RARE NEW CONSTRUCTION TRIPLEX IN SILVER LAKE!

705 N BENTON

THE
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SPECIALISTS®
DUPLEX | TRIPLEX | FOURPLEX REALTY

OFFERING MEMORANDUM

Presented by

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OFFERING SUMMARY

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The 2-4 Unit Specialists are pleased to present this remarkably rare 2020/2021 construction triplex in Silver Lake minutes on foot from both Sunset Blvd and Silver Lake Blvd! Brand new construction deals in the prestigious 90026 zip code are impossibly hard to find, especially when they're on a gorgeous hillside street with views! 705 N Benton Way is made up of a free-standing, 2-story single family residence in the front and a 2-story townhome style duplex in the rear. All units come equipped with their own private 2-car garages and stellar 3 bedroom, 3.5 bathroom floorplans. It is important to note that all bedrooms have their own en suite bathrooms- a perk that tenants go wild for, making for quick and easy rentals!

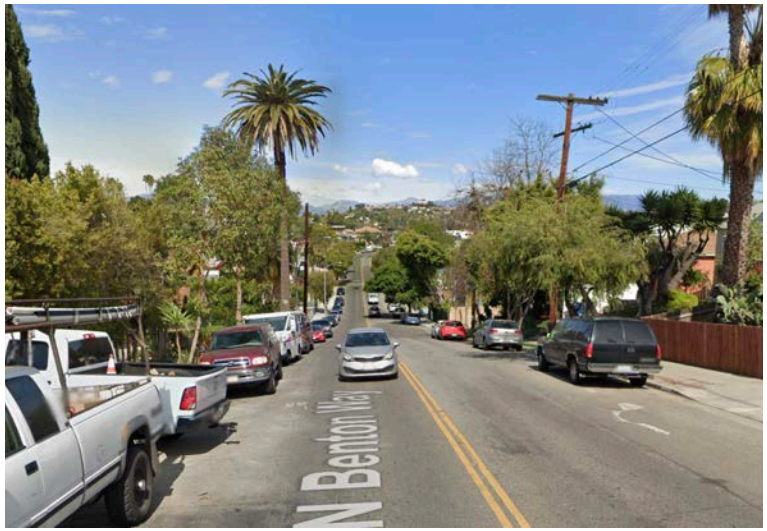
In addition to being an outstanding opportunity for investors, this would be a dream property for owner occupier as well! Enjoy your Silver Lake life of luxury in the front home while having tenants in the back units pay your mortgage!

The property boasts a 1 year builder's warranty, minimal maintenance, separate meters for gas, water & electric, and extreme desirability amongst renters. Upon completion (estimated late 2020/ early 2021), we estimate a cap rate of 5.41%!

PROPERTY OVERVIEW

THE PROPERTY:	Address:	705 N Benton Way, Silver Lake, CA 90026
	APN:	5402-007-019
	# Units:	3
	# Buildings:	2 (Free-Standing SFR + DUPLEX)
	Year Built:	2020/2021
	Building Size (SF):	4,630
	Lot Size (SF):	7,151
	Rent Control:	No
	Zoning:	LARD2
THE OFFERING:	List Price:	$2,399,000
	Cap Rate:	5.42%
	GRM:	14.08
	Price Per Unit:	$799,667
	Price Per SF:	$518.14
UTILITIES:	Water:	Separately Metered (Tenant Pays), 1 House Meter for Common Area (Landlord Pays)
	Electric:	Separately Metered (Tenant Pays), 1 House Meter for Common Area (Landlord Pays)
	Gas:	Separately Metered (Tenant Pays)
AMENITIES:	Stories:	2
	Appliances:	Stainless Steel Kitchen Appliances
	Parking:	2 Two-Car Garages, Totaling 6 Spots
	Air/Heat:	Central
	Landscaping:	Drought Tolerant

INVESTMENT HIGHLIGHTS



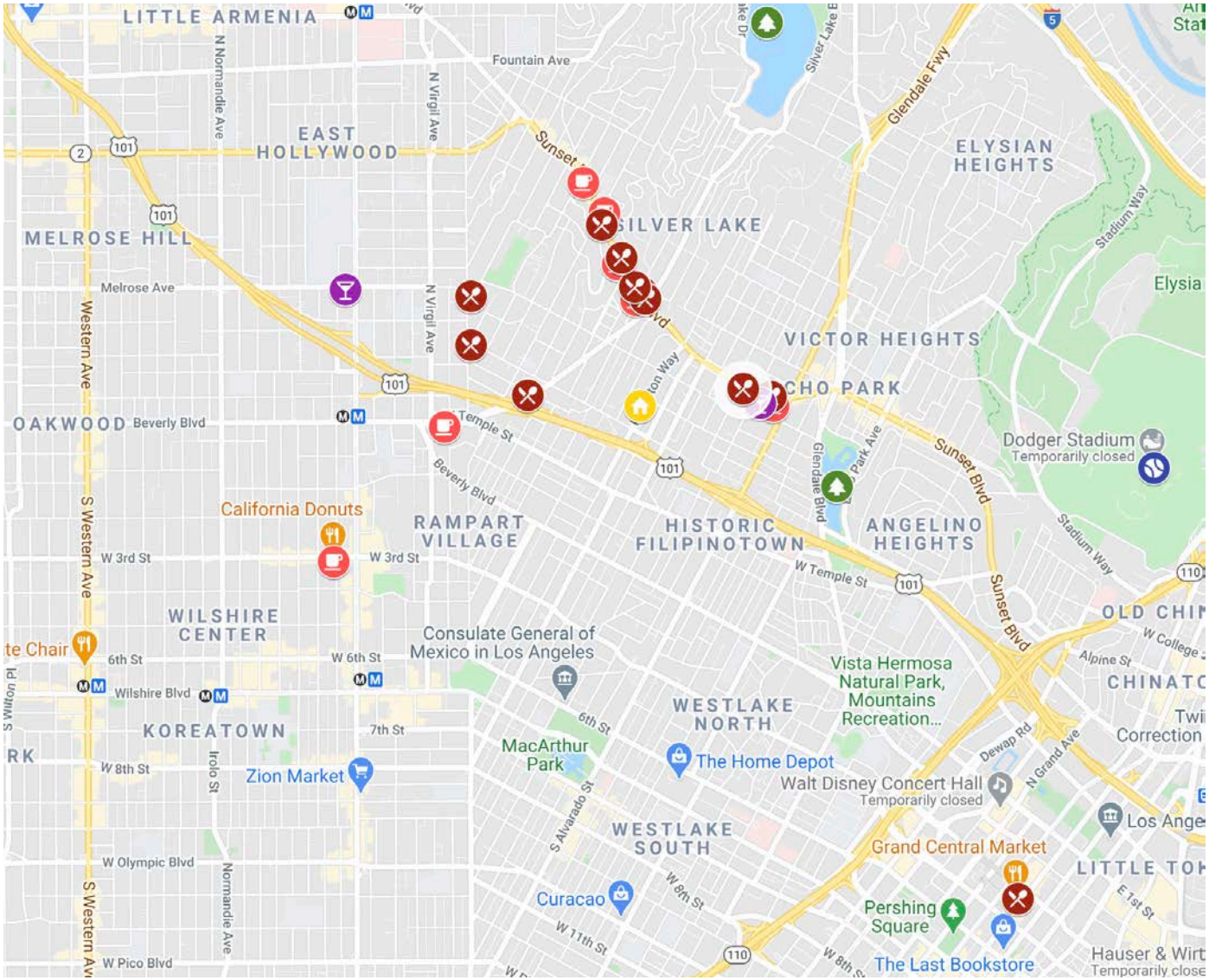
- Made up of an impressive free-standing 2-story single family home and a 2-story duplex containing two townhome-style units!
- Ideal property for owner occupiers! Live in the luxurious single family residence and have tenants pay the mortgage!
- No rent control!
- Outstanding pro forma cap rate of 5.42%!
- All units have expertly designed open floorplans with private two-car garages!
- All bedrooms have en suite bathrooms, a feature that tenants go wild for. This will make for quick and easy rentals to premium tenants!
- A truly unbeatable Silver Lake location. New construction properties in the prestigious 90026 zip code are incredibly rare and hard to come by.
- Situated on a hillside street with views. Take in the lovely surroundings from balconies in each unit!
- Most renovated non-new construction properties in Silver Lake are trading at prices in the $600-$1,000 per SF range! This is a much better deal at $518 per SF!
- All units are separately metered for gas, electric AND water! Very low expenses.
- 80 Walk Score- “Very Walkable”
- Great way to obtain easy, passive income!

LOCATION HIGHLIGHTS

- A microscopic 0.3 miles to Sunset Blvd, home to the trendiest destinations in Silver Lake! From Mohawk Bend to Silverlake Ramen, tenants/owner occupiers have limitless exciting neighborhood hotspots to frequent!
- A few blocks from Silver Lake Blvd! Walk 1 short mile north and you'll hit Silver Lake Blvd's top spots: LAMILL Coffee, Alimento, The Satellite, Yazuka Sushi, and so much more!
- Walking distance to both Echo Park Lake (1.2 Miles) and the Silver Lake Reservoir (1.4 Miles)!
- Has an amazing 80 walk score, "Very Walkable," with tons of nearby restaurants, bars, cafes, shops and businesses within blocks!
- 7 minutes to Downtown Los Angeles! This location appeals to high-earning tenants with Downtown jobs who are looking for a more peaceful lifestyle away from the city's congestion!
- Also minutes from Echo Park, East Hollywood, Koreatown, Atwater Village, Elysian Park (Dodger Stadium), and more. This central location provides easy access to all the most exciting parts of LA!

LOCATION HIGHLIGHTS MAP

- 705 N Benton Way
- Echo Park Lake
- Silver Lake Reservoir
- Alfred Coffee Silverlake
- Millie's Cafe
- The Dog Cafe
- Café Tropical
- Frankielucy Bakeshop
- Cinnaholic
- California Donuts
- Osen Izakaya
- El Caserio Restaurant
- Night + Market Song
- WOOD Pizza & Pasta
- Cafecito Organico
- Jewel
- Mohawk Bend
- Silverlake Ramen
- Silverlake Ramen 2 Go
- Diablo
- Grand Central Market
- Faultline Bar
- Bar Bandini
- Dodger Stadium



PRICING & FINANCIALS

FINANCIAL SUMMARY & RENT ROLL

SUMMARIZED PRICING METRICS:		
Price:		$2,399,000
Down:	40%	$959,600
Current GRM:		14.08
Pro Forma GRM:		14.08
Current Cap Rate:		5.42%
Pro Forma Cap Rate:		5.42%
$/Unit:		$799,667
$/SF:		$518.14

BUILDING DESCRIPTION:	
No. of Units:	3
Yr. Built:	2020
Lot Size (acres):	0.16
Lot Size (SF):	7,152
Bldg SF:	4,630
Zoning:	LARD2
Opportunity Zone:	No
Rent Control:	No

FINANCING:	
Loan Amount:	$1,439,400
Interest Rate:	3.09%
Monthly Payment:	($6,138.66)
LTV:	60%
Amortization (Years):	30
Proposed/Assumption:	Proposed
Minimum DSCR:	1.25

RENT ROLL:

UNIT #	STATUS	UNIT TYPE	UNIT SIZE	CURRENT RENT	SCHEDULED GROSS INCOME	CURRENT RENT PER SF	PRO FORMA RENT	PRO FORMA RENT PER SF	LOSS-TO-LEASE
1	Vacant	3b/3.5b	1,630	$0	$5,200	$3.19	$5,200	$3.19	$0
2	Vacant	3b/3.5b	1,500	$0	$4,500	$3.00	$4,500	$3.00	$0
3	Vacant	3b/3.5b	1,500	$0	$4,500	$3.00	$4,500	$3.00	$0
3	Totals/Averages:		4,630	$0	$14,200	$3.07	$14,200	$3.07	$0

FINANCIAL ANALYSIS

# UNITS	UNIT MIX	% OF TOTAL	SIZE	AVG RENT	AVERAGE RENT/SF	MONTHLY INCOME	AVG PRO FORMA RENT	AVERAGE PRO FORMA RENT/SF	PRO FORMA MONTHLY INCOME
3	3b/3.5b	100%	1,543	$4,733	$3.07	$14,200	$4,733	$3.07	$14,200
	Totals/Averages:		1,543	$4,733	$3.07	$14,200	$4,733	$3.07	$14,200
Gross Potential Income:						**$170,400**			**$170,400**

ANNUALIZED OPERATING DATA:

		CURRENT		PRO FORMA
Gross Potential Rental Income		$170,400		$170,400
Gain (Loss)-to-Lease		$0		$0
Gross Scheduled Rental Income		$170,400		$170,400
Less: Vacancy	4.0%	($6,816)	4.0%	($6,816)
Effective Gross Income		$163,584		$163,584
Less: Expenses		($33,642)		($33,642)
Miscellaneous Other Income		$0		$0
Net Operating Income		**$129,942**		**$129,942**
Debt Service		($73,664)		($73,664)
Pre-Tax Cash Flow	**5.86%**	**$56,278**	**5.86%**	**$56,278**
Principal Reduction		$29,603		$29,603
Total Return	**8.95%**	**$85,881**	**8.95%**	**$85,881**

ANNUALIZED EXPENSES:

		CURRENT	PRO FORMA
Fixed Expenses			
Real Estate Taxes	1.2001%	$28,790	$28,790
Insurance	.40/s.f.	$1,852	$1,852
Utilities	$200/unit	$600	$600
Controllable Expenses			
Contract Services	$400/unit	$1,200	$1,200
Repairs & Maintenance	$400/unit	$1,200	$1,200
TOTAL EXPENSES		**$33,642**	**$33,642**
EXPENSES/UNIT		$11,214	$11,214
EXPENSES/SF		$7.27	$7.27
% of EGI		20.6%	20.6%

SALES COMPS

SALES COMPARABLES MAP

- 705 N Benton (Subject Property)
- 1 3400 London
- 2 236 N Park View
- 3 244 N Park View
- 4 638 N Heliotrope
- 5 509 Belmont
- 6 4206 Franklin
- 7 4018 Cumberland
- 8 1407 McCollum
- 9 1551 Talmadge
- 10 1546 Silver Lake

SALES COMPARABLES CHART

#	ADDRESS	UNITS	SALES PRICE	$/SF	$/UNIT	CAP RATE	GRM	BLDG SF	LOT SQFT	CLOSE DATE	YEAR BUILT
1	3400 London	4	$3,100,000	$419.71	$775,000	5.01%	15.38	7,386	6,109	6/18/18	2018
2	236 N Park View	4	$2,880,000	$396.58	$720,000	5.47%	13.15	7,262	8,023	9/18/20	2020
3	244 N Park View	4	$2,600,000	$477.77	$650,000	5.47%	14.07	5,442	8,022	10/23/18	2018
4	638 N Heliotrope	4	$2,440,000	$498.77	$610,000	4.79%	15.52	4,892	7,700	3/10/20	2020
5	509 Belmont	2	$1,750,000	$448.72	$875,000	4.77%	15.51	3,900	5,358	1/2/20	2018
6	4206 Franklin*	4	$2,085,000	$589.65	$521,250	3.64%	18.40	3,536	13,506	9/18/18	1938
7	4018 Cumberland*	2	$1,649,000	$749.20	$824,500	N/A	N/A	2,201	6,790	5/31/19	1959
8	1407 McCollum*	2	$1,410,000	$687.13	$705,000	N/A	N/A	2,052	4,799	11/26/19	1929
9	1551 Talmadge*	2	$1,300,000	$594.69	$650,000	4.17%	16.80	2,186	6,248	10/26/19	1904
10	1546 Silver Lake*	2	$1,075,000	$988.96	$537,500	4.06%	17.23	1,087	4,997	4/21/20	1925
	AVERAGE:	3	$2,028,900	$507.94	$676,300	4.67%	15.76	3,994	7,155		
	705 N BENTON:	3	$2,399,000	$518.14	$799,667	5.42%	14.08	4,630	7,151		2020/2021

*Not new construction.

SALES COMPARABLES PHOTOS

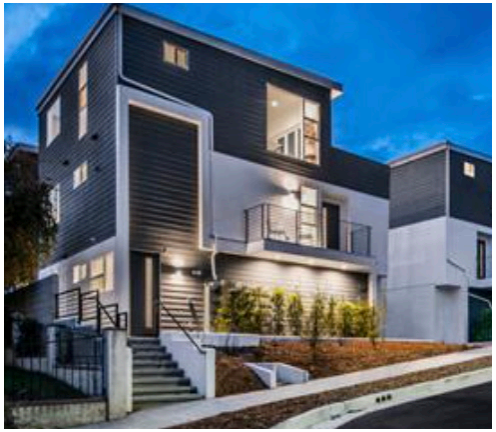
RENT COMPS

RENT COMPARABLES

Subject Property: 705 N Benton, Silver Lake

Unit Type	Market Rent	Unit Size (SF)	Avg. Rent/SF
3b/3.5b SFR	$5,200	1,630	$3.19
3b/3.5b	$4,500	1,500	$3.00

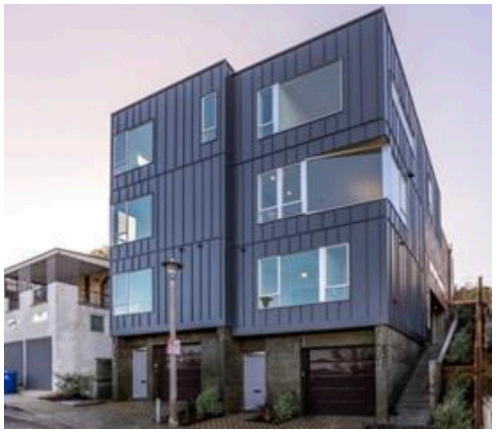
1 855.5 Hyperion, Silver Lake

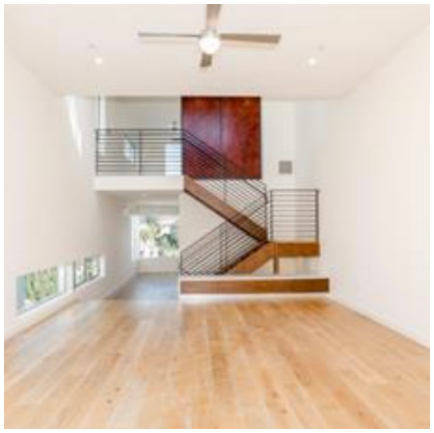


Unit Type	Rented For	Unit Size (SF)	Avg. Rent/SF
3b/3.5b	$6,200	1,925	$3.22

RENT COMPARABLES

2 3251 Descanso, Silver Lake





Unit Type	Rented For	Unit Size (SF)	Avg. Rent/SF
3b/2.5b	$7,000	2,384	$2.94

3 3244 Descanso, Silver Lake

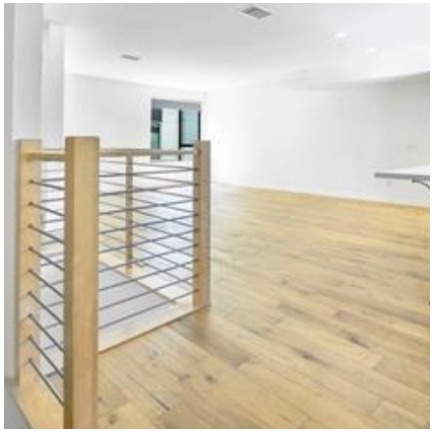
Unit Type	Rented For	Unit Size (SF)	Avg. Rent/SF
3b/3b	$6,900	2,250	$3.07

RENT COMPARABLES

4 644 N Commonwealth, Virgil Village

Unit Type	Rented For	Unit Size (SF)	Avg. Rent/SF
3b/3.5b	$4,999	1,600	$3.12

5 1431 Waterloo, Silver Lake



Unit Type	Rented For	Unit Size (SF)	Avg. Rent/SF
3b/3.5b	$5,500	2,002	$2.75

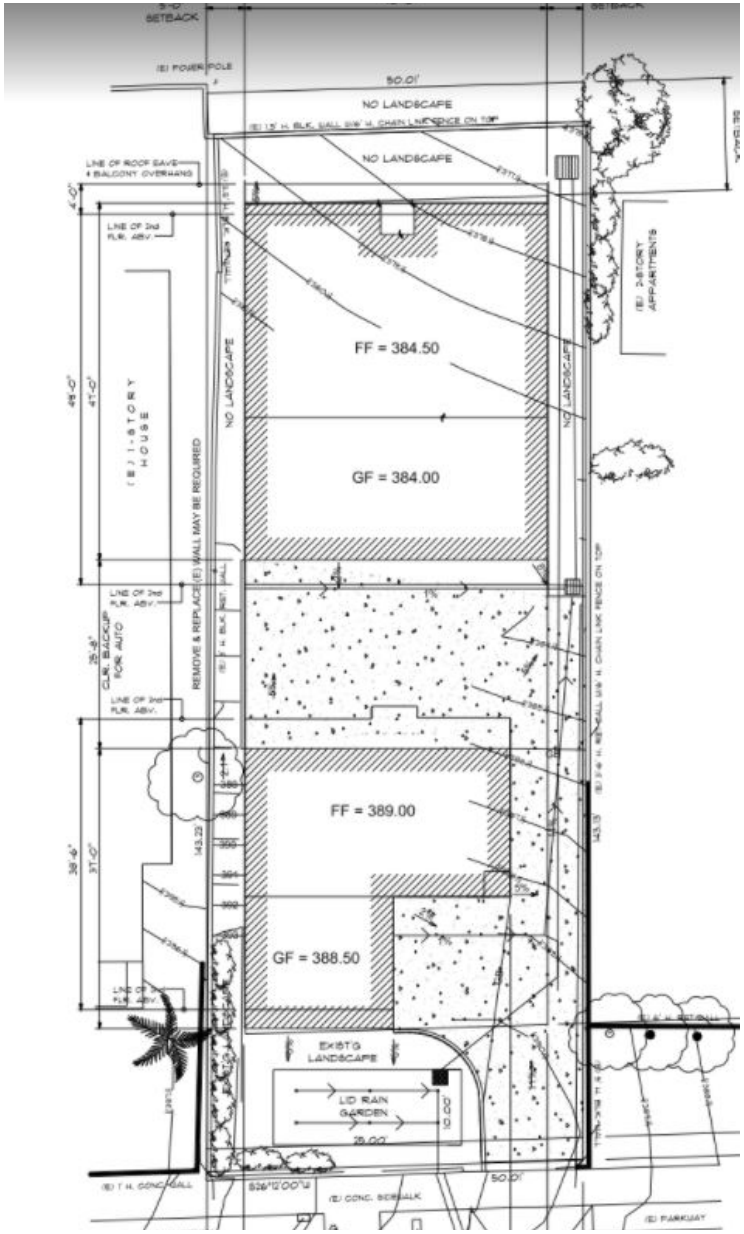
PROPERTY PHOTOS

RENDERINGS | FRONT HOUSE

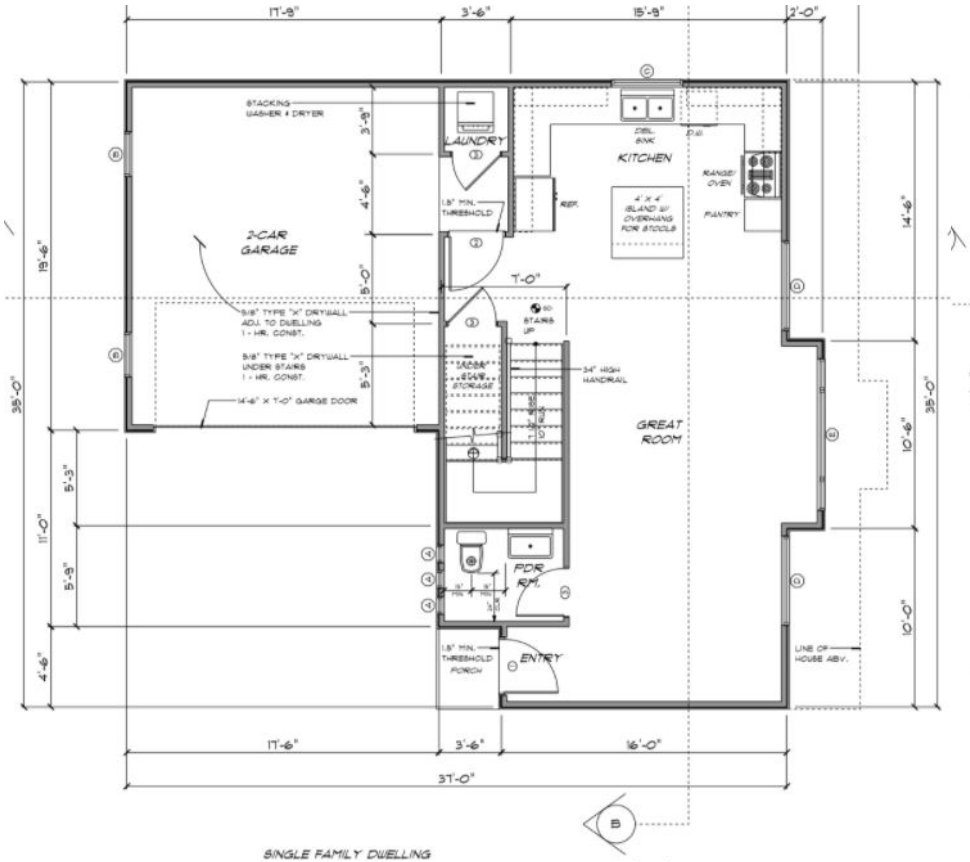
RENDERINGS | DUPLEX

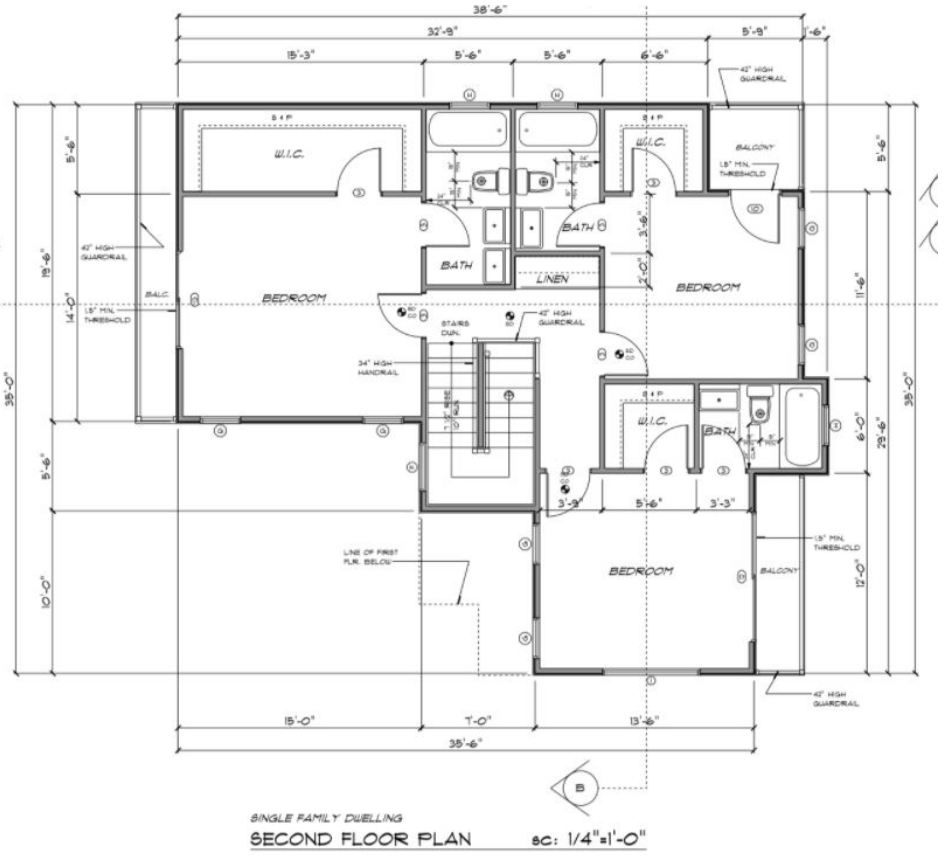
RENDERINGS

PLOT PLAN

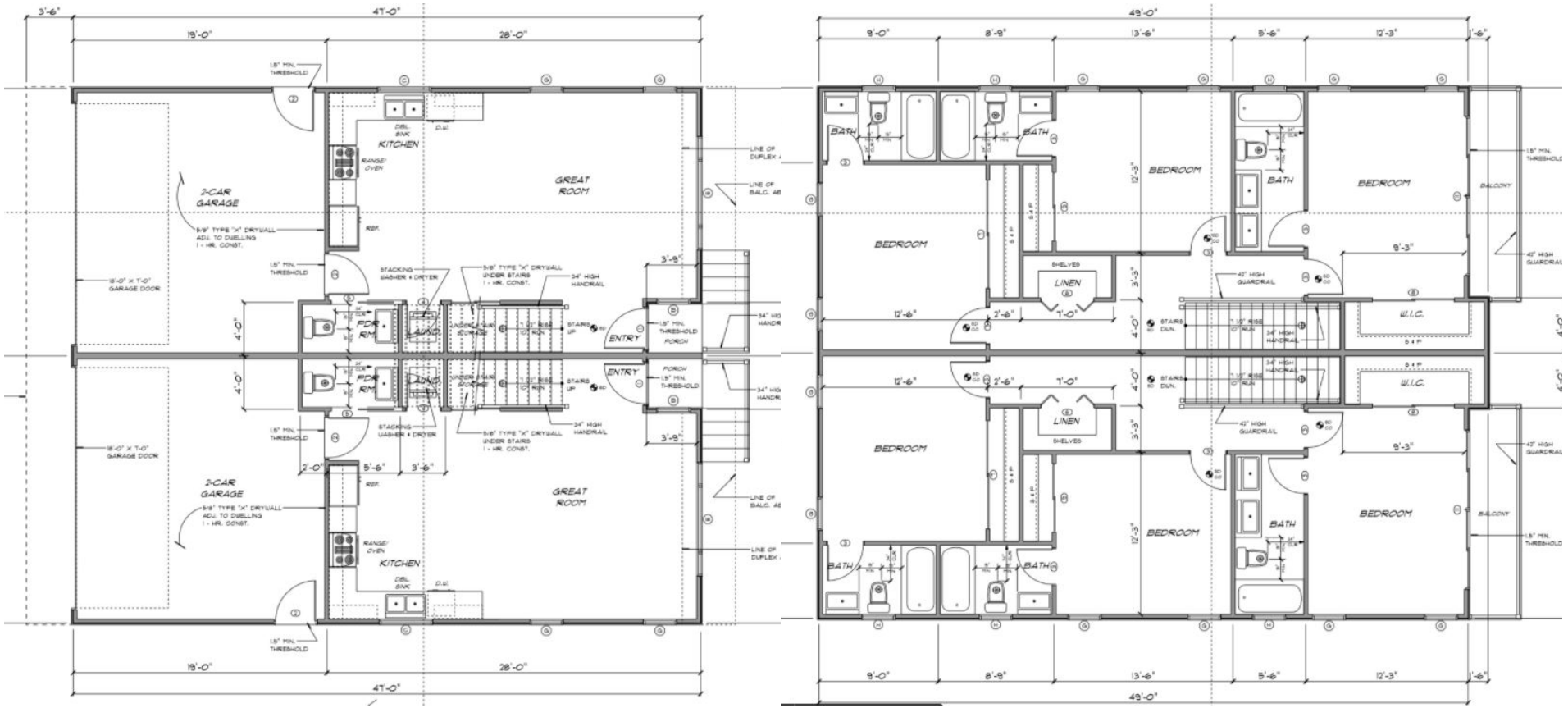

SETBACK
(E) POWER POLE
50.01'
NO LANDSCAPE
NO LANDSCAPE
LINE OF ROOF EAVE & BALCONY OVERHANG
LINE OF 2nd FLR. ABV.
(E) 1-STORY HOUSE
FF = 384.50
GF = 384.00
NO LANDSCAPE
NO LANDSCAPE
(E) 2-STORY APARTMENTS
REMOVE & REPLACE (E) WALL MAY BE REQUIRED
CLR. BACKUP FOR AUTO
FF = 389.00
GF = 388.50
EXIST'G LANDSCAPE
LID RAIN GARDEN
10.00'
20.00'
50.01'
(E) CONC. SIDEWALK
(E) PARKWAY

FRONT SFR PLANS





FRONT SFR PLANS



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