

Odd Parcel Ace

DEVELOPMENT: In a price-escalating real estate market, Ash Joshi has a knack for identifying leftover land and repurposing it.

By **MICHAEL AUSHENKER** Staff Reporter

Ash Joshi has created an interesting niche in the Valley's real-estate ecosystem. He identifies problem-child land parcels with environmental, tenant or land issues, then buys them and resells to developers.

"I deal in the troubled deal – the ugly pieces of land," said the head of **Capital Realty Solutions Inc.** in Encino.

With his expertise, which runs deep and includes economics and law training, Joshi can assess and advise on every angle of a land deal, from legal and contractual, to environmental land use.

"I'll identify the end-user," said Joshi. "I am not a developer. I am not a builder."

A good example of his offbeat style in play unfolded in October when **Tropical Creations Landscape Contractors** purchased a 10,221-square-foot industrial building at 12610 Saticoy St. South in North Hollywood for \$3 million. Joshi represented the Sherman Oaks-based buyer, negotiating with **Colleen Carey** of **Lee & Associates'** Pasadena office, who represented the private individual seller.

Joshi was able to draw an emotional narrative thread between the two during his negotiations. As it turned out, the user is a commercial landscaper and the landowner was the daughter executing the estate of her father, who had invented a type of fertilizer.

The NoHo parcel was problematic. The existing configuration and improvements were not suitable to the buyer's occupation of the building, and Joshi had to justify to the buyer why the premises were undervalued. Joshi knew that the seller had failed to capitalize on the additional square footage of a permitted mezzanine structure.

"I presented this to the buyer, who then understood that the building was undervalued," Joshi said.

Another complication: the Saticoy Street South property had two street addresses (12610 and 12618), with different permits; the permit for the mezzanine level was under 12618 S. Saticoy St., but not under 12610 S. Saticoy St. Joshi identified this detail and untangled it. The transaction's closure hinged on what proved to be an incorrect covenant.

"I provided the buyer with the key missing link, which was the termination of the covenant on Jan. 10, 1996," Joshi said. "This was invaluable to the buyer, who was able to obtain the building permits for their buildout of the property."

Joshi told the Business Journal that he had secured the deal by assuring the daughter that the property would stay in the landscaping and agricultural industry and not be repurposed for another non-agriculture business.

Nevertheless, competition was fierce on the property, as eight other entities made offers. Yet Joshi was able to stand out from the pack by making the most unusual of bids — \$3,005,001.

"We were not the highest bidder, but the emotional connection made with the seller was more important than a few extra dollars," Joshi said.

The strategy worked.

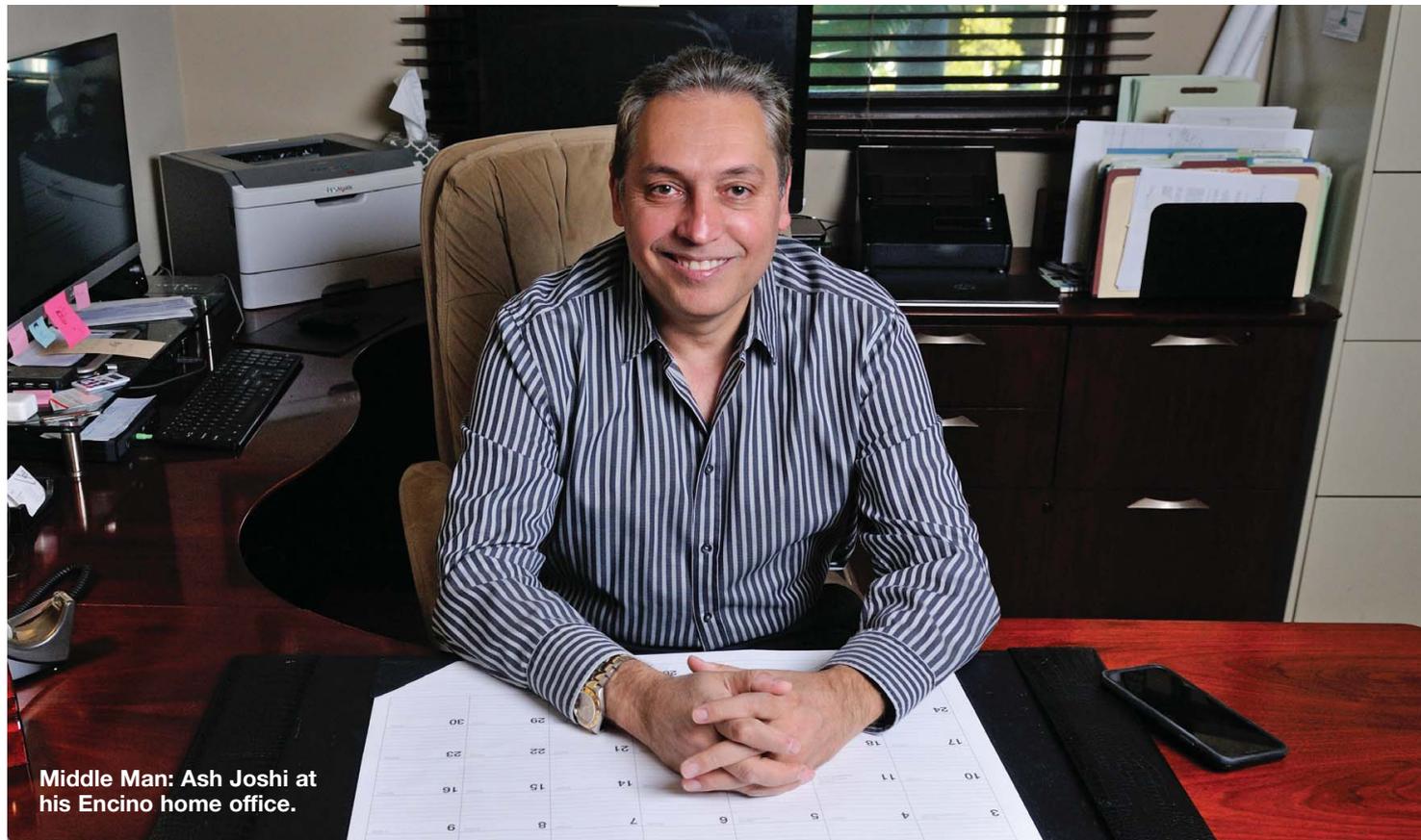
Literary office

Based out of his Encino home, Joshi works with properties in the \$1 million to \$10 million range. He focuses most on owners rather than institutional buyers.

He finds properties in a number of ways, starting with referrals from his roster of attorneys who deal with real estate issues and family trusts.

One high-profile property Joshi represented was a quaint little office building next to the Sherman Oaks Galleria which he sold for \$2.7 million.

In the 2018 deal, Joshi represented owner **Randall Wallace**, trustee of the **Randall Wallace Family Trust**, in the transaction of



Middle Man: Ash Joshi at his Encino home office.

PHOTO BY THOMAS WASPER



Historic: 804 Pico St., San Fernando; home to the 1937-built Elks lodge.

the 201-square-foot boutique office building at 15464 Ventura Blvd. Named "Wallace Literary," the building was the office of long-time owner and Hollywood multi-hyphenate Wallace, whose screenwriting and directorial credits include "Braveheart," "Pearl Harbor" and "Secretariat."

According to Joshi, the deal represented a record per-square-footage price (\$1,342) in the Sherman Oaks office market, which he attributes to the location.

In turnkey condition, the Wallace Literary property proved a shoe-in for the at-the-time undisclosed buyer, who became the edifice's new occupant. That buyer has been revealed as attorney **Robert Gantman**, who moved his family law practice **Gantman Law** in there.

More recently, Joshi closed a deal on 804 Pico St. in the city of San Fernando. The property includes the Elks Building Association of San Fernando Valley, a landmark, California Mission-styled Elks Lodge built in 1937, which Joshi wanted to preserve. He bought it from Elks in 2014 for \$2 million and sold it five years later for \$3.2 million to the family run business **Valley Alarm. Global Real Estate Inc.** represented the buyer.

"He put it together, which was unbelievable," Valley Alarm's **Ed Michel**, a Granada Hills resident, said of Joshi. "I knew right away that I was dealing with a rock star."

Michel had been seeking "the purple unicorn" of properties four times his business property's size to accommodate growth, but he wanted to lease out nearly half of it to cover the cost of development.

However, the property was not without its complications. When Joshi had purchased the

land, Citibank was leasing two parking lots on the property from the Elks. Under a 20-year lease, the bank was protected and paying only \$612 a month rent.

However, when the lease expired in 2015, Citibank did not want to vacate the lots, nor did they want to pay the new owner – Joshi – the \$5,000 a month he demanded. The bank claimed it was protected under an easement right which did not exist, according to Joshi. He said that Citibank claimed that the Elks gave them parking rights when the bank (which is located on a contiguous parcel) was reconstructed following the 1994 Northridge Earthquake.

"I conducted a boundary survey and discovered that the pergola at the rear entrance of their property effectively encroached into our parking lot," Joshi said.

With this discovery, Joshi was able to erect a fence during the Christmas Eve-through-New Year 2016 period and seal off the parking lot, thereby preventing Citibank from utilizing the parking spaces.

Cut to 2019, and Michel was able to close escrow on the property on what was his first big real estate purchase.

"We've improved our property and moved our business into it," he said, referring to his family business, Valley Alarm. "The gravy on top is future development."

When Mid-Wilshire resident **Stephen Kern** decided to sell his auto repair property at 4049-4055 W. Century Blvd. in Inglewood, he turned to Joshi as well.

Kern, who had owned the property for nearly 18 years, has known Joshi for nearly two decades.

"I started acquiring real estate in 2000," he said. "I met him because he represented a property I didn't buy, but I probably should have bought."

Kern placed his 1985-built, 6,160-square-foot structure, situated on less than a half-acre parcel, on the market, but then he decided to take it off the market. Three years later, Joshi helped him find the right buyer.

It took that long to get the process to a head, but Kern finally closed the deal late in October. Time had ripened for a sale on this property, Kern said, embellished by an increase in submarket interest in Inglewood sparked by the new football arena – designated for the Chargers and Rams — that is currently under construction.

Kudos from clients

By all accounts, Joshi has gone beyond the usual professional practices by forging long-running friendships with his clients.

"Ash Joshi is more than my broker," said **Tropical Creations** Chief Executive **Christian Sturm**. "He's been my real estate confidante in the numerous commercial properties we've either leased, purchased or sold over the past 15 years."

"He was kind of visionary," Michel said. "He put together a deal that worked for us. Also, he maintained the integrity of the property."

Joshi was born in India and attended boarding school in India as well as going to school in England. His father, a doctor who passed away five years ago, was of Indian heritage, but it was Joshi's mother who took her children to England.

Joshi started out as a gold trader at the now-defunct Drexel Burnham Lambert investment bank starting in 1988.

By 1995, Joshi left Europe for California. He landed in the Bay Area.

"The reason I went to San Francisco was because I knew someone there," he said.

Joshi became a commercial broker and began flipping properties. Today, in addition to his parcel-acquisition work, he owns and runs a spattering of multifamily properties in West Los Angeles.

While the broker has found his niche, he cautions that he sells more than problematic real estate.

"My product has always been me," Joshi said. "My real estate experience, my life experience. I can see the entire picture."