

Los Angeles Times

THURSDAY, MARCH 16, 2023 :: LATIMES.COM/CALIFORNIA
COPYRIGHT 2023 / THE LOS ANGELES TIMES

FOX Studio Lot in Century City seeks \$1.5-billion upgrade



Images by Fox Corp.

A rendering of proposed upgrades to the Fox Studio Lot in Century City that would add soundstages and offices including high-rises on Olympic Boulevard and Avenue of the Stars.

BY ROGER VINCENT

The historic Fox Studio Lot, one of Hollywood's most celebrated movie factories, is set to get a \$1.5-billion upgrade that would change the skyline of Century City and add new production facilities to meet industry demand.

The far-reaching Fox empire now controlled by the Murdoch family was birthed in the legendary studio where Shirley Temple once danced and Marilyn Monroe showed off her comedic chops in "The Seven Year Itch." Cultural touchstone movies brought to life there include "Miracle on 34th Street" and "The Sound of Music."

Fox Corp., which retained ownership of the lot when Walt Disney Co. bought most of 21st Century Fox's entertainment assets in 2019, submitted an amended plan to Los Angeles building officials Wednesday calling for the addition of office towers, soundstages and other facilities used to make television shows and movies.

The investment reflects the nearly nonstop demand for stages that has emerged in the streaming television age and Fox's desire to further profit from one of its most cherished assets. Fox's plans include a high-rise more than 30 stories tall on Avenue of the Stars that could be rented to tenants



The entrance to the Fox Studio Lot on Pico Boulevard in Los Angeles.

Note: May not be reproduced or retransmitted without permission. For permission call LAT Reprints at 1-800-LA Times.
The sale of this reprint does not constitute or imply the publisher's endorsement of any product, service, company, individual or organization.

looking for fancy digs in Century City's thriving office market.

"Our vision is to secure the future of the lot by investing in production infrastructure and the Century City business core," said Gary Ehrlich, president and general manager of Fox Studio Lot.

The moneymaking potential of the busy 53-acre studio lot on Pico Boulevard was clear when the Murdochs carved it out of the \$71.3-billion deal with Disney that put Captain America and Wolverine on the same team four years ago and led to the creation of Fox Corp.

Lachlan Murdoch, the elder son of media mogul Rupert Murdoch, runs Fox Corp. as its chief executive and keeps an office on the Fox lot once occupied by illustrious studio boss Darryl F. Zanuck. Rupert Murdoch is chairman of the company.

"The Fox Studio Lot is one of the most iconic and treasured production locations in the history of entertainment and is a rich part of our history," Lachlan Murdoch said in a statement. The proposed expansion project, he said, "represents a long-term commitment to our industry, to our community, and to the City of Los Angeles."

Fox Corp. is made up of former 21st Century Fox assets that were not included in the Disney deal including the studio property, Fox News, Fox Sports, Fox Entertainment and Fox Television Stations.

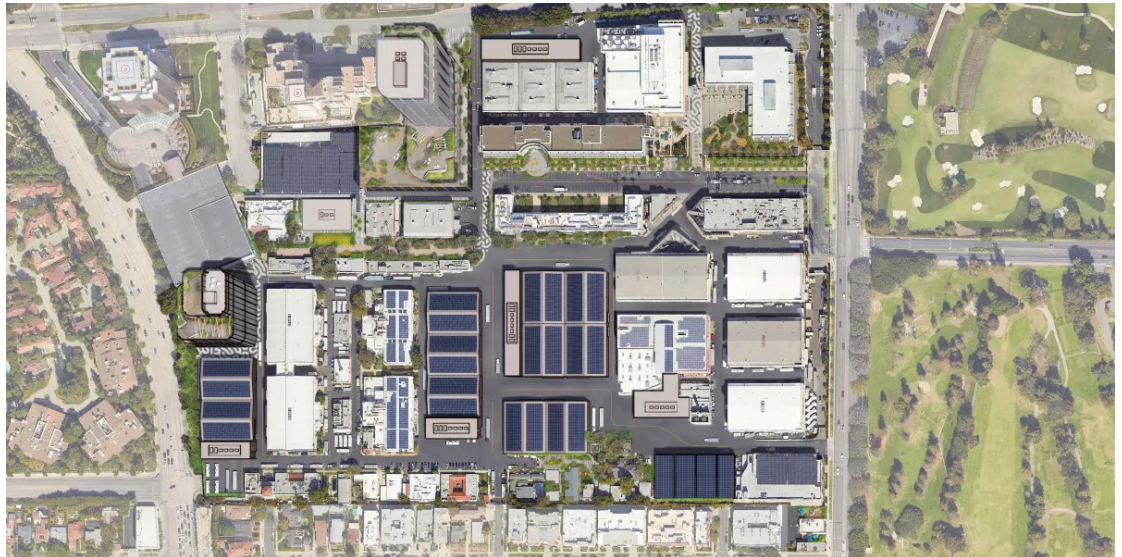
Disney is the lot's primary tenant, occupying office and production space. Among the shows it produces there are two of Fox's most popular series: "9-1-1" and "9-1-1: Lone Star." Sports programs such as "Fox NFL Sunday," "MLB on Fox" and "The Herd With Colin Cowherd" are based there.

The lot also remains the home of the writers room for "The Simpsons," which has aired on Fox for more than 30 years.

Although new office high-rises have been rare in Los Angeles in recent decades, rental activity suggests there could be demand for another big building in Century City that would rise



A conceptual rendering of a proposed office tower on Avenue of the Stars that would rise more than 30 stories.



Proposed upgrades to Fox Studio Lot include office towers on Avenue of the Stars and Olympic Boulevard.

next to a shuttered hotel south of the 2121 Avenue of the Stars office tower. That red-granite and glass building was formerly called Fox Plaza but may be better known to movie fans as fictional Nakatomi Plaza, where Bruce Willis fought terrorists in "Die Hard."

At a time when most office centers including downtown Los Angeles are experiencing a slowdown in leasing caused in part by companies' shifts to remote work and fears of a slowing economy, the Century City neighborhood stands out as a robust market

commanding some of the highest rents in the region.

"It's probably the strongest office market in Southern California," said property broker Carl Muhlstein of JLL, who specializes in entertainment real estate deals.

Only 8.5% of offices in Century City are unleased — compared with 19.4% countywide — according to brokerage CBRE, and landlords there ask for rents 50% above the county average.

There are few locations left in the

neighborhood to build big office buildings. Last year one of Hollywood's leading talent agencies, Creative Artists Agency, agreed to become the anchor tenant in a 37-story tower being built on Avenue of the Stars, where construction activity is still mostly underground. Other businesses have agreed to move in when it opens in 2026.

"The CAA tower hasn't even risen above sea level," Muhlstein said, "and it's already 50% leased."

Upgrades on the Fox lot would add

nine soundstages, bringing the number of stages to 24. The additional stages would be equipped with the latest technologies for modern film, television and content creation, Fox said.

Also planned is an office building more than 20 stories tall that would be designed specifically for people working for companies based on the lot. It would rise along Olympic Boulevard west of Avenue of the Stars.

The Fox lot today holds a hodgepodge of old and new buildings built for both administration and production services, including four scoring and mixing stages, two broadcast studios, theaters, editing bays and other production facilities. It has 96 buildings with a combined total of 1.8 million square feet. The planned development would add 1.6 million square feet.

Fox's announced expansion comes on the heels of another huge proposed makeover revealed last month by the owners of Radford Studio Center in Studio City. Hackman Capital Partners said it plans to spend \$1 billion to upgrade the former CBS Studio Center with as much as 1 million square feet of new soundstages, production facilities and offices.

The rise of streaming has escalated demand for soundstages and other production facilities and prompted the development of new studios around the Los Angeles region.

Existing soundstages in Los Angeles County have been almost fully rented for years, which can make it hard for new productions to find places to work, according to FilmLA, the nonprofit that handles film permits in the region.

"There's just this unmitigated demand for not only stages but all the production support that goes with mounting productions at a particular location," Ehrlich said.

Studios are operating near 100% capacity with wait lists as long as five film productions deep for those spaces, financial advisor Deloitte said in a 2021 report.

"To meet the booming demand,



A conceptual rendering of planned production facilities for Fox Studio Lot in Century City.



The sports program "Fox NFL Sunday" is based on the lot.



Mel Melcon / Los Angeles Times

A view of the exterior wall of Stage 10 at the Fox Studio covered with a mural depicting a scene from 1955 comedy "The Seven Year Itch."

supply would need to more than double in Los Angeles County" in the next few years, Deloitte said. Planned projects for more studio space fall far short of that.

Fox Studios traces its lineage to co-founder William Fox's 1924 purchase of 99 acres between Santa Monica and Pico boulevards from Janss Investment Co., the developers of Westwood Village. Fox Films

merged with 20th Century Pictures in 1935, forming 20th Century Fox.

The lot grew to as large as 285 acres at its height but eventually shrank to its current size as the studio was hit with a string of flops, including the Richard Burton and Elizabeth Taylor vehicle "Cleopatra," whose budget had ballooned before its 1963 release. Desperate for cash, studio bosses sold nearly 180 acres in 1961

to businessman William Zeckendorf and Aluminum Co. of America for the development of Century City.

The city approval process for the latest proposed changes to the studio could be lengthy, Ehrlich said, but Fox hopes to get underway on new development in the next few years.

roger.vincent@latimes.com
@rogervincent