Bastion Betting Big on Culver City Emergence

DEVELOPMENT: Builder plans more apartments in area near Silicon Beach.

By JACQUELYN RYAN Staff Reporter

A Canadian developer is betting big that it can turn Culver City's highly trafficked but little-developed West Washington Boulevard into a more residentially friendly place.

Vancouver-based Bastion Development Corp. already has two mixed-use projects going on Washington between Lincoln and Linglewood boulevards. As year's end, it closed on a third parcel, a 1.25-acre property at 11924-11960 W. Washington, purchased for $8 million from two private family owners.

Bastion will seek entitlements for an approximately 100-unit apartment building with 15,000 square feet for shops on the ground floor. It hopes to demolish the few low-rise buildings on the property and to begin construction early next year.

When completed, the three sites will account for up to 149 apartment units and 27,800 square feet of retail.

Unlike Culver City's downtown two-and-a-half miles away, which has boomed with trendy shops and restaurants in recent years, Bastion's targeted stretch of Washington is defined by low-rise office buildings and few places to dine or shop.

Company representatives were not available for comment, but Dianne Lemmen, president of背景: Lee & Associates Los Angeles West Inc. who represented Bastion in the deals, said the developer sees opportunity in the location, which is centered between downtown Culver City and the bustling beachside tech community nicknamed Silicon Beach.

"(Bastion) really has an eye for emerging areas and likes to be on the cusp," Lemmen said. "It's a great location. It's a strong corridor to the tech area where people want to live, work and play. They are really creating more of a critical mass there."

"In every development cycle, you have the frontier of where development expands. Once development re-emerges, you are going to see pockets that were interrupted last cycle take shape and this is one of them."

PAUL VANBER developer and UCLA real estate lecturer

Mixed-use apartment projects have been at the forefront of development countywide as apartment occupancy—and rental rates—continue to rise. The Westside has been Los Angeles County's strongest apartment market, with occupancy of 97.3 percent and monthly rents of $2.57 a square foot in 2011, according to the most recent data from the USC Caudin Multifamily Forecast report.

While acknowledging that Bastion is taking a risk in the area, Paul Habib, a developer and real estate lecturer at UCLA's Anderson Graduate School of Management, said the area is a logical place for the company to develop.

"In every development cycle, you have the frontier of where development expands," he said. "Once development re-emerges, you are going to see pockets that were interrupted last cycle take shape and this is one of them."

BUILDING UP

Bastion has been developing commercial and residential projects in Western Canada for more than 30 years. It expanded into the L.A. area during the last decade's housing boom with the purchase of a property at 13363 W. Washington, near a Costco-anchored shopping center. It is nearing completion at the site of a four-story project, the Landmark II, which will include 19 apartments above 4,200 square feet of shops. The development will include upscale two-bedroom units.

Its second project, including 30 units and 8,600 square feet of ground-floor shops at 11945-11957 W. Washington, is scheduled to break ground within the next month and be completed in spring 2014.

The four-story building will include one- and two-bedroom units. Monthly rental prices have not been announced for either project.