

Feasibility Study Findings

Address:	6539 44 th Ave SW Seattle, WA 98136	
Zoning:	LR-1 (M1)	
MHA Fee:	\$20.00 per sq ft (measured to interior face of drywall)	
Special Zoning Overlays:	Morgan Junction Urban Residential Village Frequent Transit Service Area	
Critical Areas:	None	
Parking:	No parking required (per Seattle Municipal Code 23.54.015 Table B, line M, multifamily zones within urban villages that are also within a frequent transit service area have no minimum parking requirement)	
Lot Area:	6,250 sq ft	
FAR Allowance (townhouses):	Built-Green 4-Star:	1.3 (8,125 sq ft)
	Without Built-Green:	1.1 (6,875 sq ft)
	Exclusions:	
	* Existing home's floor area (as long as nothing new is built between the home and the street)	
	* Party walls	
	* Thickness of exterior walls	
	* Basements and semi-basements	
	* One story garages where the roof is a deck	
Number of Units:	Townhouses/Rowhouses:	up to 4* (plus existing home)
	Apartments:	no limit
	Cottage Housing:	no limit (but spatially maxes out at 6, or 7 with some really clever European-style small space design)
	* Note: if a boundary line adjustment could be negotiated, adding just 68 sq ft more to the lot would allow an additional townhouse.	
Height Limit:	30 feet (22 feet for cottage housing)	

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Design Review:	Less than 5,000 sq ft:	not required
	5,000 sq ft – 8,000 sq ft:	Streamlined Design Review*
	8,000 sq ft or more:	Administrative Design Review

* Based on a review of similar permits, going through this process adds approximately 10 months to the permit timeline

* This provision falls off after January 1, 2014 (after that time, up to 8,000 sq ft will not require design review)

Typical Permit Timeline:	No Design Review:	About 1 year
	Streamlined Design Review:	About 2 years

Comparable Sales Prices:	\$520,000	Original home, with renovation (after construction)
	\$475,000	Original home w/o family room (after construction)
	\$540,000	Townhouse (1,250 sq ft) without parking
	\$380,000	Tiny cottage house (very rough estimate, few comps)

Parking Valuation:	Parking Stall away from Unit:	\$7,000
	Parking Stall next to Unit:	\$40,000
	Dedicated Garage:	\$65,000

These figures are based on a small sample size of comparables and are relative to a baseline of no off-street parking. Take the specific values with a grain of salt.

Style:	Based on comparable sales, contemporary style townhouses tend to sell for more than traditional style ones of a similar construction year
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Based on the above, my recommended approach would be to demo the back wing of the existing house and build (4) 3-story townhouses in the backyard (1,250 sq ft each). I would keep the total new floor area under 5,000 square feet to avoid the design review requirement. Parking is flexible, and I would consider not necessarily providing on-site parking for all the units if it makes for a better layout.

As a super rough pro forma, this would give you the following (as always, do your own due diligence on these numbers):

\$ 2,160,000	Sale price for townhouses
\$ 475,000	Sale price for original house
- \$ 80,000	Soft Costs
- \$ 100,000	MHA Fee
- \$ 15,000	Demo portion of existing house
- \$ 1,100,000	Build 4 townhouses (5,500 sq ft, counting ext walls, @ \$200/sq ft)
- \$ 50,000	Cosmetic rehab of existing house
<u>- \$ 180,000</u>	Selling & closing costs
\$ 1,111,000	Profit potential (less holding costs and interest)

Additional notes on construction cost:

- All utilities for the townhouses will be new:
 - New (upsized) water meter
 - New (upsized) electrical service
 - New (upsized) sewer
 - New water connection for sprinklers. Sprinkler system is required (NFPA 13R, residential sprinklers)
- Permeable pavement and bio-filtration cells to infiltrate stormwater
- Roof decks for required amenity areas