

# 23rd & Hill

TRANSIT-ORIENTED REDEVELOPMENT OPPORTUNITY

±39,460 SF of Land | ±26,500 SF of Existing Improvements | Opportunity Zone



IN THE PATH OF DOWNTOWN  
LA'S SOUTHWARD EXPANSION

# SUBJECT PROPERTY

## Property Overview

The Subject Property consists of an approximately ±26,500 SF of buildings situated on approximately ±0.54-acre site within walking distance of two Metro Rail lines in Greater Los Angeles. Namely, the Expo Line, which runs between Santa Monica and Downtown Los Angeles in conjunction with the Blue Line, which connects Downtown Los Angeles to Long Beach. The site will also have direct connectivity to Los Angeles International Airport (LAX) when the Crenshaw/LAX corridor opens in 2021.

Drivers in the Los Angeles-Long Beach-Santa Ana region on average spent 102 hours idling on freeways in 2017. The worst cumulative delay of any U.S. metropolitan area, according to a study released by the data company Inrix. Therefore, it should come as no surprise the Los Angeles County Metropolitan Transportation Authority (Metro) is enhancing the basin's rail network, which is already netting increased ridership. During July 2018, Expo Line ridership totaled 1.6 million passengers, up 90% from three years ago, while the Gold Line (which runs from San Gabriel Valley to East Los Angeles with a stop at Union Station) had 1.4 million patrons, a 9% increase over the same period. Both rail lines had network enhancements in 2016, with the Expo Line adding connectivity to Santa Monica in May, and the Gold Line adding five new stops in the eastern San Gabriel Valley.

More riders elevates the visibility of any property along a traveled rail-line, while a site next to a stop also gets the benefit of increased foot traffic. This holds true for the Subject Site, which has another very important distinction: It has immediate proximity to Downtown Los Angeles. The Subject Site is within walking distance of Downtown's Central Business District (CBD), Staples Center (1.2 miles away), Los Angeles Convention Center (1.0 miles away) and the University of Southern California (1.5 miles away). It is within a short drive of other iconic destinations such as Hollywood (8.3 miles away), Beverly Hills (9.2 miles away) and LAX, the world's sixth busiest airport (14.9 miles away).

Transit-oriented development offers many opportunities, with one of them being housing. Los Angeles County's median home price was \$597,520 in June 2018, up 5.5% from a year ago, according to data from the California Association of Realtors. Several forecasts call for prices to increase by 10% over the next five years. On the leasing-end, more than half of Los Angeles County's renters pay 30.0% or more of their monthly incomes to rent. Paying 30% to 50% of your income towards rent means you are "cost-burdened," according to a Joint Center for Housing Studies of Harvard University report.

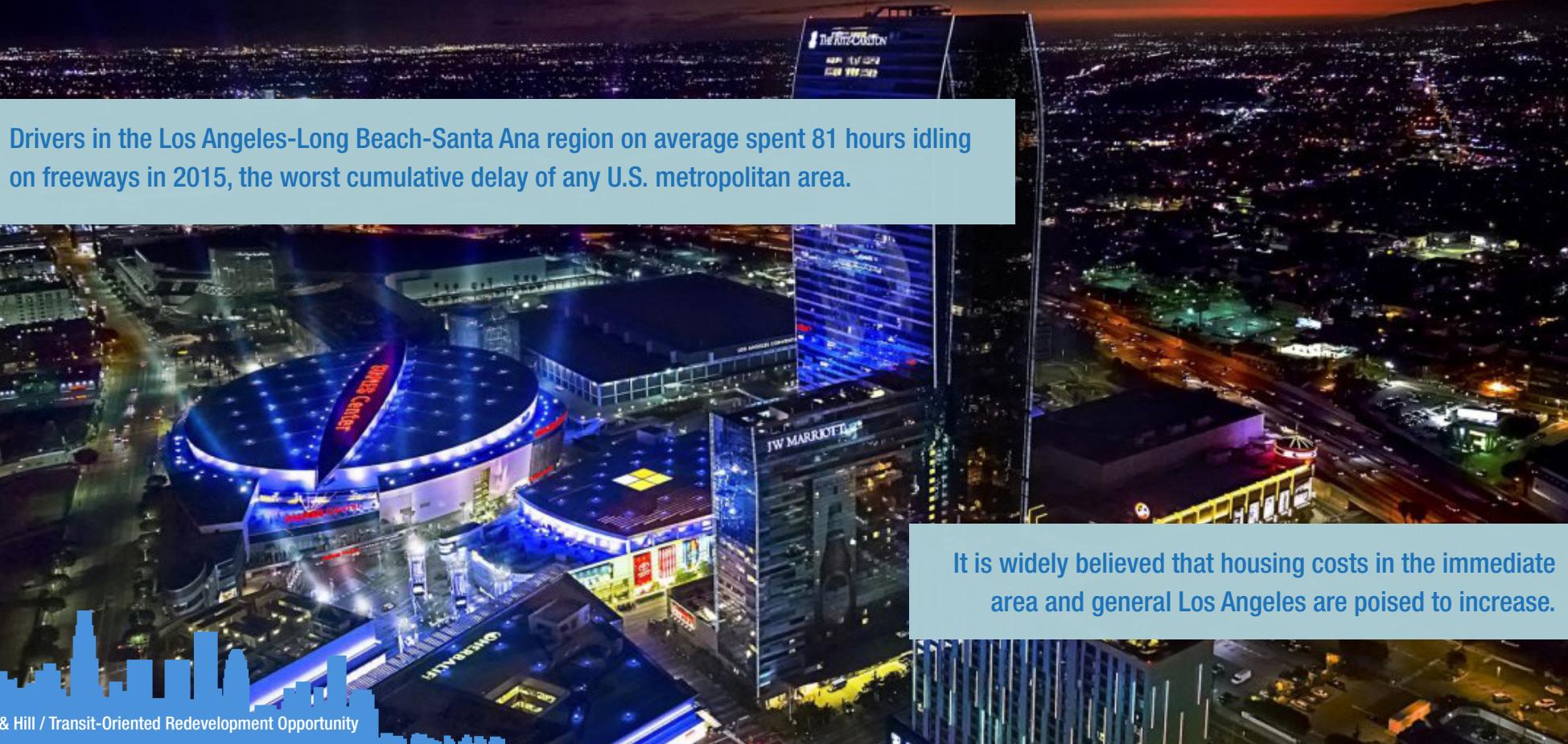


## Property Overview (Con't)

The average home value within a 5-mile radius of the subject site is currently \$587,017, while the monthly rent for a studio apartment is \$1,526. The Subject Site is within walking distance to several new retail projects and residential developments. The Subject Site's location in conjunction with proximity to key business centers and attractions and its strong commuter rail-connectivity, it is widely believed that housing costs in the immediate area and general Los Angeles are poised to increase.

Re-developing the site to creative office is another unique opportunity the Subject Site offers, based on its immediate proximity to surrounding amenities that include L.A. Live and University Park's offerings. Additionally, it is located in a corridor that is seeing substantial residential development and appeals to white-collar professionals with a desire to live close to where they work. The immediate access to a skilled labor force and a large University is a strong selling point for any office tenant.

All these factors considered, the Subject Property presents a compelling opportunity for a developer/investor to acquire a strategically located transit-oriented development site or Creative Office Campus in a housing market that is substantially under-supplied and comprised of consumers showing an ever-growing demand for proximity to mass-transit and work, live, play environments or an incubated unique creative office campus.



Drivers in the Los Angeles-Long Beach-Santa Ana region on average spent 81 hours idling on freeways in 2015, the worst cumulative delay of any U.S. metropolitan area.

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# INVESTMENT HIGHLIGHTS

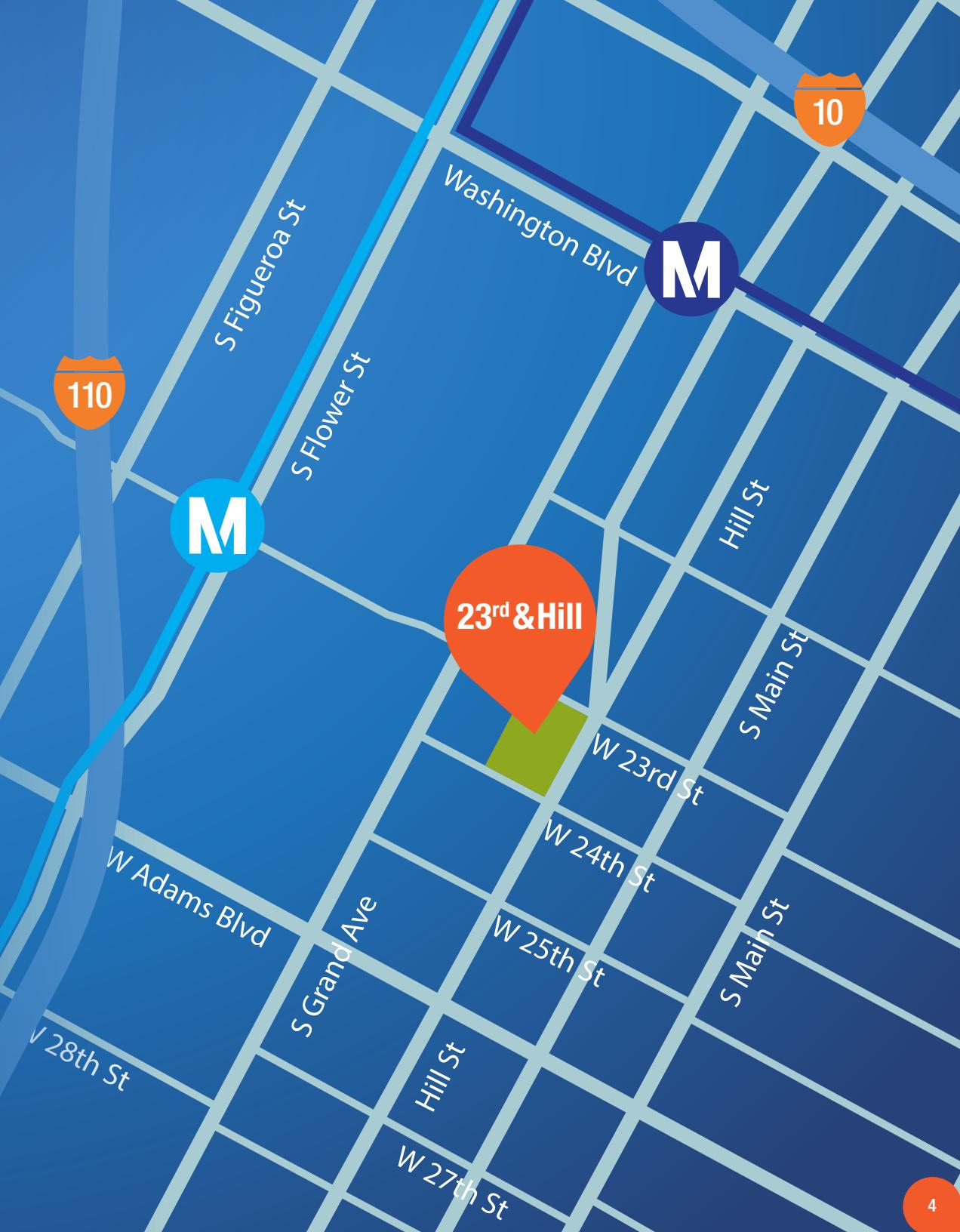
- Rare five-parcel assemblage at a five-way intersection in Downtown LA's emerging South Park/University Park corridor
- Zoned LA-M1 within an Opportunity Zone — flexible for mixed-use or creative office
- Walking distance to two Metro rail lines (E & A)
- Surrounded by \$3B+ of ongoing institutional development (REEF, USC Village, Lucas Museum)
- Short drive to Staples Center, USC, and the LA Convention Center

## Quick Stats:

<b>Address</b>	218-2315 S Hill St
<b>Lot Size</b>	±39,460 SF
<b>Building Size</b>	±26,500 SF
<b>Zoning</b>	LA-M1
<b>Highest &amp; Best Use</b>	Mixed-Use / Creative Office Redevelopment
<b>Opportunity Zone</b>	Yes
<b>Asking Price</b>	Inquire with Brokers



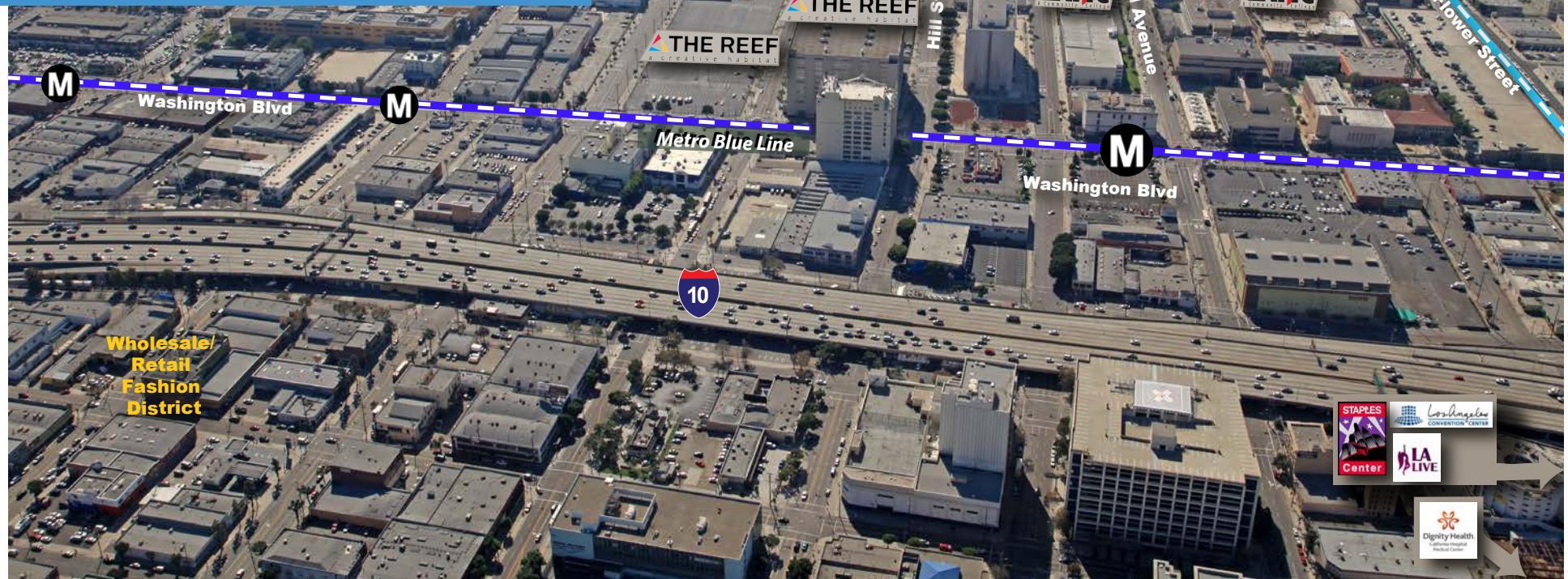
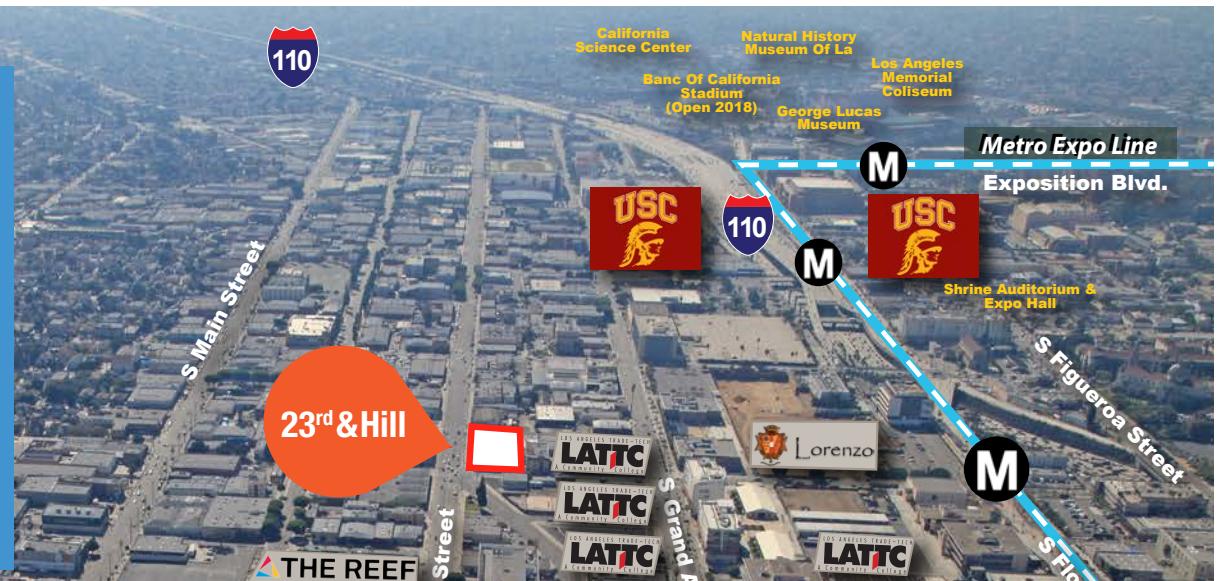
23rd & Hill / Transit-Oriented Redevelopment Opportunity



# LOCATION OVERVIEW / LOOKING TOWARDS SOUTH

## Centralized Gateway Between Downtown & USC

Located at the confluence of Downtown LA's South Park and University Park, 23rd & Hill benefits from immediate access to the 10 and 110 Freeways, two Metro lines, and the city's largest employment centers. This area is rapidly transforming into a high-density mixed-use corridor as developers capitalize on the city's multi-billion-dollar investment in public transit.



# LOCATION OVERVIEW / LOOKING TOWARDS WEST LOS ANGELES



# LOCATION OVERVIEW / LOOKING TOWARDS SOUTH WEST



# LOCATION OVERVIEW / LOOKING TOWARDS WEST LOS ANGELES



# PROPERTY OVERVIEW

## Assembled Parcels, Clear Upside

The Subject Property comprises five contiguous parcels totaling  $\pm 39,460$  SF with  $\pm 26,500$  SF of existing improvements built between 1926–1949. The site's rare five-way corner exposure along Hill, Olive, and 23rd Streets offers exceptional visibility and ingress for future development or adaptive reuse.

## Parcel Summary

	ADDRESS	APN	CONSTRUCTED IN
1	222 West 23rd Street, Los Angeles, CA 90007	5126-021-016	N/A Land
2	218 West 23rd Street, Los Angeles, CA 90007	5126-021-017	1949
3	2315 South Hill Street, Los Angeles, CA 90007	5126-021-001	1926
4	219 West 24th Street, Los Angeles, CA 90007	5126-021-002	1928
5	223 West 24th Street, Los Angeles, CA 90007	5126-021-003	N/A Land



# OPPORTUNITY PROFILE

## Reposition or Redevelop

### TRACK 1 – REDEVELOPMENT:

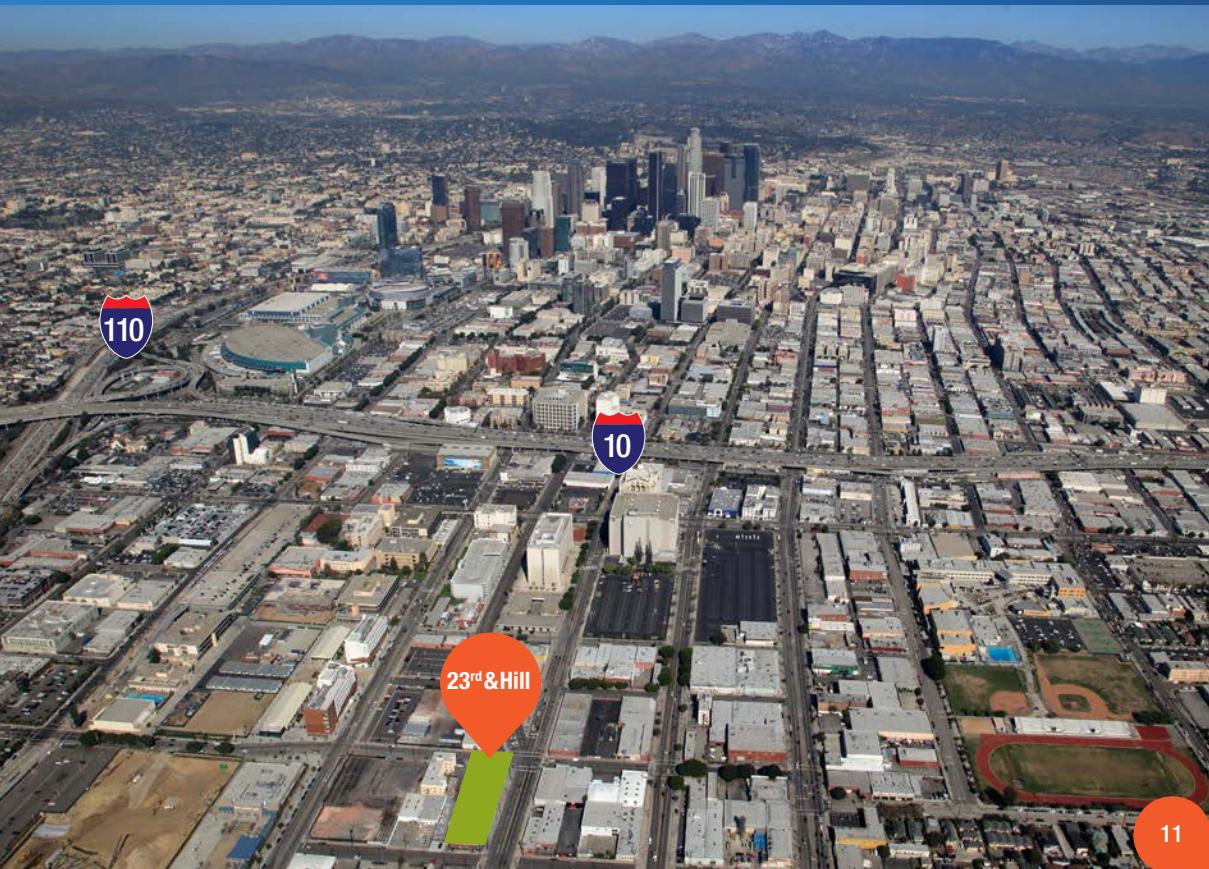
- Potential for a mixed-use residential or hybrid live/work concept leveraging Opportunity Zone incentives.

### TRACK 2 – REPOSITIONING:

- Convert existing structures into a creative office campus or boutique production space. Existing bones and zoning support flexible, low-rise creative uses.
- Proximity to USC's innovation ecosystem and DTLA's creative office migration makes 23rd & Hill ideally positioned for hybrid demand.



Zoning	LA-M1
Community Plan	South & Southeast Los Angeles Community Plan
Total Building Size	±26,500 SF
Total Land Size	Approximately +/-39,460 SF
Road Frontage	23rd Street Hill Street Olive Street 24th Street Rare Five (5) Way Intersection
Council District	9 - Curren D. Price
State Assembly District	57 - Reginald B. Jones - Sawyer
State Senate District	30 - Bob Archuleta
Los Angeles County District	2 - Holly Mitchell
Highest & Best Use	Transit Oriented Mixed Use Multi-Family Development/ Refurbished Creative Office Campus
Development Incentives	Federal, State, County and City government economic incentive programs may be available, including, but not limited to tax/regulation relief, economic incentives etc. for a Transit Oriented Mixed Use Multi-Family Development or refurbished Creative Office Campus.
Opportunity Zone	Yes
Description of Benefits	



# AREA OVERVIEW

## South Park

South Park is a 50-block neighborhood in Downtown Los Angeles anchored by entertainment and convention venues, including STAPLES Center, LA LIVE & Microsoft Theatre, and the LA Convention Center. It is also home to the Fashion Institute of Design and Merchandising, Grand Hope Park, and an emerging residential community. The neighborhood's borders include Downtown's Central Business District (CBD) on the north, the Harbor Freeway (110) on the west, the Santa Monica Freeway (10) on the south and AT&T Center on the east.

The opening of the STAPLES Center in 1999 sparked a wave of luxury apartments and condominium development that continues today. South Park's proximity to the University of Southern California (USC) and Downtown's CBD, growing amenity base as well as public transit options make it an attractive area for young professionals that want to live, work and play in the same area. South Park's residents tend to be young and relatively affluent, where studio apartment rents often start in the low \$2,000s.

The neighborhood's transit oriented rail connectivity is unparalleled. Near the sports and entertainment district (which includes the Convention Center, Staples Center, and L.A. Live), the Pico Light Rail Station serves both the Blue and Expo lines of the Metro system. Just to the north of South Park, the 7th and Flower Station provides access to the Red and Purple Lines, which serve Downtown, the Wilshire District, Hollywood, and the San Fernando Valley. New projects in the system, like the Regional Connector to the north will inevitably bring more visitors to Downtown Los Angeles.



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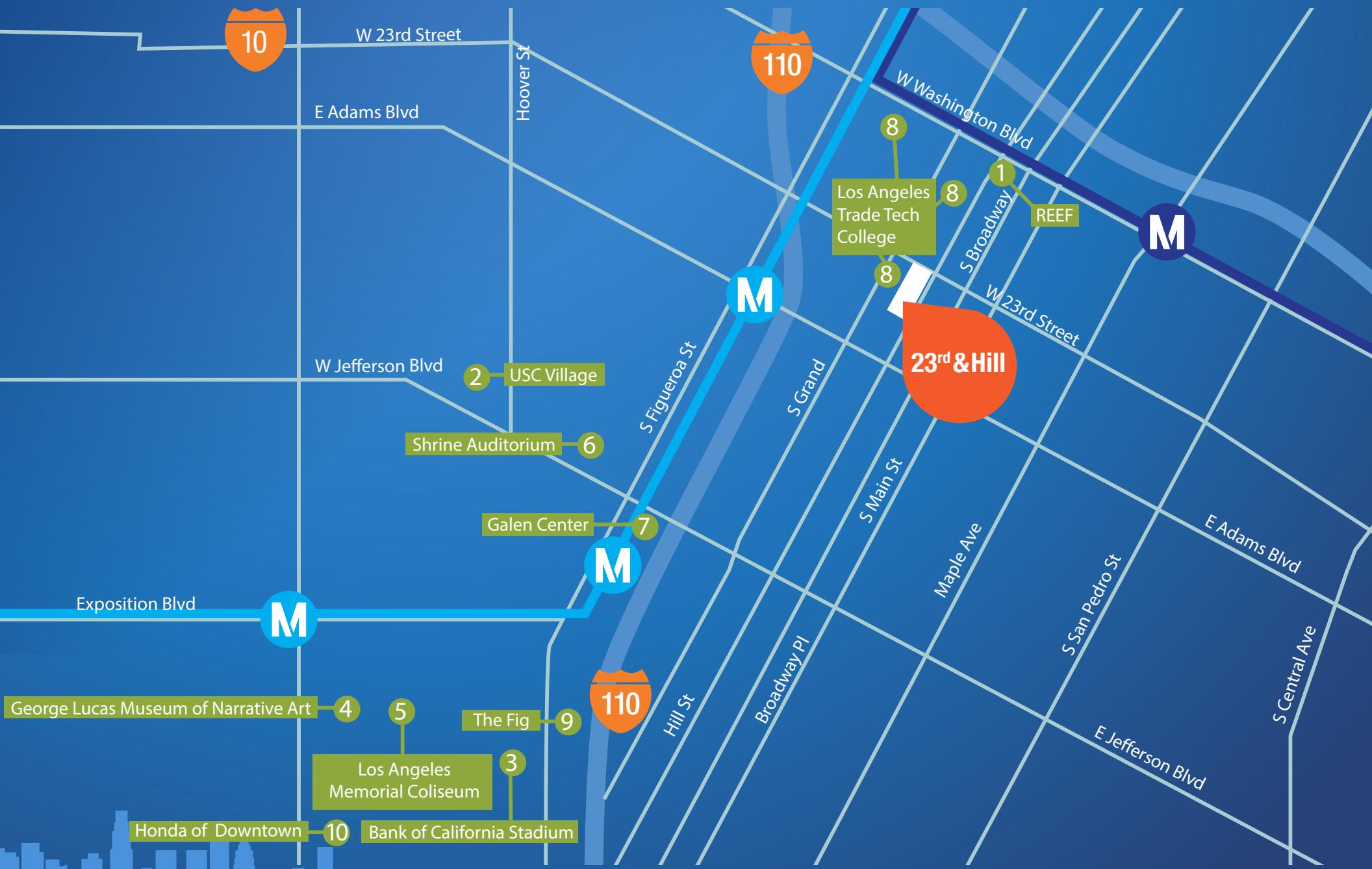
## University Park

University Park is a 1.17-square-mile neighborhood that is adjacent to the southeastern corner of South Park. Its street boundaries include the Santa Monica Freeway on the north, Washington Boulevard on the northeast, Vermont Avenue on the west, the Harbor Freeway on the east.

This is one of Los Angeles' most diverse and historic neighborhoods. Beginning with the founding of USC in 1880, the area has hosted two Olympic Games (A third in 2028) and numerous presidents, along with countless events of cultural and historical significance. Few areas in Southern California boast such a wide variety of historic buildings—residential, educational and commercial—dating to Los Angeles' earliest days. With USC as its anchor, University Park is also home to Mount St. Mary's College and Hebrew Union College. These institutions of higher learning are in addition to nine primary and secondary schools, including one high school.

The Metro Expo Line serves the neighborhood with stations at 23rd Street, Jefferson Blvd/USC, Exposition Park/USC and Exposition Blvd/Vermont Ave. Notable attractions in the immediate and surrounding area include: the Shrine Auditorium, USC Village and the Los Angeles Memorial Coliseum.

# LOCAL AREA DEVELOPMENT



# MARKET DRIVERS & DEVELOPMENT PIPELINE

## Path of Growth-13

Over \$3 billion in institutional projects have reshaped the immediate 1-mile radius, driving new housing, retail, and employment demand. Nearby projects include The REEF (\$1B), USC Village (\$700M), the Lucas Museum of Narrative Art (\$1.3B), and LATTC expansion.

## Top Nearby Projects:

**The Reef** – Mixed-Use | 0.2 mi | Approved

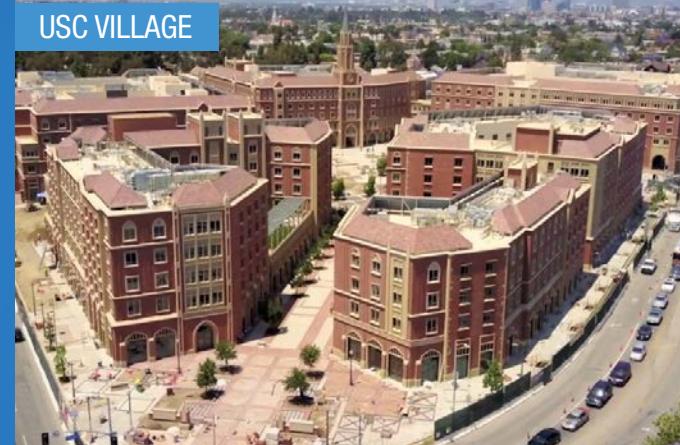
**Lucas Museum** – Cultural | 1.0 mi | Delivering 2025

**USC Village** – Mixed-Use | 1.1 mi | Delivered

**LATTC Expansion** – Education | 0.5 mi | Planned

**The Fig** – Hotel/Multi-Family | 0.9 mi | Under Construction

**Honda DTLA** – Retail | 0.6 mi | Delivered



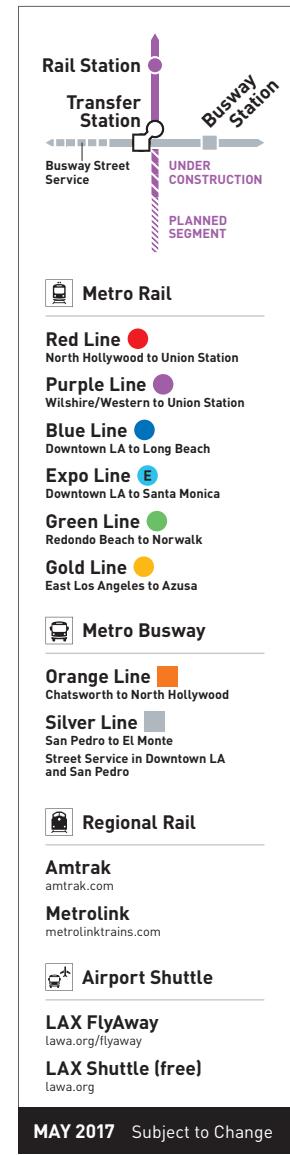
# IMMEDIATE AREA RESIDENTIAL DEVELOPMENT



# TRANSIT CONNECTIVITY



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# MULTIFAMILY MARKET SNAPSHOT

Average 1-bedroom rents have increased 32% since 2019, while vacancy remains under 5%. Within a 1-mile radius, over 1,100 units are under construction, demonstrating continued confidence in the corridor's residential fundamentals.

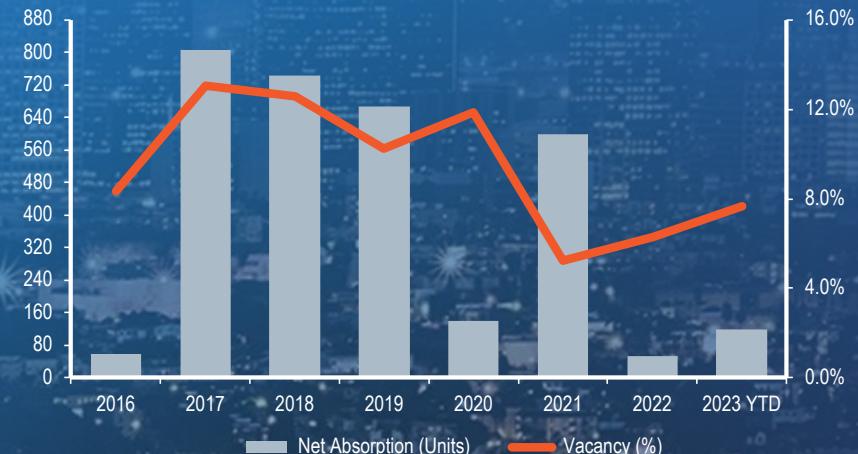
	1-Mile of Subject	3-Miles of Subject	5-Miles of Subject	Los Angeles County
# of Buildings	384 buildings	5,574 buildings	14,298 buildings	70,587 buildings
# of Units	9,408 units	137,070 units	248,961 units	1,185,669 units
Vacancy Rate	7.7%	6.5%	5.5%	4.5%
Absorption: 2018 YTD	119 units	2,453 units	3,417 units	5,328 units
Under Construction	1,147 units	6,976 units	12,148 units	32,098 units
<b>Average Monthly Asking Rent</b>				
Studio	\$1,586	\$1,527	\$1,480	\$1,610
1-Bedroom	\$2,346	\$2,018	\$1,836	\$1,917
2-Bedroom	\$3,441	\$2,825	\$2,515	\$2,499
3-Bedroom	\$3,253	\$3,017	\$2,706	\$2,981
Trailing 12-Month Sale Price/Unit	\$293,261	\$382,369	\$320,736	\$325,639

Source: CoStar. Subject site's focal point: 2301 Hill St, Los Angeles, CA

## AVERAGE MONTHLY ASKING RENT – 1-MILE OF SUBJECT



## VACANCY AND NET ABSORPTION – 1-MILE OF SUBJECT



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