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EXCLUSIVE

Downtown L.A. Condo Market Poised For Growth

By Alan P. Mark, founder and president of the Mark Co. | Commentary



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LOS ANGELES-With fewer than 75 condominiums currently available for sale, the Downtown Los Angeles real estate market is experiencing a severe lack of new inventory. Recent data showing rising prices due to this shortage, along with an overall improvement in the economy, indicates now is an ideal time for the **development** of new **condominium projects** in the area.

Between 1999 and 2012, more than 10,800 rental units were added to the Downtown Los Angeles market, but only 4,685 condominiums. There are currently over 3,600 new rental apartments under

construction, but zero new condos being built in the area.

Recent data on the resale market in Downtown L.A. also shows an overall increase in price and price per square foot, and a decrease in volume. Furthermore, **foreclosure** and **short sale opportunities** have evaporated, and sellers are now seeing multiple offers on resale homes in certain price points.

Livable Downtown

The overall shift in perception of the livability of Downtown LA is expanding the number and types of buyers who would be attracted to new condominium buildings coming to the market.

The population of Downtown LA has already grown more than 300% in the past 13 years, from around 18,000 residents in 1999 to more than 50,000 in 2012, according to the Downtown Center Business Improvement District. The goal of the BID and the CCA is to double that amount again by 2025. However, this can only happen if there are enough new developments to accommodate the growth in the Downtown LA population.

Over the past five years, Downtown L.A. has seen new restaurants, night spots, art galleries and retail stores open at breakneck speed. Not to mention the major museums and entertainment facilities that sprung up in recent years, and the anticipated addition of **Farmers Field** and a new NFL team. All of these factors have contributed to the area becoming a sought after destination to live, work and play.

Angelenos looking for a more livable environment should also be attracted to the streetcar line approved for Downtown LA, which will connect L.A. Live and Staples Center to the Grand Avenue corridor and Bunker Hill.

Downtown is now home to some of the county's most affluent zip codes. Furthermore, the West Coast's largest work force is in Downtown L.A., along with the greatest divergence of people who work and live in an urban area in the U.S.

All of these factors indicate favorable conditions in which to introduce mid- to high-end condominium developments to the Downtown Los Angeles market.

Alan P. Mark is founder and president of the Mark Co. The views expressed in this column are the author's own.