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Construction to Start on Two New Apartment Projects in Santa Monica, California

High-Rent Area Sees Few Ground-Up Projects



Rendering of the under construction Broadway and Cloverfield multifamily project in Santa Monica, California.

Illustration: LaTerra Development / Tighe Architecture

Two apartment developments are expected to bring some of the first new rentals to a job-dense area of Santa Monica, California, a beach city where ground-up development is rare

and rents are among the highest in greater Los Angeles.

Multifamily developer LaTerra Development plans to build a total of 99 units at two sites in the Santa Monica Media District, a northern portion of the city where a number of entertainment and tech companies have offices.

The first project is underway at [1450 Cloverfield Blvd.](#) and is designed to consist of two, boutique apartment buildings with 49 units, five of which will be affordable housing for residents earning a fraction of gross median income for the area, and 10,711 square feet of ground-floor retail space, according to the developer. It is near Boston Properties' Colorado Center office complex, which is home to companies including online entertainment provider Hulu.

The second development, at [2822 Santa Monica Blvd.](#) near Yale Street, is scheduled to begin construction next month. It is expected to have 50 apartments, with four of them set aside as affordable housing, and 10,337 square feet of retail space. That property, where a strip mall is currently located, will be in close proximity to film and television studio Lionsgate Entertainment and software giant Oracle Corp.

“The Santa Monica Media District is really under served from an apartment supply standpoint,” Chris Tourtellotte, managing director at LaTerra Development, said. “It’s a fantastic market with a lot of jobs.”

The projects are expected to deliver one of the largest concentrations of new apartments in recent years.

“The area averages around 140 new units annually, and fewer than 140 units were built in seven out of the last 10 years,” wrote Stephen Basham, a managing analyst tracking the Southern California region with [CoStar Market Analytics](#). “That’s one of the reasons Santa Monica’s rents are among the highest in Los Angeles, very little new supply is being added.”

Average rents in Santa Monica are approaching \$3,000 a month, according to the latest submarket report by CoStar Market Analytics. Some higher-tier units can go for even more.

Both of the developments, which are designed by architecture firm Tighe Architecture, are slated to feature fitness centers, courtyards, coworking nooks, rooftop decks with hot tubs and fire pits and other amenities to attract tenants. The properties also are walking distance to the Metro Expo Line light rail.

The developments, which were approved by the city last year, are expected to be completed in the third quarter of next year.