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Italian Investor Welcomes L.A. Building to Its 'Iconic' Portfolio



David Ramirez

Sorgente has acquired L.A.'s Fine Arts Building for \$28.5 million.

Many successful real-estate investors acquire a property, renovate it, then sell it off as fast as the market allows. For Sorgente Group of America, a subsidiary of a Rome-based investment firm, the strategy is about collecting architecturally interesting trophy assets and treating them like family heirlooms.

"My job is to hunt for iconic properties in New York City, Chicago, San Francisco and Boston," says Veronica Mainetti, president of the company's U.S. office.

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The daughter of the parent company's chief executive officer, she says they look for buildings that produce income and will stand the test of time. "We look to hold onto them for the long-term," Ms. Mainetti says.



David Ramirez

The interior of the Fine Arts Building.

Her latest showpiece is the Fine Arts Building in Los Angeles, which Sorgente acquired this week for \$28.5 million. The 12-story office building was completed in 1926 in the Romanesque Revival style, and restored in 1983.

The two-story landmarked lobby was fashioned after a Spanish courtyard, constructed in tile and terra cotta to resemble stone. The street entrance is marked by a Romanesque arch decorated with gargoyles. Sculptured figures dance at the top.

"It's a beauty," Ms. Mainetti says. "All we need to do is maintain it."

Until this acquisition, Sorgente had focused primarily on Manhattan. It holds a majority interest in the storied Flatiron building that Ms. Mainetti says her firm may convert to a hotel after the final tenant's lease expires in 2018.

Sorgente also bought two buildings on Greene Street in Manhattan's SoHo district that the firm converted to high-end condos that recently sold out. The penthouse and two adjoining units went this year for \$19 million. Ms. Mainetti says her firm is currently renovating three cast-iron buildings in TriBeCa, two of which will be sold as condos and one as an office.



Veronica Mainetti

Veronica Mainetti, president of Sorgente's U.S. office, says her job is to 'hunt for iconic properties' around the U.S.

Her most famous piece of real estate was a roughly 25% stake in the Chrysler Building, which Sorgente bought for about \$45 million in 2005.

But rather than tuck it into the family portfolio, Sorgente sold it three years later to an Abu Dhabi government fund for triple what it paid, Ms. Mainetti says. Even beauty has its price.