

L.A. investor buying into Mid-Market renaissance

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Los Angeles-based Laurus Corp. is the latest investor to reach for a piece of the promising Mid-Market renaissance, paying \$27 million for the current PUC headquarters building at 1145-1155 Market St.

The \$193 million-a-square-foot investment comes at a time when private capital is flocking to the Mid-Market neighborhood. Earlier this year, [Shorenstein Properties](#) paid \$110 million for 1355 Market St.

[DivcoWest](#) and [TMG Partners](#) recently closed on a \$42 million acquisition of 1285 Market St. New Urban Properties and AvalonBay have recently bought properties in the neighborhood.

The investment is being partly driven by the news earlier this year that Twitter plans establish its headquarters at 1355 Market St. Twitter is taking advantage of a payroll tax break the city implemented in an effort to lure growing tech businesses to the long-depressed stretch of Market Street between Sixth and 10th streets.

"It's an excellent opportunity for Laurus to participate in the Mid-Market resurgence and the location will only improve with time," said **Edward Suharski** of Cassidy Turley, who represented the seller in the transaction.

But at 1145-1155 Market St., Laurus Corp. will have plenty of work to do. The 140,000-square-foot building will be left vacant when the PUC moves into new headquarters next year at 525 Golden Gate Ave. And the Mid-Market/Civic Center submarket has the highest vacancy rate in the San Francisco commercial market, with nearly 45 percent empty space. Between the State Compensation Insurance Fund building at 1275 Market St. and the former California State Automobile Association campus at Van Ness and Market streets, more than 1 million square feet of office space in the area is vacant.

The building last traded in 2005 for \$32 million, or \$230 a square foot, but that was at a time when the PUC was committed to occupying a large percentage of the building.

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