

October 31, 2018

via IZIS

Board of Zoning Adjustment
441 4th Street, NW
Suite 200S
Washington, DC 20001

Re: Real Estate Report for 3423 Holmead Place, NW

Dear Members of the Board:

I have been a real estate broker in the DC Area for 19 years and will be working with the Applicant in the above-referenced case to sell the proposed unit. From what I understand, the Applicant is faced with a number of different scenarios depending on the outcome of the Board of Zoning Adjustment hearing.

The proposed option, which requires relief, shows 7, three-bedroom units spread out over four floors. There is one unit that is slightly larger, although that is very typical for a building of this size. But on average, each unit is about 1637 square feet. Based on the comps in the area, the average unit will sell for approximately \$777,000. In this area of Columbia Heights, 3-bedroom units are in high demand and the Applicant should have no issues selling these units within 30-45 days for market-price. The overall building design should be attractive to buyers as it is compatible with the surrounding area. While I would normally be concerned over light entering the units due to the building's location, the closed courts should provide enough light.

As I understand it "Alternative A" limits the building to only three levels above grade. This would shrink the proposed sizes of the units for a total of 4 two-bedroom units and 3 one-bedroom units. The unit sizes would vary, but on average a two-bedroom unit would have 1500 square feet and a one-bedroom unit would have 980 square feet. Based on the comps for the area, each two-bedroom unit would sell for approximately \$699,000 and each one-bedroom unit could sell for \$468,000. As I understand it, the building would be significantly shorter than the adjacent buildings. This concerns me, as there will be a significant amount of shadow cast on the courts which are meant to provide light to the interior rooms of each unit. This could make the units less attractive and less marketable.

The Applicant explained to me that at the time of purchase, the matter-of-right alternative would have been to lower the floor plate of the first floor so that the lowest level did not count towards the number of stories. In that case, the Applicant would have been permitted to have seven units on four floors, as described in the proposed scenario before the Board. Again, I would be concerned about the shade cast from the adjacent buildings, which limits light available to the units and could impact the marketability of the units. However, the sales prices of the units would be generally the same.

The other matter-of-right option available to the Applicant is to subdivide the property into two, twenty-five foot (25 ft.) wide lots. The Applicant could construct two units on each lot for a total of four units. Each unit would be very large, approximately 3,491 square feet. Based on the comps in the area, I believe these units would be extremely difficult to sell.

The Applicant is faced with a scenario where they will have to hold on to these units for 180+ days before selling and will likely have to drop the price below market if they want to sell in a reasonable amount of time. This is not a marketable configuration for the property.

Based on my experience, I believe the most marketable configuration for the property is the current proposed option of 7 three-bedroom units spread across four floors.

Sincerely,



Samer Kuraishi
President, CEO, Broker
The ONE Street Company