

Case Study: LBA Realty

550 S. Hope Street



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Key Information

Client

LBA Realty

Location

Los Angeles, CA

The Challenge

LBA Realty acquired the asset from a distressed seller that had defaulted on its loan. The asset had very little capital invested by the previous owner and had fallen into neglect. Additionally, during the close of acquisition a large anchor tenant filed for bankruptcy and vacated 98,000 RSF of space in the lower elevator bank. Occupancy at the start of the assignment was at 60% well below the rest of the market. Additionally, one third of the floors have challenged views.

The Solution

Ownership recognized the neglect of the asset and invested in the building's infrastructure making it the first LEED Platinum office building in Los Angeles. The ownership created an e-lounge on the Terrace Level of the building, providing a more tenant friendly environment and creative atmosphere. The leasing team also brought in an established coffee and quick service amenity to the ground floor to activate the entrance. The leasing team made the recommendation to gut most of the improvements because the market still associated the vacant space with a bankrupt firm. We also initiated a spec suite program of 5-6 small spec suites throughout the building.

Results

Within 18 months of the assignment, the leasing team took the building to 90% leased. The new tenants included an 86,000 RSF regional headquarters, a 13,000 RSF tenant that migrated from another market and a 12,500 RSF engineering firm. The following tenants moved to 550 S. Hope Street during the lease up period:

- KMPG, LLP 86,000 RSF
- EconOne Research Inc. 13,000 RSF
- SullivanCurtisMonroe Insurance Services, LLC 13,000 RSF
- Nabih Youssef Associates 12,000 RSF
- California Bank & Trust 40,000 RSF (Renewal)