

## Building on Rodeo Drive Sells for \$20 Million

BY ROGER VINCENT

In a rare trade of Rodeo Drive real estate, a small two-story building on the famed shopping boulevard that houses retailers BCBG and Giorgio sold for \$20 million to a pair of New York investors.

It was the first Beverly Hills purchase for Robert Siegel and Marvin Heller, who own luxury retail properties in other cities. They bought the 7,500-square-foot building at 325-329 N. Rodeo from Takashimaya Co., a Tokyo-based conglomerate.

The price of \$2,666 per square foot surpassed the last noteworthy sale of \$1,670 per square foot for 308 N. Rodeo in 2002.

"It's very rare that anything will become available on Rodeo Drive," said real estate broker Jay Luchs of CB Richard Ellis, who represented the buyers. Most landlords want to hang on to the buildings that command some of the highest rents in the world.

Annual rents on Rodeo averaged \$264 per square foot in the middle of last year, according to the most recent worldwide survey of retail rents by Cushman & Wakefield. That was slightly less than San Francisco's Union Square and a bargain compared with the \$850 average on Fifth Avenue in New York. Avenue des Champs-Elysees in Paris averaged \$671 and Oxford Street in London came in at \$470.

Average Rodeo rents have since moved up to about \$300 per square foot, Luchs said, as retailers have bounced back from a slump that followed the Sept. 11, 2001, terrorist attacks.

Leather purveyor Coach will replace clothier BCBG at 325 N. Rodeo in the fall, in a 4,200-square-foot space on



325 - 327 N. Rodeo Drive

two floors that will be Coach's first store in Beverly Hills. Watchmaker Omega, part of Swatch Group, plans to take 2,000 square feet there when Giorgio, also owned by BCBG, leaves at the same time.

Dembo & Associates and Cushman & Wakefield represented the seller in the transaction. Buyer Melvin Heller's holdings include the Talbot's and Hermes flagship stores on Madison Avenue. Robert Siegel of Metropole Realty Advisors developed the 24-story LVMH Tower in New York.