

REAL ESTATE FOCUS

Promise in Panorama City

CONSTRUCTION: Upgrades and apartments dot map in North Valley market.

By **MICHAEL AUSHENKER** Staff Reporter

Panorama City has followed the North Hollywood formula of a former industrial area prime for redevelopment with a residential twist.

If NoHo can teach us any lessons, it's never to underestimate the transformative powers of a market. Only relatively recently did the neighborhood become the entertainment industry's next Burbank, and with it, a thriving hotspot for live theater, lively restaurants and hip bars and coffeehouses.

Panorama City borders Mission Hills to the north, Arleta on the northeast, Sun Valley to the east and Valley Glen southeast. On its western frontier is North Hills and Van Nuys lies to the south. Roughly 40,000 people reside in an 8,174-square-mile spread.

Based in Sherman Oaks, **Ash Joshi**, head of **Capital Realty Solutions**, specializes in transacting commercial and industrial parcels to buyers for redevelopment. He told the Business Journal that Panorama City is ripe for overhaul in certain real estate quadrants.



Landmark: Panorama Tower at 8155 Van Nuys Blvd.



Rendering: 8802 Van Nuys Blvd. project.

The community does not offer much in way of office or retail, he said, but industrial does well here and residential is growing.

"Land is cheaper there and you have the proximity to freeways," he said.

Multifamily is another solid sector, according to Joshi. As more and more renters are priced out of Los Angeles and adjacent neighborhoods, Panorama City has benefitted.

"There has been a gentrification as you're moving north because rents have been increased," he said. "You can buy an apartment building in Panorama City with a 5 (percent) cap (rate)."

"The thing that's driven it is speculation in the R3 multifamily zone and opportuni-

ty zones created in Panorama City," Joshi continued, likening it to Van Nuys, which is "virtually engulfed in opportunity zones."

Office to residential

In February, a story that started with the 1994 Northridge Earthquake came to a dramatic conclusion at the grand opening of the Panorama Tower, a new residential high-rise with a \$25 million price that was originally an office tower.

Located at 8155 Van Nuys Blvd., the boxy Welton Becket building originally opened its office spaces in 1962. In an epic example of adaptive reuse, **Shomof Group** bought the 89,000-square-foot tower in 2015 for \$12.5 million and refashioned its 13 stories into a 14-story high-end residential high-rise.

"There is a very high demand for residential," Shomof Group leader **Izek Shomof** told the Business Journal in February, adding that he saw the building as "a great opportunity for retail ground-floor and residential units."

Shomof began finalizing leases for Panorama Tower last November.

Nora Frost, public information director at Los Angeles City Planning, likes what she sees happening in Panorama City.

"L.A. has worked really hard to actually create more housing," Frost told the Business Journal in February, noting that 13 projects with 749 housing units have been approved within Panorama City Neighborhood Council boundaries.



Official: L.A. City Council President Nury Martinez cuts ribbon at opening ceremony.

Apartments multiply

The Shomof tower fits with the shift of Panorama City from an industrial and manufacturing hub to a residential neighborhood.

Icon at Panorama, a \$150 million 623-unit retail and residential development, earned its approval after three revisions. Beverly Hills-headquartered **Icon**, built the project with 675 residential units, 60,000 square feet of retail, a 17,500-square foot plaza and six stories of parking.

According to **CoStar Group** data, Icon purchased the 9-acre property, located at 14651-14697 Roscoe Blvd. for \$18 million from **Lubert-Adler Partners LP** of Philadelphia in 2016. The new Icon destination will replace a former Montgomery Ward department store that occupies a portion of the property.

Also in 2018, a developer submitted an application to demolish an existing commercial building at 8802 Van Nuys Blvd. to construct a five-story structure with two dozen apartments and office space. The Department of City Planning application listed **Benjamin Cohen**, representative of the company **8802 Van Nuys LLC**, as the project applicant, along with **Armin Gharai** of Van Nuys-based **G.A. Engineering Inc.** listed as a representative.

In Panorama City's industrial space, 2.2 acres of auto repair and warehouses at 7700 Woodman Ave. will soon be replaced

with 239 senior units. Last November, **USA Properties Fund Inc.** proposed to replace the industrial buildings with 280,000 square feet of senior affordable housing; it had built a similar senior housing community one block north at 7840 Woodman Ave.

Meanwhile, **Domus Development** of Irvine will establish 49 units of low-income spaces at 9502 Van Nuys Blvd. The Talisa Apartments, which will stand northeast at Van Nuys Boulevard and Plummer Street, will bring four stories of one- and two-bedroom affordable apartments and 30 parking spaces in a ground-floor garage. **FSY Architects** designed the project, which also would include a central landscaped courtyard, community room and social services offices on its ground floor.

Nonprofit developer **Clifford Beers Housing** will create an affordable housing development at 14545 Lanark St. Corazon del Valle will bring 120 units to Panorama City just south of Shomof's Panorama Tower. Designed by **Perkins + Will**, the Lanark Street complex – to replace a Los Angeles County Department of Public Social Services facility – will consist of multiple buildings, spanning one to five stories in height and bisected by landscaped interior passageways. Floor plans describe studio, one-, two-, and three-bedroom units reserved for households earning between 30 and 60 percent of the area median income. There will also be a public park facing Lanark Street.



Rendering: Talisa Apartments with 49 low-income units.