

# PERSPECTIVE

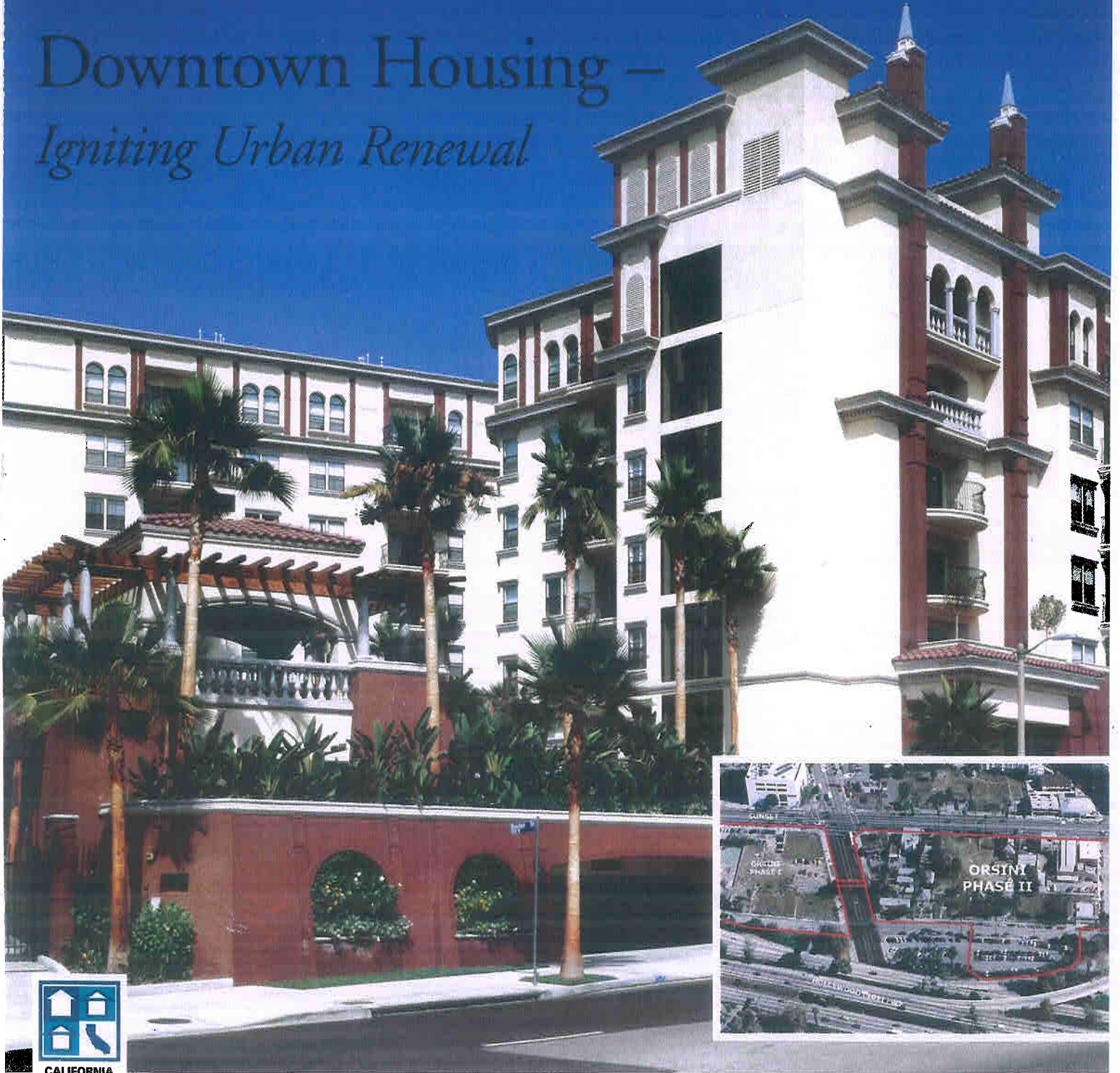
CALIFORNIA APARTMENT ASSOCIATION

SOLUTIONS, INFORMATION AND NEWS FOR CALIFORNIA'S MULTIFAMILY HOUSING INDUSTRY

# MAGAZINE

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## Downtown Housing – *Igniting Urban Renewal*



CALIFORNIA  
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# Apartment Owners Reshape and Revitalize Urban Areas

Palmer, Moradi and Spieker Committed to the Downtown Residential Living Experience

By John Galbraith





MEDICI BY G.H. PALMER ASSOCIATES AS IT WAS IN 1998 AND TODAY.

Imagine a day where residents live, work and play in a safe and vibrant downtown setting, complete with shopping, entertainment, restaurants and museums – all within a short walk from stylish and attractive new rental housing to include spacious lofts and stylish Italian-style resort residences. It is a cultural haven – the place of choice, a place to gather, not the last resort.

Today is that day. The following are three profiles of multi-family owners who are contributing to healthier, more diverse downtowns. Although they vary in their approach to multi-family housing, they share the common vision of urban renewal where people can move seamlessly through their work and family lives in a stimulating downtown setting. They are examples of housing pioneers who have established downtown housing niches, sparking additional renewal, commerce and growth.

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# Geoff Palmer – G.H. Palmer Associates

Turning Urban Blight into Italian Resort Living



No other multi-family owner and developer has supported downtown Los Angeles living than Geoff Palmer of G. H. Palmer Associates. His stylish, Italian Renaissance-themed properties, which attract an upwardly mobile clientele, now dot the North and West corridors of the downtown. And more properties are in the works – by 2007, Palmer's downtown portfolio will include eight properties and 3,800 units. What were blighted, neglected areas of downtown are now luxurious oases, attracting urban renewal and growth. The Brentwood-based Palmer, recently spoke to *Perspective* about his properties and his vision for downtown Los Angeles.

## **Who is Geoff Palmer?**

I am a third generation builder. I primarily build and hold upscale market rate rental housing for my own portfolio. I have been in the industry since 1975, initially building for sale product, until 1982 when I adopted a build and hold strategy. I now own 7,000 units throughout Los Angeles County and I'm currently entitling and constructing another 2,000 units in downtown Los Angeles.

## **How did you get started in the apartment development business?**

In 1980 I built a condo project that failed to sell because mortgages were 17% at that time. I converted the project to rental and have been successfully building condominium quality rentals ever since.

## **What were you doing 10 years ago?**

In 1995 I was still repositioning my portfolio out of the depression of the early '90s. I restarted building in 1996 finishing 1,200 units in Santa Clarita and 1,500 units to date in downtown Los Angeles; where I'm continuing to build-out another 2,000 units.

## **Why did you get involved in these "particular" downtown projects?**

I saw a need for market rate housing that others failed to appreciate, so I decided to acquire gateway properties along

the major arteries of downtown. One has to pass my properties to get to or out of downtown from the west or north. I have properties on West Temple, 3rd, 6th, 7th and 8th Streets, and properties north on Sunset, Figueroa and Cesar E. Chavez. When completed, these properties will have their own unique style and distinct amenity package and will be downtown landmarks for years to come.

## **Describe the challenges of the surrounding property?**

When I started developing in downtown it was disappointing to see cheaply constructed, tax credit deals gobbling up prime real estate. Today they can't compete as all downtown real estate is priced out for hi-rise condominium or mixed-use. As such, all properties in the area are benefiting as property values have soared from \$30 a foot to over \$500 in just eight years. Therefore, the real challenge is what will have to be built in the future to support the new land cost, or will this speculative wave kill off the renewal?

## **Describe the challenges of the local government?**

Politicians need to stay out of the way of this market driven activity. Too often politicians think, "what can I get out of this?" and attempt to strangle this private initiative with utopian social prerogatives that the market won't absorb. Things are tough enough without political uncertainty. We need stronger public officials who will allow the technocrats to administer the existing zoning laws instead of catering to whining special interests groups.

## **What is your vision of the area?**

A vibrant 24/7 city of tomorrow – that shining city on the hill that dreamers like me try to create from brick and mortar. A place that seamlessly interacts, politically, culturally and socially and thereby making downtown the place of choice, not of last resort as some politicians would prefer.

**Describe the importance of the type of revitalization effort that your properties are a part of?**

Bringing to downtown those higher incomes that will spawn and sustain new retail services so that residents won't have to look and shop elsewhere. New boutiques are opening daily and whole new enterprises and careers are flourishing with this new wave of re-migration. This new diversity of incomes is a benefit to the entire community.

**What professional accomplishments are you most proud of?**

To have successfully constructed these urban resorts in downtown and as a consequence of that success, the image of downtown is being transformed into the downtown as a preferred place to live, work and play. It has amazed me

that so many people are paying attention to what was once believed, and some hoped for, to be my folly. I am gratified to have pioneered and inspired that great avalanche of new construction that is just starting to be seen.

**Do you see the so-called American Dream of a house in the suburbs changing?**

Not really. But it's not for everyone. The diversity of life styles in our city requires bold alternatives and we're providing that in downtown.

**Do you plan to continue pursuing similar projects?**

Definitely, with the land we still own and hopefully to acquire, these mixed-use communities are a challenge to create and a pleasure to own.