

CLASS B APARTMENT PORTFOLIO STRATEGY COLUMBIA PIKE, ARLINGTON, VA

RCLCO was retained by a private-sector apartment owner/investor to evaluate and provide strategic development recommendations with regard to likely future asset management strategy for a portfolio of market-rate affordable “Class B” apartments in the Columbia Pike Corridor and elsewhere in Northern Virginia.

The objective of the engagement was to forecast the likely future trajectory of each asset in the portfolio under three sets of assumptions:

1. Maintain and operate as is with no significant capital expenditure;
2. Improve each property with a modest level of in-unit and project-wide capital expenditures; and
3. Redevelopment, repositioning, and/or conversion to ownership.

In each case, RCLCO was tasked with recommending the appropriate level of improvements under each scenario, forecasting the impact that improvements would have on each asset’s ability to charge premium rents in the marketplace, understanding the expected financial return to the owner/investor under each scenario, and, based on this, recommending a strategy for each asset, taking into account market risk and the level of investment return.

