

Souferian Group Scores Major Victory for Experiential Office Model

The investor sells 1800 N. Highland, its Be-branded Hollywood office complex, for a near-record breaking price, GlobeSt.com learns EXCLUSIVELY.

By Kelsi Maree Borland | December 18, 2018



<https://images.globest.com/contrib/content/uploads/sites/311/2018/12/Screen-Shot-2018-12-18-at-12.15.52-AM.png>)The Souferian Group has sold 1800 N.

Highland, a 92,000-square-foot office complex in Hollywood, for a near-record breaking price, GlobeSt.com has learned exclusively. Since purchasing the property in 2015, the Souferian Group has executed an extensive renovation and implemented its pioneering office hospitality brand Be—a highly bespoke service-driven office experience—to tremendous success. In addition to being one of few office assets to trade hands in the coveted Hollywood submarket this year, the sale underscores the success of experiential office spaces.

“Our focus has been on experiential real estate, and we have taken a 360-degree approach,” **Behzad Souferian**, founder and CEO of the Souferian Group, tells GlobeSt.com. “As much as we are focused on the economic benefit of this, we are also focused on the marketing, the PR, the messaging to the tenant base and how we are creating a community that is integrated into the tenants’ lifestyles. We are trying to break the mold and open the line of communication with white glove service so that our tenants know how valuable they really are.”



<https://images.globest.com/contrib/content/uploads/sites/311/2018/12/Screen-Shot-2018-12-18-at-12.16.51-AM.png>)The Souferian Group purchased the property in a joint venture with **the Carlyle Group** from **CIM Group** for \$45 million in 2015—

before the Hollywood market really heated up. Souferian declined to comment on the sale price of the property and could not disclose the name of the buyer, but said that he saw tremendous interest in the property from the full swath of capital sources. A combination of market timing along with the organic growth of the Be brand and demand for a service-driven office experience motivated the sale timing. “There are numerous factors that contributed to our decision to sell, one being the natural evolution of the success of the Be brand,” explains Souferian. “Another factor for us was the economic climate for our expansion plans. Be has really resonated with the market and has received a very positive response. The economy from that standpoint is very strong right now, and it has really appreciated the package of offerings that we have brought to the market.”

The Hollywood market has become a well-known territory for unique and quality office assets, and it is filled with forward-thinkers pioneering office concepts, from **WeWork** and **Neuhouse** co-working brands to Kilroy Realty’s Columbia Square redevelopment. Still, Souferian’s Be brand is unique among the pack, fusing the service-driven hospitality akin to fine hotels with highly designed and amenitized class-A office space. “The Hollywood market has evolved tremendously, which I think has resulted in a higher quality of office product and the addition of a lot of new inventory,” adds Souferian. “That can be attributed to major tenants that have now stuck their flag into the Hollywood market. We have really focused on being on the cutting edge and marrying where commercial real estate meets hospitality, and that is really what we believe our value proposition is. Our tenants are the most valuable asset in the market for us, and our focus has always been to tend to their needs.”

Souferian plans to reinvest the proceeds from the sale of 1800 N. Highland back into the Be brand, which he will ultimately expand nationally. At the moment, he is eyeing major urban cities on the West Coast along with New York, Miami and Chicago for that expansion. “We are planning on reinvesting in the Be brand, and continuing on this growth trajectory,” he says. “We are also focusing back into the Hollywood market and looking for more opportunities there as well.” This expansion

will be realized as a combination of owner partnerships, where Souferian will essentially operate through a hospitality management model to add value to an existing portfolio of assets, as well as through asset acquisitions.

While the Be brand has certainly showed that it improves both employee retention—a draw for office users—and, as a result, tenant retention and rental rates—a draw for owners, the model has also realized incredible returns for investors as well as tremendous investor demand. It is a concept that is positioned for both longevity and, now, profitability as well. “It doesn’t matter what point in the cycle that you are,” says Souferian. “We have created a brand and brand standards, and we are trying to find properties that meet the checklist of things that we are looking for. We are not driven by the cycle but by the opportunity.”