

# GOOGLE WILL LEASE ALL OF MASSIVE WESTSIDE PAVILION AMID REDEVELOPMENT

*Tech Giant Could Shake Local Office Market When Moves Into Hudson Pacific Properties And Macerich's Former Shopping Mall, Renamed One Westside*

## THE REAL DEAL

LOS ANGELES REAL ESTATE NEWS

By Dennis Lynch | January 08, 2019 08:15AM



*The Westside Pavillion before renovations (Credit: Google and Macerich)*

Google is gobbling up even more space in Los Angeles.

The search engine giant will lease the entirety of Hudson Pacific Properties and Macerich's Westside Pavilion creative office redevelopment.

Google will take all 584,000 square feet of the former shopping mall that HPP and Macerich are transforming into Class A office space, HPP announced Tuesday, confirming a long-whispered industry rumor.

The companies also revealed a new name for the former mall: One Westside.

The lease term is 14 years and will start when the redevelopment is complete, currently slated for 2022. Google's entrance into an otherwise small submarket sandwiched between Santa Monica, Culver City, and Century City will likely send real estate prices up, experts said.

At this time last year, Google leased just 100,000 square feet of office space in Santa Monica. In October, it moved into it a 450,000-square-foot Spruce Goose hangar in Playa Vista.

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Google's also expanding in New York. In November, *The Real Deal* reported that the tech giant was nearing a deal to buy or lease the 1.3 million-square-foot St. John's Terminal project from Oxford Properties Group. It has expanded into and acquired other offices around the city too, including at Pier 57 and Chelsea Market, which it bought for \$2.4 billion.

And in Chicago, Google signed a lease in October for 132,000 square feet in a Fulton Market office tower being built by developer Sterling Bay.



The all-skylight roof of the Westside Pavilion (Credit: Flickr)

For the Westside Pavilion conversion project, Macerich and HPP partnered up in March. The conversion is expected to cost around \$475 million to complete, mostly paid for by HPP.

Gensler is designing the new office space, which will update the mall's dated interiors but take advantage of the existing layout, skylights and atrium at the aging shopping mall. It includes adding folding glass walls and a rooftop garden. Office floor plates are as large as 150,000 square feet.

Westside Pavilion's successful pivot to creative office could show the way for more landlords of large, aging retail spaces to follow suit. Some already have their own redevelopment plans. Seritage Growth Properties and Invesco Real Estate are redeveloping the historic Sears department store in Downtown Santa Monica into a creative office space.