

## Rodeo Drive Building Sells for \$2,666 Per Sq. Ft.

BY TIM TRAINOR

A pair of New York investors, Robert Siegel of Metropole Realty Advisors, and Melvin Heller of Heller Properties, recently paid a record \$20 million for the two-story, 7,500-square-foot, mid-block property located at 325-329 North Rodeo Drive in the exclusive Beverly Hills shopping district.

The price of \$2,666 per square foot far eclipsed the previous record of \$1,670 per square foot for another prime Rodeo Drive building that sold in 2002. According to retail brokers, annual rents on the famed shopping center for the stars average about \$300 per square foot, a fact that makes building sales a rare occasion.

Jay Luchs of CB Richard Ellis represented the buyers and Martin Morgenstern of Cushman & Wakefield and Chuck Dembo of Dembo & Associates represented the seller, a Japanese firm.

The building at 325-329 North Rodeo Drive is located in the center of the 300 block of Rodeo Drive with tenants such as Zegna and Christian Dior to the south and J.P. Tod's, Brioni, Gucci, Fendi, Ferragamo, Harry Winston and the future Prada flagship store to the north.

The building's current tenants, BCBG and Giorgio, are both vacating the premises. Coach has plans to move into the 325 North Rodeo half of the building in the fall of 2005, replacing BCBG with a two-level, 4,200 square foot space. Another luxury retailer, Omega, part of the Swatch Group, has plans to take 2,000 square feet when Giorgio, also owned by BCBG, moves out.

The pair of buyers own luxury retail property in other cities. Heller has a New York based real estate portfolio including



325 - 329 North Rodeo Drive

the Talbot's and Hermes flagship stores on Madison Avenue in New York City. Robert Siegel, who has focused on the luxury retail property market throughout the U.S., recently sold the 100,000-square-foot LVMH Tower in New York to an LVMH affiliate after successfully assembling three smaller parcels to develop the site.

The Rodeo Drive high-end retail area spans three blocks and has attracted many of the most exclusive international retailers. According to CB Richard Ellis, its elite status as one of the world's premiere retail destinations is matched only by Fifth and Madison Avenues in New York, Rue de St. Honore in Paris, New Bond Street in London, Union Square in San Francisco, North Michigan Avenue in Chicago, and The Ginza in Tokyo.