to JLL, no new office product was under construction in the submarket during the quarter.

Compton Investment Westport Properties Inc.’s next project in Compton goes beyond your run-of-the-mill

storage space.

The Irvine-based self-storage developer plans to construct a state-of-the-art, 1,390-unit self-storage facility at 1901 W. El Segundo Blvd. and upgrade the adjacent Parmelee Pocket Park and its sports fields and infrastructure.

“The Compton community has been a great partner to our company in bringing this development to life,” said **Charles Byerly**, president and chief executive of Westport in a statement. “... We are committed to the city and its people, partnering with the community to make a difference in creating something for all to enjoy.”

The 186,000-square-foot self-storage property in the northeast area of Compton will feature drive-up access, climate control, pas-

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senger elevators, video monitoring, electronic gate access, boxes, moving supplies, moving carts and alarmed units. Improvements to the adjacent Parmelee Pocket Park will include a new landscape, meandering pathway, equestrian style fencing, an irrigation system, lighting and seating areas.

The storage facility will be the 25th owned and operated in the greater Los Angeles area by Westport, which operates nationally under the US Storage Centers brand.

It expects to break ground early 2018, and anticipates finishing early 2019.

Portland Appeal

Century City-based Canyon Partners Real Estate announced it has provided a \$63.5 million senior loan to an affiliate of Portland-based **PHK Development Inc.** to finance construction of a seven-story, 162-unit condo project in Portland, Oregon, its first in the metro area.

“Portland continues to be one of the fastest-growing metropolitan areas in the United States,” said Patrick Kessi, president of PHK.

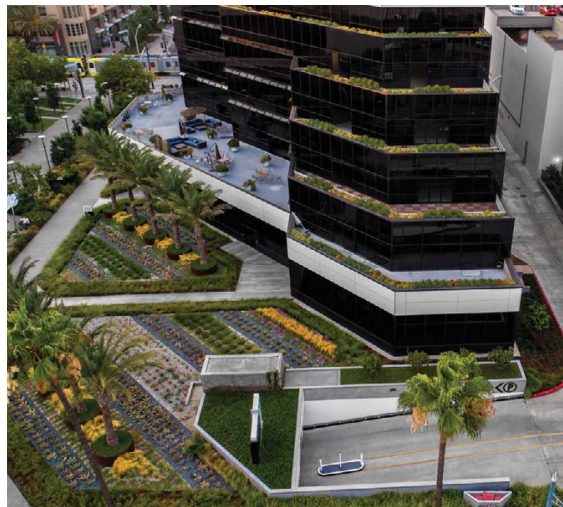
Staff reporter Neil Nisperos can be reached at nnisperos@labusinessjournal.com or (323) 556-8337.

211 OCEAN

Creative Office Space

211 Ocean is conveniently located on Ocean Blvd. in Long Beach, on the Promenade and adjacent to the Pine Avenue Retail. The newly renovated building enjoys balconies on every floor, operable windows, glass roll up doors, and access to the dog park, public transportation and free bikes on site.

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