

ALEX SCHMIDT

Ikea-fying Los Angeles

Financing the familiar



PHOTOGRAPH BY ALEX SCHMIDT

On a sunny day in northeast Los Angeles, you could take a slow drive around comfortably run-down streets that wend through gentle hills and see it all through the eyes of Steve Jones.

“There’s another one,” Jones says under his breath as he spots the work of a competitor. “Hilarious.”

When Jones started flipping homes (purchasing houses with the goal of selling them for a profit) three years ago, as principal of his design and development company Better Shelter, he was one of few people in the area doing this work. Today, a flipped home can be found on nearly every block in the neighborhood, thanks to at least a dozen small developers or individual flippers getting in on the game—a fact that titillates Jones.

The houses aren’t difficult to spot. They usually follow some variation of the following pattern: gray or greenish-gray paint, white or brick red trim, a colorful door—mint green, orange, red—and sometimes a colorful accent mailbox. Instantly recognizable horizontal wood-slat fencing is the final touch.

While the push of gentrification eastward from Hollywood is well known—Los Feliz, Silver Lake, Echo Park, Eagle Rock—this area has yet to “turn.” Rising property values and the disappearance of renters as higher-income residents move in—telltale social signposts of gentrification—have not fully arrived. Yet there are other, aesthetic signposts of a coming turn visible to anyone who cares to look. The business-minded are remaking this neighborhood in what many of them call an “Ikea-like” style of development. If the trend continues, it could have ramifications for the neighborhoods well into the future.

The neighborhood

The last pocket of affordable housing stock in that eastward gentrification wave, before you hit long-upscale Pasadena and abutting downtown LA, which sits to

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the south, includes the neighborhoods of Highland Park, Mount Washington and Glassell Park.

There are a few larger commercialized streets in the neighborhoods, with small corner markets here and there. Three years ago, Highland Park was two-thirds Latino, and many of the businesses have Latino names and sell Mexican or Central American food or products. Several of the homes are surrounded by chain link or iron fences. There are lots of dogs—nearly everywhere, you can hear them barking.

The area was one of the first to be subdivided as Los Angeles spread out beyond its downtown heart in the late 19th century. Like much of LA, there's no single architectural style here. The homes range from stucco boxes to Craftsman bungalows to Spanish colonial revival, and others. There are a few streets with larger homes, but mainly, the houses are modestly sized, middle-class affairs. The size is perfect for picking up and turning around in a short period of time, and the location makes sense for developers looking to cash in on the gentrification push.

Why they look the same

Developers are notoriously risk averse. A house flip is a gamble to begin with, but a new design adds on cost, plus the possibility that it just won't sell. Going with a tried and true design is simply a more secure bet in the grand scheme. Beyond that, though, today the cards of the home ownership system are stacked against individual middle-class property owners looking to create their own design. That's because banks (at least until very recently) won't lend to them.

Every buyer wants a deal, and in the real estate world, the best deals are distressed properties. With a relatively small investment, a home buyer could turn a dump into the pretty nest she's dreamed of. But banks refuse to finance sale of these properties to the average borrower. Chris Redfearn, a professor of real estate at USC, says that banks won't do lending for construction redevelopment: "A house for 200K that [I] plan to put 70K in – I can't get that loan and I don't have the equity. So who's left?"

People like Jones, who have the money. He can spend about \$190,000 in cash, put in \$80,000 of work, and turn it around four months later for around \$400,000.

"Right now, we're working on about 10 homes," Jones says. "A lot of them are not financeable because they lack



PHOTOGRAPH BY ALEX SCHMIDT

bathrooms or heating systems . . . so we take them and fix them up." Those fix-ups, rather than reflecting the tastes of individual buyers, are the formulaic ones of developers.

Why people like them

Simply put, the style of these homes appeals to a pervading mindset. With their little plots of land, bucolic, fenced-in yards, fragrant citrus trees, and attractively simple staging furniture, the homes seem to represent the world before complications of contemporary life.

Dana Cuff, professor of architecture and urban planning at UCLA, believes the recent foreclosure crisis may have something to do with their appeal: "Maybe the



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This is, in fact, a mass-produced, ready-to-wear authenticity.

American Dream, which we've seen so heartily crushed in 2008, is coming back writ large in iconic form. No one [today] really believes they'll ever own their house, you'll never get a loan, you won't have the same spouse, and you're certainly not going to get old in these houses. You need a more heavy symbolism in these houses to make them work." The formula for their appeal, she says, "follows the pattern of nostalgic home desires—it's sort of a pre-nuclear thing . . . The colors are pre-war—they hearken back to 1890 to 1940."

Jones concurs. "A lot of what our homebuyers are craving, even if they don't know it, is authenticity and integrity."

Yet how authentic is a home that looks similar to so many others nearby? Pricing and construction details reveal that this is in fact a mass-produced, ready-to-wear authenticity. It can be shed easily when the whims of the buyer—or the winds of the economy—change.

A different kind of neighborhood change

The style and staging of the homes suggests that people moving into them are a different crop of homeowner than those who have lived in these neighborhoods in the past. Indeed, homeowners of today are different from homeowners of the past. That's because the average length of stay in a home in America is no longer a generation.



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Andy Wu, a media consultant, and his wife recently bought one of Steve Jones' flipped homes. Wu is 38, his wife 35. They only plan to stay about 10 years, until they have a family and outgrow the house. He says they liked that everything was designed attractively and in move-in condition; if you don't plan to stay long, it's great to have a lifestyle ready upon arrival.

This may be a different kind of neighborhood change than has been seen in the past. It's not just that higher-income folks are moving in, but that they are moving into homes they plan to leave. The downturn in the market, lending policies of banks, and the spirit of our age have created design-friendly Ikea-esque homes on every corner of this L.A. neighborhood, ready to be bought and not long after, sold again.

A new house or storefront here or there, slowly changing the visual landscape, is the way neighborhood change and gentrification begin. But those early signposts can stay invisible, says Jerome Kruse, a professor of sociology at Brooklyn College who has studied gentrification. "Local residents are often oblivious to a single store or home that looks different, or a few young people who move in," he notes.

Indeed, Highland Park homeowner Gerardo Borja lives next door to a Steve Jones flip. He has lived in his home, a nondescript off-white box with a brown roof and green artificial turf in front, for 46 years. Though the house next to his is about to change, and though the roots of his neighborhood may be shallower than the ones he's grown in his own home, he says he hasn't noticed many differences in the area: "We don't really have time to look around."

Neighborhood change is incremental until it isn't. In a city as diffuse as Los Angeles, it can be hard to spot, unless you know the signposts to look for. How will our future neighborhoods look and, more importantly, feel? At some point, probably not too far off, we'll find out. **B**

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