Hollywood’s Kinder, Gentler Condo Boom

Paul Allen’s new social club joins a revamped neighborhood thanks to developers addressing litigious locals and traffic concerns. “You can’t come in and just stamp something and throw it up.” By Peter Keifer

Just over a year ago, Hollywood’s development scene — real estate, not film or television — was trending bleak. The district was ground zero for Measure S, aimed at halting construction across L.A. that was gaining steam. The area’s biggest development project — the Millennium Hollywood towers next to the Capitol Records building — was intractably stalled after a 2014 court ruling, and the talk of the area centered less on the newest luxe amenity and more on newly discovered seismic fault lines.

Today, Measure S is a footnote after floundering at the polls in March. The Millennium Hollywood, now known as Hollywood Center, is back on track. Next door, 114 apartments in the 14-story Argyle House are on the market. Rents for the glass tower’s units, designed by Marmol Radziner, will start at $4,395 for a one-bedroom and $6,595 for a two-bedroom. The 2,200-square-foot penthouse is likely to run upward of $20,000 a month.

Across the street, a collection of four luxury condos, part of the Residences at W Hollywood, were listed in early May. Those units, all of which offer ample outdoor space and a laundry list of amenities, range from the 2,260-square-foot, two-bedroom, three-bathroom “Altair” condo for $3.5 million to the 5,080-square-foot, three-bedroom, five-bathroom “Griffith” for $9.5 million. Those units are listed by Vine Street Realty’s Michelle Montany and Rodeo Realty’s Ben Bacal, perennially one of the city’s top-performing luxury brokers. Actor-comedian Michael Blackson will close on a separate penthouse unit in the building May 31.

And up the street, Paul Allen is near completion on his plan to convert the former Redbury Hotel at the intersection of Hollywood and Vine into a private club and co-working space known as h.Club, an outpost of London’s Hospital Club that the Microsoft billionaire founded with rocker Dave Stewart in 2004. It will compete with Soho House and the nearby NeueHouse for top billing among L.A.’s creative class.

When Allen announced the h.Club in January 2017, he cited its proximity to media companies like Live Nation, Netflix (which moved to Hollywood that same month and expanded its digs there in July) and Viacom (which, also in January 2017, relocated its West Coast operations — and 1,500 workers — to a new Gower Street headquarters). The $10 million facility, expected to be completed in the fall, will offer a screening room, recording studio, performance space and dining areas, including a rooftop restaurant, as well as a hotel component as well, with 36 rooms available to the public. Membership will launch at about $5,000 and grow to as many as 5,000, with annual fees starting at $1,200.

“It’s been a long, tough slog to turn Hollywood around, and like a large ship, it takes time to turn and even more to gather steam — and we’ve been at it for a long time,” says Leon Gubler, president and CEO of the Hollywood Chamber of Commerce. He notes that Hollywood has added three hotels in the past year and has more hotels, and a million square feet of office space, under construction.

“There is enough of a critical mass that people can see what is happening.”

But Hollywood has been touting its imminent transformation from one of L.A.’s most notoriously seedy centers to a model of urban life since Mayor Eric Garcetti was the district’s L.A. city councilmember. While the Hills have long offered desirable neighborhood homes, an urban center demands vertical living with access to transit and vital retail. Kerry Morrison, executive director of the Hollywood Property Owners Alliance, notes that there are still a number of empty lots and vacant buildings in the area between Las Palmas and Cahuenga.

“We are still years away from bringing in
Larry Silverstein has brought several lawsuits on behalf of the La Mirada Avenue Neighborhood Association that have stalled if not upended projects, including a community plan brought by the city that would have allowed for more density and the Sunset Gordon project (the CIM Group's 300-unit tower was completed in 2014 but had its permits retroactively revoked because the builders demolished a building that was meant to be preserved). And the Target at the corner of Sunset and Western has been tangled in legal troubles for years after La Mirada accused the project of exceeding allowable heights. Construction remains on hold.

So what's changing? Developers say they have become more aware of and are adapting to community concerns. "It's a challenging environment to work in, but I would say our initial investment thesis about the desirability of Hollywood as a vital urban walking center has only grown stronger," says Mario Palumbo, managing partner of MP Los Angeles, who is overseeing Hollywood Center, another target of Silverstein and La Mirada.

Palumbo and his firm recently filed a new plan with the city for 1,005 apartments and condos. It still calls for the creation of two Handel Architects-designed towers—one with 35 stories, the other with 46. But heeding concerns about traffic, the firm abandoned the idea of adding offices and has set aside 133 units for low-income seniors. The project now also includes an acre of public space.

Vine Street Advisors principal Ron Barnes, the driving force behind the W Hollywood condos, says he's witnessed a more patient approach by his peers. "Developers of all types and sizes know that you have to work slowly and methodically to make change," he says.

"You can't come in and stamp something and just throw it up—it takes time and effort."