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In Beverly Hills, High End Indeed

The former Rob-May site sells for a cool \$500 million. British developers envision ultra-luxury condos.

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TIMES STAFF WRITER

It may be the ultimate Beverly Hills teardown. British developers paid \$500 million Tuesday for the once-grand Robinsons-May department store in one of the priciest property sales ever in Southern California.

The buyers said they would proceed with the previous owner's plans to raze the store at 9900 Wilshire Blvd. and build a condominium and retail complex designed by Richard Meier, architect of the Getty Center.

The extraordinary price catapults Los Angeles County real estate values into the realm of such top European markets as London and Paris. It surpasses prices paid for such local landmarks as the Beverly Hills Hotel, Hollywood & Highland retail complex in Hollywood and Century City's Fox Plaza office tower.

"We intend to see this vision through and bring Beverly Hills what will truly be the world's most luxurious address," said Nick Candy of Candy & Candy, the London-based firm behind the acquisition known for building "super-premium" residences.

The new complex with 252 multimillion-dollar condominiums would sit at the western gateway to Beverly Hills and overlook the Los Angeles Country Club.

Tuesday's property sale neared a local record. Japanese real estate giant Shuwa Investment Corp. shocked the U.S. commercial real estate industry in 1986 when it paid \$640 million for the Arco Plaza complex in downtown Los Angeles. After Shuwa's fortunes collapsed, the complex sold again in 2003 for about \$270 million.

"Candy & Candy in the U.K. is what Tiffany is to jewelry here," said Laurie Lustig-Bower of brokerage CB Richard Ellis, which



RICHARD MEIER & PARTNERS ARCHITECTS

BEVERLY HILLS SITE: A computerized view of the planned towers, lower right. Century City is in the background.

represented Candy in the transaction. "Therefore, they believe they will achieve record prices for their condos."

"It's of historic proportions in sheer magnitude," said broker Carl Muhlstein of international real estate firm Cushman & Wakefield, who was not involved in the deal. "This is huge."

Not only is the sale big, it is a huge jump in value from the \$33.5 million that the seller, Beverly Hills-based New Pacific Realty, paid for the eight-acre site three years ago. New Pacific was planning to spend \$500 million to redevelop the site.

Work could start by early next year, but hurdles remain. Neighbors are likely to object to the potential effect on traffic from the Candy & Candy project and others planned nearby.

One of them is a proposed \$500-million addition to the Beverly Hilton Hotel complex next door that would include a new Waldorf-Astoria

Hotel and two luxury condominium buildings.

"To put two huge projects on the already-impacted intersection of Santa Monica and Wilshire boulevards is grossly detrimental to the community," said Victor Bardack of the Beverly Hills North Homeowners Assn. "It'll be gridlock forever."

But the new owners of the Robinsons-May property say that their development would not generate any more traffic than the department store did.

Tuesday's purchase price makes sense to Candy because he believes Beverly Hills real estate is undervalued in global terms. "Everyone knows Fifth Avenue, Bond Street and Rodeo Drive, but the prices are not comparable."

Candy & Candy, which acquired the property through its property development firm CPC Group, will continue to seek approvals from the city of Beverly Hills to develop the project introduced in 2005 by New Pacific.

High-priced lot

British developers have paid \$500 million for the old Robinsons-May store in Beverly Hills and plan to replace it with a condominium and retail complex. Other condos and a Waldorf-Astoria hotel are planned as part of a separate development on the adjacent Beverly Hilton Hotel site.



Source: Times reporting

PAUL DUGINSKI *Los Angeles Times*

New Pacific's chief executive, David Margulies, said his firm was "deeply proud of the project and what it's achieved and we have greatly enjoyed the collaboration with Richard Meier & Partners."

Architect Meier said in a phone interview that he considered this project "extremely important" to him and that it would be "the first quality condo project in Beverly Hills that I know of."

Meier said he had recently returned from London, where he viewed some of Candy & Candy's projects and found them "extremely well done."

Perhaps Candy's best-known development is One Hyde Park, an ultra-luxury project in London where residences are selling for almost \$10,000 per square foot, Candy said. He

declined to say how much the Beverly Hills units would sell for.

"I believe this will be the One Hyde Park of the West Coast of America," Candy said.

He vowed to start work on the project as soon as it is approved, but it has yet to come before city officials for a vote and a decision from the city could take the rest of the year.

"We have a very rigorous review process in Beverly Hills," said Vince Bertoni, acting director for community development. "We make sure the public has plenty of opportunities to comment and we are going to look at the traffic issues very carefully and do whatever we can do to make sure it has the fewest impacts as possible."

Meier's design calls for two 12-story buildings, a two-story building containing town houses and two four-story loft buildings situated

Expensive deals

Some of the biggest property purchases ever in Southern California

\$640 million

Arco Plaza, Los Angeles (1986)

\$500 million

Former Robinsons-May,

\$442 million

Del Amo Fashion Center, Torrance (2003)

\$415 million

Glendale Galleria, Glendale (2002)

\$357 million

Wilshire Courtyard, Los Angeles (2005)

\$350 million

Fox Plaza, Century City (2000)

\$330 million

Ritz-Carlton, Laguna Niguel (2006)

\$325 million

Irvine Center Towers, Irvine (2006)

\$260 million

Irvine Park Place, Irvine (2004)

\$253 million

Fox Plaza, Century City (1997)

Source: Times research by Scott Wilson

around landscaped gardens. There also would be a one-story building along Santa Monica Boulevard for a high-end restaurant and a few shops.

Meier's plan calls for an energy-efficient design and developers intend to apply for a gold rating from the U.S. Green Building Council.

Candy said the only cities in the world that could support such a high-end development were London, New York, Hong Kong, Shanghai and Beverly Hills.

"We want to be a global brand," said Candy, whose company also has projects in Monaco, Dubai and Qatar. "This was an opportunity that came around and we took it."