

Developer Hopes to Clean Up With Carwash

ACQUISITION: Ben Neman plans mixed-use tower at site across from L.A. Live.

A family-owned carwash across the street from L.A. Live was sold late last month to a developer who plans to build a mixed-use high-rise in its place.

Ben Neman, a downtown L.A. investor, bought the small corner lot at Figueroa Street and Olympic Boulevard from Los Angeles Car Wash Corp. for an undisclosed price. The seller, 84-year-old Robert Bush, first listed the property in early 2012 for \$25 million. The sale closed April 30 after nearly two years in escrow.

REAL ESTATE

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Rod Delson, senior vice president of investment sales in the Westlake Village office of NAI Capital, represented both sides in the deal. He said Bush, who opened the carwash in 1980, swept aside offers from developers for years before finally agreeing to sell.

"It's been in his family for a long time, but he realized the site was ready for its next creation, its next tier," Delson said. "The property outlived its functionality as a car wash and is now far more valuable as a development site."

Neman did not return requests for comment, but according to notes by real estate data provider CoStar Group Inc., he plans to build

a 476,000-square-foot mixed-use development on the site. Delson said Neman worked throughout the lengthy escrow to gain entitlements for a tower that would have both condominiums and hotel rooms.

"I don't believe he has gotten entitlements yet, but he's been working on it for a while," he said.

The project would be one of about two dozen major developments in the works in the South Park neighborhood in downtown Los Angeles.

Others include the 73-story Wilshire Grand by Korean

Air and Metropolis, a 19-story hotel and 38-story residential tower by Shanghai developer Greenland Group. One block west of the carwash, developer Williams & Dame is under construction on two Marriott-branded hotels that will have nearly 400 rooms total. Thousands more residential units are in the pipeline for the area, from developers such as Omni Group, Jade Enterprises, Wolff Co., Mack Urban and GH Palmer & Associates.

"Just in the last year, the activity level, the price points, the clamoring for property, all have been dramatically high," Delson said. "A lot of it had to do with speculation for a football field, but even without it, South Park is a go-to place for young working professionals."

Refrigeration Renovation

Business is booming for industrial developer Dedeaux Properties.

Months after beginning work on a \$32 million ground-up project in Vernon, the East



RINGO H.W. CHU/LABy

Purchased: Workers at downtown L.A. carwash.

L.A. company has committed to another project of similar scale.

Dedeaux, in a joint venture with Santa Monica's Cornerstone Real Estate Advisers, recently bought the Los Angeles Food Center for \$33 million. The 266,000-square-foot cold storage building at 2652 Long Beach Ave. was sold by Brentwood's Lowe Enterprises Investment Management for about \$123 a square foot.

Dedeaux and Cornerstone plan to renovate the outdated facility, which was built in 1965. The companies expect to spend up to \$7 million to modernize the building, including bringing in energy-efficient refrigeration equipment and insulation panels for temperature-controlled rooms. Once construction is complete, the building can be leased to a single large tenant or two or three smaller tenants.

Brett Dedeaux, a principal of the family-run development company, said he was attracted to the property because, while it was

considered functionally obsolete at the time of sale, it had good bones. The building has 30-foot ceilings, an expansive truck yard and more loading docks than is typical for a building of its size.

"There's a lot of movement in the industrial world now, where a lot of companies that have been in these older buildings for years need to move and find better solutions," he said.

Apartment Acquisitions

Local multifamily investor Jeffrey Nemoj recently acquired a couple of apartment buildings in well-heeled neighborhoods that together cost more than \$20 million.

His firm, Equity Real Estate Group, purchased a 21-unit building at 416 Oakhurst Drive in Beverly Hills for \$12 million, about \$571,500 a unit. The firm also purchased a 20-unit building at 16100 Sunset Blvd. in Pacific Palisades for \$8.75 million, about \$437,500 a unit.

The apartment acquisitions come shortly after Nemoj sold off three Santa Monica multifamily buildings totaling 66 units for nearly \$30 million.

Stephen Saltzman, executive managing director for Keller Williams Commercial, represented the buyer in both deals, and Kevin Sabin, also of Keller Williams, represented the sellers. The Pacific Palisades property, built in 1995, was sold by an elderly German couple living overseas. The Beverly Hills property was sold by a local investor couple who had owned it for more than 30 years.

Sabin said that in both cases, Nemoj was attracted by the potential in rents.

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