

**Market Research**

**3281 Mandeville Canyon Road**

**Los Angeles, CA 90049**

## **Introduction**

Mandeville Canyon may just be another name for nature's finest retreat north of Sunset Boulevard in Los Angeles, California. A small community situated within the Los Angeles neighborhood of Brentwood, the canyon is home to flora, fauna, and spacious homes of all shapes and styles.

While you may find former political figures and Hollywood stars residing in this serene environment just off the 405 freeway, it is uniquely the pastoral environment and private setting that attracts residents to this secluded Brentwood enclave.

Real estate in this town is nothing to laugh at. With a home featured in the recently released book *Living Architecture: Greatest American Houses of the 20<sup>th</sup> Century*, Brentwood just may have more bragging rights than just being home to the famous Getty Center.

## **History and Overview**

From its early days as a potential setting for a botanical garden park, the natural splendor of Mandeville Canyon helped establish the area's reputation as prime riding and hiking territory. In fact, the canyon was the backdrop for many of the equestrian events during the 1932 Olympics.

After a major flood hit the canyon area in 1938, the land was redeveloped for home building, and by the early 1940s a canyon neighborhood evolved, attracting the likes of Hollywood's Golden Era. Famous names such as Robert Mitchum, Esther Williams, and Dick Powell had homes in the canyon during this time.

Today, the area remains a rural oasis for its residents and visitors. Upper Mandeville Canyon is home to over 300 households, and boasts its own canyon association run by an all-volunteer board.

Covering 15.22 square miles, the population of Brentwood is estimated at 31,346, with a median household income of \$112,927. Most of the residents live in single-family dwellings; condominiums and apartment complexes are also available and are home to many professionals and students attending nearby universities.

Located at the base of the Santa Monica Mountains, Brentwood is bordered by Pacific Palisades, Santa Monica, Westwood, and Sherman Oaks. Being in close proximity to the ocean, the temperate climate is enjoyed by its residents. The main street of Brentwood is San Vicente Boulevard, and is characterized by large coral trees.

Brentwood is characterized with several residential subdistricts. As Mandeville Canyon covers the westernmost part of the town, there are several others, noted below:

- Brentwood Glen: bounded by Sunset, 405 freeway, and the Veterans Administration
- Brentwood Hills: Getty Center and Mount St. Mary's College located here
- Crestwood Hills: Located in northern part of Kenter Canyon and home to several architecturally significant modern residences
- Sullivan Canyon: A small equestrian community resides here, containing one-story ranch homes, most of which have horse stables

Popular recreational spots in Brentwood include the Brentwood Country Mart, a farmer's market complex; the Brentwood Village, a small shopping district; Brentwood Country Club, a private golf and tennis club; and Brentwood Green, a village commons of sorts.

### **Property at 3281 Mandeville Canyon Road**

Situated in a rustic canyon area, the proposed property is the ideal home for a family looking for an urban modern feel, but with the desire to retain a rural sensibility. With expansive views from 1,000 feet above sea level, the canyon retains a mix of modern, ranch-style, Spanish, and French Normandy homes.

The proposed single family residence sits on two acres of land. Unlike the cookie-cutter feel of many homes within private communities, the property has a definitive modern vibe. Situated among groves of trees and flowering grasses, the three-level home will be built on a cul-de-sac. Constructed with a combination of stucco and wood paneling, the 2608 square foot home has 4 bedrooms and 3.5 bathrooms.

A wooden bridge will extend over a small creek and lead onto the front of the property, where a two car garage sits adjacent to the first level of the home.

The first floor has one bedroom with a bathroom, and comes complete with ample storage space. An escalating staircase leads to a spacious landing area on the second floor, where a breakfast nook, large kitchen with marble countertops, and dining area are located.

In addition to a small powder room, the living room is adjacent to these areas, where a wood-burning fireplace with an 18-inch hearth is situated. Becoming the center masterpiece of this modern home, the fireplace extends up from the living room through the third floor to the master suite, and provides a symbol of home and hearth for the family. A balcony from the living room overlooks the front of the property and bridge, and provides expansive views.

The third floor has the master bedroom and bathroom, complete with a walk-in closet and his and her bathroom vanities. The lavish bathroom also contains a bench shower and whirlpool tub. There are 2 other bedrooms and a guest bathroom on the floor. These come complete with his and her bathroom vanities and a tub/shower combination.

A convenient washer and dryer area is located on the third floor just outside the guest bedrooms, and a skylight provides natural lighting through stairwells and landings.

### **Overview of Local Real Estate Market**

The real estate market in Los Angeles is unlike any other area in the country. With proximity to some of the world's most beautiful scenery and boasting the world's third largest economic center (behind Tokyo and New York City), many wealthy and powerful people call Los Angeles and its suburbs home.

As the creative capital for the 21<sup>st</sup> century, Los Angeles is the leader in business and trade. The economy of Los Angeles is driven by several industries, notably entertainment, international trade, aerospace, technology, petroleum, fashion, and tourism. The city is also the largest manufacturing center in the western United States.

In October 2010, 10,585 single family homes went for sale in Los Angeles. The median list price was \$450,000, at \$276 per square foot. In the same period of time, 182 homes went for sale in the Brentwood area, with a median list price of \$2,495,000 at \$797 per square foot.

Currently, there are 219 homes for sale in Brentwood, with a median list price of \$1,347,000 and a median square foot price of \$602. At the time of this writing there are two neighboring properties for sale on Mandeville Canyon:

<b>Address</b>	<b>Bedroom/Bathroom</b>	<b>Square Footage</b>	<b>List Price</b>
3379 Mandeville Cyn	4/3.5	2756	\$2,895,000
3985 Mandeville Cyn	3/2.5	2555	\$1,799,000

In addition, there are seven other comparable properties in the neighborhood are currently listed for sale:

<b>Address</b>	<b>Bedroom/Bathroom</b>	<b>Square Footage</b>	<b>List Price</b>
239 S. Medio Dr.	4/3.5	2756	\$2,895,000
701 S. Westgate Ave.	4/3.0	2386	\$2,235,000
972 S. Gretna Green	4/3.5	-----	\$2,200,000
384 Dalkeith Ave.	3/2.5	2286	\$1,850,000
103 N. Anita Ave.	3/2.0	2455	\$2,500,000
1330 Linda Flora Dr.	3/3.5	2634	\$1,895,000
662 Elkins Road	2/4	2319	\$2,225,000

Comparable properties sold in the neighborhood between April 2010 – September 2010 at an average of \$1,887,161. The lowest sold price was \$1,700,000 and the highest sold price was \$2,126,000.

<b>Address</b>	<b>Bedroom/Bathroom</b>	<b>Square Footage</b>	<b>Sold Price</b>
1892 Kimberly Lane	4/3	2891	\$1,722,770
342 N. Bowling Green	3/2.5	2500	\$1,700,000
12240 Dorothy St.	3/3	2185	\$1,700,000
1262 N. Norman Place	3/2.5	3300	\$1,775,000
129 S. Medio Dr.	3/3	2700	\$2,126,000
835 Leonard Rd.	4/3.5	3734	\$1,950,000
431 Beloit Ave.	4/3	2143	\$1,850,000
12319 Dorothy St.	4/4.5	3200	\$2,075,000
270 S. Westgate Ave.	3/2.75	1938	\$2,110,000
170 S. Canyon View	2/1	1936	\$1,900,000
481 N. Robinwood Dr.	4/5	2928	\$1,850,000

For the designated property at 3281 Mandeville Canyon Road, the CAP rate at the conservative sales price of \$1.9 million is 27%, while the CAP rate at the current market value is 36%. The cash-on-cash return at the conservative sales price is 37%, while it is 57% at the current market value.

