



You are here: [Home](#) > [Daily News](#) > [Foreign Investors Want High-Profile Land](#)

Last Updated: September 23, 2014 02:10am ET

## Foreign Investors Want High-Profile Land

By [Kelsi Maree Borland](#) | Los Angeles

Want to learn best business practices and be positioned to **thrive** in a competitive environment? Don't miss **CCIM THRIVE** on October 21-22 at the Westin Bonaventure in Los Angeles. This two-day event is designed to deliver **more** leading industry voices, **more** tangible market intelligence, from CCIM and Globest.com.



Lustig-Bower: "It is really the high-profile deals that are getting these really high prices, and that may just be because these properties are one-of-a-kind."

LOS ANGELES—**Foreign investors** are specifically looking at **high-profile development sites**, according to **Laurie Lustig-Bower**, EVP at **CBRE**. Lustig-Bower is speaking on the development update panel at the upcoming **RealShare Apartments** conference, where she will discuss the issues and challenges developers are facing in today's marketplace, including competition from foreign investors.

"I plan to discuss the high desirability across the buyer spectrum, from domestic to international clients that are **looking for land to build either apartment communities or condominium communities**," Lustig-Bower tells GlobeSt.com, adding that other hot-button development topics include the costs of construction, the decision to build rental units or **condo** units and the types of returns developers want.

Lustig-Bower was one of the brokers who **worked** on the recent **9900 Wilshire** transactions, which was purchased by **the Wanda Group** from **Joint Treasure International** for more than \$400 million, according to sources. So, Lustig-Bower understands the complexities of the development space. "Foreign investors are making it very competitive for domestic buyers for the high-profile deals," she explains. "We have seen a handful of high-profile transactions where **foreign investors have been able to out price domestic buyers** for sites like Metropolis and Fig at Central in Downtown LA as well as 9900 Wilshire in Beverly Hills. **All three of these properties were marketed globally and the Chinese were able to make the winning bid.**"

**Foreign investors are specifically interested in gateway markets along the coast, like Los Angeles, San Francisco and New York, both due to accessibility and international recognition.** One of the challenges of these bidding wars is that expectations for other land sites rise dramatically. However, this isn't true for all development sites; it is only the case for the **very highly sought and rare land parcels.** "The high-profile deals are getting a lot of attention from foreign buyers for three reasons in my opinion: they are in **prime locations**, are large scale projects and have some unique features," says Lustig-Bower. "These properties are also being bid-up by domestic buyers as well; however, lately, the foreign buyers were able to win the bidding. We are **experiencing greater demand from the Chinese to buy development sites in Southern California than anytime I can remember in my 26 year career with CBRE.** Their appetite has now grown to include "bread and butter" development sites as well as the high-profile sites."

However, foreign investors aren't the only reason land values are rapidly increasing. According to Lustig-Bower, the combination of the **recovering market and the rise in single-family home values is making developers all the more bullish.** "When single-family home prices go up, condo prices typically follow. When you couple this trend with high-profile sites, that is when you see prices for residential sites get really competitive," she notes.

Although Lustig-Bower is a Los Angeles market expert, she sees similar trends in A locations nationally. "Desirability for new residential development for either apartments or condominiums is very strong given the market fundamentals across most of the country," she explains. **"Pent up demand from a lack of development during the recession, improving job growth, steady rental rate growth, very high occupancy and increasing single family home prices,** are all factors that entice new development. I would venture to say that **many of the A markets have either reached their 2007 rental rate peak or have surpassed it."**

To hear about these development trends, attend **RealShare Apartments**, October 15-16.

Mark your calendar for **October 15-16** and be part of the action at **RealShare APARTMENTS** the premier multifamily event of the year.

**Related Topics:** [West](#)

### About Our Columnist



**Kelsi Maree Borland** is a freelance writer and editor living in Los Angeles. Her work has appeared in publications such as *Travel + Leisure*, *Angeleno* and *Riviera Orange County*.  
[Bio](#) | [Email](#)