

## Lincoln and Rockwood Buy El Segundo Office for \$120 Million

By DAINA BETH SOLOMON Monday, November 21, 2016

Lincoln Property Co. and Rockwood Capital are diving into the South Bay office market with their purchase last week of a 355,000-square-foot office campus in El Segundo. The property - comprised of three office buildings and two retail properties - sold for \$120 million, or roughly \$338 a square foot, according to a source familiar with the deal. DivcoWest, the seller, declined to comment.

Lincoln plans to spend millions on a year-long renovation, part of a plan to attract technology, media, and entertainment companies to fill the office space that is currently half empty, said Rob Kane, Lincoln's senior vice president.

The property, called Gateway El Segundo, is Lincoln's second acquisition in the El Segundo market. Last year, Lincoln picked up 101 N. Sepulveda Blvd. with nearly 200,000 square feet a block away for \$51.6 million, or \$230 a square foot.

Kane said Lincoln will look for similar offices in the market to add to its portfolio.

"We're trying to grow our presence in El Segundo," he said. "We think long-term that the market has a lot left to improve."

But finding new properties could be a challenge. There is little new supply, and Lincoln is up against competition from companies that want to buy their buildings. Leasing demand, meanwhile, is on the rise, as fast-growing media and entertainment companies get squeezed out of traditional Westside office markets and executives settle in Manhattan Beach and Hermosa Beach.

"We looked at El Segundo as the natural extension of what's happening in West L.A. coastal markets," Kane said.

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