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Chinese developer buys site near Staples Center, plans to build condos

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This 1930s warehouse in downtown L.A., at the southwest corner of Grand Avenue and 12th Street, could be razed to make way for condos. Chinese developer Shenglong Group bought the property for \$26 million. (CoStar Group Inc.)

Another developer from China has entered the downtown Los Angeles real estate market with the \$26-million purchase of property near Staples Center where it intends to build condominiums. Shanghai-based Shenglong Group bought 1201 S. Grand Ave. from Rafi and Danny Shaoulian in what was one of the highest per-foot prices ever paid for land in Los Angeles not already zoned for dense development, real estate broker Mark Tarczynski of Colliers International said.

The site Shenglong bought at the southwest corner of Grand Avenue and 12th Street is 44,412 square feet, he said, putting the price at roughly \$585 per square foot.

Representatives of Shenglong Group could not be reached, but Tarczynski, who represented the sellers, said Shenglong intends to build twin condominium towers. A 1930s warehouse on the site would be razed to make room.

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The property is not approved for housing, but city officials are unlikely to oppose a zoning change, Tarczynski said.

"We are really condo-deprived," he said.

The broker who represented Shenglong agreed that downtown is perceived as having a condo shortage and that some developers are moving into position to build units.

"A lot of foreign money, especially Chinese money, coming downtown has been focused on condos," said Andrew Tashjian of CBRE Group Inc. "There is a much higher demand than there was 12 to 18 months ago." Tashjian said he was not authorized to talk about Shenglong's plans for downtown Los Angeles.

Other Chinese developers active downtown include Greenland USA, which is building the Metropolis hotel, condominium and retail complex north of L.A. Live, and Oceanwide Real Estate Group, which is building the Fig Central condo, hotel and shopping complex across Figueroa Street from Staples Center.

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