

# 8th Street

## Changing Underachieving Retail into 10 Luxury Condos

### Can we create enough space to achieve financial viability?

*A family office looking for opportunities within their existing real estate portfolio wanted to upgrade an underperforming two-story retail building in a Washington DC historic district. The architect and zoning attorney they had engaged for the project couldn't find a path to achieve enough density to make it financially viable. NewCity used a combination of design strategies to achieve the required value, changing the use, increasing density, and adding a great deal of new space.*

#### NewCity Project Phases



Strategy



Assembly



Transformation



Value Realization

**By squeezing in extra square footage and maximizing saleable space, NewCity designed a project worth pursuing. With historic and permitting approvals secured, NewCity paved the way for profitable real estate transformation.**



**150%**  
increase in  
building size



**85%**  
building  
efficiency



**10**  
luxury units

#### Value Creation Strategies

- Change use from commercial to residential
- Increase unit density from 2 to 10
- Minimize circulation space through the use of a single-stair design
- Maximize value by creating four duplex units with private roof decks and other units with outdoor spaces
- Bring extra light into cellar units to increase their appeal

## Project Story

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## Project Details

### Project Type

Conversion of a retail building into ten residential condo units.

### Business Context

Transform an aging existing income property in a premium location into high-value for-sale condominiums.

### Starting Point

The family office that owns the property had tried working with a zoning attorney and architect to identify a profitable project strategy but was unsuccessful. It was evaluating alternative rental options for the space when it engaged NewCity to explore the expansion project.

### Key Challenges

- Navigate the neighbor, community, and historic review board to secure building design approval.
- Overcome the property's elevated cost-basis due to its excellent location.
- To ensure financial viability, develop plans that use a single stairway and minimize circulation space.
- Address complex challenges for unit design and meeting fire code.

## New City Alchemy



By managing a complex project through design, community engagement, and entitlement, NewCity created a financial opportunity where other professionals had failed. A little-known exception in the code permitted a four-story structure with a single stair. And, NewCity unlocked multiple ways to create high-value space, making the resulting unit sizes and sales yields worth the investment risk.

*"We are a smaller family office, and the NewCity team helped us through a difficult historic district approval process to deliver one of the first developments in the neighborhood in decades. They gracefully navigated challenges during pre-construction to get the project off the ground. Without their guidance, this opportunity surely would have never made it past the Excel model. As a property owner, finding a team you can trust is imperative. NewCity delivers above and beyond any general contractor. They are a vital partner in our operations."*

*Jared Kassoff, Resolution Capitol Management*

