

Howard Hughes Spruce Goose Hangar Part of Project Put on Market

By Daniel Taub

Dec. 9 (Bloomberg) -- The hangar where **Howard Hughes** built his Spruce Goose airplane and scenes from "Titanic" were shot is part of a 56-acre industrial, office and film-production property in Los Angeles being put up for sale by its receiver.

CB Richard Ellis Group Inc., based in Los Angeles, was hired to broker the sale, distressed-property manager Trigild said today in a statement. The property, with an industrial building, four bungalows and 10 historic structures that Hughes built, is encumbered by a \$155 million loan on which Walton Street Capital LLC and Tishman Speyer Properties LP defaulted.

The property is part of the Playa Vista development in West Los Angeles, which sits on land once owned by the Hughes Aircraft Co. The portion in receivership has 575,000 square feet (53,400 square meters) of space and entitlements for 1.88 million square feet of office space, movie-production support facilities and sound stages, San Diego-based Trigild said.

Tishman Speyer, based in New York, and Chicago-based Walton Street bought the Campus at Playa Vista at the top of the U.S. real estate market in 2007. KeyBank National Association sued to foreclose against limited partnerships controlling the property, according to an Oct. 20 complaint. The site is connected to a 1,000-acre residential-and-retail development.

The hangar where Hughes built the H-4 Hercules flying boat, nicknamed the Spruce Goose, in the late 1940s has been used more recently as a soundstage for shooting movies including the 1997 epic "Titanic."

Not included in the planned sale are four office buildings recently completed by Tishman Speyer and Walton Street, both closely held, and 15 acres owned by Lincoln Property Development Co. Those properties aren't in receivership.

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