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JUSTIN COFF

A TWO-BEDROOM, 2,681-square-foot condo in West Hollywood sold for \$13 million, or \$4,848 a square foot — an L.A. condo record.

Lofty prices for luxury condos

Two units in a Sunset Strip tower sell for at least \$13 million, shattering L.A.'s per-square-foot record.

BY JACK FLEMMING

The pandemic put a damper on high-rise living, as a highly infectious airborne virus made close proximity to neighbors suddenly unappealing. But the condo market has come roaring back, particularly at the high end.

At Pendry Residences West Hollywood, a 2,681-square-foot condominium overlooking the Sunset Strip just sold for \$13 million. That's the highest price per square foot — \$4,848 — in the history of L.A. condo sales, dlobbering the previous record of \$3,858, according to the Multiple Listing Service.

Another, slightly larger unit in the same building closed last week for \$13.3 million, or just under \$4,500 per square foot. Both sales, which rank among the priciest condo deals in recent years, highlight the growing demand for luxury vertical living after the pandemic pushed buyers in search of space and privacy toward single-family homes.

The condos are two of 40 that will trickle to market

over the next year at Pendry Residences West Hollywood, a new hotel-condo hybrid opened by Montage Hotels & Resorts. The \$500-million complex built on the former site of the House of Blues is one of multiple projects coming to the Sunset Strip as developers look to lure buyers into luxury condos loaded with high-end amenities.

Overall sales of Los Angeles condominiums — whether in towers or low-rise developments — jumped to 974 in the second quarter, Douglas Elliman data show, the most in the 17 years the real estate firm has been tracking transactions. That's up 132% from the 420 sales closed in the year-earlier quarter, as COVID-19 protections squelched economic activity.

The luxury condo segment saw sales leap 138% year over year.

Condo prices rose as well, although not at the torrid pace seen in Southern California's single-family home market, where bidding wars dominate and prices set fresh records every month.

The median Los Angeles condo price reached \$965,000 in the second quarter, up 9% from the first quarter and a nearly 7% improvement from a year earlier, according to Douglas Elliman.

The median price in the luxury condo market was

\$2.6 million, rising 16% from the first quarter and 19% from the year-earlier quarter. The median is the point at which half of the properties sold for more and half for less.

"Condo living is a newer concept for L.A. We're a culture of swimming pools and backyards," said Jim Jacobson, the senior vice president for Douglas Elliman's development marketing. "But now that people can tour the units in person again, they're buying everything."

Interest in all the development she's working on has jumped over the last few months, both in terms of in-person tours and online traffic, he said. International buyers, typically a 20% to 30% chunk of the luxury condo market, dried up during the pandemic because they were unable to travel here, but those buyers are now returning, along with locals simply looking to treat themselves, he said.

"People sat inside and watched TV for a year, and now they're looking to indulge. They no longer just want four walls and a roof. They want something special, a known architect, a known chef or restaurant," Jacobson said.

Montage announced its ritzy residences in 2019 with plans to begin sales in early 2020, but the pandemic forced the company to hold

off for a year. The hotel opened in April, and homes are now being released in waves of five to 10.

"They're unique because they live like a home but are set within this urban environment," said Tina Necrason, Montage's executive vice president of residential development.

Dubbed "terrace estates," both of the luxe condos are accessed by a private elevator and extend to 3,000-square-foot landscaped terraces with a swimming pool, spa, outdoor kitchen and fire pit. In addition, the complex includes a rooftop pool, gym, wine tasting room and several restaurants helmed by chef Wolfgang Puck.

"Coming out of the pandemic, we knew people would want to downsize their home from a maintenance perspective without compromising on location and amenities," Necrason said. "The most valuable commodity people have is time, and these homes allow residents to enjoy their time."

Douglas Elliman recently sold out the Residences at the West Hollywood Edition, another hotel-condo hybrid with 20 luxury units ranging from \$5 million to \$25 million. Jacobson credited buyer response to the high-end amenities of the units and to the scarcity of inventory, with demand vastly outweighing the supply of luxury

condos on the market.

The coming years will see a bit more inventory in the form of One Beverly Hills, a 17.5-acre luxury mixed-use project that will bring a botanical garden and two plant-covered towers with 37 condos and a 45-room hotel to the intersection of Wilshire and Santa Monica boulevards.

The Beverly Hills City Council recently greenlighted the project, which was designed by architecture firm Foster + Partners. Of the 1.3 million buildable square feet, about 120,000 square feet will be set aside for amenities such as a spa, hydrotherapy center and 30,000-square-foot athletic club.

Construction and sales will commence in the next year or two, said Chris Nickerson, principal of one of the project's developers, Cain International.

He said that since the vast majority of Los Angeles is zoned for residential use, the key to adding density is building vertically in commercial corridors and creating something people prefer over a single-family home.

"In other cities, condos are standard," he said. "Here, we're competing with the single-family housing market, so we're acutely aware that we have to offer something exceptional in order to sell."

A weak IPO, then a surge

Robinhood's stock has doubled in four days. Analysts struggle to explain why.

ASSOCIATED PRESS

Online brokerage Robinhood's stock flew again on Wednesday, and it has more than doubled in four days to follow up what had been a disappointing debut on Wall Street.

Robinhood Markets soared 50.4% to \$70.99 in trading that was so feverish that it was temporarily halted three times in the first half-hour after the market opened. It's a sharp turnaround from last week's lackluster debut for the stock, when it sank 8.4% from its initial price of \$38 on Tuesday.

Even before its initial public offering, experts warned that Robinhood's stock could be primed for a more jagged ride than others on Wall Street because of its popularity among smaller investors.

Robinhood reserved a bigger-than-usual chunk of its IPO shares for smaller investors, which fits with its mission of "democratizing finance." The company has introduced a generation of younger and novice investors to the stock market, thanks to its commission-free trading and easy-to-use app. But the move also gave fewer shares to big institutional investors, who have a reputation for being steady holders of stock for the long term.

Robinhood has found support from some big names on Wall Street. Cathie Wood, a star stock picker who focuses on innovative companies, has bought shares, for example. Her flagship ARK Innovation exchange-traded fund owns nearly 4.9 million shares, making Robinhood the fund's 29th-largest holding. The fund has about \$25.5 billion in total assets.

Outside of that, though, analysts were grasping for explanations for the surge in the stock. For some, it was reminiscent of the explosive moves higher for GameStop and other "meme stocks" this year.

Those stocks soared suddenly to heights that professional investors called irrational. Many were beaten-down companies in the midst of a turnaround, and they caught waves of interest from smaller-pocketed investors who egged one another on in online forums to buy more.

Robinhood has created plenty of passion, among