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## Bixby Land's \$49-million office building sale a sign 'it's not the old El Segundo'



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Developer Bixby Land Co. has sold an El Segundo creative office building for \$49 million, a sale price that nearly doubled its investment — and underscores the city's ongoing evolution from an aerospace hub to a home for tech businesses.

In recent years, developers have transformed old El Segundo offices or constructed new buildings for firms that covet open floors plans and collaborative work spaces.

Tech and creative businesses are looking for cheaper rent than the nearby tech hubs of Playa Vista, Santa Monica and Venice and finding it in El Segundo, said JLL real estate broker Steve Solomon, who was not involved in the sale to Bolour Associates of Beverly Hills.

"It's not the old El Segundo. It's part of Silicon Beach," said Bixby Chief Executive Bill Halford.

Halford said Bixby was able to get 2101 El Segundo Blvd. fully leased, because executives living in the South Bay wanted to be closer to home but still have so-called "creative offices" — an option that was, until recently, very limited in a market long defined by traditional offices for aerospace firms.

Bixby partnered with real estate investment manager Cornerstone Real Estate Advisers in purchasing the building in 2013. They spent \$25 million to acquire and transform the traditional office space into flashier, more modern offices.

Perks at the 113,606-square-foot building include a dog park and beach cruisers for workers. There are polished concrete floors, exposed ceilings and a shared outdoor patio with a rectangular fire pit and couch.

Bixby has even taken to marketing the building near a Metro light rail station as "not your father's office."

Employers are turning to such offices for their workers, because they think "they get more out of them," Solomon said. "There is big demand for it and tenants will pay a premium."

And increasingly, it's not just those in creative or technology fields willing to pay.

Halford said 50% of the building is leased to those not in those fields. Tenants, for example, include investment firm Cove Street Capital, AMA Consulting Engineers and Sanrio, owner of the Hello Kitty brand.

"People in all industries want this kind of space, not the typical high-rise office building with stuffy corridors," he said.

Reflective of the high demand, the latest office leased for \$3.65 a square foot in December, compared with about \$2.50 at the beginning of 2015, Halford said.

The building's new owner Bolour Associates — which paid a pricey \$431 per square foot — said it plans to hold onto the El Segundo building as a "long-term investment."

*Link to article:*

<http://www.latimes.com/business/realestate/la-fi-el-segundo-sale-20160116-story.html>