DOWNTOWN Los Angeles has been undergoing a metamorphosis as billions of dollars in private investment have been fueling a major economic revitalization.

In recent years, the region has seen an explosion of residential building that has made downtown a vibrant 24/7 center of activity. Two privately funded billion dollar developments have played a large role in helping to reinvent the area. LA LIVE is a vast complex incorporating major entertainment venues, a 1,000-room convention hotel along with luxury residences, restaurants, and clubs. Meanwhile, Grand Avenue, on Bunker Hill, incorporates 400,000 square feet of retail space, a 16-acre park, residential units, and a luxury hotel. Plus, the Frank Gehry-designed Disney Concert Hall, the Music Center, and new Nokia Theatre make Central Los Angeles the cultural and events center of the region.

Located just three miles south of downtown, the University of Southern California is one of the world's leading private research institutions and consistently enrolls more international students than any other U.S. university. USC, the largest private employer in the City of Los Angeles, and the County of Los Angeles are planning a world-class biomedical research park adjacent to the USC’s Health Science Campus located east of Downtown.

Beyond the tall towers, Downtown offers several vibrant areas of industrial activity including the Flower and Produce Districts, important hubs for the fresh flower and produce trades; the Fashion District, where many top designer brand clothes such as American Apparel and Forever 21 are manufactured; the Toy District, a key design and distribution center for toys; and the Jewelry District, the West Coast center for production, wholesaling, and retailing of precious metals, gems, and stones.

Local Government & Business
As the economic and financial hub of the West Coast, the Central Business District hosts the region’s top professional services firms including banking, law, accounting, insurance, architecture, engineering, and consulting. Businesses in this region are served by organizations such as the Central City Association. CCA, in conjunction with the Downtown Center Business Improvement District (DCBID), has led the Downtown Los Angeles renaissance since its inception, advocating for legislative initiatives that promote development and investment in the city center. CCA’s advocacy in favor of the adaptive reuse of Downtown’s historic buildings sparked the revitalization of our city center. The result has been the creation of thousands of new housing units and a tripling of Downtown’s population in the past decade. Together, CCA and the DCBID have successfully transformed Downtown’s once-forgotten streets into a 24-hour neighborhood that boasts top cultural and entertainment destinations, culinary hotspots and a dynamic residential community.

More, perhaps than ever before, Downtown LA is a fabulous place to work and live!

Information for this article was provided by the Los Angeles County Economic Development Corporation.

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DOWNTOWN DEVELOPMENT

Downtown Development: What’s Driving the Boom ... and What’s Next

A ROUNDTABLE DISCUSSION

Lewis C. Horne
President, Greater Los Angeles and Orange County Region

The Los Angeles Business Journal sat down with Lewis C. Horne, President of the Greater Los Angeles and Orange County Region for CBRE and Chairman of the Los Angeles Economic Development Council (LAEDC), to talk about what’s driving the Downtown LA market today and what the future looks like for this booming market. He was joined by several CBRE Downtown LA market experts who shared their insights into the market including Downtown development expert Phillip Sample; retail experts Richard Rizika and Scott Kaplan; multi-family expert Brad McCarthy; office leasing expert John Zanetos; and industrial expert Brandon Gill.

◆ Downtown LA is firing on all cylinders and the speed of transformation is incredible. Lew, give us your take on what’s driving all of the interest in Downtown today.

HORNE: All over the world there’s been an urban shift, a surge of residents moving to the core of major cities. This is occurring in all major cities, but it’s happening faster in downtown LA than anywhere else. And what better place to invest? This is one of the most recognized cities in the world, it’s the safest place on the earth to invest right now, and one of the most recognized cities in the world, it’s incredible, historic architecture. There’s a tremendous amount of redevelopment happening – thanks to the adaptive re-use ordinance, these buildings are now not only considered relevant by the investment community, but they are also in high demand.

◆ CBRE has gotten a lot of attention for its new global corporate headquarters in Downtown LA. Why did the company choose to locate here?

HORNE: CBRE truly believes in downtown LA – we’ve relocated our global corporate headquarters to the heart of the city. We’ve invested here and our people are actively guiding the city into the next millennium. It’s incredible to see how every aspect of the market is connected right now and moving in the same direction – it’s not just one sector driving this transformation. Today, residential, retail, office, hotel and industrial are all integrated and driving the investment surge here. We’re thrilled to be part of it.

◆ Phillip, you advise clients in Downtown LA on ground-up developments as well as conversions, especially regarding creative space. How is the Downtown core being defined today and what are the trends you’re seeing in this segment of the market?

SAMPLE: In the next few months we’ll announce details about a well-known company moving to Downtown that will occupy 400,000 square feet. This is significant as it will prove that Downtown is now competing head-to-head with Westside creative markets, which has never been the case before. This move will single-handedly shift the downtown market fundamentals. This major tenant will bring 3,500 employees alone and these employees will need to live somewhere. We’re seeing a cycle where the office sector is driving the residential market and the residential market is driving the office sector. There are 4,542 residential units under construction and a total of 15,966 planned, so the influx of highly-educated workers will continue to fuel the office and residential market for years to come.

◆ That will be a very interesting project to watch. Can you give us some insight on where values are headed?

HORNE: CBRE has gotten a lot of attention for its new global corporate headquarters in Downtown LA – we’ve relocated our global corporate headquarters to the heart of the city. We’ve invested here and our people are actively guiding the city into the next millennium. It’s incredible to see how every aspect of the market is connected right now and moving in the same direction – it’s not just one sector driving this transformation. Today, residential, retail, office, hotel and industrial are all integrated and driving the investment surge here. We’re thrilled to be part of it.

◆ You recently announced a buyer for the historic Broadway Trade Center, and the redevelopment of the project is being talked about as a game changer for Downtown. Can you tell us a little about that and what we might see happen there?

SAMPLE: In the last twelve months we’ve seen values jump up to as much as 40% in select places. Today, creative office tenants are looking at paying as much, if not more, than a high-rise tenant and buyers are now viewing creative spaces as long-term, stabilized assets and they believe their investments will continue to grow. We think values will go up another $50 per square foot in the next nine months - that’s on top of the increases we already experienced in some recent sales. These are unprecedented levels, and the surge is largely due to the short supply and high demand of office space, especially creative.

Continued on page 18
CBRE KNOWS DOWNTOWN LA

All over the world, there’s an urban shift underway. There’s a surge of residents moving to the core of major cities, and it’s happening in Downtown LA faster than anywhere else.

We believe in Downtown LA and we’re invested here. We’ve relocated our global corporate headquarters to the heart of the city, and through our work advising developers, investors and tenants on the transformative dynamics of this fast-changing market, our real estate experts are helping to shape the future of Downtown LA.

For more information, please contact:
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DOWNTOWN DEVELOPMENT

‘Today, residential, retail, office, hotel and industrial are all integrated and driving the investment surge here. We’re thrilled to be part of it.’

LEWIS C. HORNE

‘The surge is largely due to the short supply and high demand of office space, especially creative.’

PHILLIP SAMPLE

‘There’s commonality when it comes to renewed interest in Downtown – tenants of all shapes and sizes want to be here.’

JOHN ZANETOS

‘Urbanization is the primary trend driving the market... driven in large part by Millennials wanting to live in urban metro areas with walkable amenities and an interesting social environment.’

BRAD MCCARTHY

◆◆

John, you focus on leasing high-rise building and creative office space in the core of downtown LA as well as the Arts District. What kind of tenant demand are you seeing for these distinctly different types of office space in Downtown LA?

ZANETOS: Working both the high-rise market and the retail market, I have a wide lens when it comes to tenant activity in Downtown LA. On Wednesday, you might see me wearing a suit as I tour clients through a high-rise building in the Financial District, and on Thursday, I’ll be walking the Arts District with clients in an open closet discussion covering creative office opportunities. There’s definitely a difference in the tenant base for these properties, but there’s commonality when it comes to renewed interest in Downtown – tenants of all shapes and sizes want to be here.

◆ Where is the tenant activity coming from?

ZANETOS: The technology, entertainment and design sectors – which I refer to as “TED” – have exponentially grown recently. The statistics are already blowing us away, especially in the fashion sector which is already huge and continuing to grow. On the heels of last year’s Splendid/Ellas Moss 80,000 square foot lease at Alameda Square, the California Fashion Association and CIF just released the Fashion Industry Profile and 2014 Outlook where Los Angeles was named as the number one city for fashion jobs in the U.S. surpassing New York for the first time. This is another indicator that Downtown LA is truly emerging as a hub for “TED” companies, most of which prefer creative office spaces.

◆ What’s behind this increasing demand from tech, entertainment and design companies?

ZANETOS: These tenants are growing for a number of reasons, the first of which is that they’re attracted to the tremendous residential and retail influx. Traditionally, the office sector has led the recovery of major downtown markets, but in Downtown LA, the office sector is actually the last chapter of the book to be written.

◆ That’s an interesting observation. How are residential and retail growth changing how office tenants view this market today?

ZANETOS: Lifestyle – amenities, entertainment and residential – are leading the urbanization of Downtown LA, and as more and more people want to be Downtown, we’re seeing companies looking to tap into the prime talent pool that is now here.

Downtown Los Angeles has some of the best schools in the United States – USC’s film school, architecture school, and the Institute of Design and Visual Edinburgh (FDI), Otis College of Art and Design, and the Southern California Institute of Architecture (SCI-Arc) are all in LA, which means we have a highly-educated pool of talent here. Recent studies have shown that the average resident of downtown LA is in the mid-30’s in age, with an income of $89,000 (well above the California average), is highly educated and is in a prime position in his or her career. These demographics are attractive for businesses looking to grow.

◆ How are investors and landlords responding to the increasing demand from tenants in Downtown LA?

ZANETOS: Our client, CPM, just acquired 350 Grand Ave – formerly known as Two Cal Plaza – which is one of the tallest high-rise buildings in downtown. What’s interesting is that CPM’s investment roots are in retail and Hollywood – large deals in office buildings. They acquired it with the intent to use their expertise to reposition the asset to attract traditional and creative office tenants. This is fundamentally what’s coming into Los Angeles with a fresh perspective, and we’ll soon see the impact their project will have on the market.

◆ Brad, John made some interesting observations about the role residential demand has played and continues to play in the evolution of Downtown. You work with owners, developers and capital to move multifamily projects forward. What are the trends you’re seeing today in this area?

MCARTHY: Urbanization is the primary trend driving the market. I think this is driven in large part by Millennials wanting to live in urban metro areas with walkable amenities and an interesting social environment. A good percentage of those currently residing in Downtown LA work here, but there’s also a large percentage that actually work outside of the core and choose to live here for the experience. More and more of these residents don’t even own a car and instead, are either walking to their office or taken, transportation or taking advantage of the public transportation system to get to work in other parts of the city.

◆ Over the years there has been a big focus on condos in Downtown, but now it seems like there is an increasing demand for apartments.

MCARTHY: We’re seeing significant demand for apartment units. It’s predominately a renters market; we’re seeing an empowerment of the renter because it gives flexibility. If you buy you’re locked in for a given period of time, but if you rent you have the power of choice. And renters are choosing very high-end, high-ly-finished apartments – they want features like frameless glass showers, relaxing baths, marble countertops, pools and lounges with Wi-Fi, and developers are delivering that type of product today. Not only do residents want a place which is aesthetically pleasing but they also want convenience. Residents today want to be connected to what is important to them. For example, look at the apartment complex under construction on 8th & Grand Ave, that I recently sold on behalf of Astani Enterprises to Carmel Partners for $63 million. This property will include 700 apartment units with a retail component on the first floor that will be home to a Whole Foods Market. Whole Foods is the brand in grocery and they want to be in the “it” place in the market. Their move is a huge vote of confidence in this market, and something that will be a significant draw for tenants. This development is located in the urban core, the heart of South Park downtown LA, where residents can walk one block to the metro or to the Financial District or to the corner where they’ll find dozens of award-winning restaurants on 7th. It’s literally a five minute walk to Staples Center and LA Live, so the convenience can’t be beat.

◆ You were involved in the high-profile sale of the Metropolis site earlier this year. Do you view that as a market changer for Downtown?

MCARTHY: Definitely. We sold this property on behalf of IDS and CalSTRS to Greenpoint, a Shanghai-based investor. Chinese investors have been very active in the South Park capital market here, and with a development cost of about $1 billion, this project – a large, mixed-use, high-rise office building with hotel rooms, retail and hotel components – will be transformational for Downtown LA. It’s a prime example of the attractiveness of Downtown for foreign capital and their commitment to make a major investment here.

◆ Can you share any other examples of interesting residential developments?

MCARTHY: Another really interesting project is the G12 development in South Park on the corner of 12th and Grand Ave, which is a 640-unit apartment development including about 30,000 square feet of retail at the bottom. I recently advised Astani Enterprises in the sale to the Wolff Companies for $45 million. Five years ago, no one thought a project like this would develop in this neighborhood, and now it’s considered a Class A location in a highly desirable area. As the north side of South Park progressed, demand pushed several blocks south to the area. There’s a high-rise hotel planned across the street, a project to three of the highest-priced condominium towers in Downtown and there are plans for additional capital projects in the neighborhood. The neighborhood has transitioned from good to great in a very short amount of time – it’s been fascinating to watch and to be part of.

◆ Where do you see pricing headed?

MCARTHY: There has been a lot of talk over the last several years about Downtown LA becoming a 24/7 environment, but five to seven years ago the investment community was taking a wait and see approach. Now it’s here – it’s a reality and investors want in on it now. Three to five years ago land was trading at $300 per square foot and now it’s $550 to $600 per foot. It’s doubled in price in such a short time. There are still opportunities, but not as plentiful as before. I believe that within three to four more years, Downtown LA will feel like a mini-Manhattan, especially in the South Park area. The skyline and the streets will change. Active and pedestrian-friendly streets will create the urban environment we want to see.

◆ Brandon, you advise sellers and buyers of industrial real estate. How is that sector capitalizing on all of the growth in Downtown LA?

GILL: Industrial has definitely gotten in on the action. I find myself selling industrial properties for adaptive reuse and redevelopment projects – it’s a changing market. We’re not just transforming historical industrial buildings into typical industrial spaces, we’re converting these buildings into residential lofts, creative office, boutique hotels and all types of retail.
Did you ever think you would see this kind of activity in the city’s core?

GILL: More than 20 years ago I was a student at USC and I remember when this area was only open 8am to 5pm, Monday through Friday. Now downtown has evolved to a 24/7 environment. Office, residential, and even retail industries are helping to drive the change I’m seeing in the industrial sector. For example, Bon Appétit magazine named Alma in Downtown the “Best New Restaurant of 2013” and the culinary world is saying Downtown LA is where the new talent wants to lay roots. This is all contributing to why notable publications such as GQ Magazine and the Wall Street Journal are identifying Downtown LA as one of the hottest new cities in America. People from all parts of greater Los Angeles are coming here for dining and nightlife, which has made Downtown LA a destination. The urban experience is present and gaining tremendous momentum with 1,710 residential units under construction or planned in the Arts District. In my opinion, Downtown LA is now defining Los Angeles, where before those unfamiliar with the area associated Hollywood, Santa Monica or Beverly Hills as being Los Angeles. All of this may not seem like it mixes at first glance with the industrial sector, but the sudden broad interest in the area is why we’re needing to look at older buildings and decide how they can best be transformed to higher and better uses.

Can you give us an example of an older industrial property that is being redeveloped for a new use?

GILL: The Ford Motor Factory is a great example. It’s a 300,542 square foot, multi-story industrial building that was originally built to manufacture the model-T and more recently, was a warehouse of toys for Imperial Toy. To illustrate the transformation of the Arts District, in July 2008, CBRE leased the Ford Motor Factory for $0.27 per square foot gross to American Apparel. We recently sold the property to Shorenstein – a San Francisco based office investor that is looking to generate approximately $2.50 per square foot, net rent for creative office. Large noteworthy tenants from industry types new to Downtown LA have already expressed interest in Shorenstein’s future project.

Can you describe the user base for these projects?

GILL: The downtown industrial market was historically made up of garment and food related businesses, but now the user base is changing. Tech, PR firms, entertainment companies, other creative industries and eclectic retail are all looking at these projects. We’re seeing new users and industries considering Downtown LA that were unimaginable five years ago.

Retail is one of the most exciting aspects to the evolution of Downtown LA. Scott, you work on retail, mixed-use ground-up developments and adaptive re-use retail projects nationally, and are very active in the Downtown LA market lately. How does Downtown LA compare to other major downtown cores from a retail perspective?

KAPLAN: I’ve worked in 27 states and can...
Continued from page 19

see Downtown LA from a local perspective as well as from a broader perspective. One thing I’ve found to be true anywhere you go: no retail, no people.

Downtown LA is following the gentrification of every major city. Our city is starting to remind me of Chicago, where I lived for 32 years. The movement starts with retail and entertainment pockets such as LA Live, Fig at 7th, and The Bloc. Each district will have its own personality from a retail point of view. For example, look at the Broadway area, an urban area with gritty retailers like Urban, ACNE and Ace Hotel. The retailers want to be in authentic environments and choose their locations carefully. This is validated by the fact that ACNE has six select locations in the world, and they chose Broadway.

◆ There are a number of high-profile retail projects planned or in development. Can you share an example of a project that you think will be particularly transformative for the market?

KAPLAN: The Bloc, which currently is enclosed mall, is a great example of what the future of retail looks like in Downtown LA. By opening it up, it becomes a living, breathing area. They’re being much more selective about who they bring into the neighborhood so that they create a curated experience that suits its open-air, pedestrian-friendly, urban personality. They’re looking at local and national boutique, artisanal retailers, unique restaurants – brands and experiences that have more to offer the consumer.

◆ Richard, you have been very active in bringing national retailers to Downtown L.A., including Target, Smart & Final, and Chase Bank. What’s been the single most important factor that has changed how retailers view Downtown LA?

RIZIKA: As a result of the global recession, many planned, for-sale residential projects in the Downtown core became repurposed to apartments and as a by-product, the mix of residents changed. Apartment dwellers are younger than we initially predicted – they are opting to rent rather than buy and they want more of a seven-day-a-week environment as opposed to just being focused on 9-5, Monday through Friday. Restaurateurs that couldn’t afford or locate opportunities on the Westside of LA were being enticed by landlords in Downtown Los Angeles that could offer attractive economic packages in unique buildings. While LA Live was the first major retail development in Downtown, it was primarily made up of restaurant and entertainment uses. Brookfield’s Fig at 7th project is now providing a mix of specialty retail and restaurants. The Bloc will further provide a mix of restaurants, entertainment and specialty retail. Downtown is evolving to a very unique and hip environment similar to the Meatpacking District in Manhattan or South Beach in Miami.

The momentum is undeniable. In addition to H&M, Zara, Urban Outfitters and others that are opening stores in Downtown, we are working with many national and global retailers that are seeking opportunities throughout Downtown.

◆ Can you describe the atmosphere in Downtown?

RIZIKA: There’s been a return of vibrancy in LA. Downtown is home to multiple professional sports franchises, a sophisticated academic community, and recently we’ve seen a celebration of cultural arts with the opening of new museums and unique architecture – all of this creates an environment where people want to be and stay. Interestingly, this is counter-intuitive to the typical Southern California mindset of wanting to be at the beach. The younger generation is shedding their cars to use mass transit systems, wanting to be green and live a sustainable lifestyle.

◆ What are your predictions for the future?

RIZIKA: More and more people are looking to live and work Downtown. We’re going to see a lot more retail develop whether it be ground-up or adaptive re-use of existing buildings. A big change will be when luxury retailers start hitting Downtown – while Downtown Los Angeles is now considered an emerging market, I would predict that it will be considered a global high street within the next five to ten years. Housing stock will change and the market will offer more family-type housing. New schools for kids will need to be built to accommodate the growth in households. We’re seeing more global interest and soon we’ll see more Asian visitors, brands, and residents.
Bernards, a nationally ranked, award-winning commercial builder headquartered in Los Angeles, has been selected to serve as general contractor for 12th & Olive, a 293-unit mixed-use project located in Downtown Los Angeles’ popular South Park district. This $54 million project will break ground in late May 2014 and is scheduled for completion mid-year 2016.

“South Park is one of the most desirable and active lifestyle districts in Downtown Los Angeles,” said Jeff M. Bernards, senior vice president and project executive, noting that the area encompasses an abundance of attractive retail and entertainment amenities. The South Park neighborhood includes attractions such as the LA Convention Center, “7th Street Restaurant Row,” the Grammy Museum, L.A. Live entertainment complex, and Staples Center – home to the Los Angeles Lakers, Kings and Clippers.

“We are pleased to have been selected to build this mixed-use residential project, which will add retail amenities and increased vitality on the street, aiding in the continued transformation of South Park to a lively urban neighborhood and evolution of Downtown to a true 24-7 market,” added Bernards.

12th & Olive is being developed by The Wolff Company and designed by Los Angeles-based TCA Architects as a mixed-use, 7-story podium building comprised of 293 apartment homes and approximately 17,300 square feet of ground floor retail, with 7,000 square feet of amenity space for its residents, including 24-7 on-site valet and concierge services.

With more than 2,600 urban residential units currently under construction, mixed-use apartments and condominium projects are a specialty of Bernards. The firm recently completed a $105 million, mixed-use project at the intersection of Wilshire Boulevard and La Brea Avenue in the mid-city section of Los Angeles and is under way on One Santa Fe, a $110 million, transit-oriented mixed-use project in the Downtown Los Angeles Arts District. Bernards, which celebrates its 40th anniversary this year, is one of the most active construction firms in the resurgence of Southern California’s multifamily development and has increased its workforce by 10 percent over the past year and a half.

For more information visit http://www.bernards.com/
New Los Angeles Convention Center Hall and Farmers Field Project Signal Great Things for Downtown

L ast year the Cultural Affairs Commission of the City of Los Angeles unanimously approved the final design for the new Los Angeles Convention Center Hall. The commission also approved architectural submissions for Farmers Field and the new adjacent garages to be located on Bond St. and on L.A. LIVE Way. The votes allow the design of the complete project to advance while keeping AEG and the City on-track to break ground on the new Convention Center hall as soon as a long-term lease with an NFL franchise is secured.

“The Cultural Affairs Commission’s approval is the culmination of an extensive collaborative process between AEG and the City of Los Angeles on the design of the new hall,” said Ted Fikre, Vice Chairman and Chief Legal and Development Officer, AEG. “This is another important milestone in our continued efforts to move this project forward; to modernize and increase productivity of the Los Angeles Convention Center and bring the NFL back to Los Angeles.”

Under the City process, major projects on City owned property such as the new Los Angeles Convention Center Hall and Farmers Field are reviewed by the Commission at several stages along the way and at each stage the Commission has approved the design. During the hearing, members of the Commission paid special attention to how the design strengthens the visitor experience and to the exteriors of the parking garages as well as with their innovative use of materials and lighting.

The Cultural Affairs Commission with its seven members appointed by the Mayor is charged with design review for buildings constructed on City property along with its various cultural and arts responsibilities. Here are some additional facts regarding how this project can benefit Los Angeles:

- Economic Boost for All Angelenos

The project would create between 20,000 and 30,000 temporary and permanent living wage and union jobs. Those jobs would be everything from construction and hospitality to stadium operations and convention center event management.

- The Cultural Affairs Commission’s approval is the culmination of an extensive collaborative process between AEG and the City of Los Angeles on the design of the new hall. This is another important milestone in our continued efforts to move this project forward: to modernize and increase productivity of the Los Angeles Convention Center and bring the NFL back to Los Angeles. —TED FIKRE, Vice Chairman and Chief Legal and Development Officer, AEG

A state-of-the-art Farmers Field would allow Los Angeles to attract major events such as the Super Bowl, Pro Bowl, NFL Final Four, Rosebowl, Motor Cross, other collegiate championships and Olympic Games among others.

Smarter Development and Proven Traffic Management

Farmers Field’s location will utilize existing infrastructure and investment already made to service the region. The project is convenient to and accessible by three major metro rail lines (red/purple line, blue line, and exposition line), and further provides connectively to Union station; the remainder of the Metro bus and rail system; and other local and regional transit operators including the 40 bus routes that directly serve the site area.

The project site is also served by more than 20 freeway interchanges and 4 major freeways. The new facilities will continue using the successful traffic and parking model employed by STAPLES Center, L.A. LIVE, and the Los Angeles Convention Center to manage traffic and parking. This is a proven model to accommodate large events.

There are currently approximately 32,000 parking spots within a 15 minute walk of Farmers Field and 10,300 of them are onsite.

A project for downtown Los Angeles was also approved by the Cultural Affairs Commission.

Top-tier Convention Center Right in L.A.’s Downtown

The upgraded convention center with increased exhibition space would propel Los Angeles to #5 in U.S. convention centers compared to #15 now.

An expanded convention center could mean at least 80 annual booked event days in downtown L.A.

The new Event Center would have a total of 1.7 million gross square feet and a roof.

Bigger Entertainment Draw

The complex can serve as the home field for four teams simultaneously.

DOWNTOWN DEVELOPMENT

MEDICAL ASSET MANAGEMENT

Medical Asset Management

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224 units sold
$375,000,000+
in sales

CHANGING THE L.A. REAL ESTATE LANDSCAPE FOREVER

Owned and developed by Olympic & Georgia Partners, LLC, a single purpose entity. The Ritz-Carlton Residences at L.A. Live are not owned, developed, marketed, leased, or sold by The Ritz-Carlton Hotel Company, LLC. "The Ritz-Carlton, L.A. Live" uses The Ritz-Carlton name under license from The Ritz-Carlton Hotel Company, L.L.C., which has not confirmed the accuracy of any of the statements or representations made herein.
Downtown L.A. By the Numbers

31 million sq. ft.
Total inventory of high-rise office buildings

0% 
+3%
 Total sq. ft. of high-rise office properties delivered since 2000

0% 
19.3%
 Total sq. ft. of high-rise currently proposed.

5
 Supply of high-rise product built / renovated since 2000

25 Years between last high-rise office completion (1992) and next scheduled deliver (2017).

11.8%
 Latest high-rise direct vacancy rate, Q1 2014

29%
 Recent historic low high-rise direct vacancy rate Q4 2007

6.3 billion
 Total value of office investments*

$218 million
 Total value of multi-housing investments*

$650 million
 Total value of land investments*

$36 million
 Total value of hotel investments*

6,530 Total current supply of hotel units

3,258 Total units of hotel properties delivered since 2000

1,639 Total hotel units under construction or renovation.

1,263 Total hotel units proposed

14,976 Total multi-housing units currently proposed

18,812 Total units of multi-housing properties delivered since 2000

64% Percentage of total supply built / renovated since 2000

5,169 Total multi-housing units under construction or under renovation

+5% 10-year average annual rent rate trend (average monthly rent)

+5% 10-year average annual hotel rate trend (average daily rate)

+5% 10-year average hotel rate trend (asking average monthly lease rate)

Source: CBRE

MULTI-HOUSING

29,588 Total supply of built multi-family units (current)

11 Size rank of L.A.’s downtown, nationally.

Healthcare Sees Growth Downtown

By JEFFREY D. CUNNINGHAM

There is a revival of healthcare underway in Downtown Los Angeles! In the past 25 years, DTLA has gone through a full cycle and two recessions, but has emerged stronger than ever. Specifically, the healthcare environment has grown substantially. As the increase in employees in DTLA has recovered and the expansion of downtown housing options has continued and now exploded, the demand for quality healthcare services has attracted many new healthcare providers. The rental rates for medical office suites have remained relatively level during the past 25 years while other commercial property sectors have fluctuated dramatically. This rent stability have allowed existing practices to flourish and new medical providers and services to enter the DTLA healthcare marketplace.

Since 1988, Medical Asset Management has been asset managing medical properties in DTLA and has been tracking both the medical tenant profiles as well as interfacing with the hospital C-suite executives to facilitate improving healthcare services and facilities. There are four micro markets surrounding DTLA, including California Hospital Medical Center, Good Samaritan Hospital, St. Vincent Medical Center and White Memorial Medical Center. These hospitals have all been serving DTLA for decades and are thriving in the rebirth of healthcare. For example, in recent years, California Hospital has opened a state of the art Los Angeles Center for Women’s Health, a Cancer Treatment Center, a USC/Eisner family practice internship clinic, a North East Community Center operated California Family Care clinic, a California Kidney Care Center for Dialysis, a Los Angeles Center for Heart Health and the just opened Hope Street Margolis Family Center. California Hospital has also recently brought on board a new President, Margaret R. Peterson, Ph. D., who is bringing her many years of healthcare leadership to the organization. These commitments by Dignity Health at the California Hospital campus to serve the DTLA community are also supported by The California Hospital Medical Center Foundation, headed by Nathan Nusbaum, which has annually sponsored the California Hospital Golf Classic, the Heart of the City 5K and the Le Grande Affaire Black Tie Gala. These events have proven to bring the healthcare community together with Los Angeles business leaders and hospital supporters who continue to improve the health of the community. The future for healthcare in DTLA is as bright as ever.

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