

OCEAN AVENUE SOUTH

Santa Monica, California



Project Areas

- Apartment Development
- Condominium Development
- Design Economics
- Downtown Revitalization
- Economic Development
- Economic & Fiscal Impact
- Metropolitan Growth Strategy
- Mixed-Use Development
- Office
- Public-Private Partnerships
- Transit-Oriented Development

Resmark Companies & Wells Fargo Real Estate Banking Group

Scope of Work

- Amenity Program
- Consumer Research
- Economic Analysis
- Financial Modeling
- Fiscal Impact
- Implementation
- Market Analysis
- Partnership Structuring
- Project Segmentation, Positioning, & Pricing
- Public Financing
- Public Outreach
- Regional Economics
- Repositioning
- Strategy Planning

The Challenge

In October 2011, RCLCO was retained by Resmark Companies and Wells Fargo Real Estate Banking Group to provide a third-party evaluation addressing the market feasibility of a proposed luxury condominium development, Ocean Avenue South, in Santa Monica, California. Ocean Avenue South comprises a total of 158 condominium units, 160 affordable rental apartments, and 20,000 square feet of ground floor retail. The site is located one block from the beach on the prestigious Ocean Avenue. RCLCO's market analysis addressed achievable pricing, absorption potential, and general programming input for the condominium units. Because no new condominium development of any significance had been built in Santa Monica for decades, RCLCO's considered resales along Ocean Avenue north of Wilshire adjusted for contemporary design and features, depth of market, and the site's unique location qualities.

Solution

Through a detailed analysis of economic, real estate, RCLCO's conclusion was that Ocean Avenue South represents a rare urban residential development that benefits from a truly unique, upscale location with walkability to the beach, retail, and the new adjoining park. The new \$45 million Tongva Park, designed by the designer of the High Line elevated park in New York City, opened recently and adds to the distinction

and attractiveness of Ocean Avenue South. We determined that the condominium units could achieve prices well above the top of the market in Santa Monica, with an average value ratio of over \$1,000 per square foot.

Impact

Ocean Avenue South is now under construction and scheduled to open for occupancy in early 2014. The developer, Related Companies, is projecting average price per square foot even considerably above RCLCO's initial recommendations due to the improvement of economic and housing market conditions that have occurred in the past two years.