CANFIELD DEVELOPMENT

Building with

QUALITY, SAFETY and AFFORDABILITY

in Mind

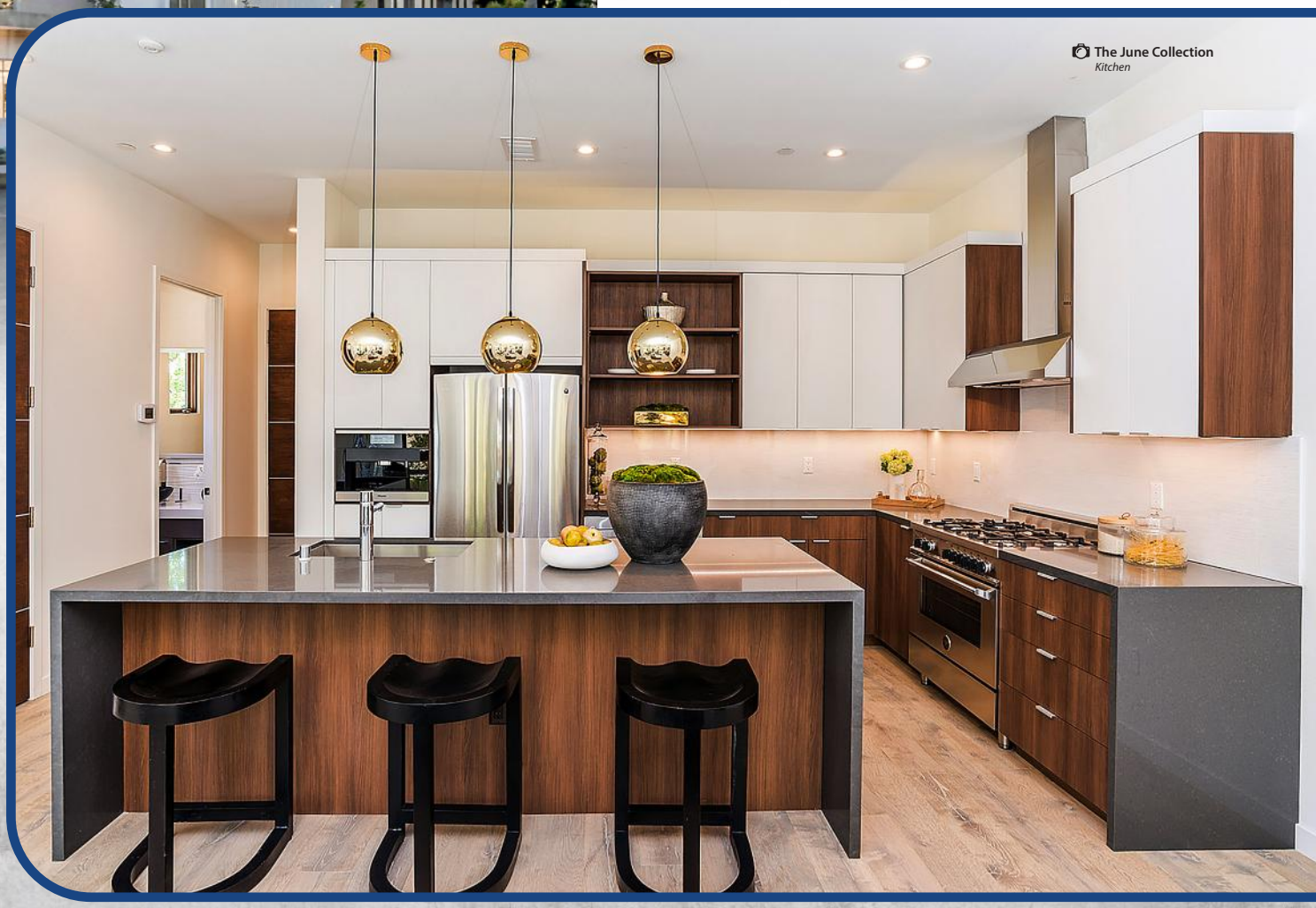
CANFIELD DEVELOPMENT

Written by Anne Lindert-Wentzell

A person's home is more than a physical structure providing shelter. Homes are our refuges from the masses and places where families are raised, friends socialize, and where our most memorable times are shared. But there is a huge differentiator between a building that is merely a roof over our heads and a home that is considered quality, safe, suitable, and affordable housing. Research clearly indicates that the latter leads to a sense of personal wellbeing.

When Steve Erdman immigrated to the United States from Israel in 1972, it was Los Angeles, California that he called home. After graduating from California State University, he worked with a development firm, giving him over a decade of experience and insight into the real estate development industry.

In 1990, he felt he was ready to tackle the industry on his own and established Canfield Development, which specializes in building multi-family, mixed-use projects, most of which are in Los Angeles. This full-service real estate developer is equipped to address the entire gamut of project delivery from land purchase and construction to completion, management, and everything in between.

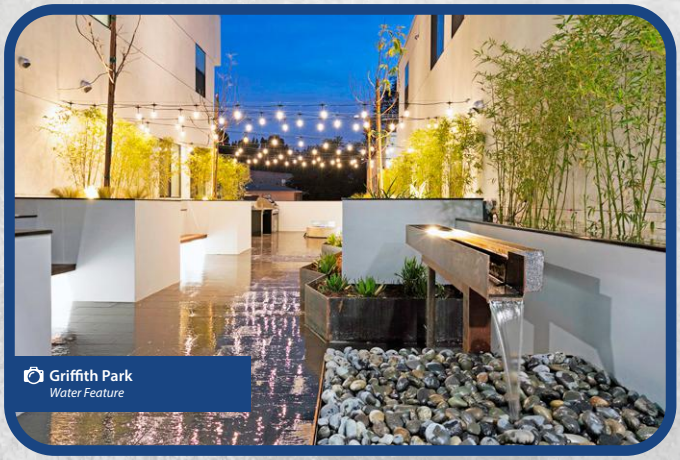


The June Collection
Kitchen

Seven West DTLA
Deck

"The company is considering opportunities at various locations and is focused on projects deemed common living."

According to a March 5, 2019, ***The New York Times*** article, downtown Los Angeles (DTLA), is experiencing a boom the likes of which has not been seen in decades. "I think DTLA is experiencing a boom in terms of projects completed [and] projects coming online," Steve says. There was also no opposition to developing residential projects. "I think the city encouraged construction and development in downtown Los Angeles with the intent to clean it up, so to speak. So it was easy to develop."



Griffith Park
Water Feature

"There is a lot of product coming on, and it's going to take quite a time to be absorbed. So, we're not doing projects downtown anymore." The company is still completing previously booked projects.

The company is building a student housing project across from the University of Southern California (USC). "We are under construction, slated to deliver the project for the fall semester of 2021." Canfield Development is also completing sixty-one condominiums in the Midtown area of Los Angeles, with a completion date expected in the summer of 2020.

The company is considering opportunities at various locations and is focused on projects deemed common living. "These units have four to five bedrooms," he says. "It's sort of a shared living concept because the cost of rental in Los Angeles is so high, and we're looking for ways to be able to provide good product at a reasonable, affordable rent."

Just like any successful industry, real estate development requires forging close relationships and partnerships with

Italian Kitchen Design has been at the forefront of innovative closet design since it was established in 1998. IKD has asserted itself as a place where quality and creativity merge. Over the past 20 years IKD has gained recognition amongst developers, architects, interior designers and proprietors to ensure that they get the most out of their projects. Drawing inspiration from cutting edge Italian craftsmanship, we strive to make elegance and style accessible to everyone.

Each item, each object has a designated place within your home in the pursuit of blending functionality and style. We are dedicated to providing custom designed closets in a wide range wood veneers, matte and glossy lacquers, and glass to create luxurious and innovative organization.

Italian Kitchen Design endeavors to form an optimal relationship with space to create an elevated design while maintaining the maximum functionality.

P: (424)333-4511 | **F:** (310) 861-5194 | **E:** info@ikdusa.com | kdusa.com

those that trust and rely on the services and products of a company implicitly.

Los Angeles is a city in which "development is a very difficult, long, and arduous process," according to Steve, and so those partnerships are vital. City officials and planning departments have to be satisfied before any work can begin. "The laws are very complicated," he continues. "You have to work in close concert with the planning department."

And since land and construction in the city is so expensive, the land must be used to its fullest potential. "You have to be able to utilize as much as you can on a piece of land that you buy," says Steve. "So it's important that you know the codes. There are all kinds of codes and limitations. You need to know all those and you need to navigate both the political scene and the planning scene."

The company has to engage with and understand the players, which, in return, learn to trust and acknowledge its experience. Planning departments can be assured that "they're dealing with [a company] that is intelligent and follows and understands the rules."

The company firmly believes in the concept of building green and green living. "We're trying to use green materials," he says,

and Canfield Development has taken initiatives to save water with such technology as water sub-meters. "So if you want to take a two-hour shower, you have to pay for it."

Canfield is also "very much into recycling," adds Steve, and can install charging stations for those with electric vehicles. Other initiatives and innovations include energy-efficient LED lighting and motion sensors that turn lights off in empty rooms to save both energy and money, for example.

This industry is a very cyclical one, and at this point in the cycle, land and construction costs are extremely high, and Steve believes that certain areas, such as the downtown, are becoming overbuilt. Numerous developers are taking advantage of the fact that they can develop the downtown core. "Certain areas in terms of the market and the demand are going to be soft sells because there's a lot of product," says Steve. Other areas, such as the west side of the city are "almost impossible to develop."

For this reason, Canfield Development's strategy is to be quite selective and cautious in any project that it might want to pursue. "There's a lot of liquidity in the market now," he says. "There's a lot of money sloshing around. Our motto is that we want to develop because you can make money. We don't want to develop because there is money."

The company has pulled back somewhat, yet still sees many other companies that have overpaid simply because "they have the money to deploy." But, in most cases, Steve continues, such companies do not have the knowledge about development costs, so when the land was purchased, the perception of building costs was overshadowed by the true cost of construction.

"So those projects didn't work out," he says, noting that, in some areas, "Even if you got the land for free, it's not developable. We're making sure that all the projects that we buy and develop are going to make money."

"We're being very selective. We're doing [fewer] projects, and those that we are doing, we're doing very well."

As with any company, there are always challenges to be met, and Canfield Development's challenges lie in finding suitable projects in a difficult market. "We're not rushing anywhere," he adds. "We're being very selective. We're doing [fewer] projects, and those that we are doing, we're doing very well," he states.

"We built a very good organization," he continues. He is devoted to retaining his efficient, knowledgeable staff and finding work for them, and the company occasionally engages in joint ventures "because we have the capacity now."

While much of its work is in Los Angeles, Canfield also works out of state. Having completed the fifty-unit Ferndale Green apartment complex in the City of Ferndale, in Whatcom County, in northern Washington State, it is currently developing a second project, consisting of a forty-unit apartment complex in the city of Bellingham, also in northern Washington.

The company does not staff its own architects or engineers, preferring to hire experts for individual projects as required. "We are in the development business. We do a lot of construction and we manage the general contractors. We subcontract out [for] the need and the project. The development business is hard enough, and I don't want to be in the architectural business. So when I have a project, I have architects I can go to." Some architects are more suitable for larger, more expensive projects and others for smaller projects.

Steve works to keep abreast of the current market, have an eye out for regions of opportunity, and develop some foresight into future trends such as co-living and small apartments. "I see the market slowing down and being in a more difficult, cautious state. It's about staying in business, keeping your connections and keeping on top of the market."

He explains that residents want to live in the city and have shorter drives to work rather than spending hours each day

The June Collection
Exterior

commuting, which can be the case, especially for those living in the outskirts of Los Angeles. Residents are now seeking a small apartment in the city, close to amenities.

"We have a big housing problem," Steve continues. "The only way to solve a housing problem is to build more houses. You can see the downtown has a tremendous amount of product. The only way to bring down housing costs is to have more housing. It's very simple."

However, many policies in certain areas have restrictions related to land use. "So what will happen is that very few people will build. So it's inevitably going to create a shortage and expensive existing lots."

From Steve's perspective, building more homes, multi-family units, and mid-to-high-rise units along transportation routes will help ease transportation and pollution concerns by taking more vehicles out of circulation. "Let's have housing projects built around work," he says.

The company is now developing its first co-living project just outside the Culver City, an independent city near the south-west side of Los Angeles. Culver City is becoming a huge tech employment hub with such companies as HBO, Amazon and Apple. Canfield Development plans to develop co-living housing "for those that don't want to spend all their earnings on rent. What we're concentrating on is close to work, safety, efficiency, and affordability," Steve says.

"I've built a very good company," he concludes. He hopes to continue "thriving and growing and let my young partners continue to advance." In essence, the goal is to remain "cautious, be optimistic for the future, and do the right thing – to make the world a better place." ■

Content Developed by Tom England | Designed by Ebic Tristary

USC Student Housing
Exterior

CANFIELD DEVELOPMENT

10474 Santa Monica Blvd., Suite 403, Los Angeles, CA 90025 | **P:** 1-310-446-8276 | **E:** info@canfield-development.com

www.canfield-development.com

SUPPORTED BY

ITALIAN KITCHEN DESIGN
kdusa.com

CON'STRUC'TURE