



## Refreshing the existing multifamily experience - by Neeraj Chander and Steve Lang

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Living in a high-rise, condominium or co-op certainly has its perks. You get the convenient location, the dramatic views, attentive concierge services and a range of amenities. Fast forward a few years

and what was once the new kid on the block is now part of a streetscape that is within walking distance of up-and-coming competition. The ability to attract new tenants, retain the existing, and maximize the long-term value of the asset will ensure longevity in an ever-competitive market.

## Know Your Audience

Spending capital to improve an asset can only yield returns if its targeted at the proper audience. The improvements must take into consideration the neighborhood, the existing occupants and, if wanting to entice new tenants, the value of the new contracts. The higher paying tenant base requires the latest and greatest amenities and spaces. These spaces must consider both interior and exterior needs of the new design.

**Create More Engagement:** Any potential improvement is an opportunity to provide new spaces to the community. The lobby is the first space that sets the tone for the atmosphere. It's more than just an area you walk through to get to your destination, it can become the destination. These areas can offer gathering spaces for get-togethers, huddle spaces for more intimate discussions and with varied seating configurations each area can serve a purpose.

**New Work-Life Integration:** With the global event pandemic there has been a dynamic shift in how we interact and work. This would be the ideal time to offer amenities that cater to this new normal. Catering to the new work-life integration by offering remote workspaces, dedicated small conference rooms and providing the tech for the shareholder that a conventional office would have increases the building's value over any of the competition.

**Make Overhead into an Asset:** Transforming transition spaces into destination spaces positions the building into a more attractive investment for both existing occupants and certainly for new tenants looking to invest in locations that cater to their work-life balance. Amenities such as Amazon Lockers, upgraded mail rooms, spaces that can cater to classes for art/crafts/technology and the ever-growing maker-space environment attract a tenant that is willing to pay a premium for these amenities.

**Creating Value:** Ultimately, the question is what type of value the asset is looking to create. Is it brand value, fiscal value, and can it benefit both the building owner and the shareholders? We need to think holistically about lifestyle, amenities, and the atmosphere that is being created.

## The 3-R's

The first step to any design approach is to understand what the goals are for the building's residents, the building's owner, and the property management team. Is it to increase the value of the asset, the ability to compete with newer properties in the area, to create a more updated look and feel or to retain existing shareholders while attracting new ones? These decisions can dictate the scope of renewal and have lasting effects on the shareholder, the building, and the surrounding community.

Refreshing the spaces via minor design movements is the lowest risk approach. This can be accomplished by various methods such as painting the walls, changing the flooring material, updating or introducing new lighting, adding artwork and sculptural pieces to delineate spaces and areas, and introducing signage and graphics to convey the atmosphere.

The addition of fixtures, furniture and equipment all combine to create a transformative experience which can offer a contemporary look and feel while maintaining the atmosphere of familiarity to the current residents. In today's high-rise communities, amenities play a major role in the quality of life and add value to the community experience. Keeping these spaces updated allow the residents to maintain a high quality of life while providing value to the building. This in turn changes the mindset of these spaces being overhead expenses to assets.

Repositioning is more ambitious and is aimed at reintroducing the brand to the community, both internally and externally, by attracting new residents and retain existing residents who might be looking into options to reinvest in newer more updated properties. This type of targeted improvement can yield faster completion times when phased while minimizing the disruption to the building's occupants.

This option introduces architectural elements like redesigned entrance canopies, adding exterior elements such as lighting and creating a greater brand identity presence through graphics. The ability to add elements to the building's façade creates a greater street presence and can also create an aesthetic influence within the greater urban environment.

Rebranding can be the most ambitious transformation of an asset that can uncover its unrealized potential. Often, the building is already at a premier location and by renovating the façade we breathe new life into a dated asset.

### When To Make The Change

Knowing when to make the leap from ideation to realization is crucial to starting the process. Are there impending shareholder departures due to the age of the building since it doesn't offer newer amenities within the neighborhood? Is there a low occupancy due to the dated look and feel of the building? Is new competition in the area driving potential investors to these properties instead of yours?

Consulting with the property management team and leaning on their experience and expertise within the market is the key to understanding what the existing shareholders need and prospective shareholders want.

Factoring in short term budget expenditures vs. long-term planning goals that can be incorporated into the reserve fund can help position the building to compete in this new market.

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