

Hines buys La Jolla Village corner for high-rise office building

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The 12.41-acre northeast corner of La Jolla Village Drive and Judicial Drive in the University Towne Centre (UTC) area has been sold for \$25.5 million.

The buyer was La Jolla Hines LLC, 18301 Von Karman Ave., Suite 330, Irvine 92612. The buyer is a unit of Hines, a privately owned real estate firm that announced it intended to develop a high-rise landmark office building on three acres with construction to begin in the third quarter 2006.

The seller of the property (assessor's parcel 345-250-01 through 05) was Makallon La Jolla Properties LLC, a unit of Makar Properties.

Buchanan Street Partners advised both seller and buyer in the transaction and will be providing capital structuring advisory services to Hines on the project.

In 2002, Makallon subdivided the property into six lots from 0.87 to 5.17 acres called La Jolla Commons. Five of the lots were just sold to Hines and the sixth lot of 2.02 acres was sold to CarrAmerica Realty in July 2003.

The office tower is one part of La Jolla Commons, a mixed-use campus that also incorporates high-rise hotel and condominium components in a campus-style setting.

Hines said its new development will be the first high-rise office building built in the UTC submarket since 1991.

The luxury hotel and luxury high-rise condominium are to be developed by Makar.

Hines has offices in 64 U.S. cities and 14 foreign countries, and controlled assets valued at approximately \$11.7 billion.

Recent Hines acquisitions here include downtown San Diego 22-story office building Golden Eagle Plaza last summer for \$116.8 million, or \$273 per square foot. The buyer was announced as a subsidiary of Hines-Sumisei US Core Office Fund. Golden Eagle Plaza had been sold just over a year before at a value of \$96 million, or \$224 per square foot.

Last fall, an investment partnership of Hines and the California Public Employees' Retirement System acquired Pacific Plaza, a three-building, 220,000-square-foot, Class A office campus in the Del Mar Heights/Torrey Hills submarket at 10935, 10945 and 10955 Vista Sorrento Parkway for \$84,772,000. Hines was also the development manager for the master planning, design and construction of Petco Park and currently provides engineering management services to the ballpark.