

UNPARALLELED NEIGHBORHOOD. UNMATCHED OPPORTUNITY: EXCEPTIONAL DEVELOPMENT OPPORTUNITY IN DOWNTOWN LOS ANGELES

# 1023, 1029 & 1031 S. GRAND AVENUE

LOS ANGELES, CALIFORNIA 90015



CBRE

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# THE OFFERING

CBRE, Inc. is pleased to present a rare development opportunity to purchase three adjacent parking lots in the South Park district of Downtown Los Angeles. These three contiguous lots comprise of approximately 22,998 square feet, or 0.53 acres, in the heart of Downtown Los Angeles. These parcels are located in the Los Angeles State Enterprise Zone and the Greater Downtown Housing Incentive Area. All parcels are zoned R5-4D-O. Buyer to verify zoning and allowable units with the city.

**Price: Best Offer**





# PROPERTY SUMMARY

# PROPERTY OVERVIEW

1023, 1029 & 1031 South Grand Avenue



	1031 S Grand Ave	1029 S Grand Ave	1023 S Grand Ave	TOTAL SIZE
<b>LAND SQ. FT.*</b>	±7,662 sq. ft.	±4,575 sq. ft.	±10,761 sq. ft.	±22,998 sq. ft.
<b>ZONING</b>	[Q]R5-4D-O	[Q]R5-4D-O	[Q]R5-4D-O	
<b>APN</b>	5139-008-006	5139-008-007	5139-008-008	
<b>FAR**</b>	6:1	6:1	6:1	

\*Per Assessor's Office

\*\*Per City Planning Department

# PROPERTY OVERVIEW

Aerial Photos



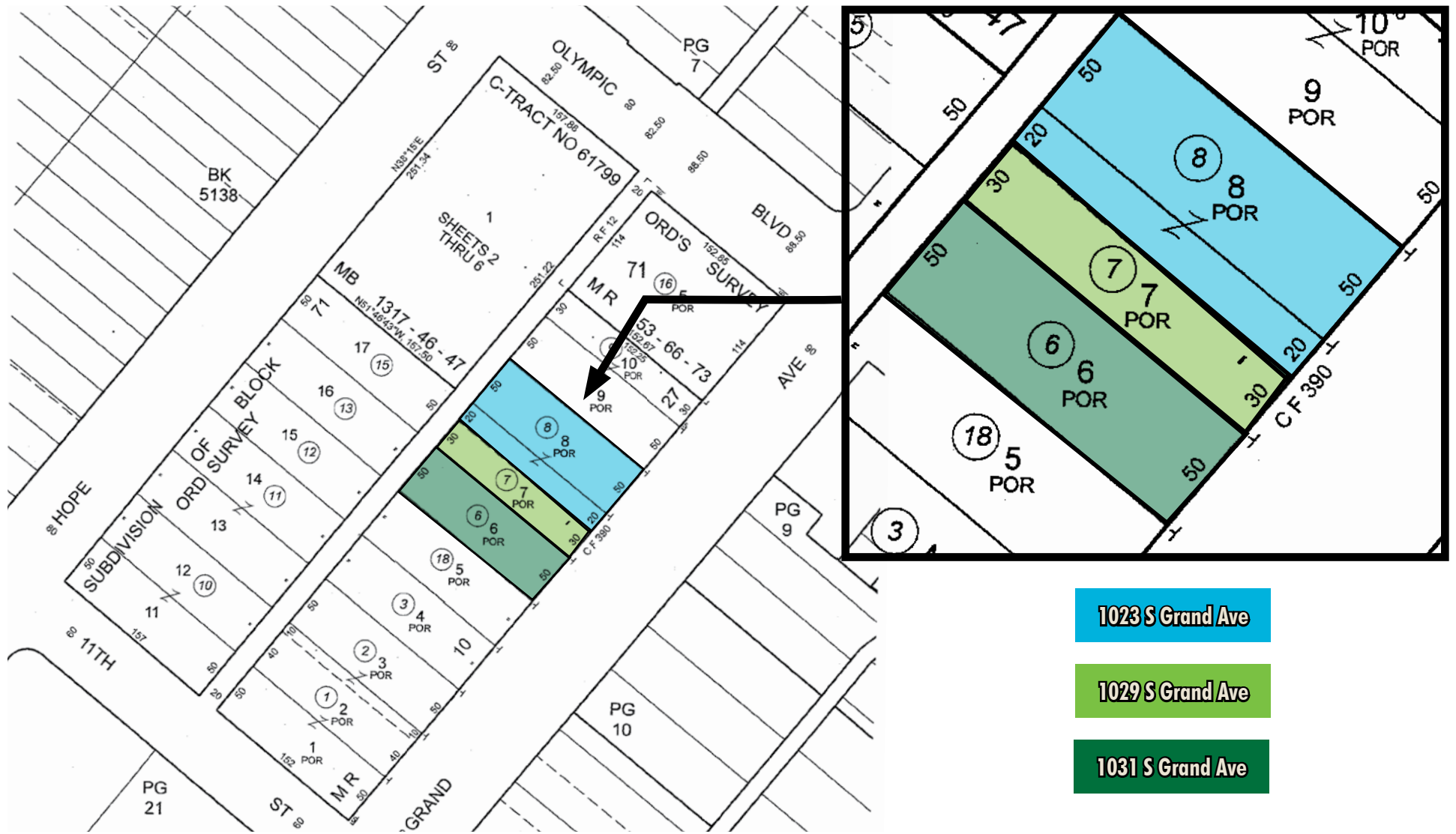
# PROPERTY OVERVIEW

In The Heart of It All



# PARCEL MAP

1023, 1029 & 1031 South Grand Avenue



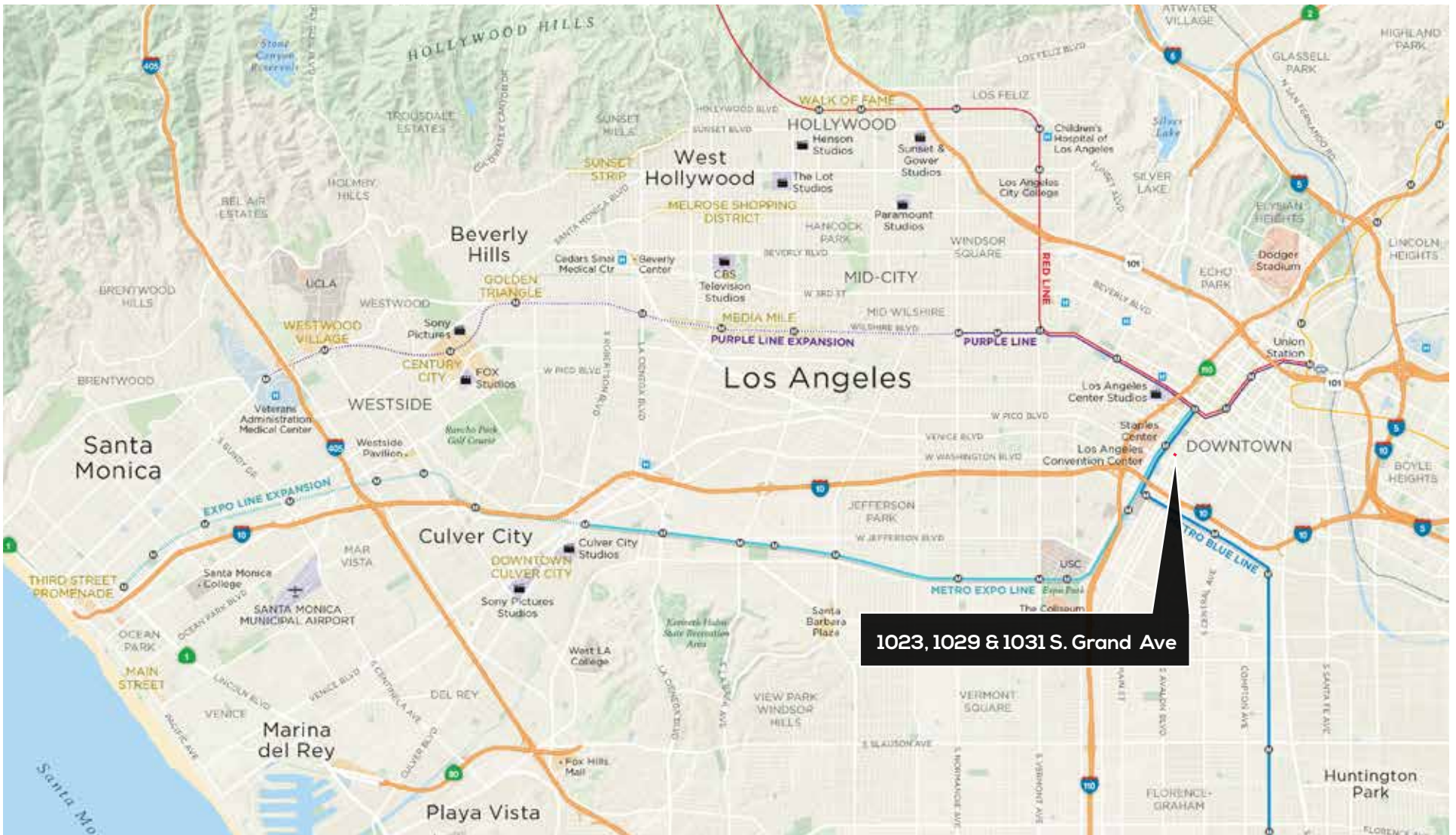
1023 S Grand Ave

1029 S Grand Ave

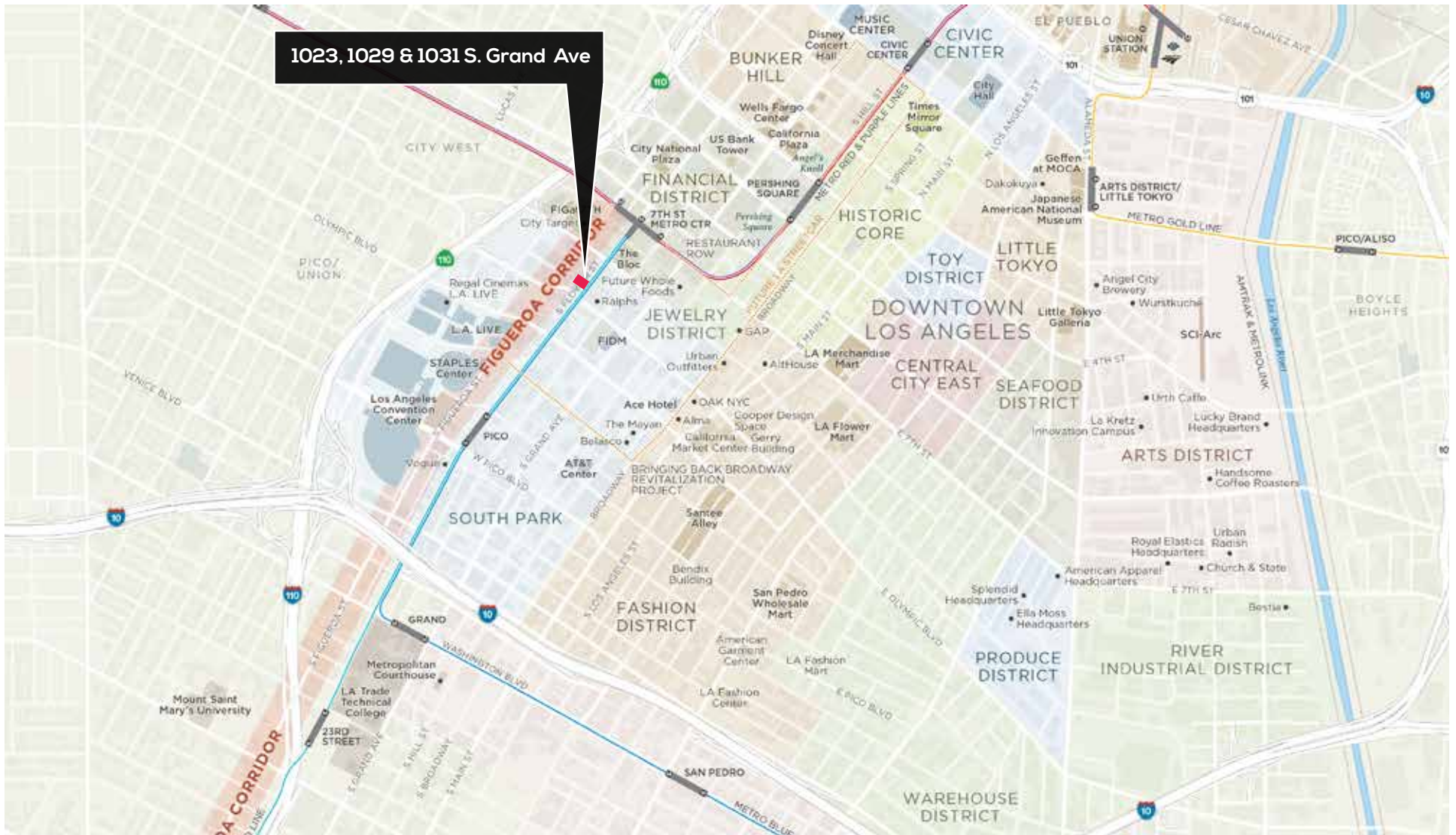
1031 S Grand Ave



# REGIONAL MAP

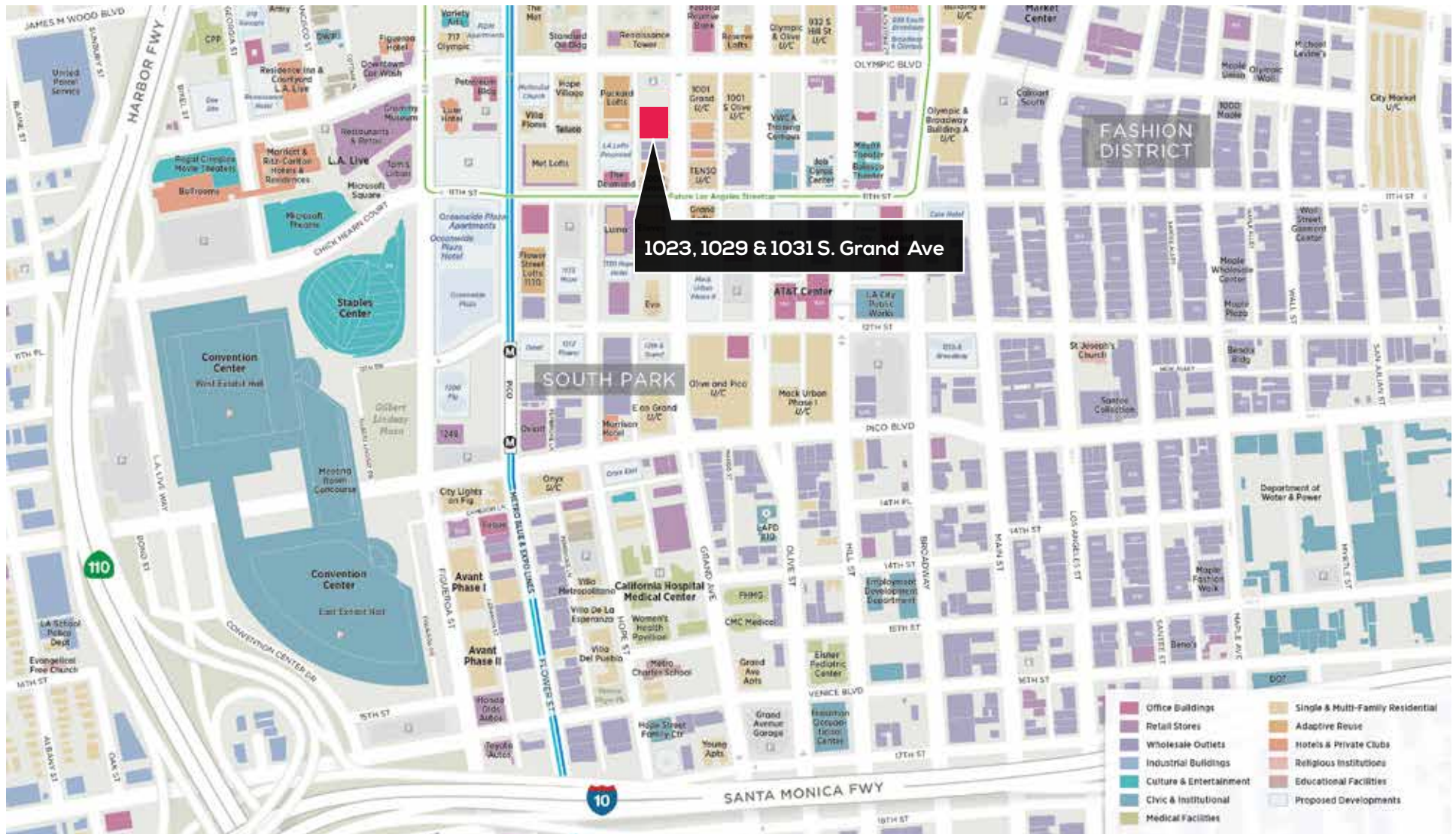


# LOCAL MAP



# LOCAL MAP

A Better Look

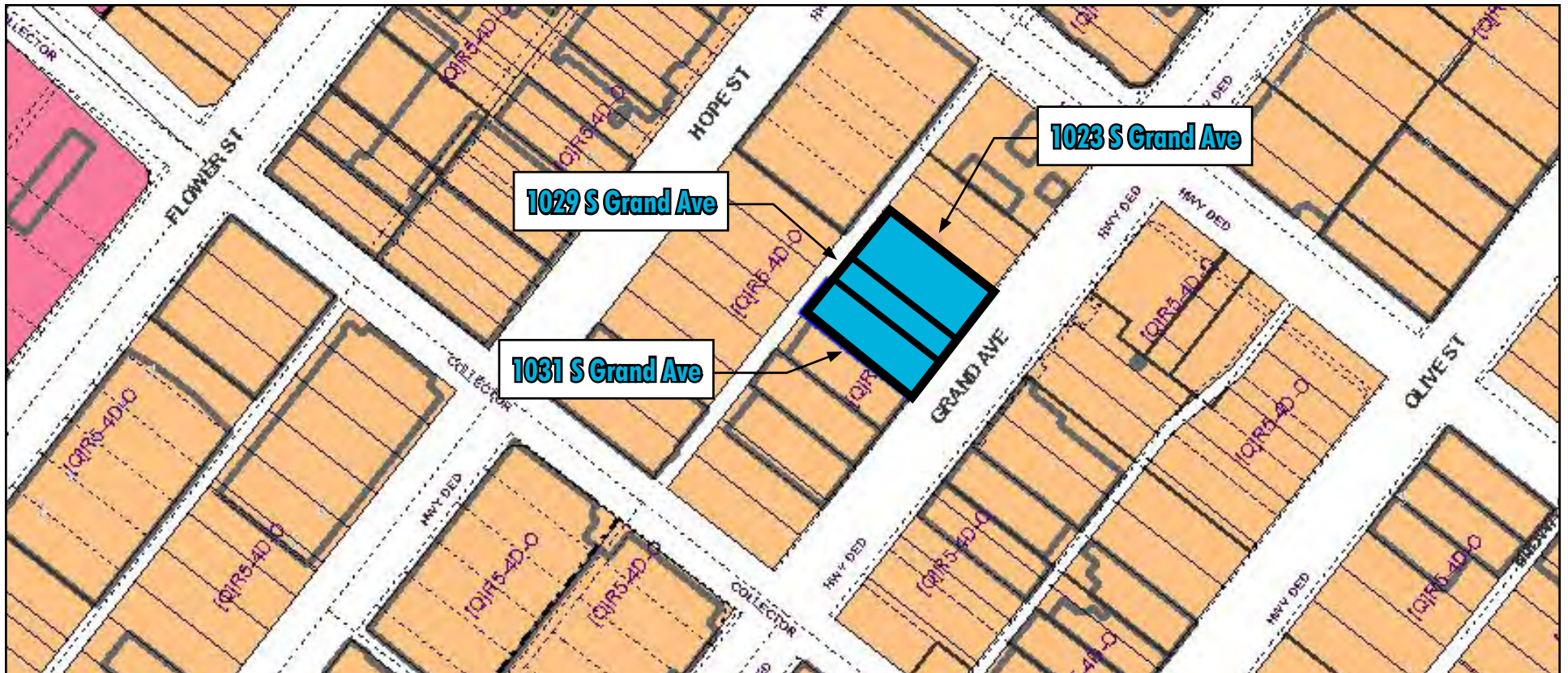


# ZONING

1023, 1029 & 1031 South Grand Avenue

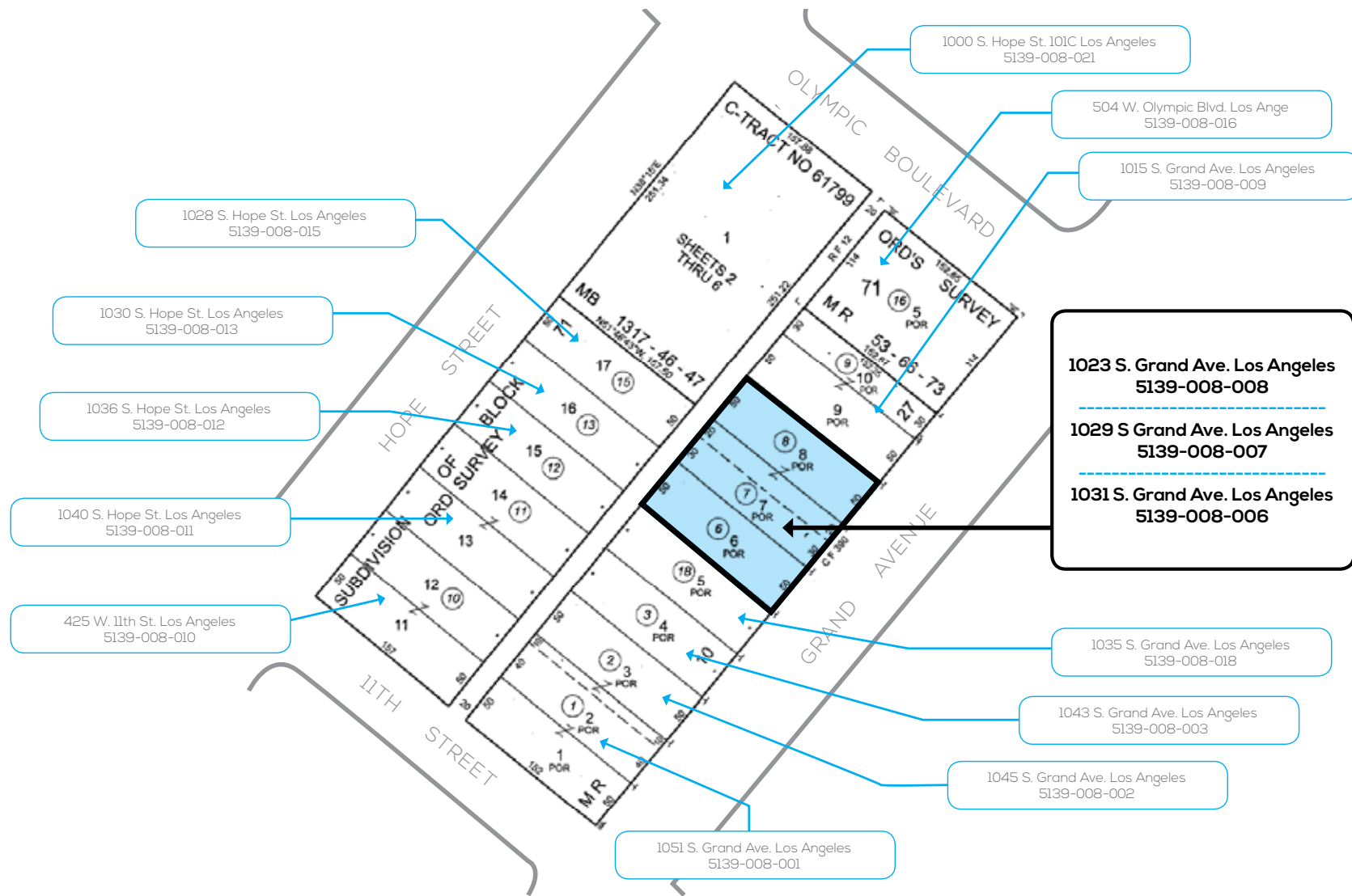
Zoning for all three parcels is [O]R5-4D-O. Per conversation with the City's planning department, the FAR is currently 6:1, which equates to approximately 137,988 buildable square feet. However, Buyer may apply for a Transfer of Floor Area Rights (TFAR), which may increase the buildable square footage of the project to greater than what can be built at a 6:1 FAR. Buyer to clarify the Q and D restriction with the planning department.

All parcels are located in the Los Angeles Enterprise Zone / Employment and Economic Incentive Program Area and in the Greater Downtown Housing Incentive Area. The general plan land use for these parcel is High Density Residential. Buyer to verify number of units to be built with city.



# PARCEL MAP

1023, 1029 & 1031 South Grand Avenue



# PROPERTY HIGHLIGHTS

## STRENGTHS

- With world class shopping, entertainment and dining just steps away, this location places you in the center of Los Angeles's most coveted neighborhoods.
- Rare development opportunity surrounded by high-profile retail and mixed-use development projects, including the New Wilshire Grand Hotel, the Grand Avenue Project and the Metropolis.
- High Rise Residential/ Hotel Land Value Zone R51, Unlimited Height and located in State Enterprise Zone in Greater Downtown house insensitive area

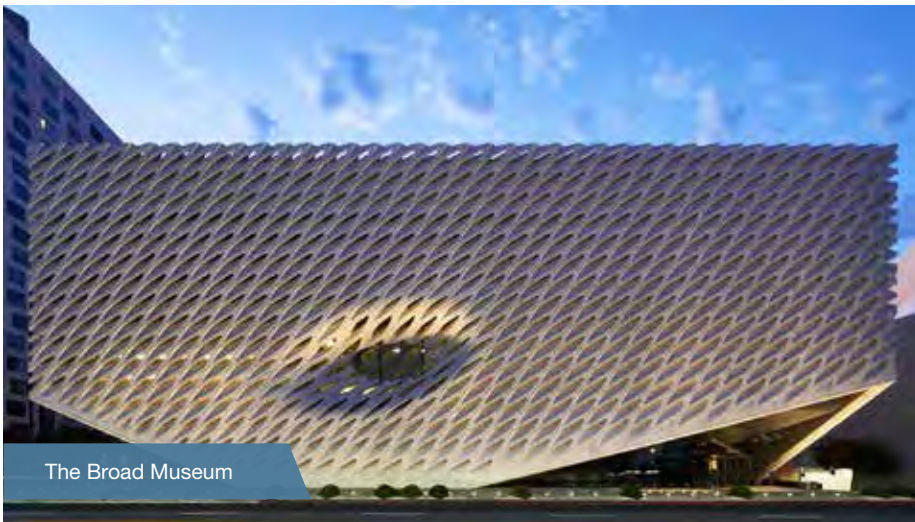


*Take Your Place in a Dynamic and Rapidly Evolving City*

# PROPERTY HIGHLIGHTS



Walt Disney Concert Hall



The Broad Museum

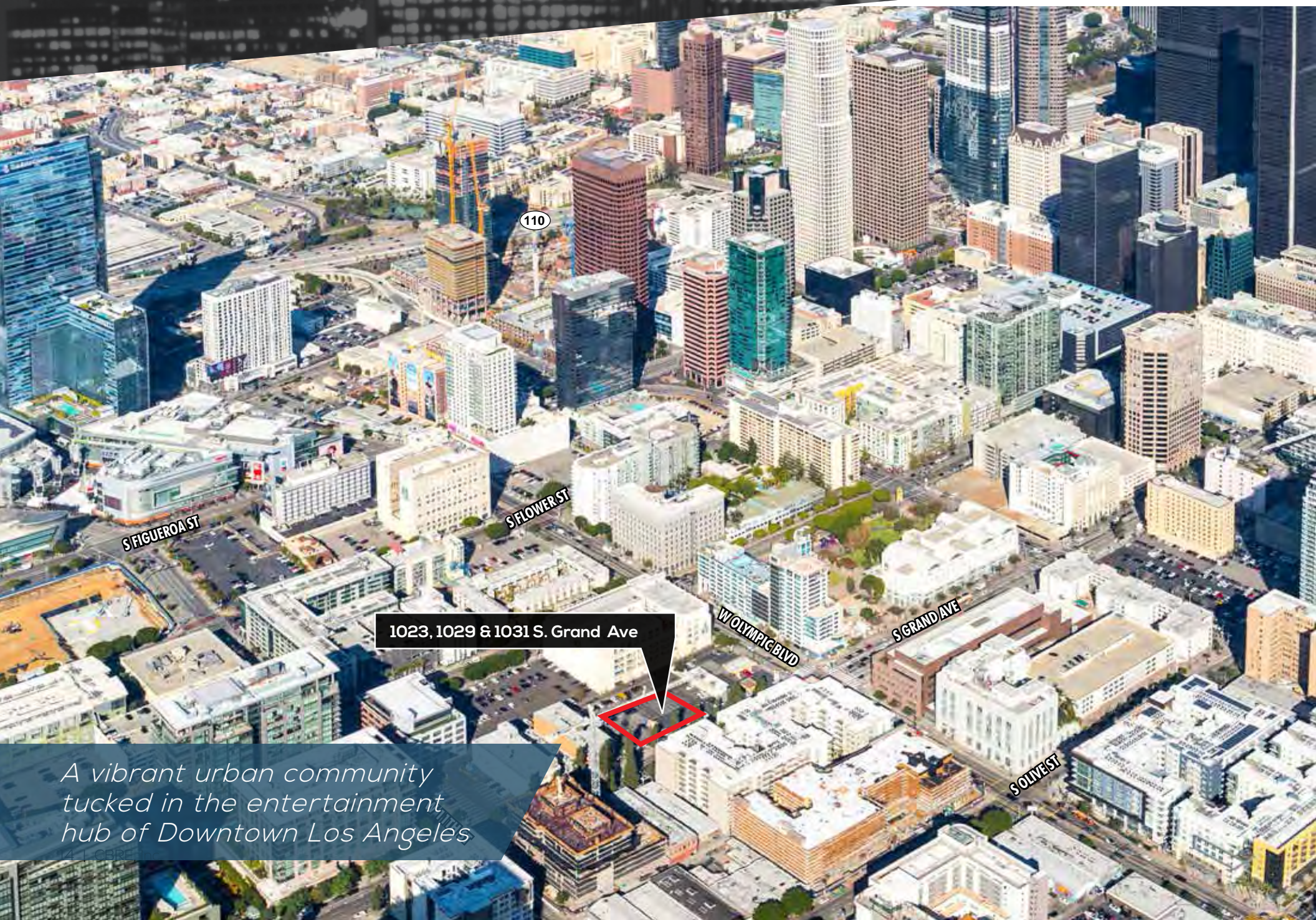
## STRENGTHS

- With the gorgeously conceived Walt Disney Concert Hall, the Mark Taper Theatre and the newly opened 50,000 SF, The Broad- a contemporary art museum housing the art collection of philanthropists Eli and Edythe Broad, Downtown Los Angeles has re-emerged as America's Cultural Capital
- Downtown's thriving and densely populated rental neighborhoods are attracting a successful, hip and educated populous hungry for new developments
- Freeway accessible - fast and direct access to all of Los Angeles County
- Solid Demographics: Average Household income holds at \$67,149 within a 0.5 radius of subject and average home value has soared to over half a million dollars.
- Daytime Employment is 383, 772 within a 3 mile radius

## CONSUME THIS

*Downtown Los Angeles' Thriving and Successful Populous is Ready to Spend Successfully*

# AERIAL MAP



1023, 1029 & 1031 S. Grand Ave

*A vibrant urban community tucked in the entertainment hub of Downtown Los Angeles*





## MARKET OVERVIEW

# MARKET OVERVIEW

## DOWNTOWN LOS ANGELES

Downtown Los Angeles built up around the original settlements in the region, and is naturally its geographic center. It has become one of the most dynamic urban centers in the West and the regional hub of Southern California. It contains the largest concentration of office space and cultural amenities, is the center of an extensive transportation network, and is the focal point for investment capital by public and private sources.

The city's renaissance, which began in the mid-1990s, has accelerated. According to the Downtown Center BID ([DowntownLA.com](http://DowntownLA.com)), investment in Downtown LA from 1999 to 2014 has been approximately \$19.3 billion. Out of this \$19.3 billion investment over the years, \$7.3 billion of it has been in the residential sector. The residential and retail sectors have seen significant growth, which the hotel market continues to expand to meet the demand from over 10 million visitors annually.



*Downtown Los Angeles:  
Local Culture Meets Luxe Style*

## INVESTMENT IN DOWNTOWN LA

Between 1999-2014



TOTAL: **\$19.3** billion

Source: DLTA BID Q3 2015 Market Report



Wilshire Grande Development Project



Metropolis Development Project

# MARKET OVERVIEW

Article

## Los Angeles Mayor Eric Garcetti said Thursday the city is on its way to meeting his goal of producing 100,000 new housing units between 2013 and 2021.

To hit that target, the city needs to build 12,500 units a year. Two years in, the city has permitted nearly 26,000 new housing units, the mayor said at a building industry meeting Thursday. In the last year alone, the city approved \$7 billion in new construction.

"It's not something that people out there will feel overnight, they can't feel it on the street, and in the rents that are still going up, but they will feel it, inevitably," Garcetti told members of the Building Industry Association of Southern California's Los Angeles/Ventura Chapter.

Garcetti said LA's housing affordability crisis is driven by an undersupply of units. He wanted to facilitate more new construction by streamlining the building review process that developers have described as cumbersome and time-consuming.

The city is offering a free "concierge" service that guides developers through layers of review by different departments.

"It's the government equivalent of walking into the Ritz," Garcetti said.

And in 2017, the city will unveil an online portal that'll serve as one-stop shopping for developers, where they can deal with everything from building safety to street lights and sanitation.



*"LA on track to build 100K new homes by 2021, mayor says"*

Derek Leavitt, a principal at Modative, said he was pleased that the mayor was using technology to cut through red tape for developers.

In Leavitt's experience, it averages 18 months of dealing with the city before construction can start.

"If you can speed up that time frame, you can get housing units on the market quicker, hopefully cheaper, which is better for everybody involved," Leavitt said.

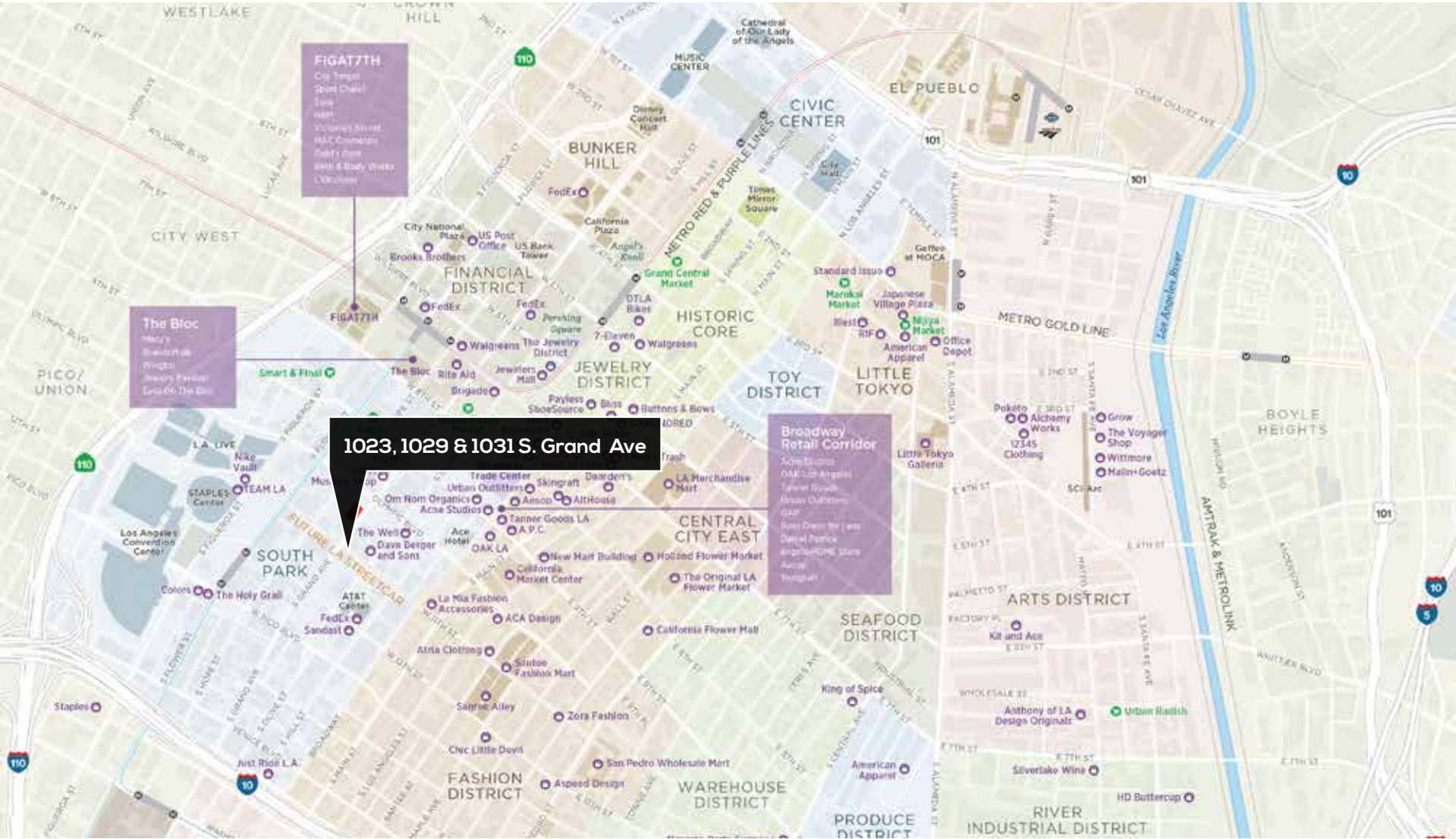
Councilmember Gil Cedillo, who heads the Council's Housing Committee, said he also wanted to encourage housing production by deferring some development fees on residential projects until construction is completed.

"A lot of the fees have to be paid upfront yet they won't get their occupancy for 18 months," Cedillo said. "It's amazing that we even have that practice. You're paying for things way before you're going to get the value."

He's proposed the Department of Building and Safety identify which fees could potentially be deferred.

# MARKET OVERVIEW

## Retail Amenities





# MARKET OVERVIEW

Shopping



**SHOPPING**

- 1 FIGat7th**  
City Target  
Sport Chalet  
Zara  
H&M  
Victoria's Secret  
MAC Cosmetics  
LensCrafters  
Sunglass Hut  
Bath & Body Works  
L'Occitane
- 2 The BLOC (Opening Soon)**  
Macy's (Flagship)  
Alamo Drafthouse Cinema  
BrandsWalk  
Wingtip  
Jewelry Pavilion  
Mr. G Toys  
Eyes On The Bloc
- 3 Broadway Retail Corridor**  
Acne Studios  
A.P.C.  
OAK Los Angeles  
Tanner Goods  
Avson  
Urban Outfitters  
GAP  
Ross, Dress For Less  
angelo:HOME Store  
Daniel Patrick
- 4 Japanese Village**  
Office Depot  
Sanrio  
Jason Markk  
The Hob Nob Shop  
American Apparel  
Aristocrats LA  
Popkiller Second  
ZAKANAKA  
RIP  
No. A Boutique
- 5 3rd Street**  
Poketo  
Alchemy Works  
Apolis: Common Gallery  
Wittmors  
Voyager Shop  
Matteo Arts District Store
- 6 Santee Alley**  
Over 150 apparel stores

**UNDER CONSTRUCTION**

- 1 Metropolis**
- 2 Oceanwide Plaza**
- 3 Broadway Trade Center**
- 4 AT MATEO**
- 5 City Market South**

**Retail Corridor**

# MARKET OVERVIEW

Nearby Grocery Stores





# MARKET OVERVIEW

Access and Transportation



# MARKET OVERVIEW

## Access & Transportation

### Metro

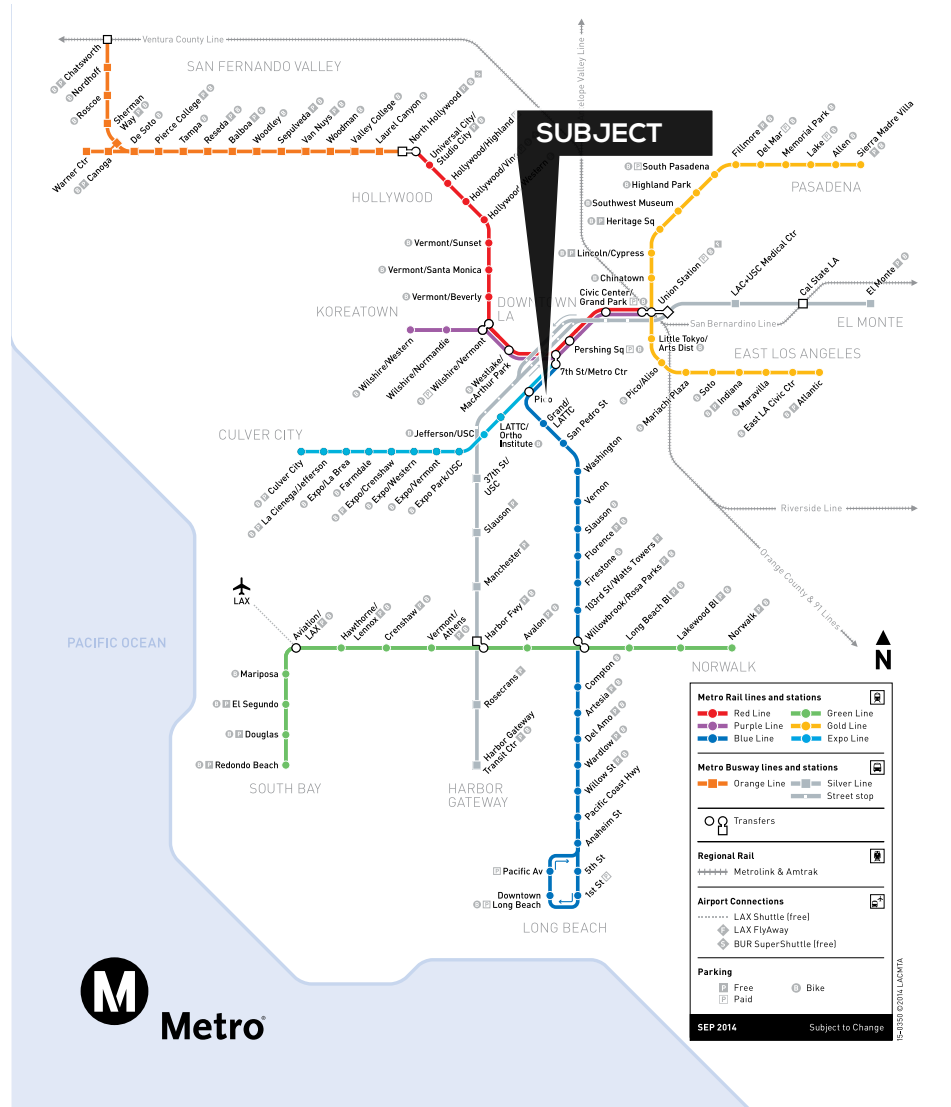
Los Angeles County Metropolitan Transportation Authority (Metro) is unique among the nation's transportation agencies. It serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest, most populous counties. More than 9.6 million people – nearly one-third of California's residents – live, work, and play within its 1,433-square-mile service area.

### Metrolink

Metrolink is a separate agency that operates service on seven regional lines: Ventura County, Antelope Valley, San Bernardino, Riverside, Orange County, Inland Empire-Orange County and 91 Line. Metro operates buses, subway (Red and Purple Lines), and light rail (Blue Line to Long Beach, Green and Gold Lines).

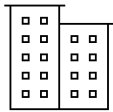
The Metrolink regional rail system includes commuter and other passenger services, linking suburban communities throughout Southern California to employment and activity centers. The system has seven lines, 55 stations and serves over 40,000 passengers daily. Within Downtown Los Angeles, the system operates from Union Station.

*The Metro Pico Station (located near Pico Blvd and Flower St) is 0.4 miles from subject site and the Grand/11th bus is only 200 feet from subject site.*





As of 2015, the residents of DTLA had a median income of \$98,700 and at least 78% had a Bachelor's Degree or higher education level



As of 2015, there are approximately 34,475 residential units in Downtown Los Angeles. A 96.8% apartment occupancy rate has translated to very high demand for future residential product. Over 22,000 residential units are in Downtown Los Angeles' development pipeline



71% of DTLA residents are currently renting their primary resident



26% of DTLA residents earn more than \$150K per year



56% of DTLA residents work in DTLA, with almost 55% in Top Management positions



## Downtown Employees

With over 500,000 employees, the Downtown Los Angeles submarket is wholly under-served by the ±22,200 market-rate residential units (a combination of apartments and condominiums).

## Urban Migration

From 2010 to 2014 Downtown Los Angeles experienced an 8.1% growth in number of households and that number is expected to grow another 8.6% by 2019.

### **HIGHER PAID. BETTER EDUCATED.**

*Downtown Los Angeles new residents demand higher quality and high-end options and have the means to do so.*

\*Source: The Downtown Center Business Improvement District (DCBID) and Nielsen

# MARKET OVERVIEW

## WORLD CLASS DINING. LEGENDARY NIGHTLIFE.



For more than 100 years, Downtown Los Angeles has been at the heart of the city's commercial and financial dealings. Today Downtown remains the major commercial center in Southern California. Its influence now extends well beyond the city limits of Los Angeles as the gateway to the Pacific Rim, Latin America and all major financial markets around the world. With the largest concentration of Class A office towers in the region, Downtown is home to the financial services, legal and insurance industries. Downtown is also home to the Civic Center, which is the largest government office complex outside of Washington DC. One of the key strengths of the Downtown Los Angeles market is the stability it has achieved as it has evolved from a two-sector submarket in the early 1990s dominated by large banks and energy companies to a broader and diverse culture of businesses.

Downtown Los Angeles is the regional hub of Southern California, with the largest concentration of office inventory, an extensive transportation network and cultural amenities; it is also the focal point for investment by the City and private capital sources. In the last decade, over \$15 billion has been invested in major projects located in Downtown. An additional \$3 billion is proposed or currently under construction. The region's transportation systems, all of which are directed Downtown, include one of the most extensive freeway networks in the world, numerous major surface streets, an expanding rail system and three major airports. Businesses and gathering places, catering to a wide variety of tastes, enrich Downtown. Over 200 restaurants (from gourmet to fast food) satisfy every culinary appetite. Numerous retailers, business clubs, health clubs and other amenities also add to the dynamic mix that attracts a diverse, highly educated work force from all over the world. Downtown is home to twenty-five hotels, nine museums and eight performing arts venues.

Downtown is clearly on its way to becoming a "24-hour" city. The addition of thousands of new residential units, combined with several major entertainment and cultural developments and existing amenities give momentum to Downtown as a thriving cultural center. Significant development activity, including Staples Center/LA Live, the Walt Disney Concert Hall, Los Angeles Center Studios, Cathedral of Our Lady of the Angels and expansion of the Metro system, will continue to enhance Downtown Los Angeles. Downtown has become a confluence of arts-oriented schools, including the Colburn School of Performing Arts, the Southern California Institute of Architecture (SCI-Arc) and the Fashion Institute of Design and Merchandising (FIDM). In addition, the University of Southern California (USC) is located two miles south of Downtown and Loyola Law School is located just west of Downtown.

## DOWNTOWN EMPLOYMENT

Over the years Downtown Los Angeles has grown to have the largest concentration of government workers in the region. These jobs are in Federal, State, County and City Government, as well as in special agencies such as the Metropolitan Transportation Authority and Metropolitan Water District. It also has a large number of people engaged in arts and entertainment; a significant number of whom are independent contractors and do not show up on official employment data. Also, despite declines in manufacturing jobs, Downtown Los Angeles' fashion and apparel industry remains a billion-dollar industry that still has significant potential for additional growth. DTLA is home to a number of large, nationally known firms, including: Capital Group, Parent of the American Funds family, Reliance Steel & Aluminum Co., AE-COM Technology Corp., US Bank, Deloitte & Touche, Mellon Bank, Wells Fargo, Bank of America, Ernst & Young, Latham & Watkins, AT&T, City National Bank, Gensler.



## DOWNTOWN AMENITIES

Downtown Los Angeles provides a concentration of cultural and social amenities not available elsewhere in the Los Angeles basin. Institutions such as the Museum of Contemporary Art (MOCA), the Dorothy Chandler Pavilion, the Mark Taper Forum, the Richard Riordan Central Library, the Japanese American Cultural Community Center, Cathedral of Our Lady of the Angels and the recently completed Disney Concert Hall are only a few parts of the cultural infrastructure. Along with other amenities (such as Staples Center, LA Live, Grand Central Market, the Fashion District, Water Court, Maguire Gardens, Union Station, Pershing Square, Olvera Street, Little Tokyo and Chinatown), these attractions create an energetic urban core.

## DOWNTOWN RESTAURANTS AND BARS

Downtown Los Angeles is attracting some of the city's finest eateries. As more people are coming to Downtown to different entertainment venues, restaurant demand is increasing. Additional demand is also coming from the numerous newly built residential developments. Each year seems to bring familiar names in the restaurant business. These include Arnie Morton's of Chicago at 7th + Figueroa, Patina at the Disney Concert Hall, The Palm across from Staples Center on Flower Street and The Daily Grill, at the corner of 6th and Flower and Roy's Hawaiian Fusion Cuisine at 8th and Figueroa. Not to mention, Bottega Louie, the highest grossing restaurant in Downtown LA.

Well-known restaurateur Joachim Splichal's latest addition to Downtown is Patina at the Disney Concert Hall. Splichal also owns Zucca at 801 Tower, Café Pinot, located in the Maguire Gardens at the Central Library, and Nick & Stef's, a gourmet steakhouse at Wells Fargo Plaza. The Water Grill, a seafood restaurant with a world-class atmosphere has been located at Pacific Center since 1991 and is hailed as "the best seafood in Southern California" by the internationally recognized Zagat Guide.

There are also a number of popular bars providing nightlife entertainment including the rooftop at the Standard Hotel, The Perch, The Golden Gopher, McCormick & Schmicks, Casey's, Flower Street Café and Pete's. Other Local

# MARKET OVERVIEW

Downtown Favorites are: The Edison Downtown (old power station turned into a modern bar), Seven Grand Whiskey Bar, Savage Lounge, Redwood Bar and Grill. Many new bars are also planned for Downtown. This renaissance of fine dining and nightlife is satisfying the demand initiated by Staples Center, and expanded by the Disney Concert Hall.

Bottega Louie, one of the most well-known additions to the Downtown dining scene, is a palatial restaurant/gourmet market/patisserie opened in the spring of 2009 at the corner of 7th and Grand. The restaurant is a marvel of white marble, brass trim and floor-to-ceiling windows that's swarmed with smiling servers. One look at all those macaroons at the pastry counter, and you can almost imagine a world without the reverberations of a subprime credit crisis.

## BRIEF HISTORY OF RESIDENTIAL DEVELOPMENT IN DOWNTOWN

Residential development has been escalating since the completion of Staples Center in October of 1999. The transformation of Downtown into a "24-hour" city is the favorable result from this explosive development trend. The significance of this trend is highlighted in the following brief history of residential development in Downtown.

During the 1960s, shortly after the freeway system physically and culturally changed Los Angeles; all the buildings on Bunker Hill were razed, in what was at the time the largest urban renewal project in the nation. The Bunker Hill district was master-planned as an urban center to include nine office buildings (10.3 million square feet), three hotels (2,262 rooms), 11 residential towers (3,991 units) and numerous cultural facilities. Most of Bunker Hill's nine existing residential towers were developed between 1968 and 1988 as apartments and condominiums. These high-rise residential buildings are typically full-service facilities with numerous amenities including pools, gyms, tennis courts, doormen and retail components. The Grand Promenade, with 391 units, was completed in 1989 and Grand Promenade Phase II and III, with 300 units each, remain available for development.

Between 1991 and 2000, most of the new Downtown residential development occurred in the South Park District (south of 9th Street and east of Flower Street). During this period, eight residential projects containing 888 units were built.

Also during the 1990s loft developments were completed in Downtown, primarily in the Artist Loft District near the architectural school, SCI-Arc. Most of these lofts were converted industrial buildings. By the year 2000, the Bunker Hill and South Park areas had a combined inventory of 4,988 residential units. In 1999, two important residential projects started construction, which later proved to be the catalyst for a further wave of residential development. The first project was the Medici, a two-phase 632-unit luxury apartment complex, and the second was the conversion of three historic buildings in the Old Bank District. Both of these projects were on the periphery of Downtown, but when both leased up quickly, residential developers immediately took notice.

## MAJOR RETAILERS

Two high-profile shopping centers, Macy's Plaza and 7th + Figueroa (formerly Seventh Marketplace), are located along the 7th Street retail corridor. These centers contain Downtown's department store, Macy's, as well as a variety of national retailers including Ann Taylor, Victoria's Secret, Express, Sports Chalet, Bally Total Fitness, Gold's Gym and in Fall of 2012 a 100,000 square foot Target. In 2003 a Home Depot, Food 4 Less and Rite Aid opened in a shopping center four blocks west of the Harbor Freeway at Wilshire and Union. One highly anticipated event was the ground breaking of Ralphs supermarket at Flower and 9th Street in response to Downtown's growing residential base. Ralphs opened in the fourth quarter of 2007.

# MARKET OVERVIEW



## RESIDENTIAL UNITS

The DCBID track both existing and proposed residential developments in the Downtown Los Angeles area.

	Before 1999	Since 1999	Current Inventory	Under Construction	Total When Complete	Proposed
Market Rate Rental	2,426	14,266	16,692	8,607	25,299	11,289
Condos	829	4,807	5,636	2,001	7,637	2,918
Affordable	8,371	3,776	12,147	0	12,147	253
<b>Total</b>	<b>11,626</b>	<b>22,849</b>	<b>34,475</b>	<b>10,608</b>	<b>45,083</b>	<b>14,460</b>
<b>Estimated Population</b>			<b>58,592</b>	<b>18,092</b>	<b>77,092</b>	

Estimated Population = #of units x 1.8 residents per unit x 95% occupancy rate.

# MARKET OVERVIEW

## Development Trends



*The Downtown Los Angeles market is now considered a “core” market by institutional multifamily investors and REITs, and attracts investors from all over the world.*

### Residential Market

In the first quarter of 2014, there were 104 condominiums sold in the DTLA submarket and a 97% apartment occupancy rate, translating to a very high demand for future residential product.\* Downtown is one of the few areas in the region where high-density residential development is encouraged rather than being resisted by local government and neighborhood groups.

Demand and rental rates for Downtown apartments and artist lofts has risen sharply over the past decade. Limited new construction in other areas of the city, combined with several years of strong economic growth in Downtown Los Angeles, have driven residential rents and condominium prices up sharply throughout the region. At the same time, cultural and social changes have made urban living more attractive to a large part of the population.

Downtown areas have historically been more favored by real estate investors. The Downtown Los Angeles market is now considered a “core” market by institutional multifamily investors and REITs, and attracts investors from all over the world.

\*Source: The Downtown Center Business Improvement District (DCBID) and Nielsen

### The Downtown LA Resident 2013

Female	53%
Median Age	34
Between 23-44	75%
Married/Partnered	41%
Work Downtown	56%
Median Household Income	\$98,700
Employment Rate	91%

Source: Downtown Center Business Improvement District’s Downtown LA Market Overview July 2014



# MARKET OVERVIEW

## Development Trends

### Hotel

With appealing new amenities and attractions for visitors, Downtown is fueling demand and growing revenues for hotel rooms in the sub-region. The REEF, along with L.A. Live, the Staples Center, the Los Angeles Convention Center and other existing Downtown sports, entertainment, and cultural venues, brings visitors to the area annually. In recent years, Downtown has outperformed the broader Los Angeles County market in terms of Revenue Per Available Room. The Downtown market RevPAR grew at a compound annual growth rate of 13.7% from 2009 to 2013, compared to 9.4% for Los Angeles County. Additionally, in the past year the Downtown market average daily rate has increased 11.1%.

Through 2028, Los Angeles has 164 conventions scheduled with an economic impact of around \$2.5 billion. Los Angeles Visitors and Convention Bureau projects that as convention bookings increase, demand for quality/luxury hotel rooms will rise to over 8,000 rooms, indicating strong demand for the additional development of hotels. Current Downtown hotel room inventory contains only 5,342 hotel rooms. The surge in number of hotel visits over the last three years reflects this growing demand. With the opening of the JW Marriott and Ritz-Carlton in 2010, the supply of rooms increased by 16% but demand grew by 24%, according to PKF Consulting.



*Reimagined hotels, Reinvented  
Iconic buildings, buzz-worthy rooftop  
restaurants and premier shopping at  
every turn.*

# MARKET OVERVIEW

## Development Trends

### Hotel

8,163

HOTEL ROOMS

2,515

UNDER CONSTRUCTION

2,360  
PROPOSED

	Q3 2015	Q3 2014
YTD Occupancy Rate	77.2%	77.5%
YTD Average Daily Rate	\$195.76	\$182.28
YTD RevPAR	\$151.17	\$141.23

Source: CoStar, The Agency

- The Sydell Group announced plans to open a **NoMad Hotel** at the recently purchased Giannini Place at 7th and Olive.
- The \$1-billion overhaul of **The Reef** and development of **SoLa Village** will include a 20-story hotel tower featuring 208 guest rooms.
- While work continues on the exterior, along with the rest of **The BLOC**, the interior renovation of **The Sheraton** at 7th and Hope was completed.

# MARKET OVERVIEW

Most Talked about Hotels Coming Soon to DTLA...



# MARKET OVERVIEW

## Hotel Forecast

The following table represents the historical and projected performance of the Downtown Los Angeles lodging market.

DOWNTOWN HISTORICAL MARKET PERFORMANCE OF THE COMPETITIVE SUPPLY									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2010	1,956,035	N/A	1,260,998	N/A	64.5%	\$132.95	N/A	\$85.71	N/A
2011	2,290,375	17.1%	1,540,007	22.1%	67.2	\$152.43	14.7%	\$102.49	19.6%
2012	2,014,800	-12.0	1,500,330	-2.6	74.5	\$170.53	11.9%	\$126.98	23.9%
2013	2,014,800	0.0	1,532,402	2.1	76.1	\$178.44	4.6%	\$135.71	6.9%
2014	2,117,365	5.1	1,610,934	5.1	76.1	\$192.93	8.1%	\$146.78	8.2%
2015E	2,218,105	4.8	1,706,132	5.9	76.9	\$204.52	6.0%	\$157.31	7.2%
2016F	2,229,055	0.5	1,731,724	1.5	77.7	\$216.79	6.0%	\$168.42	7.1%
CAAG		2.2%		5.4%			8.5%		11.9%

Source: PKF Consulting USA | CBRE Hotels

We estimate that the Downtown market will see an increase in occupied room nights of 5.9 percent in 2015 amid a 4.8 percent increase in supply, due to the reopening of the Sheraton Downtown Hotel, following a substantial renovation, and as the 174 room Courtyard LA Live and 219 room Residence Inn LA Live, which opened on May 29, 2014, continue to be absorbed into the market. Average daily rate is estimated to increase 6.0 percent in 2015 to \$204.52. In 2016, we forecast occupied rooms to increase by 1.5 percent amid an average daily rate increase of 6.0 percent. Supply in 2016 is forecast to experience a 0.5 percent increase, as the combined market absorbs the remaining rooms of the Sheraton Downtown Hotel.



*Downtown has seen a vigorous in-migration of tenants from other parts of the Southern California region, absorbing 845,000 SF of space in the past three years, more than any other submarket.*

## Office Market

Encompassing over 31,000,000 SF of office space, Downtown Los Angeles is the location of choice for over 13,000 businesses, and that number grows daily. The Downtown LA office market is the regional hub of Southern California and is the second largest office submarket in the region.

Downtown has seen a vigorous in-migration of tenants from other parts of the Southern California region, absorbing 845,000 SF of space in the past three years, more than any other submarket. Employers and their workers from the Westside, Hollywood, and Tri-Cities are attracted by the live/work/play/stay lifestyle and urban environment. Amenities and a comprehensive transit system help employers attract best-in-class talent.

The bulk of Downtown's Class A office supply was constructed from the mid-1980's to the early-1990's. With the lack of supply over two decades, the Downtown tenant base has deepened and diversified, leveling the market vacancy and steadily escalating rents.

# MARKET OVERVIEW

## CULTURAL AND RECREATIONAL AMENITIES

Downtown Los Angeles represents the cultural focus of the region. World-class venues for cultural and sporting events feature everything from symphony and theater to professional basketball and hockey. The Stuart M. Ketchum Downtown YMCA, a modern three-story, 80,000-square-foot full-service facility, caters to the Downtown community. Cultural venues include the Disney Concert Hall, the Music Center of Los Angeles County and the Museum of Contemporary Art (MOCA). LA Live includes a 7,000-seat live theater (Nokia Theater) that has become the future home of the annual Grammy Awards. Also in Downtown, the beautifully renovated Central Library houses a collection of 2.5 million books.



The BLOC

1.8m

SQUARE FEET OF RETAIL SPACE  
UNDER CONSTRUCTION

1.1m PROPOSED

- **Whole Foods** is now open for business.
- The iconic **Clifton's Cafeteria** reopened on Broadway after a four-year, \$10 million renovation by Developer Andrew Meieran.
- Over **1.8 million square feet** of retail space is under construction in Downtown, setting the stage for a shopping and dining boom.



*WORK. PLAY. THRIVE.*

Downtown is within minutes of Dodger Stadium (the home of the Los Angeles Dodgers), the 150-acre campus of the University of Southern California (USC), The Hollywood Bowl (an outdoor amphitheater hosting live musical performances), Eli Broad's new \$100 million Bunker Hill Art Museum and Exposition Park (located just south of Downtown Los Angeles). Exposition Park is home to the Memorial Coliseum, the Sports Arena and a cluster of museums that focus on science, aerospace, natural history and African-American heritage.

## AREA REVITALIZATION PROJECTS

Downtown and the surrounding area will benefit from the dramatic and dynamic revitalization currently underway. Over \$15 billion has been invested in Downtown Los Angeles (DTLA) in the past dozen years. The payoff: Downtown Los Angeles is happening. As LA LIVE! Likes to tout, it is "the event capitol of the world." While DTLA has always been the employment, transportation and cultural arts hub of the region, it has now exploded as a tourist destination with approximately 14.6 million visitors each year (almost matching Disneyland). Its residential population has blossomed to 42,000 and its daytime population is over 500,000. In addition, these projects will enhance the perception of Downtown's forward momentum as the location of the future for business, dining, hospitality, shopping, theatre, culture and entertainment.

# MARKET OVERVIEW

## GRAND AVENUE

The \$1.2 billion proposed Grand Avenue project is focused on revitalizing the upper part of Bunker Hill. Plans call for a new high density residential and retail center with pedestrian corridors and urban parks stretching from the Music Center at the top of Bunker Hill to City Hall. Grand Avenue will transform the civic and cultural center of Downtown by showcasing entertainment venues, restaurants, retail, office buildings, and the new \$50 million Grand Avenue Park has just been completed increasing the areas desirability as a pedestrian friendly urban escape. Existing cultural landmarks such as the new Disney Concert Hall, the Museum of Contemporary Art, the Dorothy Chandler Pavilion and the Mark Taper Forum will benefit from the synergy created by these adjoining uses.

## CATHEDRAL OF OUR LADY OF THE ANGELS

The new Cathedral of Our Lady of the Angels, located at Temple Street and Grand Avenue, opened in September of 2002. It was the first Catholic cathedral erected in the U.S. in 25 years. The structure was designed by Pritzker Prize-winning Spaniard Jose Rafael Moneo and is the second largest Catholic cathedral in the U.S. (exceeded in capacity only by St. Patrick's in New York City). Approximately \$195 million was privately raised to build the facility that serves the area's five million Catholics and celebrates Sunday mass in 42 languages.

## THE STANDARD HOTEL

Known in sophisticated design circles for his cutting edge style, New York-based hotelier Andre Balaz opened his third Los Angeles hotel, The Standard, in the former Bank of California headquarters. The hotel features 207 rooms, two meeting rooms, one restaurant and two bars, including a rooftop bar/restaurant. Located, ironically, next door to the venerable California Club, The Standard has been a catalyst for Downtown nightlife.

## DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT

The Downtown Center Business Improvement District (DCBID) covers the 65-block Central Business District (CBD) bounded roughly by the Harbor (110) Freeway on the west, 1st Street on the north, Main and Hill Streets on the east and Olympic Boulevard on the south. The organization helps the CBD achieve its full potential as a great place to live, work and play and has helped to create a positive image of Downtown. Downtown Los Angeles continues to enhance its image, attracting tenants and residents alike, through the efforts of the Central City Association and the Downtown Center Business Improvement District (DCBID), established in 1997. The DCBID is funded through assessments of 250 property owners providing an annual budget in excess of \$5 million. The funds are used for enhanced security, maintenance programs for public/private areas, business recruitment and retention, image enhancement, special events, and visitor guide books.

## TRANSPORTATION

Increased growth brings increased traffic congestion. Downtown is uniquely positioned to benefit from this dynamic, however, since new and existing public transportation systems have all been directed toward Downtown.

Over 1,600 miles of freeways form one of the most extensive systems in the world with Downtown as its hub. Surrounded by the area's four major freeways, Downtown provides easy access to the entire Southern California region.

Los Angeles has invested over \$2.5 Billion in Downtown area mass transit improvements over the last few years alone. An extensive rail system, which includes over 400 miles of commuter rail, light rail and subway connect Downtown to most of Greater Los Angeles. The commuter rail service consists of two major rail systems, Metro Rail and Metrolink, both of which connect at Union Station in Downtown Los Angeles.



# MARKET OVERVIEW



The Metro Rail system, operated by the Los Angeles County Metropolitan Transportation Authority, consists of the Metro Red Line subway system, the Metro Blue Line, the Metro Green Line and the Gold Line. In total, the Metro Rail system serves several rail stations stretching from Long Beach to Downtown Los Angeles to Hollywood, LA neighborhoods, such as the Arts District, Little Tokyo and Boyle Heights, South Bay, Universal City and North Hollywood in the San Fernando Valley to Norwalk, El Segundo, Pasadena, coming soon the 3rd street Promenade in Santa Monica and points in between.

The Metrolink system provides commuter service along seven lines: Ventura County, Antelope Valley, San Bernardino, Riverside, Orange County, IEOC (Inland Empire/Orange County) and 91 (Riverside/Fullerton/Los Angeles). Five of the routes provide express trains from the outlying suburbs to Union Station. The system has 81 stations and covers 512 miles. Each day 37,400 passengers board the Metro.

Downtown Los Angeles is also the central hub to the Metro Bus Line, the largest bus system in the country. The Los Angeles Metro Bus Line averages weekday ridership of 308,678. A priority bus service, the Metro Rapid Bus, offers passengers a chance to reach their destination up to 25% faster than local service. A vote to expand the Rapid Bus service to include 23 additional corridors was recently passed. Downtown is also served by the Dash (Downtown-Area-Short-Hop) Bus System, which provides service to a 150-block area every 5-12 minutes Monday thru Friday and every 10-20 minutes on weekends. Downtown employees are offered numerous existing transportation options with expanded opportunities by way of the increase in Metro Bus Line and Metro Blue Line capacity and the extension of the Metro Gold Line.

# MARKET OVERVIEW

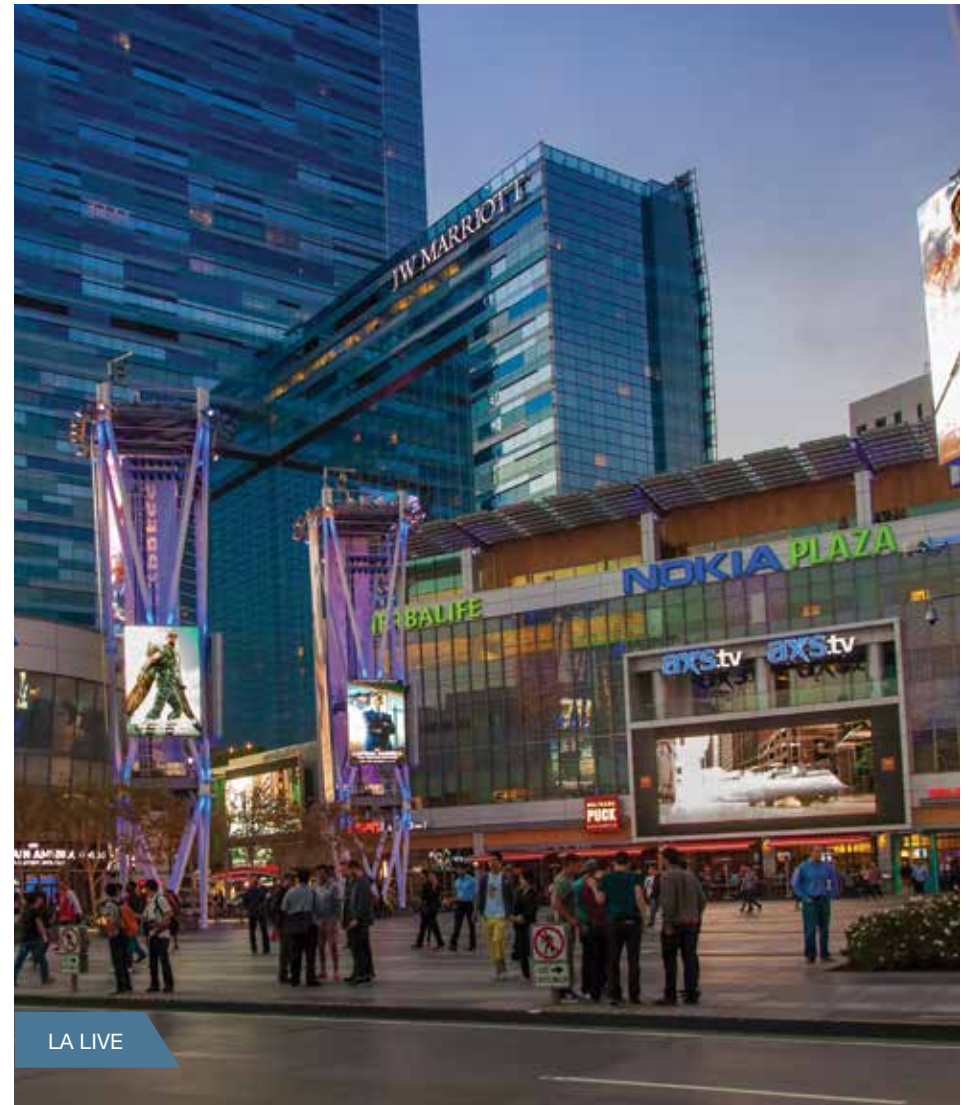
## SOUTH PARK

The South Park district in Downtown Los Angeles is bounded by Ninth Street to the north, the 10 Freeway to the south, Broadway to the east and the 110 Freeway to the west.

For most of Los Angeles' history, the area now known as South Park was dominated by industrial concerns, taxi dance halls, automobile dealerships, and residential hotels, the area has begun to rapidly transform with infill development. Starting in 2000, luxury apartments and condominiums with ground floor retail began construction. The district's proximity to the University of Southern California, as well as the Blue Line light rail line, has made it an attractive area for young professionals. Like many neighborhood transformations, this change in demographics has a few concerned about displacement and gentrification issues.

In October 2007, The Elleven and Luma Residences developed by The South Group, received the coveted Leadership in Energy and Environmental Design (LEED) Gold designation for their incorporation of sustainable materials: "green streets" to manage stormwater, energy-efficient construction techniques and amenities. Luma and Elleven are the first two condos in California to receive the Gold designation.

But the star of the area is the entertainment behemoth L.A. Live. The Figueroa blocks that once featured a lonely Convention Center and Staples Center are now filled with new restaurants, Club Nokia, the Conga Room, the Lucky Strike bowling alley and the Grammy Museum. The development culminates in 2010 with the opening of the glass-clad JW Marriott hotel and potentially, adding a billion dollar NFL Football Stadium.



LA LIVE

# MARKET OVERVIEW

## Attractions and Sites



Staples Center

### Staples Center

As one of the top sports and entertainment centers in the world, Staples Center is a world-class arena that hosts over 270 events a year, including the Grammy Awards, the Pac-12 basketball tournament, and the X Games. It is the home of four professional sports franchises: Los Angeles Lakers (basketball), Los Angeles Clippers (basketball), Los Angeles Kings (hockey), and the Los Angeles Sparks (women's basketball).



Walt Disney Concert Hall

### Walt Disney Concert Hall

The \$300 million, Frank Gehry-designed Disney Concert Hall at First Street and Grand Avenue opened in October of 2003. The 2,380-seat venue serves as the new home of the Los Angeles Philharmonic. Patina, opened by Restaurateur Joachim Splichal, is located within the facility and is open for lunch and dinner. Patina features a 1,500-bottle wine list, a pre-performance prix fixed menu and a private dining room for up to 20 people. The Disney Concert Hall has become a major architectural icon and tourist attraction.

# MARKET OVERVIEW

## Attractions and Sites



LA LIVE



FIGat7th

### LA Live

The LA Live campus boasts an iconic JW Marriott and Ritz Carlton convention center hotel as its centerpiece. The 54-story JW Marriott/Ritz Carlton hotel building features 879 hotel rooms and is topped with 224 luxury residential condominiums and access to the Ritz Carlton's services and amenities.

The LA Live campus includes:

- › Nokia Theater – 7,100 seats
- › 18 Restaurants – 115,000 square feet
- › 3 Nightclubs – 110,000 square feet
- › Grammy Museum – 33,000 square feet
- › Other Event Space – 87,000 square feet
- › AEG offices and Herbalife Headquarters – 225,000 square feet
- › 14-screen Regal Cinema – 127,000 square feet

### FIGat7th

Reopened in the Fall of 2012 after a \$40 million makeover, FIGat7th is an open-air shopping mall located in the Financial District of Downtown Los Angeles. Notable tenants include City Target, Sport Chalet, Zara, Sunglass Hut, H&M, MAC Cosmetics and L'Occitane. The center also features numerous restaurant and eatery options including California Pizza Kitchen, Loteria Grill, Morton's Steakhouse, Mendocino Farms, Sprinkles Cupcakes, City Tavern and Starbucks.



California Science Center

## California Science Center

Located in Exposition Park, the California Science Center is a public-private partnership between the State and the California Science Center Foundation and is also an affiliate in the Smithsonian Affiliations program. The Center consists of an IMAX Theater, the Sketch Foundation Gallery – Air and Space Exhibits and the Science Center itself.



Shrine Auditorium



Natural History Museum

## Natural History Museum

Opened in 1913, the Natural History Museum of Los Angeles County is the largest natural and historical museum in the western United States and the third largest in the country. The museum's collection includes nearly 35 million specimens and artifacts and covers 4.5 billion years of history.

## Shrine Auditorium

Built in 1925, Shrine Auditorium is located in Exposition Park and is designated as a Los Angeles Historic-Cultural Monument. In 2002 the auditorium went through a \$15 million renovation. It has hosted many notable events in its history including the Academy Awards, the Grammy's, the Primetime Emmy's and the Screen Actors Guild Awards.

# MARKET OVERVIEW

## Los Angeles Convention Center



### Los Angeles Convention Center

As of September 2015, the Department of Convention and Tourism Development is proposing an expansion and modernization of the Los Angeles Convention Center which, when combined with the phenomenal success of our neighboring partners at L.A. Live and Staples Center, will make the LACC the premier sports, convention, and entertainment center on the West Coast.

The City Administrative Officer has been directed to develop a financing plan for this nearly \$500 million project.

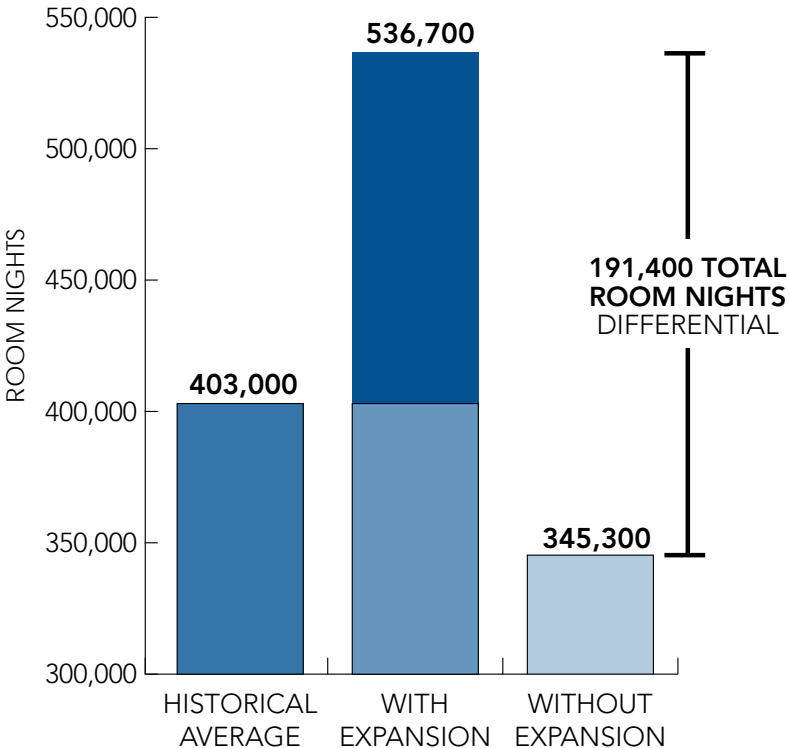
On June 4, 2014, the City Council approved a design competition to develop a new master plan for the LACC. The City recently selected the winning design and will determine the next steps in the process of expanding and modernizing the LACC.

Under the management of AEG Facilities, the LACC generated its first ever operation profit, two years in a row, since privatization. The 2014-15 fiscal year ended with \$2.6 million in profit, which is being reinvested into the LACC.

*Source: The Future of the LACC White Paper*

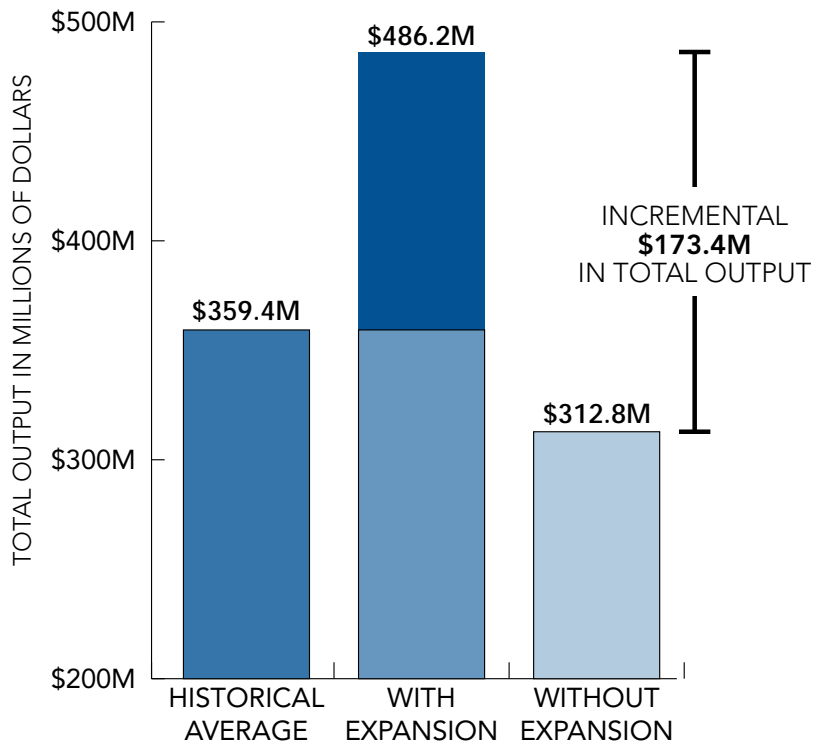
## ECONOMIC IMPACT PROJECTIONS & ANALYSIS

TOTAL ROOM NIGHTS



Reported by CSL, 2015

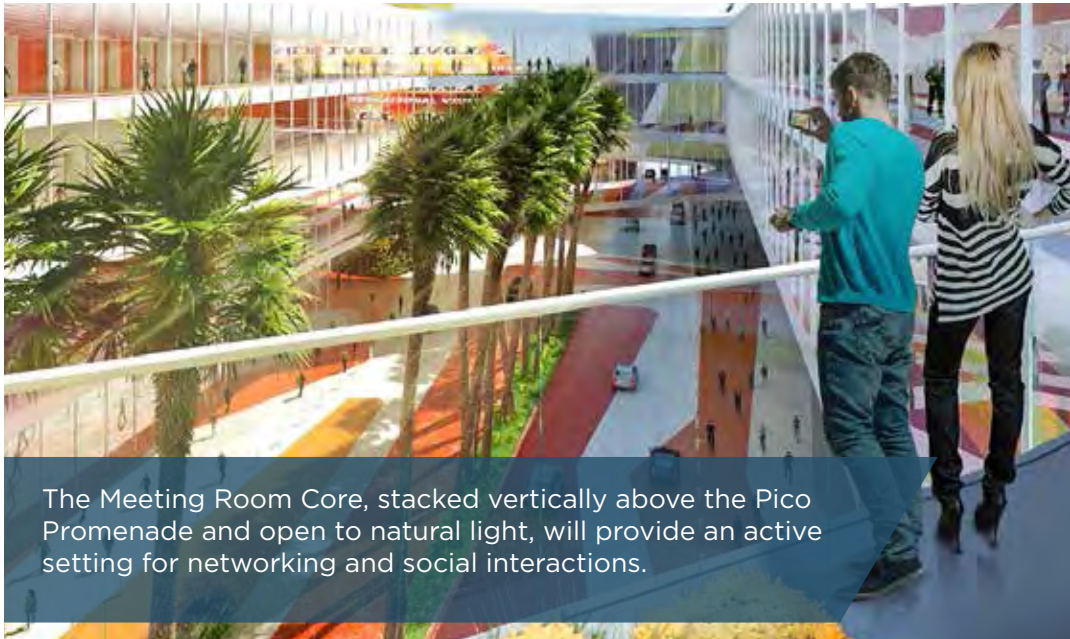
TOTAL OUTPUT



Reported by CSL, 2015

# MARKET OVERVIEW

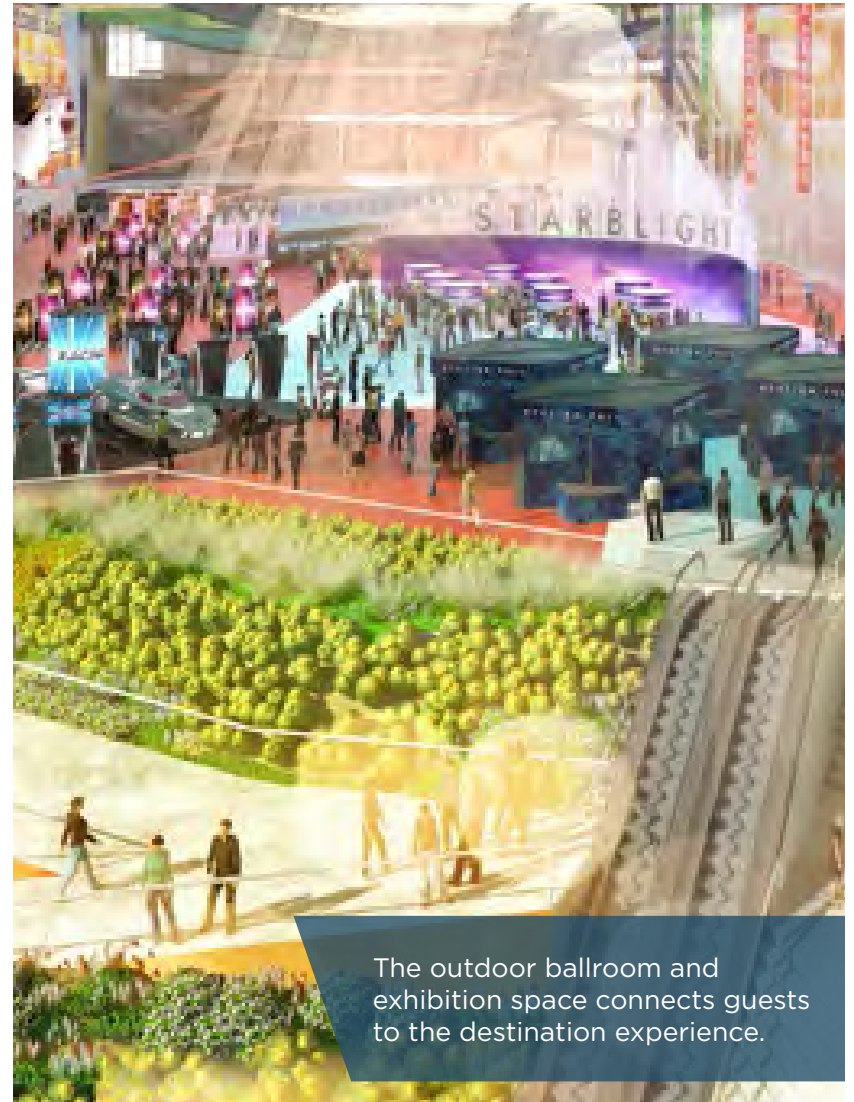
Los Angeles Convention Center



The Meeting Room Core, stacked vertically above the Pico Promenade and open to natural light, will provide an active setting for networking and social interactions.



This approximately 97,000-square-foot rooftop ballroom will be the largest convention center ballroom in California.



The outdoor ballroom and exhibition space connects guests to the destination experience.



### LACC EXPANSION PRELIMINARY PROJECT SCHEDULE

TASK	2016				2017				2018				2019				2020				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
ENVIRONMENTAL IMPACT REVIEW & APPROVALS	█																				
CONCEPTUAL DESIGN (REFINEMENT)	█																				
SCHEMATIC DESIGN		█																			
DESIGN DEVELOPMENT				█																	
CONSTRUCTION DRAWINGS						█															
CONSTRUCTION PHASE I					█																
CONSTRUCTION PHASE II													█								



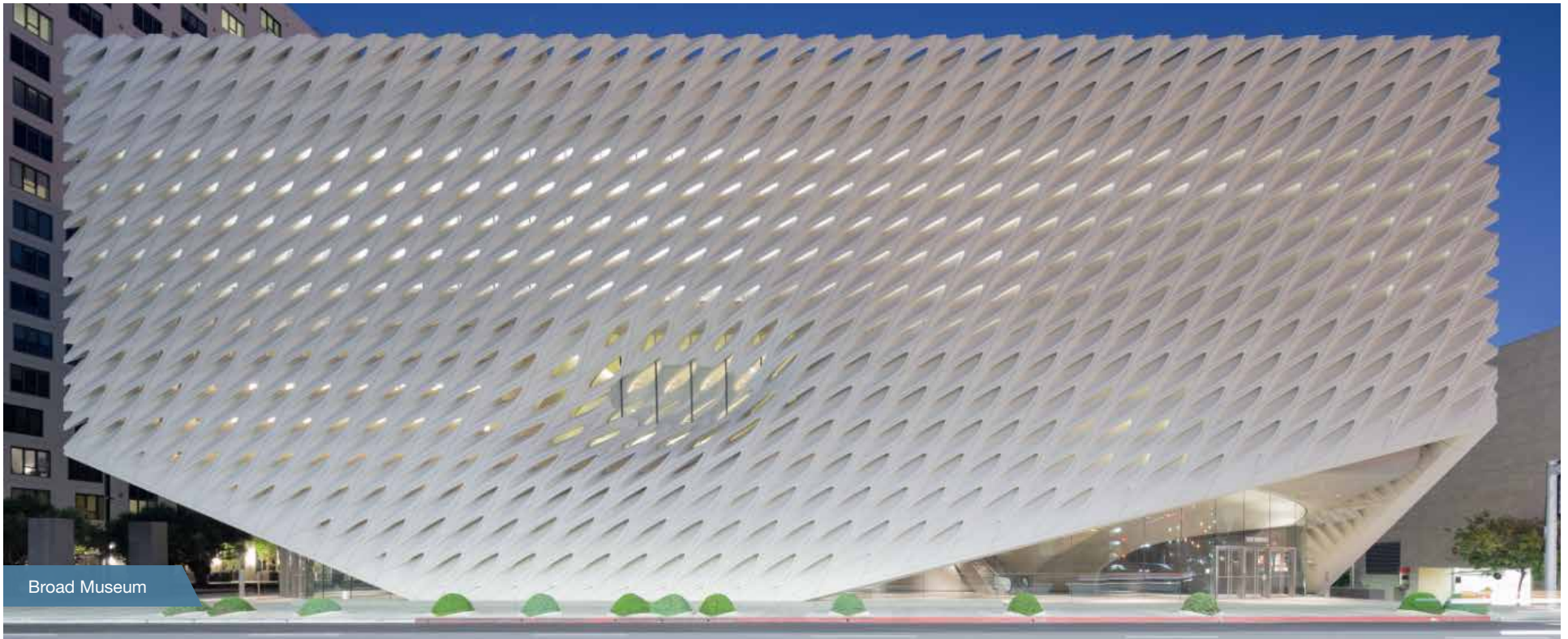
The outdoor ballroom can be accessed by ascending the stairs from Pico Boulevard.

# MARKET OVERVIEW

Los Angeles Convention Center



An artist's concept rendering looking south from L.A. LIVE toward the Convention Center's Georgia Street Entrance and outdoor ballroom.



Broad Museum

The Staples Center & The Broad can be on the same page, after we insert all the info on LACC. Here is the info for The Broad:

The Broad is a new contemporary art museum founded by philanthropists Eli and Edythe Broad on Grand Avenue in downtown Los Angeles. The museum is designed by Diller Scofidio + Renfro in collaboration with Gensler and offers free general admission. The museum is home to the 2,000 works of art in the Broad collection, which is among the most prominent holdings

of postwar and contemporary art worldwide. With its innovative “veil-and-vault” concept, the 120,000-square-foot, \$140-million building features two floors of gallery space to showcase The Broad’s comprehensive collection and is the headquarters of The Broad Art Foundation’s worldwide lending library.

*Source: <http://www.thebroad.org/about#>*

# DEMOGRAPHICS

<b>RADIUS FROM SUBJECT</b>	<b>.5 MILE</b>	<b>1 MILE</b>	<b>2 MILE</b>
<b>2015 ESTIMATED POPULATION</b>	10,605	53,636	253,181
<b>2015 ESTIMATED AVERAGE HOUSEHOLD INCOME</b>	\$67,149	\$46,525	\$40,515
<b>2015 ESTIMATED HOUSEHOLDS</b>	6,153	25,866	90,100
<b>2015 ESTIMATED AVERAGE HOUSEHOLD SIZE</b>	1.65	1.87	2.61
<b>2015 ESTIMATED HOUSING UNITS</b>	7,384	29,495	99,348
<b>2015 ESTIMATED OCCUPIED UNITS</b>	6,153	25,866	90,100
<b>2015 ESTIMATED OWNER OCCUPIED UNITS</b>	1,126	2,367	7,923
<b>2015 ESTIMATED RENTER OCCUPIED UNITS</b>	5,027	23,499	82,177

## ESTIMATED HOUSEHOLD INCOME

	.5 MILE	1 MILE	2 MILE
2015 EST. AVERAGE HOUSEHOLD INCOME	\$67,149	\$46,525	\$40,515
2020 PRJ. AVERAGE HOUSEHOLD INCOME	\$69,422	\$48,606	\$42,364

## 2015 ESTIMATED POPULATION BY AGE

	.5 MILE	1 MILE	2 MILE
2015 MEDIAN AGE	35.21	36.99	32.90
2015 AVERAGE AGE	39.09	39.15	35.52

## 2015 EST. HOUSING VALUE

	.5 MILE	1 MILE	2 MILE
2015 MEDIAN HOME VALUE	\$485,752	\$446,981	\$414,364
2015 AVERAGE HOME VALUE	\$538,921	\$482,498	\$468,717

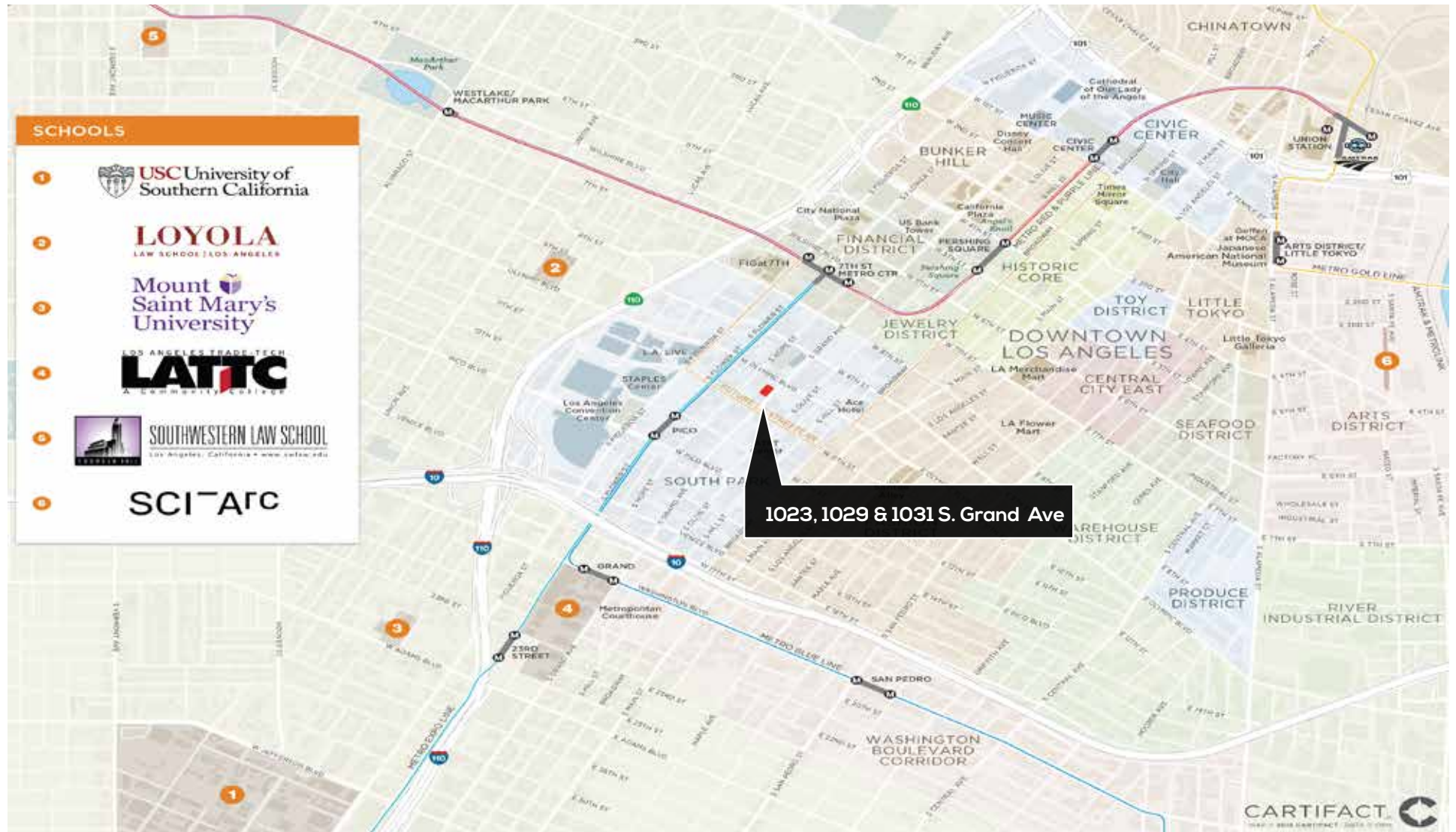
## 2015 EST. JOB TYPE

	.5 MILE	1 MILE	2 MILE
BLUE COLLAR	11.63%	19.09%	31.24%
WHITE COLLAR	79.70%	61.11%	43.53%
SERVICE & FARM	8.67%	19.80%	25.23%



# DEMOGRAPHICS

Nearby Prestigious Schools Only Make  
The Demographics Stronger





# MARKET STATISTICS

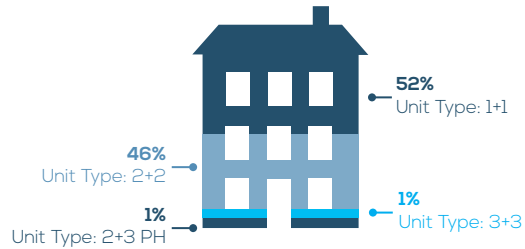
# MARKET STATISTICS

Apartment Rent Survey – Downtown LA  
Built After 2000

## COMPARABLE 1



Watermarke Tower  
705 W 9th St  
Los Angeles, CA 90015  
Year Built: 2010  
Units: 214



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
1 + 1	110	\$3,020 - \$4,411	862 - 1,075	\$3.50 - \$4.10
2 + 2	98	\$4,750 - \$6,010	1,286 - 1,546	\$3.69 - \$3.89
2 + 3 PH	3	\$12,500 - \$14,000	2,736 - 2,874	\$4.57 - \$4.87
3 + 3	3	\$6,500	2,156 - 2,578	\$2.52 - \$3.01

Note: 3 + 3 units are located on 7th floor, which is the pool level. 2 + 3 PH units are located on Penthouse level and have views.

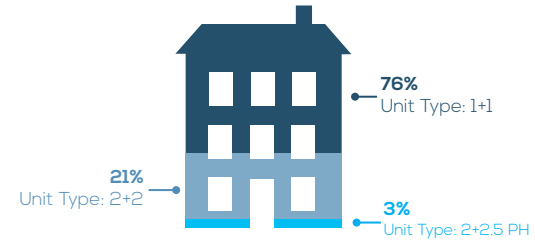
### Amenities

W/D In-Unit	CaesarStone Counters	Patio/Balcony	Concierge	Fitness Center
Wood/Stone Floors	High Ceilings	BBQ Area	Business Center	Movie Theater
Stainless Appliances	Walk-In Closets	Clubhouse	Dog Park	Pool/Spa/Sauna

## COMPARABLE 2



717 OLYMPIC  
717 W Olympic Blvd  
Los Angeles, CA 90015  
Year Built: 2008  
Units: 151



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
1 + 1	114	\$3,249 - \$3,914	660 - 992	\$3.95 - \$4.92
2 + 2	32	\$4,200 - \$5,427	1,371 - 1,520	\$3.06 - \$3.57
2 + 2.5 PH	5	\$7,329 - \$10,800	2,191 - 2,828	\$3.35 - \$3.82

Notes: Building undergoing renovation-- updating main lobby, common areas and flooring in units; tenants relocated for this renovation; occupancy as of early Q3 2015

### Amenities

W/D In-Unit	Soaking Tub	Island Kitchen	Valet Parking	Sky Lounge
Hardwood Floors	Stainless Appliances	9' Ceilings	Observation Deck	Concierge
Granite Counters	Walk-In Closets	Patio/Balcony	Storage	WiFi
Business Center	Movie Theater	Wine Bar	Rooftop Spa	Rooftop Deck
Fitness Center				



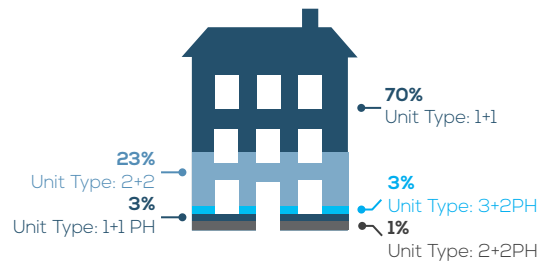
# MARKET STATISTICS

Apartment Rent Survey – Downtown LA  
Built After 2000

## COMPARABLE 3



8th+Hope  
801 S Hope St  
Los Angeles, CA 90017  
Year Built: 2014  
Units: 290



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
1 + 1	204	\$2,800 - \$3,600	707 - 961	\$3.75 - \$3.96
1 + 1 PH	8	\$3,380 - \$3,700	707 - 961	\$3.85 - \$4.78
2 + 2	66	\$4,185 - \$5,054	1,135 - 1,498	\$3.37 - \$3.69
2 + 2 PH	4	\$4,250 - \$4,995	1,271 - 1,625	\$3.07 - \$3.34
3 + 2 PH	8	\$5,400 - \$5,480	1,694	\$3.19 - \$3.23

Note: Concession offered-- two weeks free rent on all units.

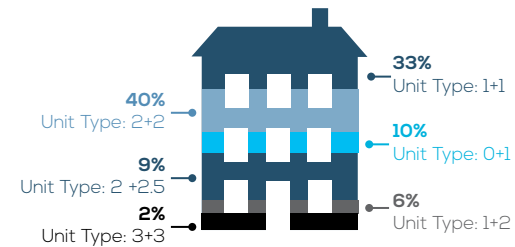
### Amenities

W/D In-Unit	CaesarStone Counters	Rooftop Terrace	Outdoor Kitchen
Stainless Steel Appliances	Patio/Balcony	Movie Theater	Fitness Center
Hardwood-Style Floors	Pool/Spa	Clubhouse	

## COMPARABLE 4



APEX  
900 S Figueroa St  
Los Angeles, CA 90015  
Year Built: 2013  
Units: 271



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	27	\$2,555 - \$2,815	638 - 791	\$3.56 - \$4.00
1 + 1	90	\$2,430 - \$3,395	711 - 950	\$3.42 - \$3.57
1 + 2	15	\$3,210 - \$3,795	970 - 1,161	\$3.27 - \$3.31
2 + 2	109	\$3,605 - \$4,970	1,152 - 1,624	\$3.06 - \$3.13
2 + 2.5	25	\$5,125 - \$8,606	1,544 - 2,274	\$3.32 - \$3.78
3 + 3	5	\$7,500 - \$8,500	2,253	\$3.33 - \$3.77

Note: Concession offered-- two weeks free rent on all units.

### Amenities

W/D In-Unit	Pool/Spa	Outdoor Lounge with Fireplace	Dog Run
Hardwood-Style Flooring	BBQ Area	Business/Conference Rooms	Resident Lounge
Stainless Steel Appliances	Fitness Center	Movie Theater	

# MARKET STATISTICS

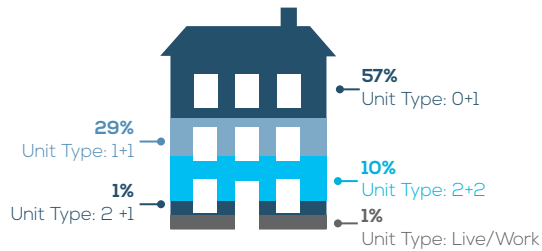
Apartment Rent Survey – Downtown LA  
Built After 2000

## COMPARABLE 5



Avant South Park- Phase I  
1360 S Figueroa St  
Los Angeles, CA 90015

Year Built: 2014  
Units: 247



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	142	\$1,821 - \$2,200	502 - 592	\$3.63 - \$3.72
1 + 1	71	\$2,308 - \$2,590	625 - 756	\$3.43 - \$3.69
2 + 1	6	\$2,775 - \$2,925	956	\$2.90 - \$3.06
2 + 2	24	\$2,856 - \$3,412	967 - 1,080	\$2.95 - \$3.16
Live/Work	4	\$3,013 - \$3,013	999 - 1,103	\$2.73 - \$3.02

Note: No concessions. In Live/Work units, there are no bedrooms and no walls separating the large space.

### Amenities

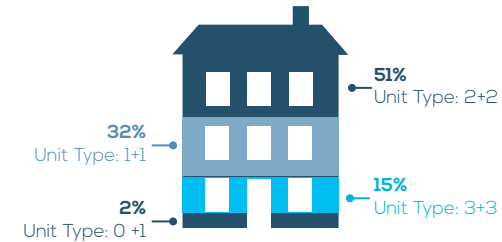
W/D In-Unit	Plank Style Floors	Pool/Spa	Resident Lounge
Quartz Counters	Built-in Audio	Fitness Center	Sundeck
Stainless Steel Appliances	9' Ceilings	Massage Room	BBO Area

## COMPARABLE 6



AVA LITTLE TOKYO  
236 S Los Angeles St  
Los Angeles, CA 90012

Year Built: 2014  
Units: 280



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	5	\$2,205	642	\$3.43
1 + 1	90	\$2,330 - \$2,802	614 - 892	\$3.14 - \$3.79
2 + 2	144	\$2,558 - \$3,743	808 - 1,424	\$2.63 - \$3.17
3 + 3	41	\$3,600 - \$4,875	1,350 - 1,610	\$2.67 - \$3.03

Note: Concession offered-- two weeks free rent on all units.

### Amenities

W/D In-Unit	Hardwood Style Floors	Fitness Center	Courtyards
Stainless Appliances	Patio/Balcony	Pool/Spa	Resident DIY Workspace
Quartz Counters	Walk-In Closets	BBO Area	Resident Lounge

# MARKET STATISTICS

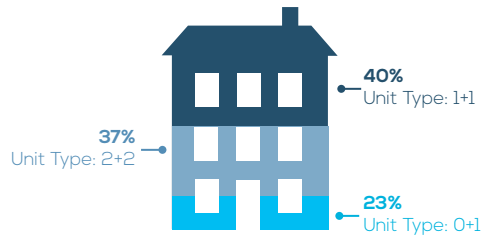
Apartment Rent Survey – Downtown LA  
Built After 2000

## COMPARABLE 7



Sakura Crossing  
235 S San Pedro St  
Los Angeles, CA 90012

Year Built: 2009  
Units: 230



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	54	\$1,855 - \$2,080	572 - 711	\$2.93 - \$3.24
1 + 1	92	\$2,175 - \$2,285	621 - 775	\$2.95 - \$3.50
2 + 2	84	\$2,795 - \$3,150	859 - 1,287	\$2.45 - \$3.25

Note: No concessions.

### Amenities

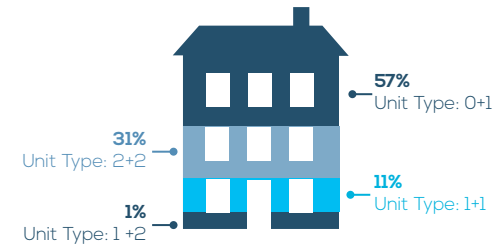
W/D In-Unit	Wood Style Floors	Fitness Center	Clubhouse
Granite Counters	Walk-In Closets	Pool/Spa	Concierge
Stainless Steel Appliances	Balcony/Patio	BBQ Area	Business Center

## COMPARABLE 8



Met Lofts  
1050 S Flower St  
Los Angeles, CA 90015

Year Built: 2005  
Units: 266



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	151	\$2,340 - \$3,300	687 - 876	\$3.41 - \$3.77
1 + 1	28	\$2,500 - \$3,050	810 - 941	\$3.09 - \$3.24
1 + 2	3	\$2,800 - \$3,300	1,045 - 1,464	\$2.25 - \$2.68
2 + 2	83	\$3,800 - \$4,445	1,043 - 1,404	\$3.17 - \$3.64
Live/Work	1	\$3,000	1,045	\$2.87

Note: Concession offered--\$75/parking space/mo. instead of normal \$100/parking space/mo.

### Amenities

W/D In-Unit	Patio/Balcony	Fitness Center	Pool
Granite Counters	Walk-In Closets	Outdoor Dining/Entertainment Area	Sundeck
Hardwood Style Floors	10' to 14' Ceilings	Night Patrol	Courtyards

# MARKET STATISTICS

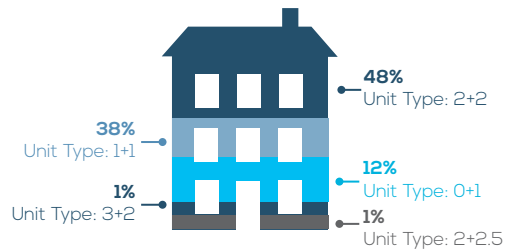
Apartment Rent Survey – Downtown LA  
Built After 2000

## COMPARABLE 9



Belmont Station  
1304 W 2nd St  
Los Angeles, CA 90026

Year Built: 2008  
Units: 275



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	34	\$1,709 - \$1,841	556	\$3.07 - \$3.31
1 + 1	106	\$1,711 - \$2,309	681 - 862	\$2.51 - \$2.68
2 + 2	131	\$2,167 - \$2,946	923 - 1,109	\$2.35 - \$2.66
2 + 2.5	2	\$2,535 - \$3,120	1,139	\$2.23 - \$2.74
3 + 2	2	\$3,862 - \$3,887	1,820	\$2.12 - \$2.14

Note: No concessions.

### Amenities

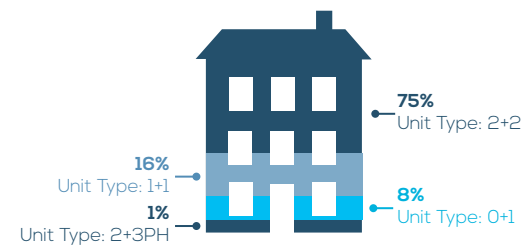
W/D In-Unit	Carpet Floors	Movie Theater	Fitness Center
Stainless Steel Appliances	9' Ceilings	Pool/Spa	Business Center
Granite Counters	Walk-In Closets (Select Units)	Outdoor Deck with Fireplace	Conference Room

## COMPARABLE 10



The Visconti  
1221 W 3rd St  
Los Angeles, CA 90017

Year Built: 2007  
Units: 297



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	24	\$1,914 - \$2,036	524	\$3.65 - \$3.89
1 + 1	48	\$2,000 - \$2,346	641 - 719	\$3.12 - \$3.26
2 + 2	222	\$2,450 - \$3,521	942 - 1,443	\$2.44 - \$2.60
2 + 3 PH	3	\$4,630 - \$4,672	1,976	\$2.34 - \$2.36

Note: No Concession.

### Amenities

W/D In-Unit	9' Ceilings	Den/Study (Select Units)	Business Center
Granite Counters	Marble Vanities	Courtyards	Fitness Center
Hardwood Style Floors	Walk-In Closets	Concierge	Pool/Spa/Sauna

# MARKET STATISTICS

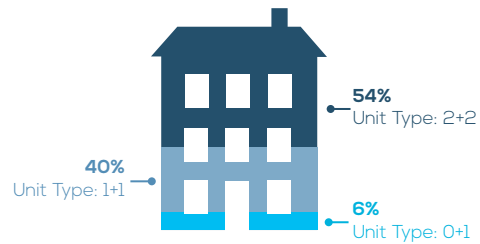
Apartment Rent Survey – Downtown LA  
Built After 2000

## COMPARABLE 11



The Piero  
609 St Paul Ave  
Los Angeles, CA 90017

Year Built: 2004 / 2011  
Units: 560



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	31	\$1,775 - \$1,999	468 - 587	\$3.41 - \$3.79
1 + 1	224	\$1,955 - \$2,250	617 - 698	\$3.17 - \$3.22
2 + 2	305	\$2,750 - \$4,099	946 - 1,331	\$2.91 - \$3.08

Note: No concessions.

### Amenities

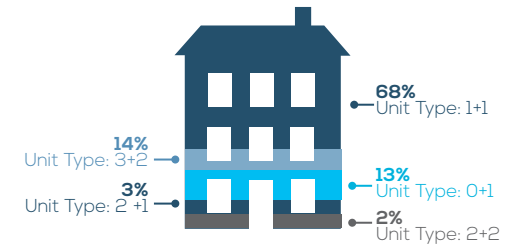
W/D In-Unit	Walk-In Closets	9' Ceilings	Pool/Spa
Granite Counters	Patio/Balcony	Business Center	Sauna/Steam Room
Stainless Steel Appliances	Marble Baths	Fitness Center	BBQ Areas

## COMPARABLE 12



Eleven-Eleven Wilshire  
1111 Wilshire Blvd  
Los Angeles, CA 90017

Year Built: 2013  
Units: 210



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	28	\$1,920 - \$2,300	452 - 598	\$3.85 - \$4.25
1 + 1	142	\$2,055 - \$2,775	592 - 818	\$3.39 - \$3.47
2 + 1	5	\$2,775 - \$2,900	971	\$2.86 - \$2.99
2 + 2	5	\$3,435 - \$3,600	1,160	\$2.96 - \$3.10
3 + 2	30	\$4,025 - \$4,225	1,321	\$3.05 - \$3.20

Note: \$1,000 off of first month's rent. No units come with parking-- one parking space is \$150 and a double tandem parking space is \$225.

### Amenities

W/D In-Unit	Polished Concrete Floors	Fitness Center	Poolside Lounge
Stone Counters	Patio/Balcony	Recreation Room	Rooftop Park
Stainless Steel Appliances	Kitchen Peninsula	Saline Pool	Rooftop Theater

# MARKET STATISTICS

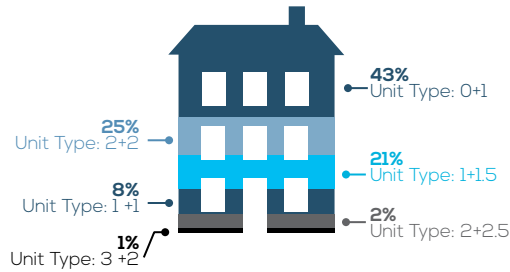
Apartment Rent Survey – Downtown LA  
Built After 2000

## COMPARABLE 13



Canvas LA  
138 N Beaudry Ave  
Los Angeles, CA 90012

Year Built: 2008  
Units: 210



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	91	\$2,097 - \$2,288	557 - 713	\$3.21 - \$3.76
1 + 1	17	\$1,879 - \$2,357	733 - 745	\$2.56 - \$3.16
1 + 1.5	44	\$2,400 - \$2,560	882 - 889	\$2.72 - \$2.88
2 + 2	52	\$2,945 - \$3,492	1,072 - 1,259	\$2.75 - \$2.77
2 + 2.5	4	\$3,865 - \$4,030	1,541	\$2.51 - \$2.62
3 + 2	2	\$5,265 - \$5,345	1,956	\$2.69 - \$2.73

Note: No concessions.

### Amenities

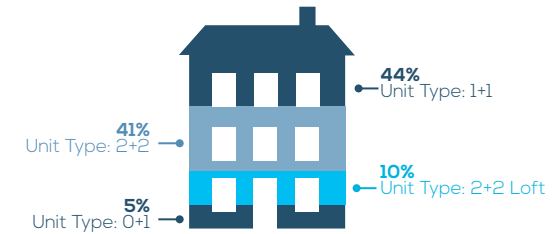
W/D In-Unit	Stainless Steel Appliances	Walk-In Closets (Select Units)	Fitness Center
Granite Counters	Fireplace (Select Units)	Business Center	Pool/Spa
Hardwood Floors	Walk-In Closets (Select Units)	Clubhouse	Movie Theater

## COMPARABLE 14



ORSINI  
505 N Figueroa St  
Los Angeles, CA 90012

Year Built: 2003-2010  
Units: 1072



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	57	\$1,835 - \$2,172	480 - 596	\$3.64 - \$3.82
1 + 1	470	\$1,975 - \$2,800	647 - 916	\$3.05 - \$3.06
2 + 2	440	\$2,475 - \$3,560	946 - 1,210	\$2.62 - \$2.94
2 + 2 Loft	105	\$3,706	1,218	\$3.04

Note: No concessions.

### Amenities

W/D In-Unit	Central A/C	9 Foot Ceilings	Movie Theater
Granite Counters	Carpet Flooring	Pools/Spas	Tanning beds
Stainless Appliances	Breakfast Bar	Sauna/Steam Room	Putting Green
WiFi	Conference Rooms	Parking Garage	Den in Select Units
24 Hour Doorman	Computer Rooms	Storage	
Fitness Centers	Business Centers	Study Rooms	

# MARKET STATISTICS

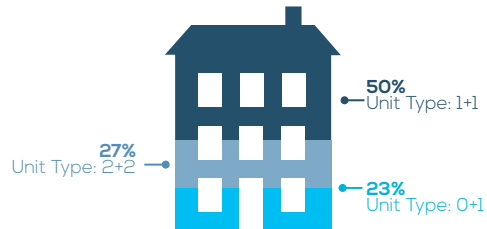
## Apartment Rent Survey – Downtown LA Built After 2000

### COMPARABLE 15



JIA APARTMENTS  
639 N Broadway  
Los Angeles, CA 90012

Year Built: 2014  
Units: 280



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	65	\$1,880 - \$1,985	571 - 663	\$2.99 - \$3.29
1 + 1	140	\$2,155 - \$2,515	686 - 835	\$3.01 - \$3.14
2 + 2	75	\$2,855 - \$3,495	1,113 - 1,367	\$2.56 - \$2.57

Note: No concessions.

#### Amenities

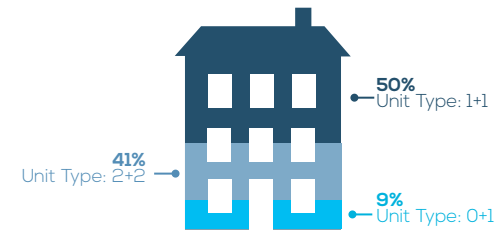
W/D In-Unit	Laminate Flooring	Island Kitchens
Stainless Appliances	Central A/C	Storage
Quartz Counters	Walk-In Closets	Pool/Spa
Fitness Center	Clubhouse	Controlled Access
Business Center	Parking Garage	
BBQ Area	WiFi	

### COMPARABLE 16



The Medici  
725 S Bixel St  
Los Angeles, CA 90017

Year Built: 2000  
Units: 632



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	58	\$1,937 - \$2,323	468	\$4.14 - \$4.96
1 + 1	315	\$2,034 - \$2,270	617 - 699	\$3.25 - \$3.30
2 + 2	259	\$2,475 - \$3,725	944 - 1,700	\$2.19 - \$2.62

Note: No concessions.

#### Amenities

W/D In-Unit	Patio/Balcony	Pools and Spa	Tanning Beds
Carpet Floors	9' Ceilings	Business Center	Private Park w/ Sports Facilities
Granite Counters	Walk-In Closets	Clubhouse	BBQ/Picnic Area

# MARKET STATISTICS

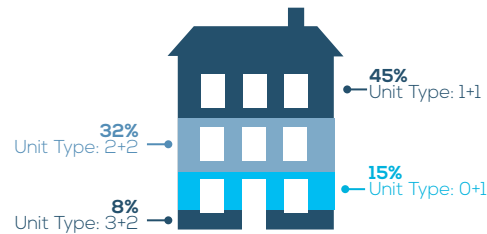
Apartment Rent Survey – Downtown LA  
Built After 2000

## COMPARABLE 17



City Lights on Fig  
1300 S Figueroa St  
Los Angeles, CA 90015

Year Built: 2004  
Units: 100



Type	Number of Units	Asking Rent	Unit Square Feet	Rent per SF
0 + 1	15	\$1,715 - \$1,875	474 - 478	\$3.62 - \$3.92
1 + 1	45	\$1,780 - \$2,000	612 - 698	\$2.87 - \$2.91
2 + 2	32	\$2,100 - \$2,900	995 - 1,237	\$2.11 - \$2.34
3 + 2.75	8	\$3,460 - \$3,500	1,185 - 1,285	\$2.72 - \$2.92

Note: No concessions.

### Amenities

W/D In-Unit	Stainless Steel Appliances (Select Units)	14' Ceilings (Select Units)	Lounge with Media Center
Carpet Floors	Patio/Private Courtyard (Select Units)	Fitness Center	
Granite or Caesarstone Counters	Walk-In Closets	Pool	



## SOLD CONDOMINIUM COMPARABLES RITZ CARLTON – CONDOS WITH HOTEL SERVICES

Criteria: Sold between 1/1/15 and 12/28/15

Ritz Carlton: Located at 900 W. Olympic Boulevard, Los Angeles, California 90015; Built in 2010

Source: The MLS & Costar, sorted by price per square foot.

ADDRESS	UNIT	BD	BA	SALE PRICE	SF	\$/SF	SALE DATE	MLS
<b>RITZ CARLTON: 900 W OLYMPIC</b>								
	#50E	3	3	\$2,800,000	2,347	\$1,193	04/16/15	WS15015179MR
	#41J	3	3	\$2,600,000	2,220	\$1,171	03/27/15	15-881495
	#41F	1	2	\$1,224,900	1,110	\$1,104	11/11/15	15-906951
	#41K	2	3	\$1,875,000	1,700	\$1,103	08/10/15	15-910971
	#35H	2	3	\$2,005,000	1,820	\$1,102	06/01/15	15-893351
	#41B	2	3	\$2,185,000	2,000	\$1,093	11/07/15	15-905055
	#33J	2	3	\$2,200,000	2,050	\$1,073	01/09/15	14-762063
	#31J	2	3	\$2,150,000	2,010	\$1,070	09/03/15	15-931199
	#37E	1	2	\$1,175,000	1,100	\$1,068	11/16/15	15-936245
	#30G	1	2	\$1,180,000	1,130	\$1,044	08/13/15	15-882081
	#28F	2	3	\$2,050,000	1,980	\$1,035	12/10/15	15-947765
	#30C	1	2	\$1,250,000	1,270	\$984	11/23/15	15-922215
	#45E	3	4	\$3,100,000	3,170	\$978	04/14/15	14-810395
<b>AVERAGE:</b>				<b>\$1,984,223</b>	<b>1,839</b>	<b>\$1,079</b>		

Source of Image: CoStar



# MARKET STATISTICS

Sold Condominiums – General DTLA

## SELECT SOLD CONDOMINIUM COMPARABLES – DOWNTOWN LOS ANGELES

**Criteria: Located in Downtown Los Angeles; Sold between 1/1/15 and 12/28/15; Built after 2000**

Source: The MLS & CoStar, sorted by building and then by price per square foot.





ADDRESS	UNIT	BD	BA	SALE PRICE	SF	BUILT	\$/SF	SALE DATE	MLS
<b>LUMA: 1100 S HOPE ST</b>									
	#PH102	2	2	\$1,960,000	1,780	2007	\$1,101	06/09/15	15-894103
	#1402	2	3	\$1,613,000	1,770	2007	\$911	10/16/15	15-921063
	#1501	2	3	\$1,480,000	1,628	2007	\$909	08/06/15	15-897999
	#902	-	3	\$1,575,000	1,800	2007	\$875	10/29/15	PW15136724MR
	#801	2	3	\$1,300,000	1,570	2007	\$828	08/03/15	15-924487
	#1401	2	3	\$1,250,000	1,580	2007	\$791	06/17/15	15-892609
	#1016	2	3	\$1,295,000	1,650	2007	\$785	08/24/15	15-912179
	#1613	1	1	\$545,000	700	2007	\$779	08/12/15	SRI5097618CN
	#1604	1	1	\$765,000	1,010	2007	\$757	11/04/15	15-920311
	#813	1	1	\$528,000	710	2007	\$744	12/17/15	15-927041
	#1204	1	1	\$735,000	990	2007	\$742	04/10/15	15-877731
	#808	1	1	\$722,000	990	2007	\$729	04/08/15	IV15034743MR
	#1102	2	3	\$1,280,000	1,770	2007	\$723	02/05/15	TR14097528MR
	#507	1	1	\$619,000	860	2007	\$719	05/26/15	PW15079572MR
	#1306	1	1	\$710,000	990	2007	\$717	09/23/15	15-897469
#1410	1	1	\$730,000	1,030	2007	\$709	07/02/15	15-898447	
#804	1	1	\$700,000	990	2007	\$707	04/17/15	15-886203	
<b>EVO: 1155 S GRAND AVE</b>									
	#2304	3	4	\$3,450,000	3,608	2008	\$956	03/17/15	14-770089
	#2303	3	4	\$3,400,000	3,973	2008	\$856	05/13/15	14-803635
	#2002	2	3	\$1,999,000	2,370	2008	\$843	07/16/15	15-907593
	#1909	2	3	\$1,900,000	2,400	2008	\$792	09/24/15	15-928945
	#910	1	1	\$660,000	840	2008	\$785	11/02/15	WS15105195MR
	#1706	2	2	\$898,000	1,170	2008	\$768	10/01/15	15-924789
	#1604	1	1	\$715,000	950	2008	\$753	04/20/15	15-884003
	#710	1	1	\$630,000	840	2008	\$750	08/13/15	15-890971
	#914	1	1	\$625,000	860	2008	\$727	06/29/15	15-889827
	#1502	2	3	\$1,700,000	2,370	2008	\$717	08/26/15	15-917613
	#810	1	1	\$600,000	840	2008	\$714	03/05/15	15-819295
	#1501	2	3	\$1,675,000	2,350	2008	\$712	09/21/15	PV15158449MR

Source of Image: CoStar

## SELECT SOLD MULTIFAMILY PROPERTIES

Criteria: Properties located in Los Angeles County; 70 units or more; Sold between 1/1/15 - 12/28/15; Built after 2000

Source: CoStar, sorted by price per square foot.

	ADDRESS	CITY SUBMARKET	ZIP CODE	UNITS	SALE PRICE	CAP	\$/UNIT	\$/SF	BUILDING SF	BUILT	SALE DATE
	801 S Hope St	Los Angeles Downtown	90017	290	\$200,000,000	In Lease-Up During Sale	\$689,655	\$667	300,000	2014	Feb-15
	1360 S Figueroa St & 1355 S Flower St	Los Angeles Downtown	90015	247	\$99,000,000	4.25%	\$400,810	\$550	180,000	2014	Jun-15
	5700 W Olympic Blvd	Los Angeles Miracle Mile	90036	71	\$23,550,000	3.76%	\$331,690	\$451	52,218	1972/2012	Feb-15
	6138 Franklin Ave	Los Angeles Hollywood	90068	146	\$63,000,000	3.40%	\$431,507	\$441	142,785	2010	Apr-15



# DEVELOPMENT PIPELINE



# DEVELOPMENT

## TIMELINE- PARALLEL DEVELOPMENT PROCESS

**Parallel Development Processing (PDP) saves time and money.** A major development project must go through 4 phases: Entitlement, Design, Permitting, and Construction. Traditionally, each phase ran in a series and required a long time to complete. Now, these phases can run in Parallel. Construction can start within months after conceptual plans have been submitted to the City for review, shortening the entire process by as much as 2 years.

**One-on-one assistance through Case Management is provided to ensure projects are built well, safe and fast.** Case Managers advise, guide and assist projects through the development processes.

SOME "PARALLEL DEVELOPMENT PROCESS" PROJECTS			CONCEPTUAL PLANS SUMITTAL TO CONSTRUCTION
Metropolis	\$148M	18-story Hotel / 38-story Condo	3 months
801 S. Olive	\$76M	33-story Residential	7 months
Alameda Square	\$54M	10-story Parking	2 months
Oceanwide Plaza	\$1B	49-story Hotel / Two 33-story Condo	5 months
Columbia Square	\$154M	20-story Residential	4 months
Wilshire Grand	\$1.2B	73-story Hotel / Office	10 months

Source: City of Los Angeles Department of Building and Safety.

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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

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The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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