



REAL ESTATE CONSULTING

Since 1967, RCLCO has been the “first call” for real estate developers, investors, the public sector, and non-real estate companies and organizations seeking strategic and tactical advice regarding property investment, planning, and development. RCLCO leverages quantitative analytics and a strategic planning framework to provide end-to-end business planning and implementation solutions at an entity, portfolio, or project level.

Rely on our **trusted** market knowledge, **extensive** industry experience, and **client-focused** service ethic.

Market Intelligence and Feasibility for Office to Residential Conversions

RCLCO serves as a unique resource for owners, investors, and operators of office buildings, many of whom are looking at ways to reposition, change the mix of uses, or convert their office assets (either holistically or piecemeal) to housing or other uses. We are asked to:

- » Triage office portfolios to assess long-term viability and redevelopment potential
- » Complete feasibility analyses for redevelopment, particularly for a wide array of housing, hotel, and other uses
- » Complete highest and best use studies
- » Develop detailed residential programs reflecting the existing asset realities to accelerate planning studies and ensure market success

We are able to quickly and efficiently assess existing asset constraints and opportunities; market conditions; provide detailed and actionable recommendations regarding re-use or redevelopment potential; assess the financial implications of redevelopment scenarios; find the right implementation partners; and work with our clients on developing an implementation strategy for making the desired change.

Services

- » Market Analysis
- » Residential Programming
- » Customer Definition & Consumer Research
- » (With Partners) Design Concept Development
- » (With Partners) Conversion Cost Estimates
- » Financial Feasibility Analysis
- » Portfolio Analysis & Repositioning
- » Alternate Highest & Best Use Analysis
- » Fiscal and Economic Impact Analysis
- » Litigation Support
- » Development Partner Selection Support
- » Property Manager Selection Support
- » Strategic Planning & Management Consulting

Affiliations



...and many more

RCLCO's Approach to Assessing Conversion Potential

We are not new to this business! And 55 years of experience tells us that office buildings do not lend themselves easily to residential re-purposing. Among the challenges are finding the technical resources that can quickly and efficiently assess the physical challenges to conversion, defining a residential market strategy, and assessing the financial feasibility or implications of doing so. Recognizing that business demands "failing fast" or quickly moving from high level feasibility to implementation planning, RCLCO has established relationships with key technical firms that we can marshal to zone in on the opportunity, or roadblocks, rapidly and cost effectively.

Sample Recent Engagements

Family Office – Residential Conversion Feasibility for Vacant Office Building

RCLCO was retained by a family office to evaluate the market feasibility and opportunity to reposition an existing high-rise office building in Los Angeles. Despite being vacant for over a decade, the property generates significant cashflow, both by advertising on the side of the building and leasing of its parking structure to third-parties. Given changes in the local market and zoning that limits high-rise residential development, RCLCO identified a unique opportunity for this site to take advantage of its height and view potential to attract renters that do not currently have many high-quality options nearby. RCLCO also evaluated the impact of preserving the signage relative to the residential opportunity considering the need to maintain the same level of advertising that exists today.

Large Opportunity Fund – Partial Office to Residential Conversion Feasibility

Faced with the second large tenant notification of intent not to renew, RCLCO was retained by a private equity investor to assess the viability and economics of converting the top half (with skyline views) of a 1980s vintage office building. The complications included defining a customer strategy in a historically non-residential location, developing a program and unit mix that responded to deep floorplates, working with the design partner balancing the need for a residential lobby, amenity spaces and dedicated elevators with the needs of a still functioning office building, and assessing the trade-offs between residential FAR recapture and revenue potential.

Mixed-Use Developer/Owner/Operator – Office to Live / Work Conversion

RCLCO was asked by a long-time client to help explore the potential for conversion of four floors of a Baltimore Inner Harbor office building to live /work units. The client has developed with assistance from RCLCO a unique mode of hybrid office / apartment units, which allows the permanently demised but flexibly designed units to flex between commercial or residential use depending on market conditions. Our work quantified the depth of the market for these uses in the city for the foreseeable future and resulted in recommendations on unit sizes and mix as well as premium potential for this concept.

Adaptive Reuse Developer – Historic Building Repositioning Strategy

RCLCO was retained by a developer to evaluate the market feasibility and opportunity to convert a historically significant suburban office tower campus in Central Dallas to multi-family apartments. Built in the 1960's, the buildings are noteworthy for being the first example of modern urban architecture in Dallas. Given their prime location adjacent to the medical center as well as the burgeoning design district, they are well positioned to accommodate more housing in urban Dallas. Given this context, RCLCO identified a unique market position the buildings could occupy: providing a highly differentiated product in a market full of newer, institutional-grade apartment complexes and towers. The unique footprints of the buildings accommodate substantial daylight in economically sized units that have unobstructed, protected views of downtown and the surrounding landscape.

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