

Veteran Retail Investors Pay \$2,667/sf for Rodeo Drive Address

BY CONTRIBUTING STAFF WRITER

A primo retail property on prestigious Rodeo Drive, in the heart of the Beverly Hills' Golden Triangle area, traded hands, as a pair of veteran real estate investors acquired a 7.5k sf building at 325-329 N. Rodeo Dr. The two-story structure, located between Dayton Way and Burton Way, sold for \$20 mil, or \$2,667/sf!

The building is home to a couple of very upscale tenants, BCBG and Giorgio. Coach has plans to move into 325 North Rodeo in the fall of 2005, replacing BCBG with a two level 4.2k sf space which will be Coach's first store in Beverly Hills. Omega, a part of the Swatch Group, has plans to take 2k sf when Giorgio, also owned by BCBG, vacates the property.

The buyers, New York-based Robert Siegel (of Metropole Realty Advisors, Inc.) and Melvin Heller (of Heller Properties), are longtime owners of luxury retail properties in other cities. Melvin Heller has a New York based real estate portfolio including the Talbot's and Hermes flagship stores on Madison Avenue. Robert Siegel has focused for over 20 years on the luxury retail property market throughout the U.S. Projects include the 100k sf LVMH Tower in New York which Mr. Siegel made possible (Metropole sold the tower to an LVMH affiliate) through the assemblage of three smaller parcels to develop one of the most sought after retail destinations in America.

Jay Luchs of CB Richard Ellis represented the buyer and Cushman & Wakefield and Dembo & Associates represented the seller. "The acquisition, which closed in just 35 days, represents



325 - 327 N. Rodeo Drive

Siegel and Heller's interest in AAA luxury retail," said Mr. Luchs. "325-329 N. Rodeo is their first Beverly Hills purchase."

Located in the highly affluent retail center of Beverly Hills, the Rodeo Drive "triangle" spans only three blocks and stands as one of the most recognizable addresses in the world. Many of the most exclusive international retailers are anchored here, in what is considered to demand some of the highest rental rates in the United States, as reflected by the price in this sale. 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.