

QUICK MATH

In the early 2000's, the Baker Project, (currently referred to as the Bay Harbor Club), which is located on West 30th Street and the water, yielded 600k for each condominium unit which faced the Newark Harbor, (these units were sold out before the construction was even completed). The following represents a hypothetical scenario, along with quick math, with regard to 198-200 West 31st Street.

Assuming a 5,300 ft² lot, with a front entrance and garage entrance situated on city property, (consistent with the remaining properties on this block), along with property buffers on (2) of the remaining (3) sides, this arrangement will accommodate a (16) unit low-rise residential housing structure. The structure would have (4) levels with an underground parking facility. Each apartment unit would measure approximately 1,200 ft., would have a flow through design, and would have a balcony facing the harbor, (this orientation is absolutely imperative to enable harbor views for each and every dwelling unit. Each unit would run parallel with West 31st Street and there would be (4) units at each level.

If the property were acquired for 1.6M and the cost of construction were 10M, (an exorbitantly high construction cost allowance), one may conclude a total cost of 11.6M. If each unit sold for 1.5M, a total of 24M would be generated in sales revenue. The gross profit would be 12.4M, (a truly phenomenal investment return). It's clearly a no-brainer. Even if each unit sold for only 1.0M, the gross profit would be 4.4M, (still a very good investment return).