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Runyon Invests in Hayden Tract

By [Kelsi Maree Borland](#) | Los Angeles

CULVER CITY, CA—**Runyon Group** has purchased a 29,357-square-foot industrial property in the **Hayden Tract** neighborhood of Culver City with plans to reposition the space into a **creative office** building. To purchase the property and for a portion of the renovations, Runyon secured \$13.3 million in financing, GlobeSt.com has learned exclusively. The purchase price for the property was not disclosed, but sources unrelated to the deal say that Runyon purchased the property for approximately \$15 million. The repositioning project will be completed in spring 2016.

“Runyon was seeking a high LTC, low rate loan to finance the acquisition and renovation of the Book Bindery site,” **Mike Yim**, a managing director at **Quantum Capital**, tells GlobeSt.com. “The loan we secured for Runyon met all of their requirements; it provided the funds required to purchase the property along with the capital needed to renovate the one-acre site. A 72% LTC loan is extremely aggressive for a speculative project intended for creative office use.” Yim and his colleague **Jonathan Hakakha**, a managing director at Quantum Capital, secured the funds on behalf of Runyon.

The Hayden Tract is one of the **hottest markets for creative office** adaptive reuse. Runyon plans to build out the space with 22,000 square feet of creative office, 5,000 square feet of retail and an outdoor courtyard. The two-building property was built in the 1950s and was originally used as a book bindery for the **University of California**. Since 2010, the property has been used as a private event space. Runyon has another creative office development—a 72,000-square-foot site called **the Platform**—adjacent to this site. That project is expected to be completed in the fall of this year.

Although this area of Culver City is becoming a hotpot for creative office conversion, Quantum did have some challenges securing the financing for the purchase and the renovations. “The challenge of this transaction was identifying a lender willing to offer a 70%-plus LTC loan for speculative creative office with no pre-leasing,” adds Yim. “The loan process went smoothly. Any concerns with the real estate and business plan were addressed prior to the issuance of a term sheet.”