

Northwest

Reimagining an Urban Condo to Create Financial Viability

Can less turn out to be worth more?

The biggest building isn't always the best solution. One private investor found himself underwater on two adjacent buildings with a condo development strategy that wouldn't pencil out. The architect's plans were never evaluated for their economic feasibility during the design phase. Once NewCity was engaged, we discovered that the project would lose money. We proposed a new Project Vision reducing the square footage, enhancing unit value, and creating a project with better prospects.



By reimagining the Project Vision, NewCity transformed a \$230K loser on a \$6.5M investment into a viable project with improved economics and lower transformation costs. The enhanced project was projected to generate \$600K in profits on a \$5.5M investment.



<\$830K

increase in projected profit



\$1MM

in value engineering



20%

reduction in building size

Value Creation Strategies

- Eliminate the expensive plan to raze and replace the existing buildings
- Combine buildings into one to create less circulation and more salable space
- Swap low-value, low-light basement units with new upper-level penthouses
- Reduce the expected timeline from 28 months to 22 months

Project Story

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Project Details

Project Type

Combination and conversion of adjacent large two-family rowhomes into a twelve-unit condo building.

Business Context

Provide the feasibility analysis, Project Vision, transformation management, design, and entitlement to convert a losing project strategy into a profitable investment.

Starting Point

The investor had infeasible development plans and didn't know it. NewCity's feasibility study revealed that the project was slated to lose \$230K on a \$6.5M investment.

Key Challenges

- Transform a costly project plan into a viable vision after the design and permits are already in motion.
- Reduce construction costs.
- Increase the value of the new condo units created.
- Reuse existing structural elements and light courts to lower costs and enhance unit values.
- Refine the structural approach to appease the neighbor by avoiding underpinning on the property line.

NewCity Alchemy



By envisioning a smaller project with similar overall value and much lower construction costs, NewCity devised a viable solution where an existing plan had been dead on arrival. Reducing demo costs, enhancing unit quality, and increasing value per square foot yielded a profitable project strategy for an investor deep into a dead-end development scenario.

