

Ben Avenue Valley Village, CA

PROJECT DESCRIPTION

A partnership largely owned by the Principals of Drake purchased this multi-family building in Valley Village, close to the trendy NoHo district of Los Angeles. Art galleries, restaurants and shopping are all close by, with easy access to the major freeways. The Ventura Boulevard corridor is one of Drake's favored markets for long term appreciation based on its strongly positive demographic trends.

Los Angeles County's rent control regime exempts properties built after 1979. This creates a thirty year span of well built and located core area properties which are becoming somewhat obsolescent and are readily re-positioned. Drake's favored demographics respond very positively and pay a premium for good design. They value transit and locations that offer retail amenities.

Drake built its acquisition and repositioning team in Los Angeles, developed relationships and skills in the local entitlements process, and held an asset that would earn a strong return in any possible condominium market downturn. This conservatism proved to be wise.

Drake's management team secured project funding, planned and obtained an approved Tentative Tract Map to convert the building to condominiums. Foreseeing the condominium market drop, Drake completed a light renovation, boosted rental income 20%, marketed the entitled property itself, selling for a record price due to current cash flow and future subdivision rights.

PROJECT FACTS

Purchase Date	2006
Resale Date	2008
Architects	Tomko-Woll Architects
General Contractor	Lerman Construction
Developer Entity	Supino Investors LLC
Construction Lender	East West Bank
Funding	\$2,250,000
Sale	\$2,750,000
ROI	25%

