

Exclusive

Even More Multifamily Development Expected In DTLA

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LOS ANGELES—Warner Music’s major Arts District lease is expected to catalyze office absorption and development, but Mack Urban’s Paul Keller says that it will also fuel even more multifamily development.



Paul Keller is the CEO of Mack Urban5

LOS ANGELES—It seems impossible, but we may be poised for even more multifamily growth in Downtown Los Angeles. The current multifamily development, which has brought thousands of apartment units to the market, has been driven mostly by the existing jobs in the market, and if the office market heats up, it may fuel further growth.

“If we can start seeing more creative jobs around content, I think that is going to go a long way in fueling more residential growth, which is going to further facilitate the CBD becoming more and more walkable and feel like a more 24-7 submarket in the MSA,” **Paul Keller**, CEO of **Mack Urban**, tells GlobeSt.com. “I think that you are going to see more schools and the kinds of amenities that you need in this submarket.”

The idea isn't too far off. Warner Music recently [signed a major lease](#) in the Arts District that many market experts are saying will be a catalyst for more creative office tenants to make the move, a trend that the DCBID and other downtown organizations have been long awaiting. “The Warner Music Group truly is a watershed transaction for the CBD in Downtown Los Angeles, and nothing as important as Warner Music has occurred in the CBD really going all the way back to when Gensler made the announcement that they were moving from Santa Monica to the CBD,” says Keller. “We will hopefully see more creative office users come down to the CBD.”

Creative industries won't only help to fuel this growth because of new leases, but also through subsequent growth. The creative industries are growing at a much faster pace than any industries that already have roots downtown, which includes government, legal, and the thriving fashion industry. “When you look at the jobs that have already been here, those industries have not been incurring the kinds of dynamic growth that the industries in Silicon Beach and West Los Angeles have been incurring,” adds Keller.

Mack Urban recently [debuted the Wren Residences](#) in the CBD, and has several other projects there that will be unveiled over the next eight to 10 years. The growth in this market only underscores the growing demand in the market, he explains.

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