

Chanel Calling

By [JACQUELYN RYAN](#) Monday, May 13, 2013

Luxury brand Chanel SA has purchased its first Rodeo Drive retail building in one of the highest per-square-foot sales in Los Angeles County.

The Paris fashion company and maker of the famous Chanel No. 5 perfume bought the 13,317-square-foot building at 408 N. Rodeo Drive this month from owner and occupant Lladro, a porcelain figurine maker.

Lladro sold the adjacent property at 414 N. Rodeo, occupied by retailer Hugo Boss, in 2009 to a Hong Kong investment group for \$28 million.

The sale price of the Chanel transaction was not disclosed, but industry sources estimated it was roughly \$117 million, perhaps higher. At that price, the sale would amount to more than \$8,700 a square foot and make it one of the highest-ever sales prices of any commercial building in the county, according to CoStar Group Inc.

It falls short of a countywide record per-square-foot price set last year when the chief executive of Paris' LVMH Moët Hennessy Louis Vuitton SA paid \$11,971 a square foot for 319-323 N. Rodeo.

Chanel's plans for the site are not clear; it recently signed a long-term lease renewal for its store next door at 400 N. Rodeo. There was some speculation that it could decide to expand its boutique into the new location.

Jay Luchs, an executive vice president at Newmark Grubb Knight Frank who also brokered the Rodeo sale for LVMH group last year, represented the landlord in this deal. He declined to comment on this sale, but said Rodeo is as strong as it's ever been and more luxury brands might be looking to buy up the coveted real estate.

"Los Angeles has become more important in the fashion world and an influx of investors from all over the world are doing everything they can to own prime real estate on Rodeo Drive," he said. "Some of the highest sales recently have been to owner-users who see long-term potential in owning real estate on Rodeo Drive. It makes sense to own their own building if they have the ability."

David Feldman at Haven Realty Capital LLC in El Segundo also represented the seller but declined to comment. CBRE's Paul Muratore, who represented Chanel, did not respond to a request for comment.