

Costco Is Building 800 Apartments Over New Store in Los Angeles. Could Denver Be Next?

When I first read about this project in an email newsletter called "The Briefcase," I checked the calendar to make sure it wasn't April Fools Day. Wanting to confirm what I read, I Googled the topic and found countless trade and general audience publications about the project, none of them from Denver media and none saying it wasn't true.

Costco acquired a five-acre site in South Los Angeles that was formerly occupied by a church, and they announced last year that they were partnering with **Thrive Living** to build a Costco warehouse store on the site with 800 apartments, many of them "affordable," above and around it. The parking will be in two underground levels.

On its website, Thrive Living describes itself as a national brand pursuing a mission of building workforce housing in markets experiencing severe gaps in affordability. They are an affiliate of Magnum Real Estate Group, "a vertically integrated real estate company which has developed \$5.5 billion of real estate, including a wide range of ground-up residential rental and for-sale apartments, adaptive re-use and



historic conversions, student housing, community facility development, retail, and light office."

It was coincidental that I read about their Los Angeles project with Costco on the same day that Governor Gavin Newsome announced a statewide plan in California to crack down on homeless encampments.

Here in the metro Denver area, we have seen a surge in the construction of multiple-story "transit-oriented developments," but it never occurred to me that Costco or other big box stores with their multi-acre sites, mostly used for parking, could be venues for addressing the country's and Colorado's extreme shortage of affordable housing.

With many low-income areas being "food deserts," bringing a Costco to the Baldwin Hills neighborhood south of downtown Los Angeles sounds like it helps to address that problem as well. Here in our own metro area, I can think of several lower income neighborhoods that could benefit from a project that brings both affordable housing and affordable food shopping to the same location. And I suspect that some developer could assemble a 5-acre parcel to carry

that off. We do have developers in Denver committed to affordable housing who could replicate the Los Angeles project if Thrive Living isn't ready to do it themselves.

In the L.A. project, 184 of the 800 apartments are to be set aside for low-income families. It could be expected that many of the residents will be Costco employees, whether or not they qualify as "low income."

According to CoStar, the site is in the "Inglewood/South L.A." retail market, where the apartment vacancy rate is 4.4%, and the average rent of \$1,650 per month is considerably lower than the Los Angeles average of \$2,191 per month.

As usual, I will publish links to this project in the posting of this column on our blog, at <http://RealEstateToday.substack.com>.

We Now Know How Buyer Agent Compensation Will Be Handled in Colorado

The much discussed NAR Settlement of March 15, 2024, requires that Realtor-owned MLSs, of which REColorado is one, remove all mention of buyer agent (or "co-op") commissions from listings by August 17th, and REColorado has announced that they will comply on August 15th. Buyer agent compensation fields will disappear from listings on that date, and no mention of buyer agent compensation can be included in public remarks or other MLS text fields.

Commission sharing between listing agents and buyer agents may be banned, but the settlement specifically stated that **SELLERS CAN STILL OFFER TO PAY BUYER'S AGENTS.**

Listing contracts, buyer agency contracts and the contracts to buy and sell listings had to change, and revisions to those documents were released in mid-July by the Colorado Real Estate Commission, for use starting in August. Signed contracts are "grandfathered," but all new contracts must be written using the new forms.

Colorado's new forms no longer state that the listing brokerage will share its listing commission with a buyer's brokerage. Instead, a new paragraph states that the **SELLER** will offer x% or x dollars compensation to a licensed broker who represents



a buyer. A 3rd paragraph then states that the listing commission will be **reduced** by the amount of any compensation paid to a buyer's broker.

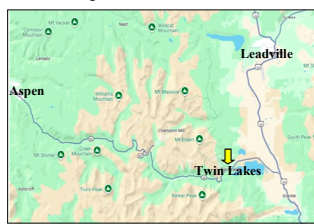
It's a simple and logical work-around. Above is a sign rider that I printed to comply with this change. I have printed several variations of this sign rider with different percentages to accommodate whatever compensation our sellers choose to offer, including one rider that doesn't specify the offered compensation. I believe that **every** seller will want to offer compensation if they want to sell their home.

The brochures in the brochure box and the web pages we create for each listing, like the one on this page, will also have compensation information, so buyers will know what's being offered to their agents.

Price Reduced on This Twin Lakes Home



This 3-bedroom, 2-bath home at **48 Lang Street** is in Twin Lakes, halfway between Leadville and Buena Vista at the foot of Independence Pass. It could be your escape from the Front Range rat race! This is a year-round mountain home, not a vacation home, unless you enjoy twelve months of vacation each year! Enjoy the quiet mountain life of Twin Lakes Village (population 23). In summer, enjoy the drive over Independence Pass to Aspen. In winter, drive over Fremont Pass to Copper Mountain. **Escape those I-70 traffic jams, too!** Closer to home, enjoy hiking the Colorado Trail, which passes through town. This home was built in 2000 with all the modern conveniences, yet you're in a historic and charming mountain town. **Thanks to high-speed internet, some of the residents have city jobs but work from home.** If you've been hankering for a slower lifestyle, this mountain home may be your escape. Visit www.TwinLakesHome.info to take a narrated video walk-through of this home and see lots of photos, then come see it! **Open Saturday, August 3rd, 11 to 2.** Or call me to request a showing by owner.



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