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California; Empty Downtown L.A. Office Tower May Be Getting Its Fill; The long-vacant building at 1100 Wilshire Blvd. is being sold for an estimated \$36 million to buyers who plan to convert it into condos.

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A ghostly skyscraper on the edge of downtown Los Angeles may soon show signs of life. Built in 1986, the 37-story office tower at 1100 Wilshire Blvd. has never been more than 10% occupied and has been completely empty for a decade, its shell standing as an eerie reminder of the central city's construction boom and bust. Now, it could be a symbol of downtown's revival.

The building is being sold for an estimated \$36 million to buyers who plan to convert it into luxury condominiums. The price is double what the seller, Format Co. of Taiwan, paid for the property in 1993 and shows just how much the real estate market has bounced back in recent years.

The main buyer, Santa Monica-based developer Robert D'Elia, has grand visions for the unusual triangle-shaped building, which sits on top of a parking garage. D'Elia said this week that he wanted to replace the structure's blue-glass walls with a new "skin" that would dramatically alter the property's appearance. He said that if the sale goes through, he may build a second triangular tower connected to the first, squaring off the tower above the garage into one complex.

"It has such a history," said Jerry Neuman, D'Elia's attorney. "You want to reconfigure it so people's attitude about it changes completely."

Indeed, Los Angeles architect Christopher Martin calls it L.A.'s Winchester Mystery House, referring to the bizarrely constructed and architecturally complicated mansion in San Jose. Martin's firm was hired to work on the Wilshire tower by its first owner, East Asian businessman Tsai Ming Yu -- but to this day, AC Martin Partners doesn't want to be known as the building's architect.

"We couldn't believe he wanted us to do something this bad," Martin said of Tsai. "We were severely criticized for attempting to change the design," Martin added. But "he was the supreme owner, ruler, emperor of this project. Nobody was to question him." Martin thought that the ramped parking structure, which rises 15 levels, would make drivers dizzy and that the building's triangular shape would turn off tenants who were accustomed to laying out space in more efficient rectangles.

Tsai's design complied with the principles of feng shui, a traditional Chinese system of divination that seeks to bring structures into harmony with natural forces. Doors, elevator shafts and stairwells were placed to ensure that luck would not pour out of the building. But luck never poured in as Tsai clashed with real estate brokers trying to sign up tenants. Tsai, a redeveloper of Tokyo's famous Ginza district, where landlords were kings in the 1980s, rejected lease proposals or failed to respond to offers, brokers said. In 1991, the Metropolitan Water District agreed to rent nearly all of the building, and work was started on

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preparing its offices. But the deal came too late to stave off Tsai's bankruptcy. Unpaid contractors walked off the job, leaving partitions, carpets and plans that still are tacked to a wall on one floor.

Records show that Tsai stopped making his monthly \$394,000 mortgage payments in November 1991. Great Western Bank foreclosed on a \$45-million first mortgage, then sold the building to Format in 1993 for a fraction of what it had been valued -- \$80 million at one time.

Format didn't fare any better as a landlord. The city's overbuilt office market was depressed during much of the 1990s. And although the building was considered by the Los Angeles Unified School District and the city of Los Angeles, among others, no one moved in. It wasn't until the downtown housing market began taking off in 2002 that Format recently listed the building for sale as a multifamily residential property.

More than 4,000 housing units are in various stages of development in downtown Los Angeles. Although very few are intended for sale, demand appears to be exceeding supply. The developers of Flower Street Lofts, a converted warehouse near Staples Center, have sold 70 of the project's 91 condominiums that will be finished by August, said Jeff Lee, president of Lee Group.

"I believe there is a market for a lot of condos downtown if they are done right," said Lee, who later this summer plans to start work on 66 more condominiums on nearby Grand Avenue. Units at Flower Street Lofts have sold at prices from \$350,000 to more than \$1 million, Lee said.

For D'Elia, the Wilshire tower would be his largest condo project yet. D'Elia is perhaps best known for the Venice Art Lofts, a 51-unit condo and retail project on the site of movie director Roger Corman's former studios.

D'Elia, 45, is a former Wall Street broker who, after pleading guilty to an insider trading charge in 1984, continued to trade for several years while launching a career in real estate. He moved to L.A. in 1997.

A large portion of the financing to buy and remake 1100 Wilshire will come from private sources, D'Elia said, and the rest from institutional entities. One participant may be the Genesis L.A. Real Estate Fund, which provides financing for developments to benefit low- to moderate-income neighborhoods, said George Buchler of Shamrock Holdings, which administers the fund.

Genesis has helped fund two other projects of D'Elia's in Venice. "He's a very talented developer," Buchler said. "Very creative at thinking outside the box."

The existing 255,000-square-foot Wilshire tower could hold more than 200 units, said David Louie, a broker at CB Richard Ellis who represented the seller. Based on its size and \$36-million price, the property is selling for about three times as much as other empty downtown office buildings that have been bought recently by housing developers, said **Mark Tarczynski**, another CB Richard Ellis broker.

Many of those buildings, however, date to the early 20th century and lack the amenities of 1100 Wilshire.

Prominent among them is parking. Many offices built before World War II have little or no room for automobiles, but 1100 Wilshire has 15 parking levels, most of them above ground. The three-story lobby is clad in polished red granite and has a massive chandelier and room for some retail tenants.

The building really begins at the 17th floor, where there is a swimming pool and high-ceilinged space for a restaurant and club or gym. Condominiums could start there, affording sweeping views of downtown and other parts of the city.

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Its location west of the Harbor Freeway may have put off some potential office tenants and investors, but the area has proved successful for residential development, such as the 637-unit luxury Medici apartments a block south, which is fully leased.

D'Elia said he "came across 1100 Wilshire and immediately fell in love with that building." The sale is expected to close by the end of the year.

PHOTO: IN THE SWIM: The 17th floor has a swimming pool and high-ceilinged space that could be a restaurant and club or gym. Condominiums could start on that floor, offering sweeping views of L.A.;PHOTOGRAPHER: Carlos Chavez Los Angeles Times;PHOTO: ROOM TO ROAM: The skyscraper's soaring lobby is clad in polished red granite and has space for retail outlets. The unusual triangular-shaped building, stacked atop 15 levels of parking, could hold more than 200 condominium units.;PHOTOGRAPHER: Carlos Chavez Los Angeles Times;PHOTO: ROOM TO ROAM: The skyscraper's soaring lobby is clad in polished red granite and has space for retail outlets. The unusual triangular-shaped building, stacked atop 15 levels of parking, could hold more than 200 condominium units.

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