

A Brand-New Cast of Newsmakers Rings In the New Year; Last year, investment was king. But in the coming months, the high-profile activity will be in the realm of development.

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Who will be making headlines in 1999? The latest trends in the marketplace suggest that--with some exceptions--the newsmakers will be a markedly different cast of characters than graced this feature a year ago.

At that time, the investment community--led by aggressive real estate investment trusts--was grabbing the bulk of coverage. Many of the key local commercial property markets were continuing their dramatic recoveries from the recession of the early 1990s, and rising rents attracted the Wall Street-backed REITs and other buyers from around the nation. But Wall Street retreated and the price of capital became prohibitive as fierce competition drove values to new highs and projected investment yields fell accordingly.

Meanwhile, that same recovery has now shifted much of the higher-profile activity into another discipline: development. As strong tenant demand continued to fill commercial buildings in the top markets last year, rental rates finally hit levels at which new construction became feasible.

All of which hints at the specialties of many professionals who have replaced REIT executives on this year's list. Many are entrepreneurs pursuing multiple development ventures--more often than not in alliances with real estate capital managers--and hence will be aiming to cut deals with tenants as the year progresses and new buildings open their doors.

But some investors remain on the list, as buying has slowed but certainly not stopped. Here again, access to capital is what counts for key players who will remain active as 1999 progresses.

The following roster, organized by property sector, constitutes a sampling of the scores of professionals playing key roles in the Southland's dynamic commercial real estate arena:

- Allen Kohl, Doug Brown, Jeff Dinkin.
 - Chairman, co-managing partners, Regent Properties Inc., Beverly Hills.
 - Background: Well-connected Kohl and his local partners spent much time and money tying up key redevelopment projects requiring plenty of both.
 - Why watchable: Tenant deals will be done at big West Hills business park while intriguing "urban village" developments progress in Westwood, Hollywood and Burbank. Look for more to follow.
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- William McMorrow.
 - Chief executive, Kennedy-Wilson Inc., Beverly Hills
 - Background: McMorrow's investment and brokerage operation overcame difficult times early in the decade to become a major player here and abroad.
 - Why watchable: After recent acquisitions of Hollywood office buildings, top national property management firm, Japanese mortgages and other ventures, it's hard to say what's next. But McMorrow's team is bound to make headlines again.

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- Steve Layton, Phil Belling.
 - Principals, Layton-Belling & Associates, Newport Beach.
 - Background: Veteran developers and asset managers spent much of 1990s buying low and selling higher in partnership with Boston pension fund advisor AEW Capital Management.
 - Why watchable: Some folks still know where to find good deals, and this savvy pair has hooked up with AEW again to find and buy another \$100 million worth.
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- Jerry Snyder.
 - Principal, J.H. Snyder Co., Miracle Mile.
 - Background: "Neighborhood-sensitive" developer has completed several smaller retail projects lately and continued to pursue large office developments in Santa Monica and Burbank.
 - Why watchable: While building entertainment-oriented project at Howard Hughes Center in Westchester, must also land office tenants for second phase of Water Garden now underway in Santa Monica and find both partner and tenants for planned Media Center office in Burbank. Interesting Beverly Hills development also in the works. Look for another in the Hollywood vicinity as well.
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- David Mgrublian, Mike Siam, Hayden Eaves III.
 - Managing partners, Investment Development Services, downtown L.A.
 - Background: Experienced industrial developers who are now investing for other people while waiting for development opportunities to return.
 - Why watchable: Relationships with well-heeled institutions provide capital for several key development projects, including those underway in Valencia, Westlake Village and the former Northrop campus in Newbury Park.
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- Donald Koll.
 - Principal, Koll Development Co., Newport Beach.
 - Background: Historically prolific Orange County developer has restructured diverse operations time and again as market dictates.
 - Why watchable: "New" Koll Development, now backed by deep pockets of Northstar Capital Investment Corp., has several projects underway from John Wayne Airport to Westside Los Angeles to the Inland Empire.
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- Jeff Dritley.
 - Director, Morgan Stanley Real Estate Fund, Century City.
 - Background: Oversees funds with huge stakes in key development projects now under construction including Playa Vista planned community and Glendale Plaza high-rise.
 - Why watchable: All Playa Vista progress--even absence thereof--gets microscopic scrutiny; Glendale project's fate depends on early 1999 tenant deals.

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- Arthur Coppola.
 - President, chief executive, Macerich Co., Santa Monica.
 - Background: Heads growing, national real estate investment trust specializing in making over shopping malls. Heavy Southland presence includes last year's \$170.5-million purchase of Westside Pavilion.
 - Why watchable: Retail is hot, especially in Macerich's growth markets--the West generally and Northwest most recently. And while many REITs remain idled by generally depressed share prices, Macerich is a trendsetter through its alliance with Canada's biggest public pension fund.
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- David Malmuth.
 - Senior vice president of development, TrizecHahn Centers, Hollywood.
 - Background: Former Disney development exec credited with reviving New York's Times Square.
 - Why watchable: Overseeing high-profile \$385-million Hollywood & Highland retail and entertainment complex that includes new home for Academy Awards.
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- Rick Caruso.
 - Principal, Caruso Affiliated Holdings, Santa Monica.
 - Background: Not everything the politically savvy retail specialist touches turns to gold--it only seems that way in light of recent developments.
 - Why watchable: With new Calabasas mall apparently repeating enviable achievements in Westlake Village, Encino and Thousand Oaks, many eyes will be on his even higher-profile addition to historic Farmers Market in Los Angeles.
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- M. David Paul, Jeffrey Worthe.
 - Principals, M. David Paul & Associates, Santa Monica.
 - Background: Opportunistic office developer still demonstrating impeccable timing, market savvy.
 - Why watchable: Made a bundle filling former medical company headquarters in Santa Monica with high-profile tenants, mostly from entertainment business. Now doing same in Burbank and pursuing plans for Sunset Boulevard property in Hollywood.
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- **Tom McCarthy, Ed Cook.**
 - Principals, McCarthy Cook & Co., Miracle Mile.
 - Background: Former Maguire Thomas executives hooked up with powerhouse Blackstone Group.
 - Why watchable: Achieved huge successes for themselves and Blackstone overseeing strategic California acquisitions such as Wilshire Courtyard. Look for more of same, including large campus development--just what the market is crying for--adjacent to twin towers just acquired in vicinity of John Wayne Airport.

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- Michael Escalante.
 - Senior vice president, Trizec-Hahn Corp., downtown L.A.
 - Background: Veteran local pro now helping Toronto-based giant acquire office buildings here--such as recent acquisitions of two top downtown Long Beach properties.
 - Why watchable: With REITs resting, this "C" corporation has become North America's leading office building buyer while selling off its huge mall portfolio. Bank on additional noteworthy purchases.
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- Rick Newman.
 - Senior vice president, Lowe Enterprises Commercial Group, Brentwood.
 - Background: Oversees local office developments for diverse home-grown real estate giant.
 - Why watchable: Responsible for two key speculative Westside developments Lowe manages on behalf of REITs Arden Realty (at Westchester's Howard Hughes Center) and Spieker Properties (Santa Monica's Arboretum Courtyard).
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- Nyal Leslie, Pete Hillman, Dennis Fitzpatrick.
 - Chief executive, principals, PacTen Partners, Glendale.
 - Background: Longtime friends hooked up to develop first speculative local high-rise office tower since before the early-1990s recession.
 - Why watchable: Glendale Plaza nearly finished; if large tenants sign up as PacTen promises, the development's success will encourage other builders. Valencia office development also underway.
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- Rick Gilchrist, Michael Croft.
 - Co-chairman and president, Commonwealth Partners, downtown L.A.
 - Background: Among key former Maguire Thomas partners now applying skills to various realty enterprises.
 - Why watchable: Head diversely talented group handling various ventures--including "advisory/co-investor" relationship with pension giant CalPERS. Look for more acquisitions such as recent purchase of tower at 801 S. Figueroa St.
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- Dan Emmett and Jordan Kaplan.
 - President, vice president, Douglas Emmett Realty Advisors, Brentwood.
 - Background: Leading local buyer and operator of high-quality office buildings, mostly on behalf of institutional-type investors.
 - Why watchable: Despite higher prices, this historically contrarian investor is aggressively buying while most REITs sit by.
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- Jack Mahoney.
 - President, Summit Commercial Properties, El Segundo.

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- Background: Key player in the diverse, well-funded Highridge Partners family of real estate investment operations.
 - Why watchable: Co-development program with REIT Mack-Cali Realty Partners includes major speculative office project now underway in El Segundo. Smart group with access to capital manages to find high-return ventures in good times and bad.
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- Alan and Henry Casden.
 - Chairman/CEO and president, Casden Co., Beverly Hills.
 - Background: Among most prolific of L.A.'s apartment builders.
 - Why watchable: They're baaaaack. Spent hundreds of millions buying up big Southland apartment properties last year, presumably to fold into a new REIT. Look for continued activity--particularly if Wall Street's REIT appetite returns.
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- Dennis Cavallari.
 - Senior vice president, Legacy Partners, Irvine.
 - Background: Firm formerly known as Lincoln Property/West has ranked among the leading apartment developers and managers in western U.S. for decades.
 - Why watchable: Overseeing several luxury developments including Golden Mile and Warner Center and in Santa Monica and Marina del Rey--and will probably pursue others now that REITs have retreated.
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- Edward Roski Jr.
 - President, Majestic Realty, Industry.
 - Background: Dominant family-owned San Gabriel Valley and Inland Empire industrial developer continues to prosper as economy strengthens.
 - Why watchable: More projects underway in key industrial markets; and don't forget that little downtown L.A. development called Staples Center.

Descriptors: REAL ESTATE INVESTMENT TRUSTS; REAL ESTATE INDUSTRY -- LOS ANGELES COUNTY; 1998 (YEAR); FORECASTS; REAL ESTATE DEVELOPER