

PARK+FORD

APARTMENTS

Alexandria, VA

Office to Residential Conversion



Alexandria
Economic
Development
Partnership



Bonstra | Haresign
ARCHITECTS



PROJECT SUMMARY



OCTOBER 2016

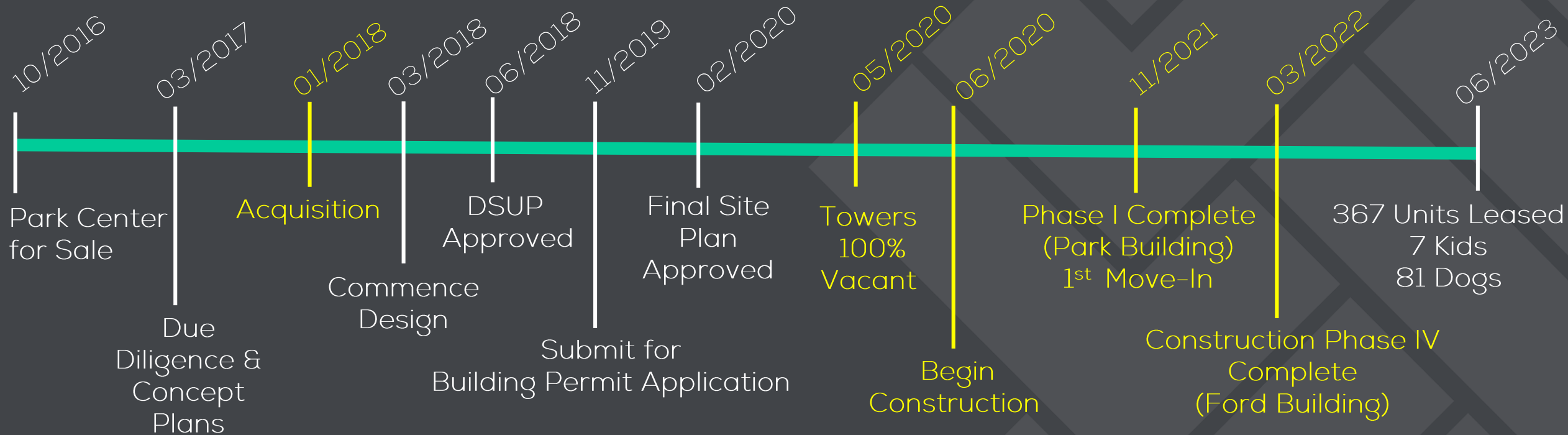


MAY 2022



FINANCING

PROJECT TIMELINE



INVESTMENT THESIS

- Leverage existing multifamily submarket
- Deliver new product in aging submarket
- Significant discount to replacement cost
- Cater to aging millennials who are
- Larger units with dens and robust amenity offering
- Best of the “B”s

CONTEXT

- Pre-Amazon HQ2 Announcement
- Pre-Covid
- AEDP advising City Council on need for conversions
- GSA hold over for uncertain duration
- 26 lease encumbrances

WHAT DID WE BUY?

- Three 1980's buildings totaling 566,000 SF
- Park & Ford Towers were 72% leased with 26 tenants
- 5 level below grade parking structure with 1,472 spaces
- 4.6 Acres
- Purchase Price: \$39.5 Million

Parking @1,472 * \$50,000 = \$73.6 Million

\$16 Million of income during preconstruction period

EXISTING CONDITIONS

- Dated exterior curtainwall
- No walkable amenities except XSport
- Competing properties were wood frame or dated
- Expansive concrete plazas
- Park Tower Tenancy
 - USDA - 80% of the Park Tower with May 2017 lease expiration
 - Indefinite holdover
- Three retail tenants with lease terms through 2017-2022
- Wet garage and needing lots of structural repairs
- Ford Tower Tenancy
 - 58% occupancy - 22 Tenants with base term through 2024

BEFORE vs. AFTER PHOTOS



FORD BUILDING AND LINK LOBBY



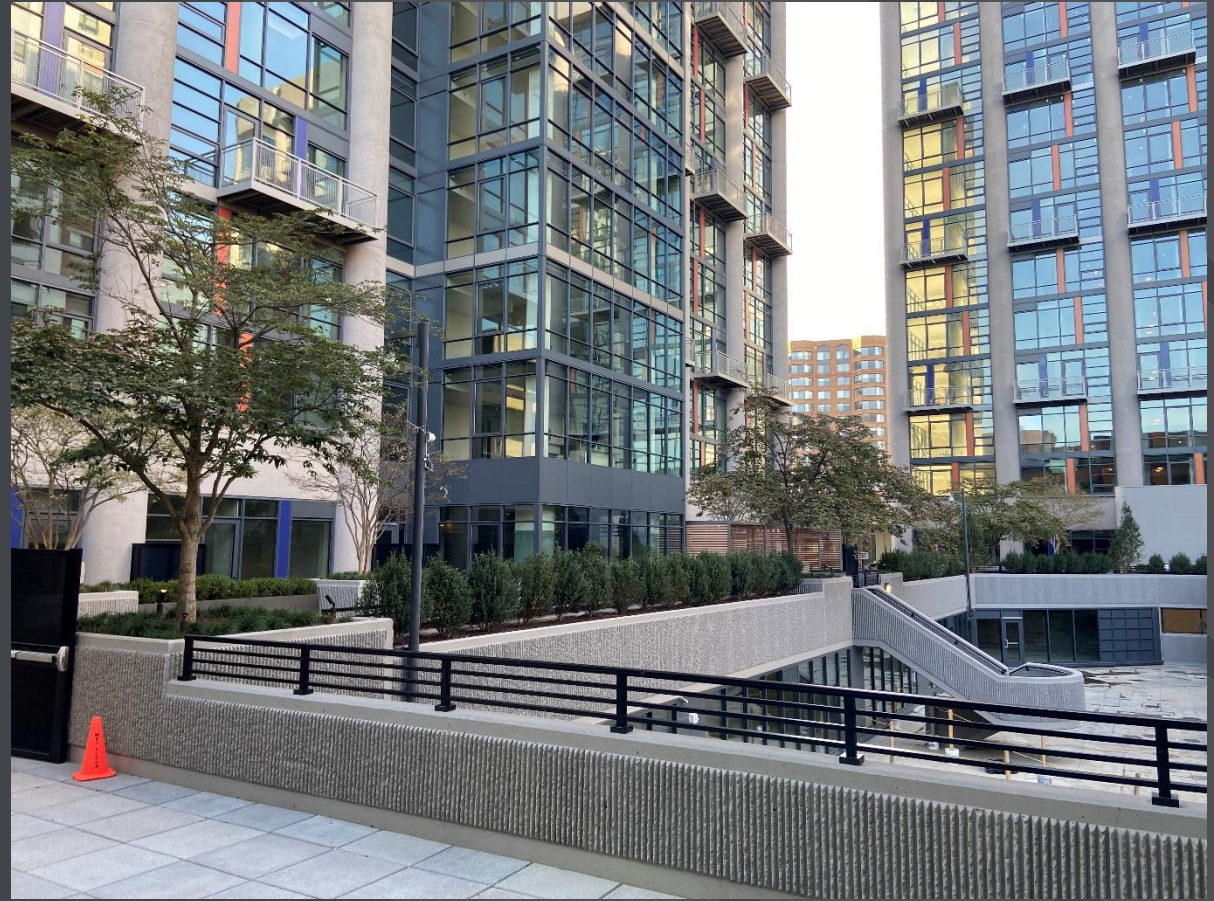
FRONT TERRACE AND LINK LOBBY



FROM PARKING TO AMENITY (THE FRONT YARD)



REAR PLAZA AND DAYCARE PLAYGROUND



THE REAR PLAZA / DAYCARE SPACE

DESIGN PROCESS

BEFORE



STYLE: Utilitarian Office

Park Building:

- Cast-in-Place concrete column and slab

Ford Building:

- Post-Tensioned slab and Concrete column
- One of the first buildings in the area (with PT)



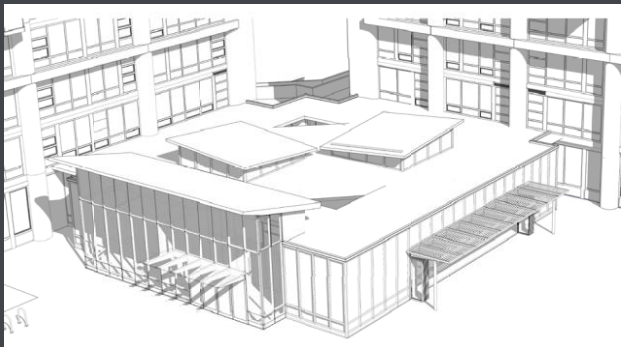
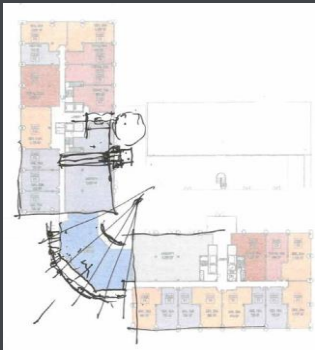
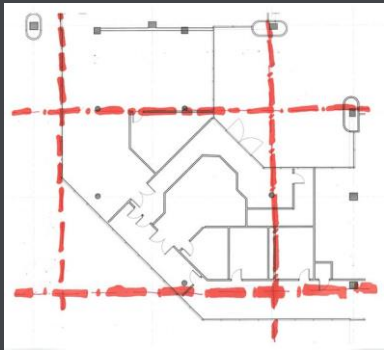
Exposed aggregate precast column covers, spandrels, and parapets



DESIGN APPROACH

- Studying the existing conditions
- Understanding of proposed program
- Create an architectural expression sympathetic to the existing elements + new design features that complement that context
- Together they transform an unremarkable office complex into an expression of contemporary residential architecture

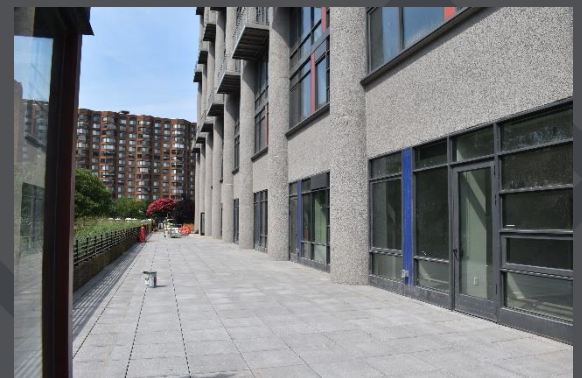
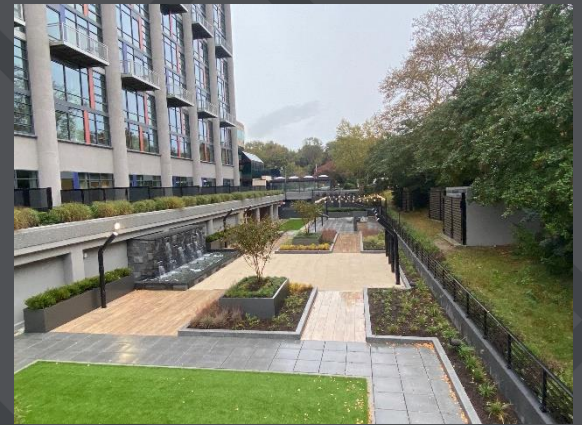
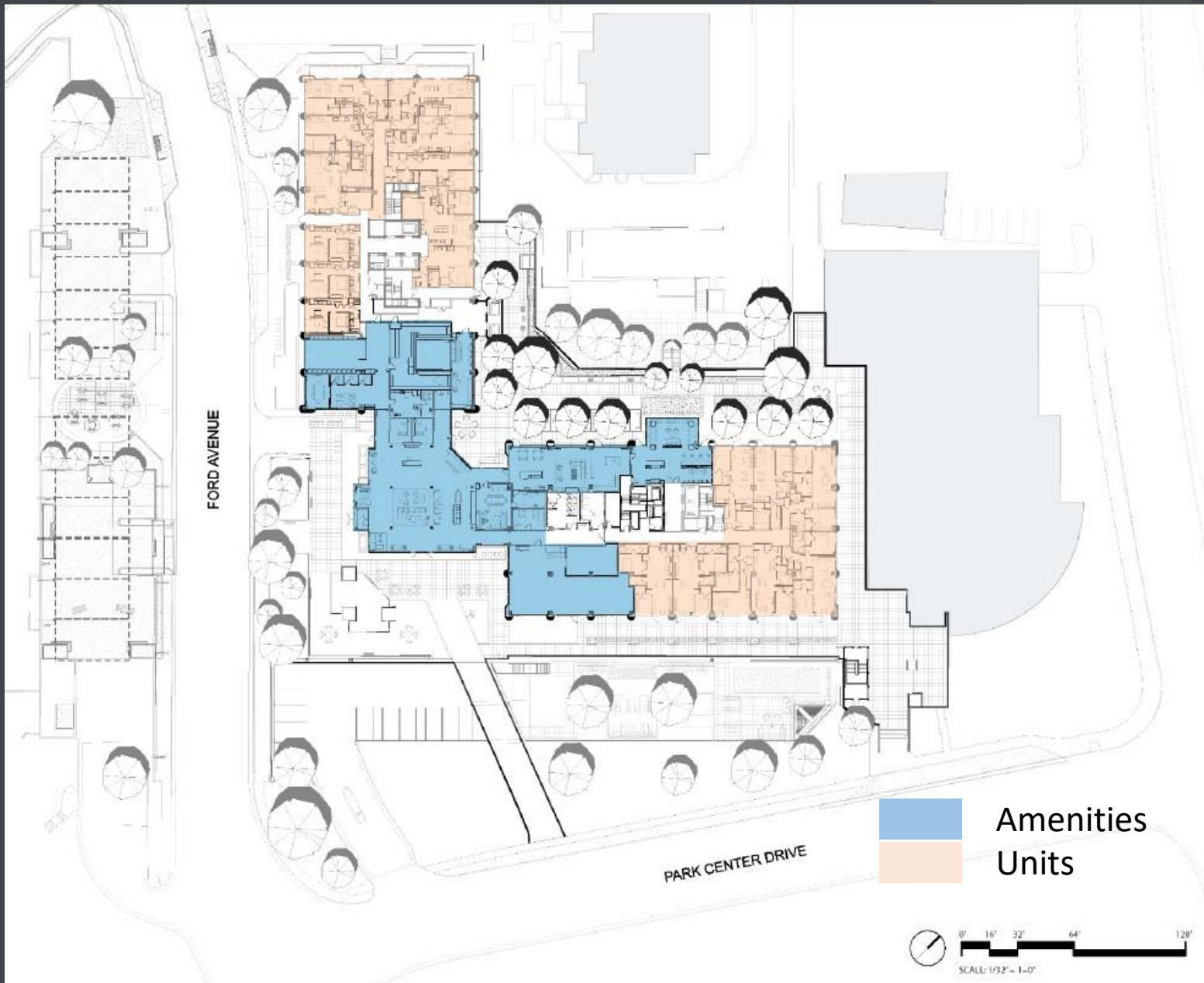


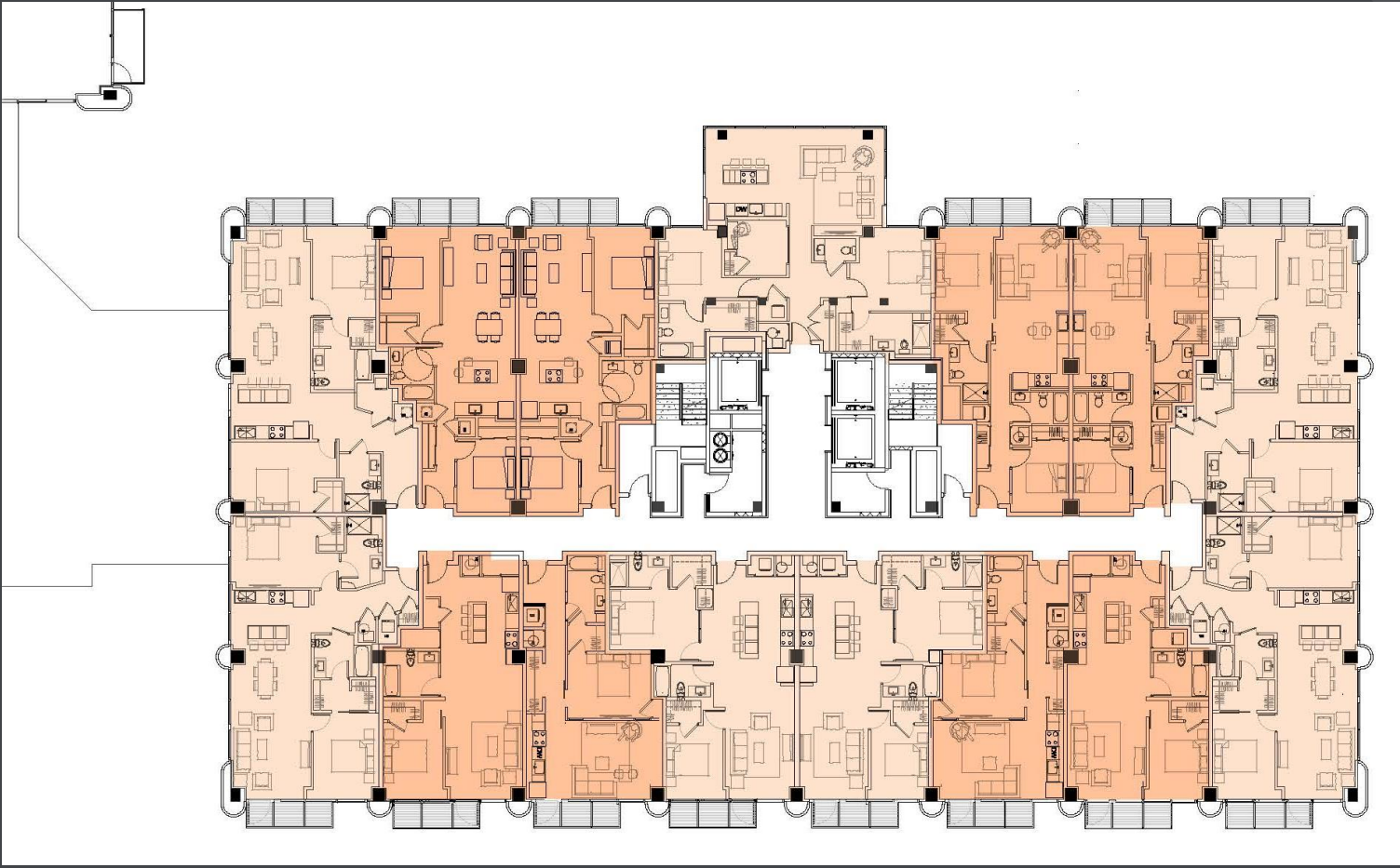


BEFORE



THE LINK LOBBY





PARK FLOOR PLAN



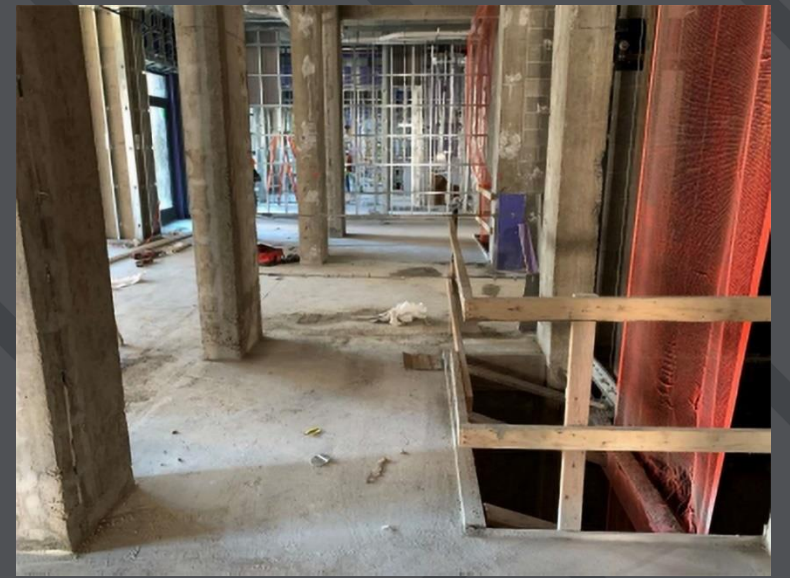


Shaft area converted to rentable

Elevator shafts reused

Shaft area reused for trash chute

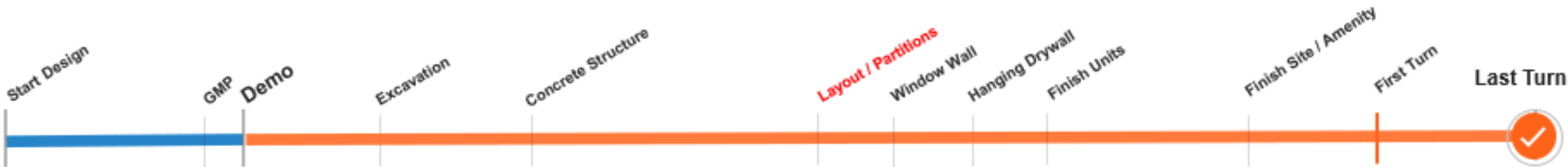
PARK FLOOR PLAN



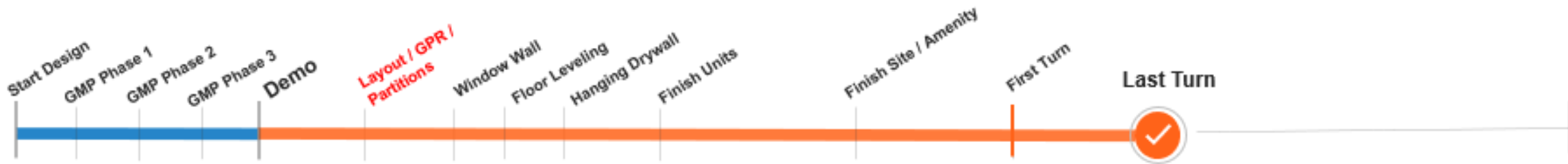
CONSTRUCTION PROCESS

Schedule Breakdown New Build vs. Conversation

New Build - PARK + FORD // 35 MONTHS



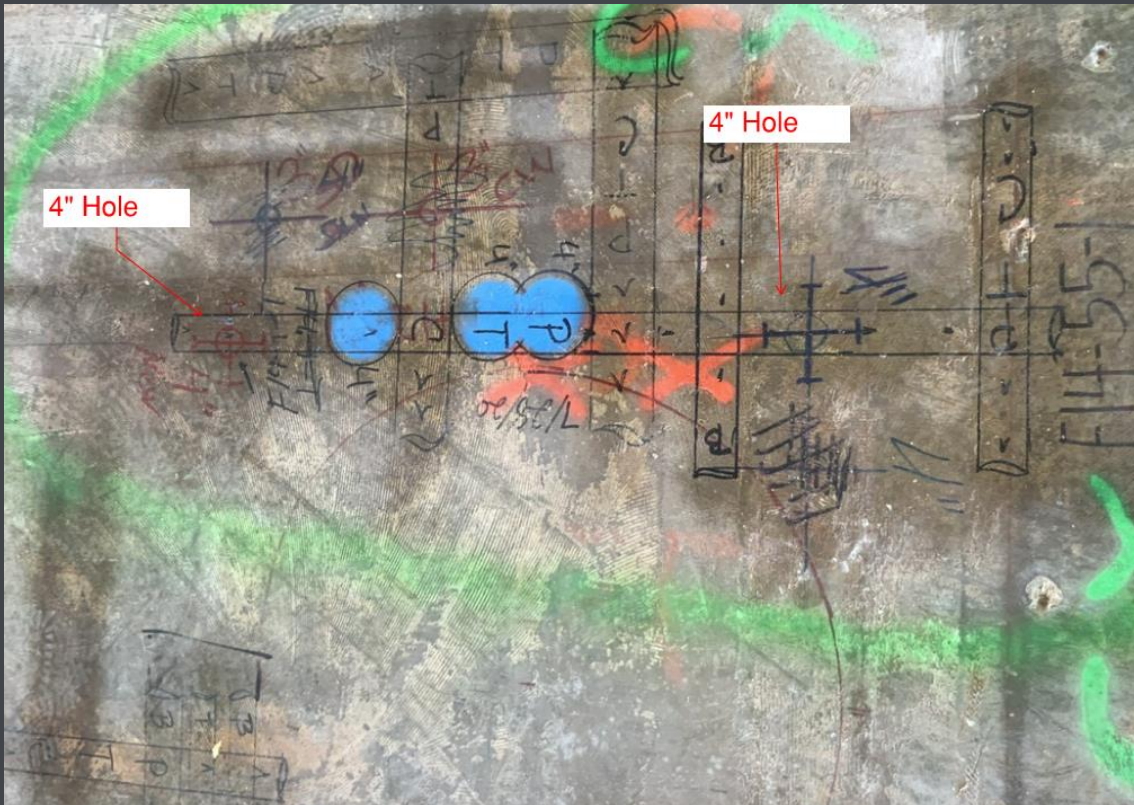
Office to Residential Conversion - PARK + FORD // 20 MONTHS



Penetration Coordination Core Drill Challenges

Ford – Post Tensioned – Existing Office 100 psf LL – Residential 40 psf LL

- Significant Coordination with Design Team for PT conflicts
- Maintain FHA and ADA Clearances



- \$1,000 per Unit Add Due to Conflicts with PT Cables

GPR Code	Issues	Review of Response
F14.8-IPC (Unit FX08)	Current Toilet location will hit PT Cables, please advise how to proceed. See options to the right.	Switch to wall mounted toilet
F14.14-IPC (Unit FX06)	Please confirm that wall stud size can be increased to accommodate 4" riser.	Yes, increase stud size
F14.21-IPC (Unit FX04)	PT Cable running along wall horizontally, please confirm wall can be shifted ~4" either direction to avoid PT Cable.	Shift wall to the east
F14.41-IPC (Unit FX17)	Shower drain location in conflict with PT Cable, please advise how to proceed. See listed options to the right.	Switch to offset shower pan
F14.42-IPC (Unit FX17)	Current Toilet location is in conflict with PT Cables, please advise how to proceed. See listed options to the right.	Remove linen closet and shift sink and toilet to the east
F14.50-IPC (Unit FX15)	Shower drain location in conflict with PT Cable, please advise how to proceed. See listed options to the right.	Flip tub so drain/controls are on other side

Park+Ford Building Balcony Installation



Installation of Outriggers for Balconies



Balconies Set in Place from Top of Building to Bottom

Park+Ford Building Balcony Installation



Park Building - \$17,000 per Balcony



Ford Building - \$24,000 per Balcony

Expanded Scope of Work Existing Conditions

- Upgrades to Fire Alarm
- Added Exit Signs for Egress
- Sprinkler Modifications to Existing Lines
- Added Lighting in Garage



WHAT IS THE CAPITAL THINKING?

- These units are too deep.
- I have to close without a GMP?
- What if the GMP comes in over budget?
- Is bridge debt available?
- Will I be able to get a construction loan?
- My investors will like the sustainability aspect of this
- Conversions are risky, requiring a higher yield

HOW DO CAPITAL MARKETS VIEW CONVERSIONS TODAY?

600 E ST NW, DC

