



Prime Corner Location
Development Opportunity

939
S. FLOWER
STREET
LOS ANGELES

cresa

OFFERING MEMORANDUM

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View of L.A. Live from 939 S. Flower Street

Photo: George Katunich

939 S. Flower Street ↓

Executive Summary

939 South Flower Street is a premier development opportunity located at the northwest signalized hard corner of Olympic Boulevard & Flower Street. The site is directly across the street from the Olympic & Flower Metro bus stop, three blocks south of the 7th Street Metro Center, one block northeast of the Staples Center and one block west of FIDM.

APN: 5138-002-030

Parcel Square Footage: 38,300 SF

Current Status

The site is currently entitled for the proposed development of a 21-story mixed use tower including 112 residential condominium units totaling approximately 165,750 square feet and approximately 95,706 square feet of non-residential educational space for a combined total of 261,456 square feet. The entitlements for the subject property have been extended until November 2021. There may be an additional two-year time extension available on the entitlements, pending approval from Planning.

Site Highlights

The subject site can be accessed from the Southwest on South Flower Street which has approximately 13,000 daily car traffic volume. The subject site can also be accessed from West Olympic Boulevard, a two-way street with approximately 21,000 daily car traffic volume.



Property Profile

ADDRESS 939 S. Flower Street
Los Angeles, CA 90015

LAND SIZE 38,300 SF
26,982 SF Buildable Area
(based on current entitlements)

ASSESSOR PARCEL NUMBER(S) 5138-002-030

ZONING [Q] R5-4D-SN High Density Residential

RECORDED OWNER: FIDM Residential, Inc.

TRUE OWNER: FIDM



Site Benefits

Site Location Highlights

- One block east of L.A. Live
- Connections to the Convention Center, Bunker Hill, Financial District
- Highly desirable Regional Center-adjacent location at the corner of two intersecting major thoroughfares
- Located within the Greater Downtown Housing Incentive Area with no residential density limitation
- Favorable reduced parking for various uses
- Located within the Figueroa and Olympic Sign District, allowing for off-site advertising



Zoning

Zoning Designation

[Q] R5-4D-SN High density residential

Density

Unlimited density due to the greater downtown housing incentive area

Maximum Project FAR with Permitted TFAR

13 to 1
 $38,300 \times 13 = 497,900$ SF

Residential FAR

6 to 1
 $38,300 \times 6 = 229,800$ SF

Commercial Use FAR

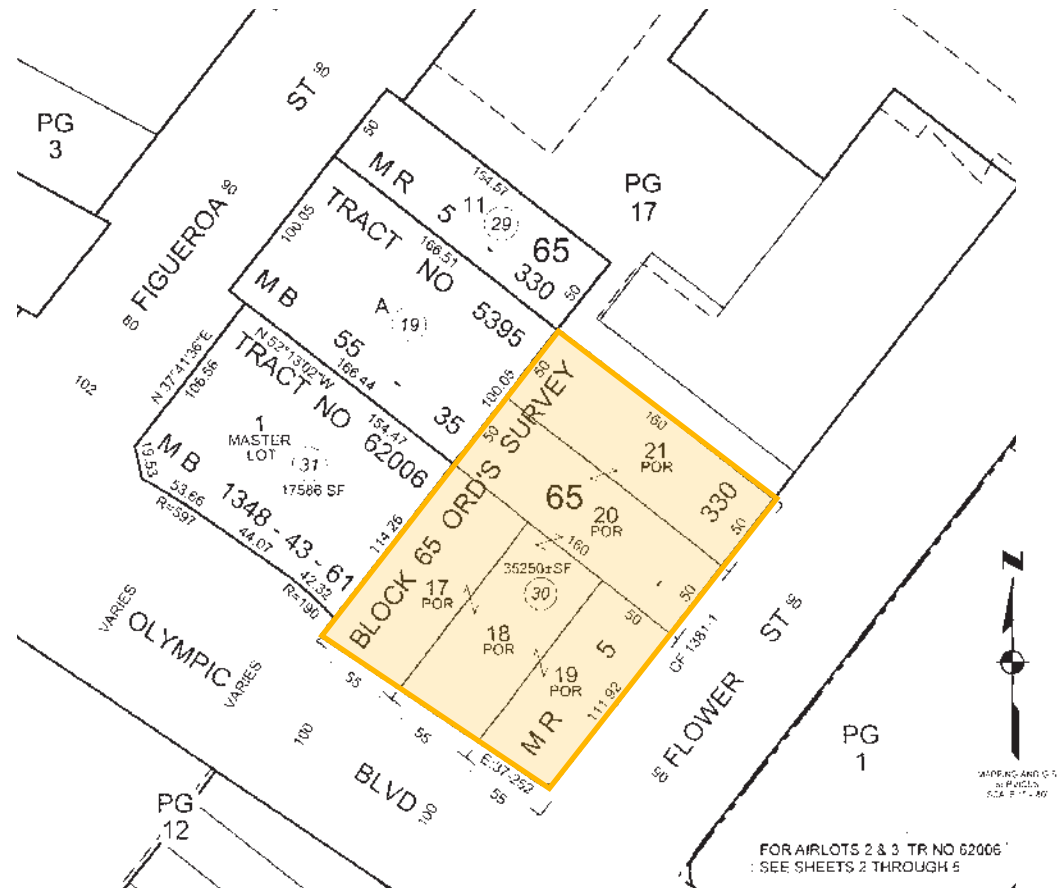
2 to 1
 $38,300 \times 2 = 76,600$ SF

Setback Requirements

Front - 15 feet
 Side - 16 feet
 Rear - 20 feet

Parking

Residential: 1 spaces per unit
 Commercial: 1 spaces per 1,000 SF



Current Approvals:

A Zoning Administrator's Adjustment from Section 12.1 2-C of the LAMC to permit the reduction of the front yard setback to zero feet in lieu of the 15 feet required; a reduction in the side yard to zero feet in lieu of the 16 feet required; and a reduction in the rear yard to zero feet in lieu of the 20 feet required.

New Development Potential:

No yard requirements apply to a project in the Greater Downtown Housing Incentive Area, except as required by the Downtown Design Guide. (LAMC 12.22.C.3 (a)). The Downtown Design Guide requires the following ground floor "street wall" setbacks from the required sidewalk: (a) a 2-foot minimum average setback (with a range of 0-feet to a maximum of 5-feet) for office uses; and (b) a 6-foot minimum average setback (with a range of 4-feet to 12-foot maximum) for residential uses. No setbacks are required for retail uses.]

Approval Letters

Density Allowed

191 units based on the lot size of 38,300/200

Residential FAR

6.5 to 1 based on net buildable area of
 $26,982 \times 6.5 = 175,383$ SF

Non-Residential Educational Use FAR

2.3 based on net buildable area of
 $26,982 \times 2.3 = 62,058$ SF

Required Trees

8 trees

Setback Requirements

None pursuant to the Zoning Administrative Adjustment

Residential Required Parking as Condominiums

1.5 parking spaces per unit. $112 \times 1.5 = 168$ parking spaces

Residential Required Parking if Converted to Apartments

133 spaces

Guest Parking

7 spaces are required

Commercial Parking

One space per 500 SF of commercial space
 $95,706/500 = 191$ spaces

Total Parking Required

366 spaces

Number of Units Allowed Based on Average SF including Common Area Space

		800 SF	1,000 SF	1,200 SF
Lot SF	38,300			
Lot Size at 6:1 FAR	229,800	287	229	191
Lot Size at 13:1 FAR	497,900	622	497	414

Potential Development Based on Unit Size

- FAR development potential of 6:1 by-right represents up to 229,800 square feet of floor area
- Base FAR limited to 6:1 for residential (including hotel) uses and 2:1 for commercial uses
- FAR increase available to 13:1 through a Transfer of Floor Area, up to 6:1 of which could be for commercial uses with City approval
- Maximum FAR development potential with Transfer of Floor Area approvals represents up to 497,900 square feet**
- The subject property is within the proposed DTLA 2040 Plan area, which potentially allows an upzoning to up to 13:1 FAR
- Unlimited residential (inclusive of hotel rooms) density within the confines of FAR limit
- No height limitation or yard setback requirements pursuant to compliance with the downtown design guidelines
- Potential revenue stream from signage, including off-site, supergraphic, and digital signage

** If a future project seeking TFAR approval is determined to be eligible as a Transit Area Mixed Use Project, then the buildable area for purposes of determining the total allowable floor area would be the gross lot area, which includes the area to the centerline of adjacent streets and is 55,828 square feet (per survey). This would increase the total allowable floor area to approximately 725,764 square feet.

Land Sale Comparables



Los Angeles Entertainment Area

Little Tokyo
Historic District
Little Tokyo

Skid Row

Land Sale Comparables

	Address	Acres	Sale Price (PSF)	Date Sold
1	1248 S. Figueroa Street	34,000 SF General Retail/Freestanding	\$32,500,000 (\$955.88)	08/31/2018
2	1029-1031 S. Grand Avenue	0.53 Acres Land	\$15,173,500 (\$657.24)	10/25/2017
3	1133 S. Hope Street	0.66 Acres Land	\$25,500,000 (\$886.97)	03/01/2016
4	1040-1050 Olive Street	0.46 Acres Land	\$12,000,000 (\$598.87)	02/08/2018
5	1155 S. Olive Street	0.41 Acres Land	\$12,000,000 (\$671.91)	10/03/2018
6	224 W. Olympic Boulevard	0.66 Acres Land	\$18,500,000 (\$643.49)	01/24/2017

For Sale Land Comparables

	Address	Square Footage	Sale Price (PSF)
1	959 S. Broadway	20,665 SF	\$1,209.78 PSF
2	920 S. Hill Street	59,242 SF	\$590.80 PSF
3	601 S. Main Street	59,462 SF	\$1,009.95 PSF
★	Subject Site - 939 S. Flower Street	0.87 Acres Land	

Source: CoStar

Top 10 Comparable Apartment Complexes



Apartment Complexes

Name	Address	Studio	1-Bedroom	2-Bedrooms	# of Units	RBA	% Leased	Year Built	
1	8th & Hope	801 S. Hope Street	\$2,200	\$3,000	\$5,000	290	300,000 SF	91.38%	2014
2	Ateller DTLA	801 S. Olive Street	\$3,000	\$3,500	\$4,500	363	320,000 SF	91.80%	2017
3	Circa LA	1200 S. Figueroa Street	N/A	\$3,800	\$6,500	648	633,200 SF	33.00%	2018
4	G12	1200 S. Grand Avenue	\$2,300	\$2,600	\$3,800	347	456,000 SF	86.74%	2017
5	Olive DTLA	1243 S. Olive Street	\$2,100	\$2,600	\$3,300	293	342,923 SF	91.00%	2016
6	Onyx	424 W. Pico Boulevard	\$2,000	\$2,700	\$3,500	162	145,339 SF	87.00%	2018
7	Aven	1120 S. Grand Avenue	\$2,600	\$3,100	\$4,300	536	500,000 SF	13.99%	2019
8	888 at Grand Hope Park	888 S. Hope Street	\$3,500	\$3,000	\$5,700	525	600,000 SF	40.00%	2018
9	Wren	1230 S. Olive Street	\$2,300	\$3,000	\$3,700	362	543,000 SF	91.71%	2017
10	Alina	700 W. 9th Street	\$2,700	\$3,200	\$5,000	341	338,098 SF	22.87%	2018
Average			\$2,522	\$3,050	\$4,530				

★ Subject Site - 939 S. Flower Street

Source: Cresa (Verified Rates)

DTLA Apartment Complexes Map

Buildings built prior to 2018 have an average occupancy of 92%

Map Legend

Apartment Complexes

- 1 8th & Hope
- 2 Ateller DTLA
- 3 Circa LA
- 4 G12
- 5 Olive DTLA
- 6 Onyx
- 7 Aven
- 8 888 at Grand Hope Park
- 9 Wren
- 10 Alina
- 11 Broadway Place
- 12 Avant
- 13 Watermarke
- 14 Axis on 11th
- 15 Apex The One
- 16 Eighth & Grand
- 17 E On Grand
- 18 South Park by Windsor
- 19 Olympic by Windsor
- 20 Oakwood - Olympic & Olive
- 21 The Brockman
- 22 Gas Company Lofts
- 23 825 South Hill
- 24 Renisaance by Windsor
- 25 1000 Grand by Windsor
- 26 The Met
- 27 717 Olympic
- 28 Met Lofts
- 29 Packard Lofts

Subject Property

- ★ 939 S. Flower Street

Los Angeles
Entertainment
Area

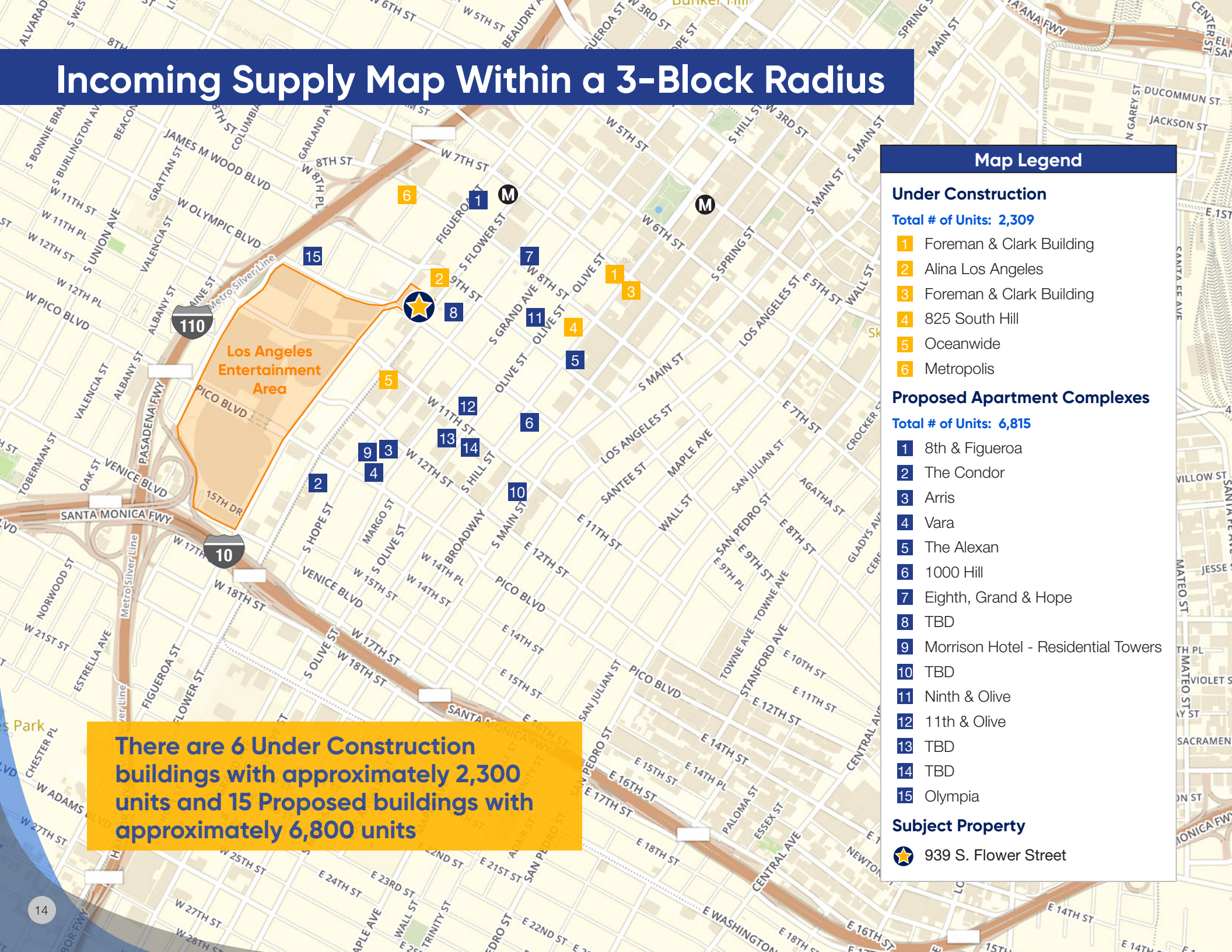
There are 29 currently built Apartment buildings providing approximately 8,000 units within a 3-mile radius

Buildings built prior to 2018 have an average occupancy of 92%

Apartment Complexes

	Name	Address	Studio	1-Bedroom	2-Bedrooms	# of Units	RBA	% Leased	Year Built
1.	8th & Hope	801 S. Hope Street	\$2,200	\$3,000	\$5,000	290	300,000 SF	91.38%	2014
2.	Ateller DTLA	801 S. Olive Street	\$3,000	\$3,500	\$4,500	363	320,000 SF	91.80%	2017
3.	Circa LA	1200 S. Figueroa Street	N/A	\$3,800	\$6,500	648	633,200 SF	33.00%	2018
4.	G12	1200 S. Grand Avenue	\$2,300	\$2,600	\$3,800	347	456,000 SF	86.74%	2017
5.	Olive DTLA	1243 S. Olive Street	\$2,100	\$2,600	\$3,300	293	342,923 SF	91.00%	2016
6.	Onyx	424 W. Pico Boulevard	\$2,000	\$2,700	\$3,500	162	145,339 SF	87.00%	2018
7.	Aven	1120 S. Grand Avenue	\$2,600	\$3,100	\$4,300	536	500,000 SF	13.99%	2019
8.	888 at Grand Hope Park	888 S. Hope Street	\$3,500	\$3,000	\$5,700	525	600,000 SF	40.00%	2018
9.	Wren	1230 S. Olive Street	\$2,300	\$3,000	\$3,700	362	543,000 SF	91.71%	2017
10.	Alina	700 W. 9th Street	\$2,700	\$3,200	\$5,000	341	338,098 SF	22.87%	2018
11.	Broadway Place	1026 S. Broadway	\$2,100	\$2,500	\$3,300	413	275,000 SF	85.00%	2017
12.	Avant	1420 S. Figueroa Street	\$1,900	\$2,100	\$3,000	247	213,395 SF	95.00%	2014
13.	Watermarke	705 W. 9th Street	N/A	\$4,000	\$6,000	214	254,326 SF	90.19%	2010
14.	Axis on 11th	1200 S. Broadway	\$2,000	\$2,600	\$3,800	177	177,000 SF	64.00%	2018
15.	Apex The One	900 S. Figueroa Street	N/A	\$3,400	\$6,300	270	466,200 SF	89.30%	2012
16.	Eighth & Grand	770 S. Grand Avenue	\$2,450	\$2,600	\$3,800	700	577,000 SF	94.00%	2015
17.	E On Grand	1249 S. Grand Avenue	\$1,900	\$2,400	\$3,600	115	81,500 SF	96.00%	2017
18.	South Park by Windsor	939 S. Hill Street	\$2,800	\$3,000	\$3,800	284	277,956 SF	92.00%	2015
19.	Olympic by Windsor	936 S. Olive Street	\$2,700	\$2,900	\$3,800	263	146,104 SF	91.00%	2016
20.	Oakwood - Olympic & Olive	1001 S. Olive Street	\$2,500	\$2,900	\$4,200	201	186,679 SF	85.00%	2016
21.	The Brockman	530 W. 7th Street	\$2,800	N/A	N/A	81	115,117 SF	97.05%	2010R
22.	Gas Company Lofts	810 S. Flower Street	\$2,300	\$2,800	\$4,500	251	226,666 SF	97.40%	2004
23.	825 South Hill	825 S. Hill Street	N/A	\$3,100	\$5,500	490	529,083 SF	18.00%	2019
24.	Renisaance by Windsor	501 W. Olympic Boulevard	\$2,000	\$2,400	\$3,100	205	161,117 SF	93.00%	1993
25.	1000 Grand by Windsor	1000 S. Grand Avenue	\$2,500	\$2,700	\$3,500	273	311,241 SF	92.00%	2015
26.	The Met	950 S. Flower Street	\$1,800	\$2,200	\$3,200	269	248,157 SF	95.20%	1989
27.	717 Olympic	717 W. Olympic Boulevard	N/A	\$3,000	\$6,000	152	169,434 SF	90.73%	2008
28.	Met Lofts	1050 S. Flower Street	\$2,300	\$2,800	\$3,300	266	269,786 SF	92.96%	2006
29.	Packard Lofts	1000 S. Hope Street	\$2,200	\$2,500	\$4,200	91	191,000 SF	94.00%	2005

Incoming Supply Map Within a 3-Block Radius



Map Legend

Under Construction
Total # of Units: 2,309

- 1 Foreman & Clark Building
- 2 Alina Los Angeles
- 3 Foreman & Clark Building
- 4 825 South Hill
- 5 Oceanwide
- 6 Metropolis

Proposed Apartment Complexes
Total # of Units: 6,815

- 1 8th & Figueroa
- 2 The Condor
- 3 Arris
- 4 Vara
- 5 The Alexan
- 6 1000 Hill
- 7 Eighth, Grand & Hope
- 8 TBD
- 9 Morrison Hotel - Residential Towers
- 10 TBD
- 11 Ninth & Olive
- 12 11th & Olive
- 13 TBD
- 14 TBD
- 15 Olympia

Subject Property

- ★ 939 S. Flower Street

There are 6 Under Construction buildings with approximately 2,300 units and 15 Proposed buildings with approximately 6,800 units

Incoming Supply

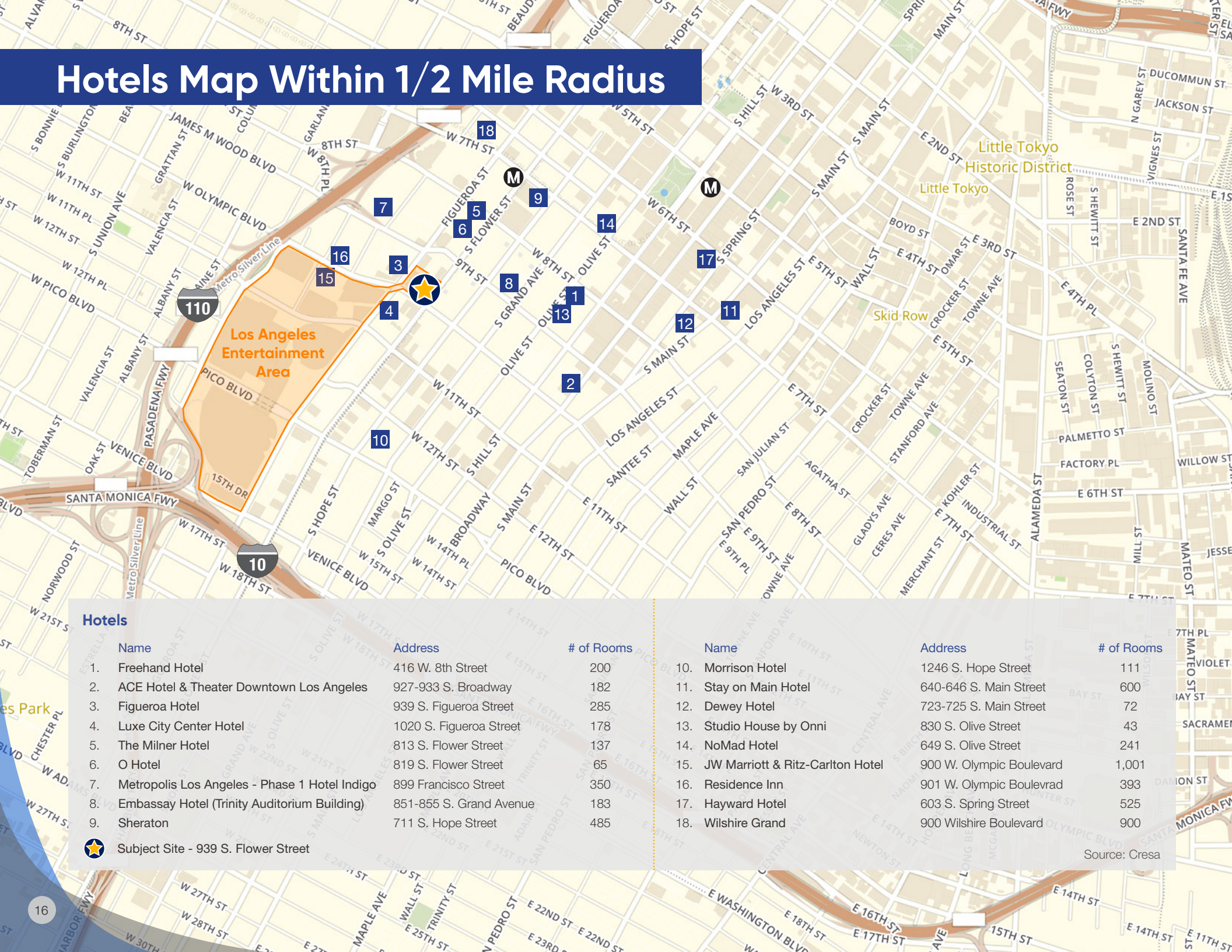
Under Construction

	Name	Address	# of Units	Owner	Year Built	# of Stories
1.	Foreman & Clark Building	404 W. 7th Street	125	Bonnis Properties Cal 701 LP	2019	16
2.	Alina Los Angeles	700 W. 9th Street	341	UBS Financial Services, Inc.	2019	28
3.	Foreman & Clark Building	701 S. Hill Street	124	Bonnis Properties Jervis, Inc.	2019	13
4.	825 South Hill	825 S. Hill Street	490	Onni Group	2019	50
5.	Oceanwide	1100-1198 S. Flower Street	504	Oceanwide Holdings Co. Ltd.	2019	37
6.	Metropolis	Francisco Street & 8th Street	<u>725</u>	Greenland USA	2020	58
		Total	2,309			

Proposed Apartment Complexes


	Name	Address	# of Units	Owner	Year Built	# of Stories
1.	8th & Figueroa	732-756 S. Figueroa Street	436	Mitsui Fudosan Co. Ltd.	2021	42
2.	The Condor	1334-1348 S. Flower Street	177	Khosrow Pakravan	2022	7
3.	Arris	1201 S. Grand Avenue	312	Shenglong Group	2021	10
4.	Vara	1233 S. Grand Avenue	161	Century City, LLC	2022	22
5.	The Alexan	850 S. Hill Street	306	Coast Meridian Properties	2021	26
6.	1000 Hill	1000 S. Hill Street	700	Onni Group	2023	60
7.	Eighth, Grand & Hope	754 S. Hope Street	409	Mitsui Fudosan America, Inc.	2021	39
8.	TBD	949 S. Hope Street	236	Forest City Enterprises, Inc. - California	2022	27
9.	Morrison Hotel - Residential Towers	1220 S. Hope Street	100	Relevant Group	2020	16
10.	TBD	1123 S. Main Street	363	Frontier Holdings West, LLC	2022	
11.	Ninth & Olive	845 S. Olive Street	205	National Properties	2022	29
12.	11th & Olive	1045 S. Olive Street	794	Crescent Heights	2022	70
13.	TBD	1115 S. Olive Street	536	Mack Urban	2021	51
14.	TBD	1120 S. Olive Street	713	AECOM	2021	60
15.	Olympia	1015 W. Olympic Boulevard	<u>1,367</u>	Mehrdad Matthew Mazdyasni	2023	65
		Total	6,815			

Hotels Map Within 1/2 Mile Radius



Hotels

Name	Address	# of Rooms	Name	Address	# of Rooms
1. Freehand Hotel	416 W. 8th Street	200	10. Morrison Hotel	1246 S. Hope Street	111
2. ACE Hotel & Theater Downtown Los Angeles	927-933 S. Broadway	182	11. Stay on Main Hotel	640-646 S. Main Street	600
3. Figueroa Hotel	939 S. Figueroa Street	285	12. Dewey Hotel	723-725 S. Main Street	72
4. Luxe City Center Hotel	1020 S. Figueroa Street	178	13. Studio House by Onni	830 S. Olive Street	43
5. The Milner Hotel	813 S. Flower Street	137	14. NoMad Hotel	649 S. Olive Street	241
6. O Hotel	819 S. Flower Street	65	15. JW Marriott & Ritz-Carlton Hotel	900 W. Olympic Boulevard	1,001
7. Metropolis Los Angeles - Phase 1 Hotel Indigo	899 Francisco Street	350	16. Residence Inn	901 W. Olympic Boulevard	393
8. Embassy Hotel (Trinity Auditorium Building)	851-855 S. Grand Avenue	183	17. Hayward Hotel	603 S. Spring Street	525
9. Sheraton	711 S. Hope Street	485	18. Wilshire Grand	900 Wilshire Boulevard	900

 Subject Site - 939 S. Flower Street

Source: Cresa

Amenities Map

L.A. Live - lalive.com

- | | |
|----------------------|-----------------|
| Fleming's Steakhouse | Rosa Mexicano |
| Shaquille's | Tom's Urban |
| Katsuya | Wolfgang Puck |
| Lawry's Carvery | The Mixing Room |
| Rock'N Fish | Starbucks |


FIG@7th - figat7th.com

- | | |
|-------------------|--------------------------|
| Nordstrom Rack | Morton's Steakhouse |
| H&M | California Pizza Kitchen |
| Target | Mendocino Farms |
| Bath & Body Works | Ohana Poke Co. |
| Gold's Gym | Starbucks |



The Bloc - theblocla.com

- | | |
|----------------------|------------------|
| Macy's & Macy's Home | District |
| Nordstrom Local | Hatch |
| GNC | The Urban Oven |
| T-Mobile | Qwench Juice Bar |
| USPS | Starbucks |

 Subject Site - 939 S. Flower Street

City Statistics

The LA Department of Convention and Tourism reported in their 2017 annual report that the city received 48.3 million visitors, a 2.2% increase over 2016 continuing the annual trend with the target of reaching 50 million visitors by 2020.

The department of Labor Bureau reported LA County unemployment rate at 4.2% as of November 2018, a 0.2% increase year to date.

According to the Downtown Center Business Improvement District Q3 2018 report:

- 2,027 new residential units came onto the market YTD with 5,683 apartments under construction for a total inventory of 30,420
- The residential market currently has a 90.5% occupancy rate compared to 89.2% last year
- Residential rates increased from \$3.00 PSF to \$3.10 PSF, an average with effective rates of \$2,643 to \$2,763
- Residential condominium sales decreased from 133 units sold to 99 units sold year to date, with sale prices increasing from \$679 PSF to \$723 PSF
- Office space market is asking an average \$3.66 PSF for class A space, a 5% increase from the previous year rate of \$3.48 PSF
- Office space currently has a 17% vacancy rate, a 3.5% decrease compared to the previous year of 17.6%
- 2.3 million SF of office space leased year to date
- 1,839 condominium units are under construction

Source: DCBID



Photo: LakersNation



Photo: L.A. Live



Photo: TripAdvisor

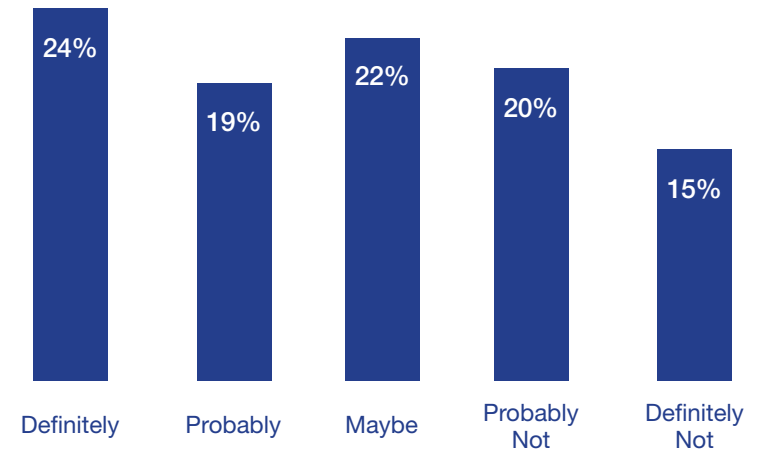


Photo: Jenice Hall, L.A. County

Attitudes

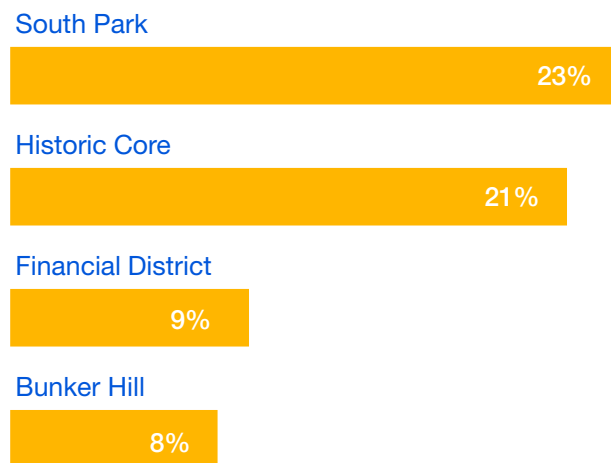


Likely to Live in DTLA in the Future

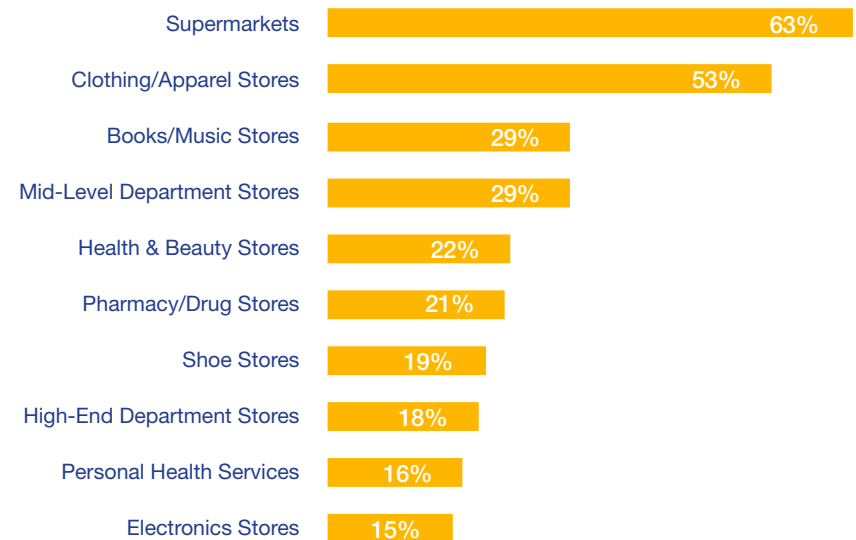


Where We Live

Top Neighborhoods



Most Requested Retail Categories



Statistics

Apartment Growth According to the Downtown Center Business Improvement District 2018 Survey

- The downtown LA residential population has tripled since 1999 and is projected to double its current population by 2028
- 78% of respondents gave DTLA a score of 7 out of 10 or better
- 83% of the 19 million visitors surveyed visited the Staples Center
- 86% of the 19 million visitors surveyed visited LA Live
- 36% of respondents not currently living in DTLA would consider living in DTLA in the future

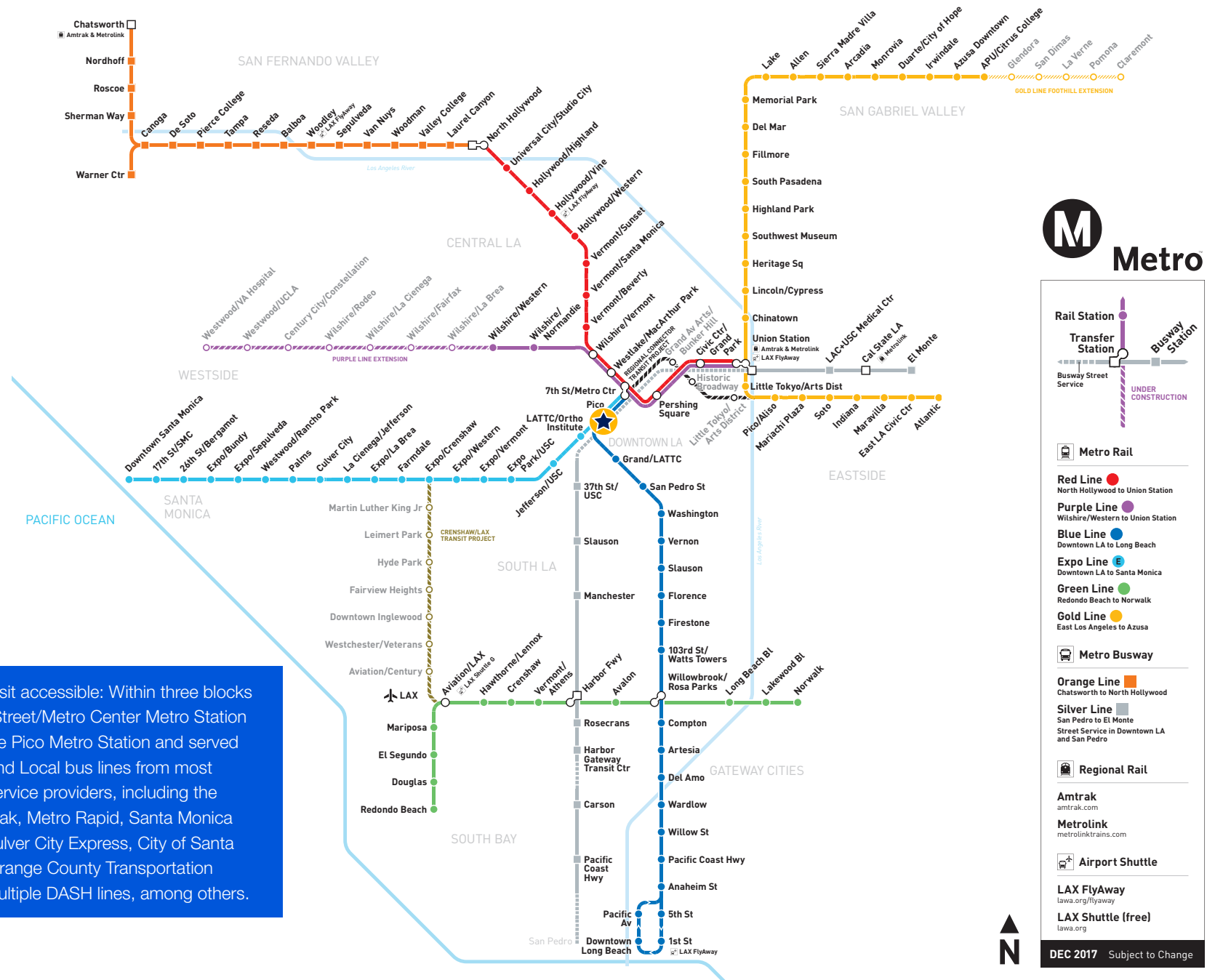
Convention Center, Staples Center and L.A. Live Statistics

- The Center has had on average 23 citywide events each year and is considering an expansion allowing 34 events offering a potential 40% increase in visitors
- The Center also has 117 other events throughout the year, with the expansion potentially increasing that to 130, a 10% increase in visitors
- Overall the Convention Center sees 140 events per year as is and could see 164 events per year after the expansion
- Staples Center and L.A. Live bring in 20 million annual visitors

Source: DCBID



Metro Rail Map with Construction



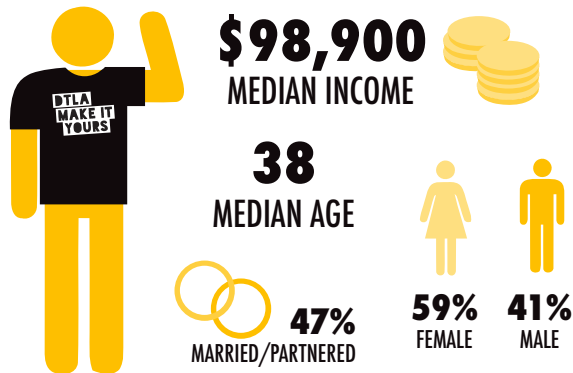
DEC 2017 Subject to Change

Demographics

2018 Downtown LA Survey

LIVE

65,000 Residents



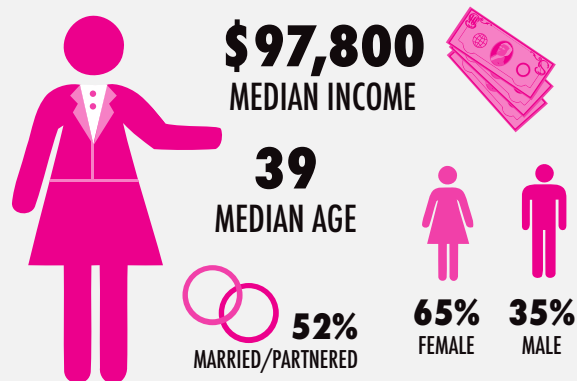
86% REGULARLY VISIT FIGAT7TH

66% ARE PASSIONATE ABOUT DTLA

60% HAVE LIVED IN DTLA FOR LESS THAN 5 YEARS

WORK

500,000 Weekday Population



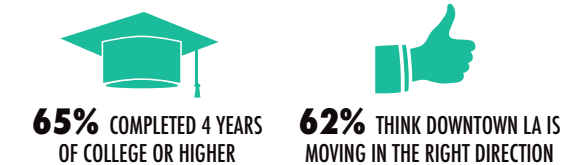
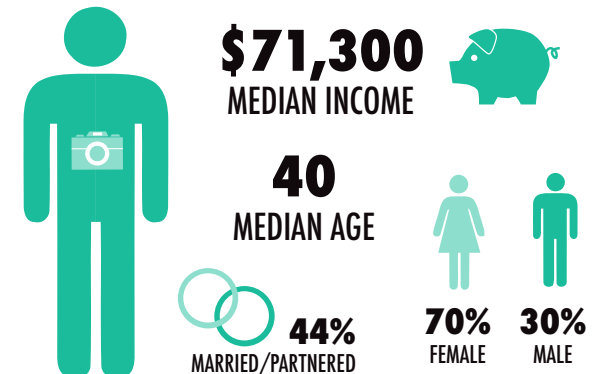
68% REGULARLY VISIT GRAND CENTRAL MARKET

54% ARE AT TOP, SENIOR, OR PROFESSIONAL STAFF LEVELS

36% WOULD CONSIDER LIVING IN DTLA IN THE FUTURE

VISIT

19 MILLION Visitors



89% HAVE VISITED GRAND CENTRAL MARKET

86% HAVE VISITED LA LIVE

83% HAVE VISITED STAPLES CENTER

Views from 939 S. Flower Street





939
S. FLOWER
STREET **LOS ANGELES**

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