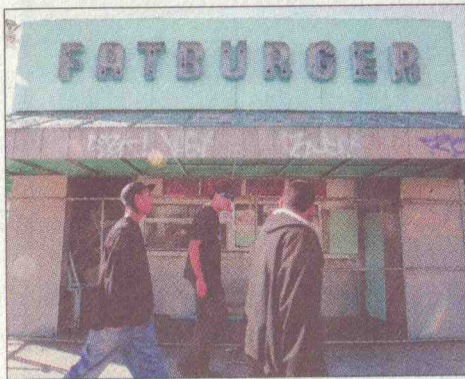


L.A. Agency Takes Stand With Fatburger Deal

ACQUISITION: CRA pays \$3 million for site after non-profit drops offer.

AFTER being first listed more than two years ago, the South Los Angeles site of the original Fatburger stand has been sold.

The \$3 million deal for the development property at 3011 S. Western Ave., where the historic, 57-year-old hamburger stand is still erect, closed June 25.



FRINGO H.W. CHIU/LABJ

Original: Fatburger stand in South L.A.

The Community Redevelopment Agency of Los Angeles purchased the property from Gwen Adair, the daughter of Fatburger founder Lovie Yancey, who died last year at 96. The CRA stepped in after non-profit affordable housing developer **Mercy Housing California** backed out of a deal to purchase the property this spring.

The agency is negotiating with Mercy potentially to transfer the ownership of the

property to the non-profit or set up a ground lease so that Mercy can build housing, said Carolyn Hull, South L.A. regional administrator for the CRA.

"We have every intention to work with Mercy; they are an excellent developer. But in the situation where we cannot work out an agreement with the developer, the CRA owns the site," said Hull, adding that negotiations are focusing on whether the development would be condominiums or apartments.

Mercy entered into escrow to buy the 35,375-square-foot property in early 2007 for an undisclosed price, but cancelled because of market conditions, said Kimberly Duran-Portello, a Mercy housing developer.

If Mercy winds up controlling the site, it would build a 66-unit affordable housing project on the property, which spans a full block. The stand, which sits midblock, will be moved to the southeast corner of the site and rehabbed. There are no plans to reopen the stand as a Fatburger or other eatery, but it would be incorporated in the development and used for some other purpose, Duran-Portello said.

While the hamburger stand is not listed on any historic monument list, Ken Bernstein, manager of the city's Office of Historic Resources, said the stand is eligible for a historic designation that would make demolition virtually impossible.

Yancey opened the modest hamburger stand with encouragement from a construction worker named Charlie Simpson who had sampled her burgers at neighborhood jazz music sessions. They partnered and opened the stand — made from scrap metal and originally called Mr. Fatburger — in 1952. Yancey sold the company in 1990 and retained the original site.

Frank Evanisko, president of the Studio

REAL ESTATE

DANIEL MILLER



City real estate brokerage Evanisko Realty & Investment Inc., represented the seller.

New Business

On Jan. 1, Curtis Palmer and Herb Chase III went out on their own, starting **Multi-Housing Capital Advisors**. The Beverly Hills multifamily investment sales advisory firm was previously part of real estate services company Transwestern Commercial Services of Houston.

Palmer said that while it had made sense for his 10-person company to be affiliated with a national real estate business that could provide it with offices and other services, the slumping economy has changed the equation.

"Up until now, with the deals you'd get at these national companies, you'd have your own company inside theirs and they'd provide you with services at not a lot of cost. Those days are over," said Palmer. "If you aren't getting a substantial financial deal, besides paying overhead, there is really no reason to be affiliated with these companies."

Palmer said that Multi-Housing Capital Advisors' split occurred on good terms and the company subleases the 9355 Wilshire Blvd. office space it occupied when still affiliated with Transwestern.

The company has been busy since January. It represented AIG Global Real Estate and Legacy Partners Inc. in their \$8.5 million sale of 450-460

N. Palm Drive, a development site in Beverly Hills. "So far this year we've been lucky," Palmer said. "We've gotten a few deals done in a tough environment."

Hollywood Sale

AEA Hollywood LLC, a unit of Beverly Hills real estate investor **AEA Management LLC**, has purchased a 20-unit Hollywood apartment building for \$2.57 million. The April 30 deal for the 1760 El Cerrito Place property is one of the larger multifamily sales in Hollywood this year.

The sellers of the 14,768-square-foot building were the Mecys J. Sutkus Trust and the Banionis Family Trust. The deal for the 54-year-old building breaks down to \$128,500 per unit.

Broker Kenny Stevens, who represented both parties, said that even though the building is protected by L.A.'s rent control ordinance, there is a "huge amount of upside in the rents," contributing to the high per-unit sale price.

The building has four two-bedroom units, which have an average monthly rental rate of just \$954. The building's 13 one-bedroom units have an average rental rate of \$740 and the building's three studios have an average rental rate of \$613. Landlords can raise rents when renters vacate units.

"It has good bones," said Stevens of brokerage Stevens Group. "(The buyer) is already well in the process of giving it a cosmetic upgrade, adding parking spaces and cleaning up landscaping in the front."

There was one vacancy at the time of sale. AEA did not return calls seeking comment.

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