

Pasadena Business Center Sells for \$67M

By [Carol Lawrence](#)

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After its conversion to a creative office floorplan, the Pasadena Business Center has sold for about \$67 million, nearly 85 percent more than what investors paid three years ago, according to commercial real estate brokers who negotiated the deal.

EverWest Real Estate Partners in Denver bought the nearly 239,000-square-foot property at 465 N. Halstead St., according to CBRE Group Inc. in Los Angeles and Newmark Grubb Knight Frank. The 9.6 acre-site features a Class B office building within walking distance to public transportation, highways and executive housing.

Newmark's Kevin Shannon, president of West Coast capital markets, and brokers Rob Hannan, Ken White and Sean Fulp represented EverWest and the sellers, real estate investment firm DivcoWest and Edgewood Realty Partners. CBRE Senior Vice Presidents Kevin Duffy and Natalie Bazarevitsch assisted the deal as local market experts and the leasing agents for the property.

Edgewood and DivcoWest paid \$36.3 million for the property in 2013. The partners spent \$5.7 million renovating the inside and outside that converted about 72 percent of the interior to creative, open floor plans for large and medium-sized tenants, according to CBRE. That was a game-changer, according to Shannon.

"Edgewood (and DivcoWest) bought it 42 percent leased, and leased it up to 90 percent after transforming it from a back office to creative office, and harvested a nice profit," Shannon said. One suite remains vacant, he added.

EverWest Managing Director Erik Good said the deal offers strong and current cash flow with diversified tenants in technology and financial services.

"We also see significant upside opportunity through furthering the modernization and creative feel of the project," Good said. "In addition to a host of architectural enhancements, we are underway on speculative buildout of the remaining vacancy, which will deliver highly desirable modern office improvements fully activated with outdoor work spaces unlike anything currently available in the marketplace."

Tenants include the headquarters of Community Bank N.A, OEwaves, PNC Financial Services Group Inc. and land-based telescope builder Giant Magellan Telescope Organization Corp. The center also includes a 24 Hour Fitness USA Inc. gym.

Pasadena's office rents have increased 28 percent overall since 2011, according to CBRE, and the brokerage expects rents to grow another 19.4 percent by 2018.