

Upshur

Expanding Occupied Commercial Space into Mixed-Use

Can we double a building's size with a retail tenant in place?

A commercial property owner wanted to increase his income from a two-story building. He envisioned a larger office for his real estate business, a new set of offices in the rear, and a residential rental for the upper level. NewCity provided the Project Vision, financing support, and construction management to expand up and out. The existing first-floor retail tenant could not afford to close during the renovation, so NewCity figured out how to work around them during the transformation.

NewCity Project Phases



Strategy



Assembly



Transformation



Value Realization

By combining vision, capital, and construction management expertise, NewCity upgraded and expanded the occupied property and added a new residential rental income stream.



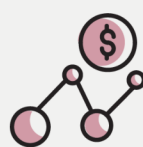
100%

increase
in size



4

total rental
units



\$0

loss in rent
during
transformation

Value Creation Strategies

- Add a third story residential unit
- Add a rear addition expanding the commercial units
- Maintain existing tenant during renovation for cash flow
- Remove an elevator from the plan to significantly reduce costs

Project Story

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Project Details

Project Type

Rehab and addition to a partially occupied commercial building.

Business Context

Provide the strategy, financing assistance, development expertise, and build capacity to turn a partially occupied property into an enhanced and upgraded revenue-generating investment.

Starting Point

The owner wanted to upgrade and expand a two-story commercial building but had a first-floor tenant who couldn't leave.

Key Challenges

- Value engineer the initial concept plans presented by the client to create value and manage down costs.
- Improve the efficiency of the units by eliminating an elevator from the design and reworking the units.
- Accommodate complex fire code requirements for a mixed-use space, including retail, office, and residential.
- Plan and manage the construction project around an operating clothing retailer.

NewCity Alchemy



NewCity's full project view enabled the client to realize three different uses in a compact footprint at a viable cost.

NewCity's involvement transformed money-losing project plans into a profitable, efficient investment.

"I was impressed by NewCity's ability to maximize my commercial property's value. Their expertise in project vision, financing support, and construction management allowed me to expand my building in ways I hadn't imagined. This included adding a residential income stream and upgrading existing commercial spaces.

NewCity's team value-engineered the initial concept plans, removing an elevator from the design and reworking the units to create a more efficient and cost-effective solution. Their attention to detail and consideration of complex fire code requirements ensured the project's smooth execution. This was all while accommodating my first-floor retail tenant, who couldn't leave during the renovation. The result is a more robust cash-flowing investment that exceeded my expectations."

