

# REAL ESTATE

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## Hot Property

### Brave heart — and a big wallet

By RUTH RYON  
Times Staff Writer

With the sale this summer of his Malibu home, Mel Gibson is proving to be a shrewd player in the real-life version of Monopoly.

The actor-director-producer sold his home on 155 feet of beachfront for nearly \$30 million. He bought the 7,000-square-foot, Mediterranean-style estate in the fall of 2005 for \$24 million.

The house, built in 1981, was remodeled shortly before Gibson purchased it. The home has six bedrooms, 10 bathrooms, a gym, a library, an office, an elevator, a lagoon pool, a cabana, a bar and a wine cellar.

The Malibu deal preceded Gibson's sale this month of his 28-room, Tudor-style mansion on 76 acres in Greenwich, Conn. The selling price of the 13-bed- [See Hot Property, Page K14]



REED SAXON AP  
**MALIBU MEL:**  
One less home.

## Home of the Week



NICK SPRINGETT

### A fresh face in West L.A.

A curved roof tops this newly constructed contemporary in West L.A. The sleek three-bedroom home is listed for \$1,680,000. **Page 3**

## In Real Estate

### NEIGHBORLY ADVICE

#### At the center of things

Residents of revitalized downtown Fullerton enjoy the convenience of nearby shops and restaurants. **Page 2**

Rates.....**11** Prices.....**12**  
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Even in a soft market, buyers are still chasing that city vibe.



Photographs by KEN HIVELEY Los Angeles Times

# The new urbanists

By DIANE WEDNER  
Times Staff Writer

Living in suburbia is as appealing to Katherine Winston as a prime-rib dinner is to a vegetarian.

"There will always be people with suburban tastes," said the 30-year-old television-marketing manager. "I definitely am not one of them."

That's why she and her Realtor husband, Darren Winston, 30, are moving into Kor Group's Sunset Silver Lake loft-style condominiums in Los Angeles, one of several new residential projects in Southern California geared to what marketers are calling "nouveau" buyers — those roughly between the ages of 25 and 45 who want an urban environment but don't necessarily dig downtown.

This shared desire to be urbanists while avoiding the urban hub has been recognized by the building industry, which is jumping onboard with condo conversions, lofts and apartments in areas once considered residentially undesirable. In the vicinity of Hollywood and Vine alone, 2,500 upscale condos and apartments will soon be available.

"Urbanists can walk or take a bike to restaurants, pick up their newspaper downstairs, but don't have to deal with the inconveniences of downtown blight," said Randy Jackson, president of the Planning Center, a private urban-design firm in Costa Mesa.

For this emerging niche market of buyers, decisions about where they live far outweigh what they're living in.

"There's been a sea change in preference, from product to place," said Shyam Kannan, director of research and development for RCLCO, a nationwide real estate consulting firm. "Place is much more important."

In Southern California, those "places" filling the bill include Silver Lake, Hollywood, Marina del Rey, Fullerton

and Pasadena — towns boasting hip, higher-density living in pleasant surroundings.

These buyers — mostly Generation Xers (ages 27 to 42) as well as adventurous boomers (43 to 61) and some from Generation Y (26 and younger) — want neighborhoods with ethnic diversity; flexible indoor space; communal outdoor living areas; ground-floor retail; nearby bars, clubs, restaurants and culture; and a place to grab coffee on a Sunday morning that's just a few steps away.

"These are educated, sophisticated buyers who want to connect with neighbors," said Lupe Sanchez, marketing manager for John Laing [See Urbanists, Page K4]



**IN THE MIDST:** A pool graces the roof of the Broadway Hollywood building at Hollywood and Vine, where prices range from \$500,000 to just under \$3 million. Future resident Sanju Surtani, top, checks out the view.

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# Martha Stewart living, KB style

By SAM BYKER  
Times Staff Writer

Ninety minutes east of Los Angeles, in the scorching heat and barren hills of western Riverside County, a bit of New England is rising out of the desert. And California home buyers are intrigued.

The East Coast-style models in developer KB Home's 125-unit Olive Grove tract draw some 70 visitors a week, more than double the number who visit the developer's adjacent communities. Executives at the company think they know why.

Two years ago, Los Angeles-based KB teamed up with style maven and domestic diva Martha Stewart. The resulting line of homes, inspired by Stewart's own in New York, Connecticut and Maine, is the company's hottest seller.

Approaching Olive Grove from the west, visitors pass no fewer than seven billboards for the community. Martha beams down at potential home buyers from each, her face occupying almost half of the space.

At the sales center, photos of Stewart line the walls. Her eyes gleam from magazines arranged on each model home's counter-top, and she cheerfully instructs visitors on her favorite cookie recipes over and over again from a wide-screen television mounted in the design studio.

Stewart's handiwork, as salespeople repeatedly point out, is clearly evident in the homes. The famed decorator's tastes can be seen in touches such as wainscoting and open shelving. Stewart's more functional designs include such features as a kitchen sink large enough to clean a turkey and a mud room off the garage for dirty shoes and coats.

The gray-blues and sea-foam greens of Olive Grove lie next to a sea of beige tract homes that KB has been building in the city of Perris for over 20 years. The development, known as May Ranch, contains five communities — including Olive Grove — along with three schools and several parks.

Although features such as the mud room may not get much use here — the city has received a grand total of 1.01 inches of rain this year — the homes' designs nonetheless seem to appeal to Southern Californians.

Just recently, Michael and Vicki Aaenson paid \$372,000 for a four-bedroom, 2,968-square-foot home in Olive Grove.

"We looked for months at every tract we could find," said Vicki Aaenson, visiting the community with her husband on a recent Saturday to check on their home's progress. To the couple, nothing seemed right until they saw the Stewart homes.

"We're not really Martha fans," said Aaenson, but "we've



Photographs by CHRISTINE COTTER Los Angeles Times

**INSPIRATION:** Houses in the Olive Grove KB Home development in Perris are modeled on Martha Stewart's own homes in New York, Connecticut and Maine.



**OPTIONS:** A shopper tours a model home in the development. Buyers can choose among multiple floor plans and exterior styles.

done a lot of entertaining, and this house is so well laid-out for it." Stewart "is a very savvy businesswoman... so we can't imagine she didn't do this well."

Buyers can choose among multiple floor plans and exterior styles, each based on one of Martha's residences.

Norm Lynde was the first buyer to close escrow on a home in Olive Grove, in May. He chose a three-bedroom, 2,496-square-foot home with upgrades for \$440,000 in the style of Martha's Long Island beach resort, named Lily Pond after the tastemaker's eastern shore address.

He also could have picked the colonial-style Katonah, a nod to Stewart's Connecticut and New York homes, or the contemporary stone-sided Skylands, styled after her Maine estate.

Now Lynde is working on the interior, which he's decorated in Mission-style furniture to match the cherry-colored flooring. A few possessions from his old home remain, though, and things such as the ratty old couch in his living room make Lynde worry about upholding Stewart's design standards.

"I feel comfortable just giving myself time to get it right," he said, "... although I think Martha would be ashamed of the sofa."

KB's first community built with Stewart opened in Raleigh, N.C., in spring 2006. Its first and second phases sold out quickly, prompting the company to expand the partnership to 10 more markets. Olive Grove is the result of that expansion, as is a community opening in Lancaster in the middle of next month.

If the development's New England styling seems a bit rural against the dry and rocky California hills — think Grandma Moses meets Thomas Moran — it nonetheless draws more

buyers than any other KB development in the area, said KB Home Chief Executive Jeffrey Mezger.

"The Riverside-San Bernardino market is quite soft right now," Mezger said. In response, KB Home has cut prices on certain Olive Grove models since January.

Still, Mezger added, the idea behind the homes "generates traffic and buyers that benefit us in our other communities as well."

By pricing Martha-designed homes competitively to those in nearby developments, KB is using Stewart's star power to push sales rather than command a premium.

"We've gotten letters from consumers who pass through these homes, who aren't going to purchase the house, but want to buy furniture in a room or find out what color paint is on the wall," said Gael Towey, chief creative officer of Martha Stewart Living Omnimedia.

"It's a great deal" for the company, said Michael Meltz, an analyst at Bear Stearns. "They get good awareness of their brand and a license fee" of up to \$10,000 for every home sold.

The KB-Martha Stewart partnership represents a dramatic departure for the traditional housing market, said Susan M. Wachter, a professor of real estate at the University of Pennsylvania.

Involving someone such as Stewart adds a well-known and respected brand name to the homes, and that can help sales. It's an idea Wachter expects to see more of in the near future.

"If you knock on other people's doors 10 years down the road, they won't know who built their home," said Bob Kronenfeld, KB's regional director of marketing. "Here, no one is going to forget."

KB does not believe that its partnership with Stewart's company will ever make up more than 5% of its sales, but the company hopes to eventually build a Martha-designed community in each of its 35 markets.

If the homes continue to sell well, other builders may start to seek celebrity partners of their own. But KB isn't worried.

"We have a distinct advantage here," Mezger said. "There's only one Martha."

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## Urbanists must have that vibe

[Urbanists, from Page K1]

Homes Urban, which broke ground in March 2006 on Madrone, a 180-unit development of studios, flats and penthouses ranging in size from 700 to 2,300 square feet just south of the Hollywood Boulevard and La Brea Avenue junction. "They care about the lifestyle, not which counter tops and flooring they're getting."

It's a movement that appears to be gaining momentum. According to a 2006 analysis of housing-preference estimates by Arthur C. Nelson, director of urban affairs and planning at Virginia Tech, 38% of today's consumers prefer attached housing, compared with 25.4% historically. And although 54.2% of today's occupied homes are single-family detached structures on large lots, the percentage of consumers who actually want that is as low as 25%.

"Across demographics, people of all ages living in large homes in spread-out neighborhoods said they don't like it," RCLCO's Kannan said of the analysis of thousands of respondents. "People are seeking others to socialize with."

Although plugged in by computers and cellphones, Katherine Winston says that her peer group wants to be part of a social network and "not just the 500 friends on MySpace. We want to actually live close to our friends."

The Winstons recently bought a 1,324-square-foot, two-bedroom loft for \$650,000 in Silver Lake. The new development is made up of 43 single-, two- and three-level units in four buildings connected by landscaped court-

yards and featuring patios and balconies. Two of Katherine's work colleagues live in Silver Lake, so she can carpool to work, a bonus.

A stone's throw from Sunset Junction — the area where Sunset and Griffith Park boulevards come together — the Winstons will have access to the weekly farmers markets, annual street fair and the nearby Casbah Café, where they can dine alfresco and mingle with neighbors.

"We've always been adamant about living in or very near the city," Winston said.

If Silver Lake is high on the coolness curve, then Hollywood and Vine is off the charts. Clubs, restaurants, theater and history converge there, attracting condo buyers to the converted Equitable office building.

The fabled corner also is where the Kor Group has turned the landmark Broadway department store, built in 1927, into Broadway Hollywood, a 96-unit loft complex set to open early next month. Most of the lofts are 1,300 to 1,400 square feet, with expansive windows that take in views of the Capitol Records building, the Hollywood Hills, the Pantages Theater and the Westside. Katsuya restaurant and a Pinkberry will occupy part of the ground floor. The building will have a doorman and valet parking. All but five of the units have been sold.

The Broadway Hollywood lofts feature stainless-steel kitchen appliances, 1930s-style penny tile in the bathroom, red-oak floors with walnut stain and walk-in closets. Prices range from \$500,000 for the smallest



MICHAEL ROBINSON CHAVEZ Los Angeles Times

**NEW HOME:** Katherine and Darren Winston, with their dog, Achilles, recently bought a loft at Sunset Silver Lake.

lofts to just under \$3 million for a 2,200-square-foot penthouse. The roof, open to all residents, has cabanas, an outdoor fire-place, pool, Jacuzzi, a fitness room and big views.

Sanju Surtani, 35, an agent for a real estate marketing and sales company, recently kicked her single lifestyle up a notch by leaving the small rental house

she shared near the Grove shopping center and buying her own 1,263-square-foot Broadway Hollywood loft, which listed at \$820,000.

"My friends and I find this lifestyle easier," Surtani said. "We work a lot, and in our time off it feels like we're in a hotel. We have a real connection to the city."

For those who find that part



KEN HIVELY Los Angeles Times

**CROSSROADS:** The Broadway Hollywood sits at the corner of Hollywood and Vine, central to clubs and restaurants.

of town too noisy and crowded, Element in Marina del Rey has urban amenities but comes with ocean breezes too. Developed to appeal to the sensibilities of the "creative class"—architects, designers, writers, artists, actors — this John Laing Homes development of 50 lofts (and 77 condos at its neighboring project, Indigo) is for "people who love the loft look but don't want downtown L.A.," said Kathy Kerr, director of sales for Laing's Los Angeles/Ventura division. Construction will be completed early next year.

About 64% of Element buyers are single, and 70% are under age 40. The five-story concrete buildings are short on personal storage space but give owners options for creating flexible interior spaces. Buyers can walk to Abbot Kinney Boulevard in Venice and are minutes by car from LAX.

Leo Ulrich, 40, a marketer for a dinnerware company, currently lives in a Hancock Park house and said he can't wait to get into his 1,150-square-foot Ele-

ment loft, which he purchased for \$500,000; the remaining 10 or so available units now go for about \$600,000. Indigo condos originally listed for the high \$400,000s.

"I gave up on every other place I was looking at," said Ulrich, who travels often. "It's the exact location, price and eclectic group I like."

Much to the surprise of designers, nouveau buyers are not impressed by the bells and whistles that typify high-end, new-home features, such as remote controls for turning on ovens.

More important to these buyers is the flexibility of space they get in lofts and high-ceilinged condos.

Above all, nouveau buyers just want a neighborhood vibe.

"In the 1950s, the American Dream was 'Leave it to Beaver,'" consultant Kannan said. "Today it's 'Friends,' 'Seinfeld' and 'Grey's Anatomy.' We like to be around people."

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