



CASE STUDY

**PLAYING THE MAP AND DELIVERING
UNRIVALED RETURNS**



dwellinAustin.com

PROJECT DELAFIELD LANE - NORTH HIGHLAND

RESULT PUTTING ALL THE DEVELOPMENT AND BUILDER PIECES TOGETHER FOR A GRAND SLAM PROJECT

Dwell In Austin's Delafield Lane development highlights the DIA teams' superior ability to "Play The Map" two to three steps ahead of the competition, innately understand what retail buyers are looking for, and exploit the building code to craft a uniquely profitable project.

Always on the hunt for the new new, Dwell In Austin marshaled its extensive Austin macro and micro market data analysis operation to identify a valuable gap in the market and create an unmatched development opportunity.

The DIA team identified the North Highland area to the east of the hot Crestview neighborhood as the target location. The right lot could offer an extremely attractive return on investment.

Dwell In Austin was able to hunt down and assist their client in acquiring an oversized corner lot on Delafield Lane in this early emerging neighborhood. ADUs on corner lots sell for a premium because each dwelling has its own frontage and backyard - a huge bonus for retail buyers and a significant premium to the selling price.

Additionally, there is a huge disconnect between what buyers want and what's available on the market. A significant portion of the infill buyer market is looking for 1,200-1,500 sq. ft. properties. But there's a lack of supply for these dwellings partially due to Austin's ADU code only allowing up to 1,100 sqft.

But there's a loophole in the code that will allow you to increase the livable space of the residence to 1,450 sqft. You can have a third structure on an SF-3 residence/two-family residential lot with one caveat. The tertiary building can't have a kitchen. That's it. In return, the utility of this extra building for a buyer is off the charts. It can become a home office, a guest suite, and most importantly, a short term rental (STR) in one of the hottest STR markets in the U.S.

Austin recently changed its STR regulations. STR licenses are only given to properties that are the owner's primary residence. Since the owner lives in the ADU, the studio is a legal STR adding incredible value to the property.

For the property buyers in Austin, the tertiary building - essentially a nice hotel room with a bath and mini-split - can help cover most if not all of the mortgage cost.

For the developer, the cost of the tertiary building play delivers a 4x to 5x ROI for a low five-digit investment.

This is what sets the Delafield Lane project apart from the market and makes the development a grand slam for the developer, builder, and retail buyer.

Many Austin real estate pros claim to "play the market." The Dwell In Austin team not only "plays the market" 2-3 steps ahead of the competition, but they also create markets and market-leading profits for their clients.

Contact the Dwell In Austin team today at 512-516-9722 and learn what new market opportunities are available for you.

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