Areas like Santa Monica and downtown have long been development hubs. In the last few years, Culver City has thrown its hat in the ring, attracting major companies like Apple Inc., Amazon.com Inc. and Google.

Now the areas surrounding those hotspots are filling in — something experts and developers attribute in part to the extension of Los Angeles County Metropolitan Transportation Authority’s Expo Line.

The resurgence of L.A.’s metro and transit line systems has been a game changer in terms of opening up new opportunities for locations for businesses and residents to consider, much like the freeways when they were built, offering new opportunities at off ramps for businesses,” said Tom Wulf, executive vice president at Lowe.

Lower is working on the Ivy Station development, located conveniently close to an Expo Line Metro stop, with ASCOM-Canyon Partners and Rockwood Capital. Home Box Office Inc. has leased the entire 240,000-square-foot office building at Ivy Station, which will also have 200 apartments, 50,000 square feet of ground floor retail and a 148-room hotel.

Downtown to the beach

The 1.4-mile light rail Expo Line, running from downtown to Santa Monica, opened in stages starting in 2012. And development followed.

“The Expo Line is an important connection between the ocean and downtown,” said Carl Mulherstein, international director at brokerage Jones Lang LaSalle Inc. “It’s harvesting a lot of underdeveloped areas. No one thought to pursue sites in West Adams, Culver City, Baldwin Hills, and all the sudden we’re getting phone calls about sites in that area.”

Most of the projects in development along the light rail line are residential. There are more than 7,000 units under construction within a 1.5-minute walk of the Expo Line, according to JLL. An additional 22,000 units have been proposed for the area.

“When you have rail stops it incentivizes development both from a residential and creative office standpoint,” said Chris Beck, senior managing director at Newmark Knight Frank.

The projects are taking advantage of the city’s Transit-Oriented Community program, which offers concessions to development rules — such as reduced parking requirements — for projects built near public transportation that include affordable units.

Jennifer McElyea, senior managing partner at Watt Cos. Inc., said the group is all-in on developments near the Expo Line.

“We’ve really made a bet on the fact that transit is changing,” McElyea said. “If you are a company that is located close to transit, you have a much higher likelihood that your employees can live elsewhere and still have access.”

Housing and retail

Watt Cos. is working on a 400-unit joint development with L.A. Country and Metro at the Expo/Crenshaw Station and has completely renovated 3401 Exposition Blvd., 1209 Colorado Ave. and 1550 Excid St., all near the Expo Line.

The group is developing both office and multifamily housing along the line.

“If you only have one product type on the rail, it sort of defeats the purpose,” McElyea said.

Near USC, Architects Orange Inc. is working on The Fig, a project with 180 multifamily units, 220 student housing units and a 298-room hotel with ground floor retail.

“The Expo Line is important, it’s fairly close to the site,” said Bruce Greenfield, a principal at Architects Orange. “Being able to access the Expo Line and get to other areas is important.”

The site is also close to the Coliseum, the new Los Angeles Football Club stadium and the upcoming Lucas Museum of Narrative Art, which Greenfield said was also important.
Expo Line: Transit Project Draws Developers

Go West Adams

One of the areas seeing a major spurt in development driven by the Expo Line is West Adams.

"The right effect started in Santa Monica to Culver City to West Culver City, and it's just multiplied ever," Beck said.

West Covina is one working on projects in the area. "We focus on trying to find locations where existing markets are converging with others," McIlhenny said. "That sets the tone behind making the investment in Covina.

We saw Culver City expanding east and downtown, and USC expanding west."

McIlhenny added that once one group starts building in an area, others get interested. And as more development occurs in the area, more apartments are added, which spur more development.

Carmel Partners Inc. is working on the Cumulus, a 30-story tower with 200,000 square feet of retail and 1,330 apartments. Multifamily called the Cumulus "the poster child" for development near the Expo Line. Residential projects are leading development along the line, followed by creative office and new office product, then retail.

Luxury management company RealReal Inc., another resident 1864 Inc. and restaurant chain Sweetgreen Inc. have all signed leases for the greater West Adams area.

CIM Group Inc. is developing projects with residential spaces and offices.

David Fishbach, founder and chief executive of AB Development & Investments, is working on E. Adams St. Sili W. Adams West. The $40 million project will have 115 apartments, 15% of which are affordable housing units, and 17,000 square feet of retail.