

Kroenke's Going to Crush it...

Sean Spear | Hughes Marino Blog

After two long decades, the city of Los Angeles is finally getting its football team back. The Rams are returning to the city of Angels.

Rams owner, Stan Kroenke, has partnered with Stockbridge Capital, the owners of the Hollywood Park Land Company, to build a new state-of-the-art NFL stadium and facilities on the existing Hollywood Park development in Inglewood. After collecting more than 20,000 petition signatures to allow for the rezoning of the proposed stadium site, the Inglewood City Council approved the stadium with a unanimous 5-0 vote, removing any remaining legal obstacles for the stadium project and clearing the way for developers to break ground.

The Inglewood stadium will accommodate 80,000 fans and is located on a 300-acre site worth an estimated \$2.6 billion dollars. For reference, this is \$1 billion dollars more valuable than MetLife Stadium, the current home of the New York Giants and New York Jets. The new site will also contain a 6,000-seat performance venue, over 1.5 million square feet of retail and office space,

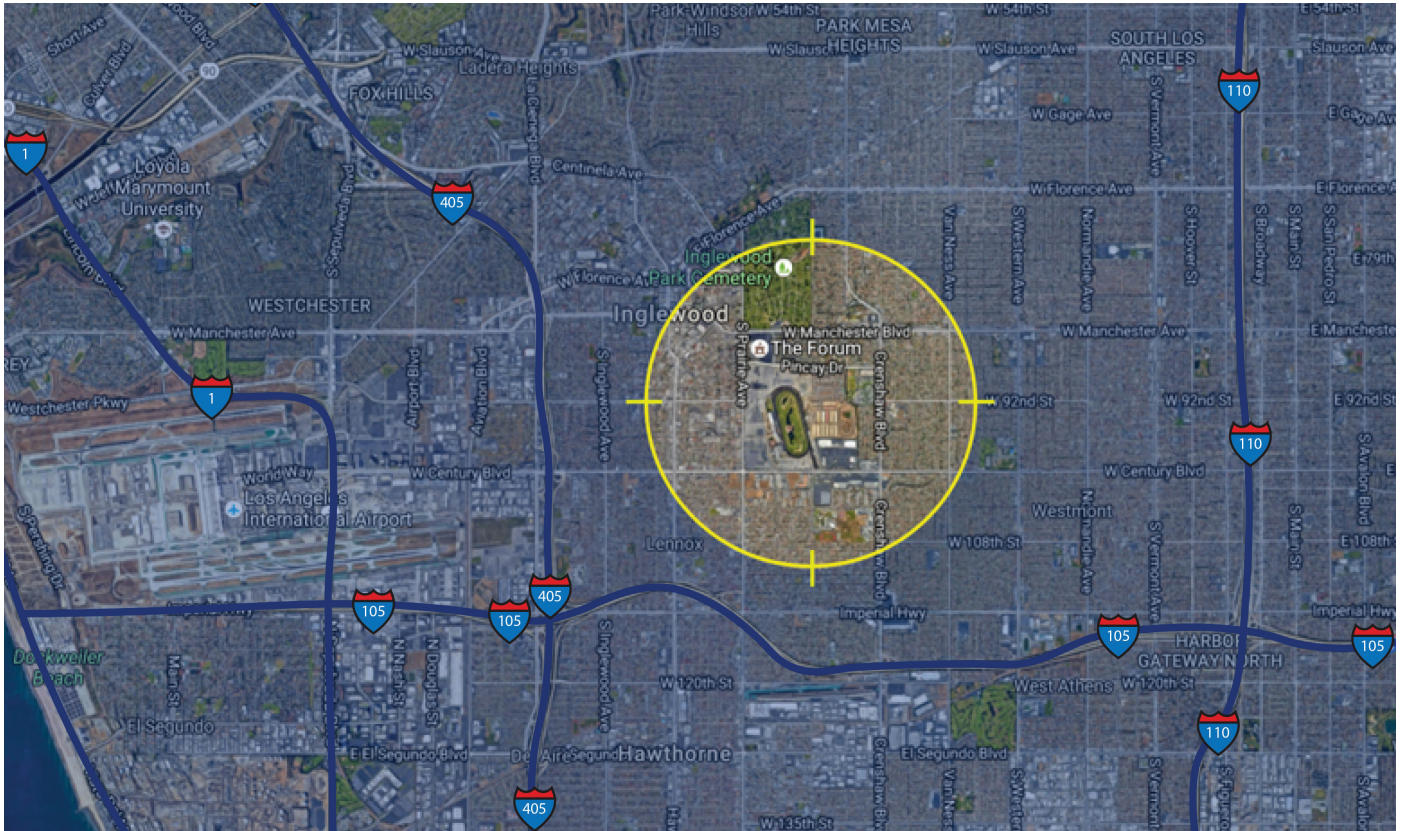


Rendering of Inglewood Stadium by HKS Architects.

2,500 homes, a 300-room hotel and 25 acres of new park space. The stadium was designed by HKS and includes a 19-acre transparent canopy that covers the entire stadium and other parts of the surrounding development using a malleable plastic, allowing the venue to display a myriad of images, colors and advertisements that can be seen by planes flying into LAX. The stadium is expected to be completed in time for the 2019 NFL season, and Los Angeles will be the host for the

2021 Super Bowl, as well as many other large sporting events in the future.

Even before construction, the stadium deal has already had a positive impact on the surrounding area. According to Hughes Marino, office rents have increased 12% year over year with industrial rents rising a surprising 36% within a 1.5 mile radius of the new development. The average rent for office space was \$1.77 per square foot and \$0.61 per square foot for industrial space, with vacancies at



The 1.5 mile radius directly impacted by stadium construction.

18% and 9%, respectively. Although we have seen an increase in rent up to this point, there is still more room for prices to tick up. I predict we will see a jump in market rent over the next few years as the stadium inches closer to completion. Areas like Culver City have become increasingly more expensive, and companies have begun to consider more affordable alternatives. With 1.5 million square feet of new office and retail space, Inglewood’s current affordability puts it in a position to lure companies from surrounding areas.

The next few years will tell the story, but expect real estate in the greater Inglewood area to be positively affected by all of this new innovation and development. Even more exciting, we will finally have a professional football team to root for in Los Angeles again! □



Sean Spear is an associate with Hughes Marino, an award-winning California commercial real estate company specializing in tenant representation and building purchases with offices in Los Angeles, Orange County, San Diego, San Francisco and Silicon Valley. Contact Sean at sean@hughesmarino.com or 1-844-NO-CONFLICT to learn more.