

# TURN YOUR LA LUXURY HOME PROJECT INTO YOUR MOST LUCRATIVE INVESTMENT

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## DREAMING OF A LUXURY HOME?

Whether you're thinking about building a custom home, upgrading your current residence or simply building an investment property, there are critical factors to consider carefully to ensure that your luxury project positions you for success and rewards you with a luxurious return on investment.



Discerning home owners and investors have many good reasons to consider building luxury properties, especially if they have the financial capacity to do so. As a primary residence, it's more likely to retain its value in the market after you're done occupying it. Or if you are building solely for investment purposes, you can look forward to commanding a higher sales price and therefore higher profit margins when your luxury home or multi-unit property is built correctly.



## HERE'S THE SIMPLE BREAKDOWN OF WHAT YOU'LL NEED TO DO:

1. Choose the right location.
2. Understand the trends in the marketplace and how they will impact your project.
3. Choose the right style and design.
4. Get the highest quality for the lowest cost.
5. Choose the right home builder.
6. Get the best possible financing; and
7. Create a plan for maximizing your investment.



## READY TO GET STARTED?

First, let's take a look at what's going on in Los Angeles right now and why it's such a great place to consider your luxury building project...

## CHOOSE THE RIGHT LOCATION

Strong economic indicators along with greater demand are two extremely important factors to look for when deciding to build your luxury home—whether you're buying it for your personal use or strictly as an investment.



## WHY?

Because if and when you decide to sell your property, you want to be in a place where there is enough demand to be able to secure a premium price and return on your investment. Right now, Los Angeles is one of the few places in the country where these conditions exist in a strong enough fashion to lend confidence to smart building projects.

In fact, Los Angeles has taken its place in the list of “The Top 10 Booming Markets for Real Estate Development” across the country and comes in at number 9 in Moneywatch’s Top 10 Luxury Real Estate Markets around the world.



## AND THERE ARE A NUMBER OF VERY GOOD REASONS FOR THIS. HERE ARE A FEW OF THEM:

- **Strong Economy.** The City's economy has been steadily rising. With a booming tech industry, unemployment rates in Los Angeles have dipped to 4.2%.
- **Population Explosion.** Los Angeles has also become a center of migration. As the job sectors of the city continue to expand, larger numbers of younger people are relocating to L.A.
- **Increasing Construction.** L.A.'s population explosion has kept the construction industry very busy. Local construction has risen by 22.6% and is expected to increase further.
- **Appreciation Rates.** Los Angeles real estate is already benefitting from the growth of the market and appreciation rates exceed the national average. The median house price in the area at large is \$246,000. That's 9.3% higher than the previous years.
- **Higher Selling Prices.** Due to greater demand, houses in the area are being sold at prices higher than the listing price, most being sold within a few weeks of their release in the market.
- **Multiple Offers.** A large number of houses being sold are receiving multiple offers and there has been an increase in the number of cash transactions--a good indicator of investment activity.
- **The Perception of Affordability.** Despite the price increases in the housing market, L.A. homes are still perceived as affordable. Mortgage rates are competitive and very low across the board; even delinquency rates are much lower in the city than in previous years.

## IF YOU'RE WONDERING IF THERE ARE ANY AREAS OF PARTICULAR INTEREST, TWO AREAS COME OUT AHEAD:

- South LA. With a 13% increase in housing prices, South Los Angeles is currently one of the hottest real estate markets in the city. The median sale price of the region is \$292,500.
- Northwestern LA. The highest sales prices, however, are in the Northwestern part of the city, with median sales prices as high as \$360,000.

## UNDERSTAND THE TRENDS IN THE MARKETPLACE

To maximize your return on investment, you need to pay attention to the trends the market for luxury home building is now creating.





## IN 2016, INDUSTRY EXPERTS HAVE ALLUDED TO A NUMBER OF TRENDS THAT COULD IMPACT YOUR REAL ESTATE INVESTMENT, INCLUDING:

- **A Sales Uptrend.** Homebuilders in California are hopeful that the sales numbers early in the year are pointing to an uptrend in home sales for the year. The California Association of Realtors has reported a 2.6% increase in home buyers from January 2016 and a 6.4% increase from the same period last year.
- **The Tech Industry.** In the recent years, the tech industry's relocation to Silicon Valley has further increased demand for homes in the area surrounding it.
- **A Sense of Community.** At an L.A. luxury real estate summit in March, one surprising trend that has been voiced by consumers has been an increased desire for a sense of community.

To create the most desirable living space for yourself and your portfolio, you need to be aware of these trends and how to incorporate them appropriately into your project. Ask yourself questions such as, “How would my project be appealing to the large sectors of the population such as people with tech jobs?” “Does the placement of my project bode well for a sense of community? How can this be enhanced?”



## CHOOSE THE RIGHT STYLE AND DESIGN

Builders have also noted certain shifts in the design of their new projects to accommodate consumer demand, such as:

- **Square Footage.** Bigger is not necessarily better right now and it's definitely not the top priority any longer. In fact, the trend is to cut down on the size of the house and make it more compact and concise.
- **Luxury Living.** The thirst for comfortable and luxurious living is increasing and so is the demand for the addition of external features such as swimming pools, patios and front deck, as well as interiors that lend themselves to timeless elegance.
- **Cleaner and Greener.** Simpler and cleaner designs are becoming more popular, as well as the incorporation of green features and energy conservation.
- **Indoor-Outdoor Living.** The idea of indoor-outdoor living has been experiencing a surge in popularity and has extended far beyond areas with picturesque views. As people have become more environmentally conscious, an increased appreciation for nature has created a desire to bring the outdoors into their indoor living space creating a fresh, serene and elegantly beautiful environment. Builders are seeing more requests for courtyards, large windows, and allowances for natural light.

Conversely, outdoor living spaces are also being maximized in a way not seen before. For example the use of patios and balconies are becoming considerably more creative and diverse.







## GET THE HIGHEST QUALITY FOR THE LOWEST COST

Quality is critical. But you don't want to overpay and thereby jeopardize your budget, timeline or the entire project.

Here are some serious considerations to think about while contemplating how to build a luxury home and still maintain a rich return on your investment:

- **Appeal in the market place.** Who doesn't love luxury? Given the choice of staying somewhere luxurious over somewhere run-of-the-mill is the natural preference of most people. As the world opens up more and people travel more, they have higher expectations for themselves and their families than families did in the past.
- **Not necessarily more expensive.** Luxurious doesn't always mean more expensive. Buying a luxury town home or condo unit is often less expensive than buying a regular home. Upgrading to luxury through remodeling instead of buying is another way to work around a specific budget and manage costs.

- **Greater value.** Quality materials are the key. Premium quality always equates to luxury. And no home builder claiming to be in the luxury category can compete or survive if their materials don't make the quality cut. Quality means greater life enjoyment in the short term and greater value over the long term. An experienced luxury home builder who is well-connected and has a love for the craft is essential to minimizing costly mistakes and getting excellent materials at good prices.
- **Location, location, location.** Luxury home builders often have projects in the most desirable communities. And people look for communities when looking to purchase a home as much as they look for a house that suits them.

There has never been a better time to build your luxury dream home or investment property in Los Angeles. But it does take an experienced builder with an eye for investment to really make your luxury home the best investment you can make.







## CHOOSE THE RIGHT HOME BUILDER

Building a house and its potential for great rewards can be exciting. But as much as it can be one of the best experiences, it can also be extremely stressful for a large variety of reasons. Builders are not “one size fits all” and your luxury home builder needs to be a developer who builds homes that best exemplify what you’re looking for.

Whether your project is a renovation, addition or ground-up build, the biggest decision you’ll need to make is who to hire. After all, finding the right home builder to partner with can spell the entire project’s success or disaster.

- **Look at Portfolios.** Take the time to research a developer’s past projects. Look at their portfolios for similar projects to the one you’re envisioning. Digging into the details of a home builder’s previous projects can give you an idea of what to expect from them. And that can give you an inkling of what else they can probably execute, especially if you’re considering taking them on as custom home builders.

- **Reputation Matters.** Another important consideration is customer feedback. Reviews are an excellent predictor of how the overall working experience may be. Feedback from vendors a builder has worked with is also valuable, showing that a builder has a good reputation in his own field. Don't allow the price difference between a builder with bad or no reviews and a reputable home builder with excellent customer feedback and testimonials to sway you. The cost of an inexperienced builder—including any lack of knowledge, financial difficulties or lack of connections or buying clout--or the price of bad relations with your builder will quickly dwarf any amount of money you thought you were saving. Invest in the builder who can give you peace of mind.
- **Look for a Local Home Builder.** There are distinct advantages to hiring a local home builder and here are some of them:
  - **Knowledge of Local Laws.** The US has differing real estate and construction laws depending on what state you're in; and different localities within a state often have additional overriding requirements depending on the zone, terrain or land factors. Local home builders have the advantage of already knowing many or most of these laws and requirements and are able to make designs compliant from the onset. Getting permits is also generally less difficult for the same reasons, especially if the builder has been in the business locally for a significant time.
  - **On-site Visits.** Local home builders have the advantage of being able to visit a construction site every day or multiple times a day, if needed. Many homeowners who've already done a house construction project can attest that this is one of the services that they appreciate from builders the most.
  - **Construction is tricky** and the constant presence of the project head always helps ensure that everything runs smoothly. From managing timelines to quality control and adjustments, regular visits help ensure that the project is always where it needs to be.



- Ease of communication is the overarching benefit to on-site visits. As any project manager knows, keeping communication easy and open is universally essential. With local home builders, homeowners have the peace of mind knowing that they can easily reach out to communicate any concerns that may come up.
- Verifiable Success. With local home builders, homeowners can easily visit previous projects and clients. The biggest advantage of this is the homeowner can see for himself if the local home builder's success stories are on point. Seeing the home builder's previous projects and clients personally will allow a client to assess for himself whether a home builder is truly competent.
- A Long-term Relationship. According to an article published on The Provenance in April 2016, the remodels and renovations on American homes are expected to increase 8.6% this year, amounting to \$310 billion. This figure is nowhere near its peak in 2006 where the figures topped \$327 billion. Bottom line, though, is that Americans are likely to remodel or renovate their homes more than once in their lifetimes. Some reasons are the desire for customization, room upgrades and fixes in preparation for selling a home.

Given that home builds are projects that are stressful without a builder a homeowner can trust, a long-term perspective on developing a home builder relationship may become useful for the future. If a homeowner is looking to settle in the same area for a prolonged period, it would make sense to invest in a relationship with a local home builder in preparation for any future build, fixes or upgrades he may need.





## GET THE FINANCING YOU NEED

Don't underestimate the importance of smart financing when creating a blueprint for your project's success. Financing your project is a critical element to the success or failure of your project as an investment. The wrong financing can make your profit margin evaporate and excellent financing can make a significant difference in your return on investment.

Financing options may include loan assistance or full in-house financing. And while financing may not be a necessary service for a home builder, being able to provide this service may be a critical factor in the long-term success of the project.

Keep in mind that traditional financing options were created to help the institutions that lend you money. They were not designed to help you retain the greatest return on your investment.

Only investment experts who know their way around all types of financing, and who are comfortable with creative financing are going to be able to help you make your project the success you know it can be.



## CREATE A PLAN FOR MAXIMIZING YOUR INVESTMENT

Custom home building brings constant challenges. The real estate industry is improving but is never completely stable. Competition is fierce and plenty. And building a luxury home is a large management juggling act of multiple moving parts: supplies, finances, workers, tasks and time. That said, building a reputation that rises above competition takes a lot of hard work for any home builder.

All of the steps in this guide are essential to creating a plan for maximizing your investment including knowing your market and then determining the best plan to capitalize strategically on that market. But without a proper and brilliant end-strategy all of your planning and hard work could be significantly compromised.

It's true that people can get "lucky" in real estate. But, as history has shown, it isn't uncommon to find yourself very "unlucky," as well.

One of the most critical factors then in maximizing your investment—if you don't have extensive knowledge in all facets of luxury home building, design, real estate and investments yourself—is to partner with someone who does.



## WHY DIDITAN GROUP FOR YOUR LUXURY HOME PROJECT?

At Diditan Group, we believe that excellence is defined by the ability to consistently exceed your expectations and bring your dreams to life.

The Diditan Group offers a compelling advantage over other Los Angeles home builders that is particularly important for people who want to build a luxury home with investment in mind. And that is we will educate and guide you in how to realize significant return on your investment.





Our in-house team of builders, financiers, realtors and brokers collaborate to deliver high-return real estate ventures on custom luxury homes and multi-units of architectural superiority. This is what we do.

**Finance.** Diditan Group has extensive experience navigating the development process and avoiding the pitfalls of traditional lending institutes. As a dedicated residential developer with our own in-house real estate and financial services, we not only ensure our clients obtain the best industry rates in prime locations within the greater Los Angeles area, we also help you secure your family's future within the lap of true luxury. You understand the importance of smart financing. At Diditan Group...

- In-house financing means we have unmatched competitive rates to refinance your home or fund a custom project.
- We draw on our superior market knowledge and diverse expert teams to offer you a loan at optimal terms with unparalleled rates.
- Diditan Group's experts negotiate the best terms on land sales for your desired investment property. In buying or selling, our team is devoted to increasing your wealth.

**Design.** Diditan custom homes and multi-unit properties are peerless in their superior classic workmanship, stylish romantic livability and elegant, flawless detail. (All the photos in this report are from our projects.) Our design process creates fine living spaces of unparalleled quality, unique to your desires and vision. We understand that we aren't just building homes; we're developing a place for love, laughter and growth that will foster a lifetime of memories.

**Build.** Our distinctive homes are built by first-class architects, designers and engineers who understand they are creating an exceptional masterpiece of architecture for each individual client. The Diditan Group uses luxury materials from across the nation to create stunning homes with impressive exteriors and timeless interiors.

***Call us today to discuss your project and how we can help you maximize your return on investment. 1 (800) 682-8875.***

**Buy / Sell.** Do you have a home you want to sell to finance a new investment? Or you might want to buy a property to rehab up to luxury standards or buy the land for a new build. Either way you will need a real estate expert who is not only ingenious when it comes to buying and selling homes, but that also understands the landscape of real estate investments in Los Angeles.

## **BUYING AND SELLING PROPERTY IN LOS ANGELES**

Are you in the process of financing your next big investment? When you work with a Diditan Group realtor you get a boutique-level of customer service, superior insight, and a local market expert who never backs down. Call us today, share your goals with our team, and let us introduce you to a local agent who will change your life by setting you on the best path to enter that new chapter to your prosperous future.





## ABOUT ARIE ABEKASIS

Real estate and finance professional Arie Abekasis is the founder and owner of Diditan Group, a company located in Sherman Oaks, California, focused on building custom luxury homes and multi-unit properties.

Offering nearly unlimited customization preferences, Arie Abekasis strives to provide superior craftsmanship, calling upon well-established architects, engineers, and designers to erect homes with all the sophistication, elegance and functionality demanded by today's discerning consumer.

Combining fashion industry experience with design and construction expertise, he utilizes the highest-quality materials available to achieve an original dream home for each individual client.

*View our portfolio online at*  
**[www.diditangroup.com](http://www.diditangroup.com)**

