

BUSINESS

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MONDAY BUSINESS PROPERTY REPORT

Stalled Hollywood condo project reborn as luxury rental

The Avenue, which features 180 units in three buildings, also has retail space.

By ROGER VINCENT

A failed Hollywood condominium development that once symbolized the housing market collapse has been reborn as a \$120-million upscale apartment and retail complex.

Construction on the former Madrone came to a halt around the end of 2009 even though the shell of the project was mostly complete. Developer John Laing Homes filed for bankruptcy and the scaffolding-swathed husk of the Madrone was left to weather the elements behind locked gates.

One of the original investors in the project, Resmark Cos., took over and restarted work in July 2010 on what is now known as the Avenue. The just-completed complex on La Brea Avenue south of Hollywood Boulevard has 180 units in three buildings connected around a raised courtyard.

Several housing developments intended to be condominiums before the housing bust have been converted to apartments, but Resmark took the unusual step of making the Avenue's rental units more luxurious than the



FRANCINE ORR Los Angeles Times

THE AVENUE on La Brea Avenue south of Hollywood Boulevard is aimed at younger, affluent professionals who prefer to rent, said Robert N. Goodman, chief executive of Resmark, which led the apartment project.

Madrone condos were intended to be, Chief Executive Robert N. Goodman said.

Among the improvements are more expensive built-in appliances, interior finishes such as floor tiles and a grander lobby. Rents will be in the range of many mortgages: One-bedroom units start at \$2,750 a month, reach \$4,900 for three bedrooms and hit \$9,000 for a penthouse.

“We expect to rent to younger, affluent professionals who are making a lifestyle choice and prefer to be a renter and not a buyer,” Goodman said.

Tenants for the ground-floor retail spaces have not been signed yet,

he said, but Resmark hopes to land businesses such as a restaurant and a coffee bar that would appeal to residents.

John Laing Homes took a substantial loss on the project, Goodman said. Resmark took over the construction loan “at a fairly significant discount,” he said, and will end up spending \$80 million on the project that took a total of \$120 million to complete. The California Public Employees’ Retirement System is also an investor.

The Avenue has a fitness center, pool, fire pit, concierge and a residents-only dog run.

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