Window Replacement MCI: A Case Study

How Both The Co-Op As Well As The Holder Of Unsold Shares Benefit From Filing For The Major Capital Improvement

ED TRISTRAM ASSOCIATES
MCI Consultants
for over 25 years

The Project

At 3410 De Reimer Ave, Bronx, NY (right), Westchester Property Management Group, with manager Alex Solovyev, contracted for a building-wide window replacement job. The building includes 49 rent stabilized, sponsor owned apartments. Windows were installed by Tindel Windows, architectural & engineering services were provided by Ivan Brice Architecture. Work was completed circa 2/2014; **Ed Tristram Associates** was hired on 08/27/2015 to secure the MCI. The MCI was submitted for work totaling $1,289,575.00, which equals a $14.28 per room rent increase. The MCI Tax Abatement for Mark Terrace Owners Corp was approved on 10/18/2016 for $143,286.11.

The Financial Background

1. **THE RENT INCREASE.** A rent increase in an unsold shareholding is more valuable to its owner than even a rent increase in a rent stabilized building because the value of the holding is affected so strongly by its cash flow — the "carry." These increases are a permanent part of the base regulated rent. Also, all units in the building tend to be worth more if the unsold shareholding has positive carry because it makes the entire building more financially stable.
2. **THE MCI ABATEMENT.** This is a credit on the property taxes, equal to 1/9 of the cost of the work. It is received all in one year, and unlike the J-51 program does not contain special requirements and rules that can become a catch-22.

Contact us today to see how we can boost your return on investment.

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