



A CASE STUDY

ANHALT APARTMENTS

How to restore a Tudor gem to its former luster? Work with the city and the neighborhood to create 39 energy-efficient apartments, resolve environmental issues, and secure historic-landmark designation.

BACKGROUND

Anhalt was a 21-unit, 1930s Tudor-style apartment building that for nearly five decades had been used as office space by nearby Group Health Cooperative. The once-handsome property included a dilapidated parking garage and came with several environmental issues, including an underground fuel storage tank. When it came up for bid, Trinity identified one of its family office clients that was looking for a value-add project in a great location. Trinity won the bidding process, in part because of our relationship with the broker and seller, who were aware of our record of success in renovating similar projects

SERVICES PERFORMED

Investment Strategy | Value Optimization Consulting | Family Education & Mentorship
Leasing Oversight | Asset Management | Portfolio Management | Reporting
Benchmarking | Acquisition Services | Financing Strategy & Execution | Development
Evaluation & Assessment | Construction Management

APPROACH

Believing that a small addition was vital to maximizing both urban density and the property's value, we worked with the neighborhood and the city to arrive at an agreement enabling us to add an adjacent new building in exchange for committing to a strict level of energy efficiency. We also worked with the Landmarks Preservation Board to develop a design enabling us to preserve the building's façade and earn placement on the U.S. Registry for Historic Places. Doing so allowed the project to take advantage of a 20% Federal tax credit, significantly adding to the value creation.

OUTCOME

This project provided a substantial gain for our client, leasing quickly with rents at 20% above our pro-forma projections. The project also received the Preserving Neighborhood Character Award from Historic Seattle and was a finalist for NAIOP Seattle's Renovation of the Year.

The project provided significant returns for the family, with a development period IRR in excess of 40%, and has been a consistent source of strong cash flows for the family to support its family office.