



Oyster Capital Group to develop first LEED certified single family townhouse in Manhattan

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Product differentiation and a niche are two very difficult things to find in the mature real estate development world of New York City. Oyster Capital Group thinks that they have discovered an area of the market that has very little true competition. Townhouse development in Manhattan is an entirely different animal than conventional residential development. There are few professional developers in this market and substantial returns can be achieved with careful site selection and the creation of a unique property. Exhaustive detail work goes into the interior selection process and layout of each property. No two townhouses are alike - they each offer different physical, geographical and cultural features. Contextual development and historic restoration entails fitting into the architectural neighborhood surrounding but also creating a better, smarter product than what exists.

Townhouses in New York City offer a rare and special form of urban living. They allow the user to bring suburban elements into an urban setting, and offer more privacy than other forms of city living. They typically have more livable square footage, outdoor spaces and fireplaces than apartments and at the same time allow the home owner to convey a greater sense of architectural and aesthetic style than conventional apartment living. Many of the properties that are on the market and available for an end user to purchase require extensive work -- there is a true lack of supply for design driven, unique, well constructed single family townhouses.

Oyster Capital Group recognized this lack of supply in the townhouse market, and researched the feasibility and implementation of adapting an existing small building to the LEED for Homes rating criteria. They have developed a model for both new construction and substantial renovation of existing buildings within residential neighborhoods in Manhattan using the LEED for Homes framework. Green building promotes resource conservation and considers environmental impacts, as well as waste minimization, during the development process. The entire life-cycle of the building and its components are addressed, including both the economic and environmental effects. Oyster Capital Group is currently developing what is expected to be the very first LEED certified single family townhouse in all of Manhattan (pursuing LEED Gold). There are so-called green single family townhomes in New York City but none of them are LEED certified nor would they stand up to the comprehensive requirements which LEED for Homes has established. "I think people want to raise their children in cleaner, healthier environments and if we can construct a home that is 25-30% more energy efficient and has substantially better air quality than the average home, that is something that I think would be desirable to a prospective buyer," said Teddy Schiff, managing partner of Oyster Capital Group.

Re-positioning real estate assets is the best way to unlock value and that is exactly what Oyster Capital Group aims to achieve when examining potential opportunities. Trying to examine a building in a way that others do not, looking for under built, poorly managed assets and switching uses are many of the guiding principles which govern the acquisition process. After acquiring an asset, the team works very diligently on creating an efficient layout and proper room proportion. They make sure that the living space "flows" into the personal bedroom space and that the outdoor space and amenities are all seamlessly intertwined to create one, design driven, unique residence. What ultimately sells is the sexiness of the outdoor space, the curvature of the staircase, the curb appeal of the front façade, the individuality of the entertaining spaces and the bedroom/bathroom sizes. Condo buildings cannot and do not offer these things. "We are designing a product that is very different from what exists on the market, generally speaking. It has a higher residual value and more defining features than most other styles of living. At the end of the day we are looking for one buyer and not 130 buyers in a 130 unit condo building," said Schiff.

By flying under the radar screen of larger developers and delivering crafted, large format, unique townhouses, Oyster Capital Group is comfortable in their niche and strives to expand their portfolio in the downturn. Hoping that as the market heats up in the future, they will have product to sell.

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