



nerej

A&O Danner manages condo renovation for Boston Real Estate investor

February 14, 2013 - Construction Design & Engineering

Several programs on the Home & Garden TV Network have added to the popularity of "flipping" real estate: purchasing an asset, investing in renovations, and quickly reselling it. After two residential flipping projects, a medical professional whose avocation is real estate investment appears to have found the formula for success.

His secret? Working with the right general contractor and construction manager, Stephen Danner, president of A&O Danner, a general contractor based in Bridgewater, who knows the city, the best contractors - and, perhaps most important, construction project management. In the last few years, with Danner's advice and assistance, the client, a professional, bought, renovated and sold two high-end condos in the South End, on West Newton St., a 150 year-old brownstone, and on Bay Bay's Saint Botolph St., a 175 year-old Brownstone.

In the case of the West Newton St. condo, the investor bought it for \$600,000. After Danner's team completed their renovations with a project value of \$200,000, the owner was able to sell it for \$1.2 million - after construction cost and taxes a tidy profit.

Danner said that flipping earned a bad reputation during the housing boom thanks to speculators in search of easy profits. The practice is gaining popularity again as the nation's real estate market rebounds.

Danner said, "Real estate flipping isn't as easy as it appears in a 30-minute TV show. You need to begin with the right house that needs 'the right type of repairs or upgrades, and that can be fixed up for resale at a profit. My client views us as the catalyst to help select the right property in the right neighborhood, determine what renovations will result in the best return on investment, develop a budget, then put together the best construction team and manage the project without headaches or surprises."

Danner said that a major attraction for his clients is that real estate investing can be more lucrative than the stock market. "Also, there's a tangible aspect because property is 'real.' With a trained eye, you can look at a house and neighborhood and get a personal take on whether it's a good investment," he said.

Danner said that there are several advantages to "flipping" high-end condos:

- * Its' easier to sell to high-end buyers so there's less risk, less time on the market;
- * Most high-end properties require less renovation;
- * Higher prices usually translate into higher profits.

Danner said that despite all the positives on various TV shows, "flipping" may not be as lucrative as a new investor may envision: "There's always the chance for unexpected complications, and depending on your tax situation, the investor can be liable for capital gains taxes which differ based on how long you own the property."

A&O Danner has extensive experience and a proven track record in high-end buildouts, fitups, rehabs and renovations. In recent years the company has managed projects such as \$250,000 worth of renovations at the Back Bay's 150 Huntington Ave / 'The Greenhouse,' and some \$200,000 worth of upgrades for the Rollins Court condos in Cambridge.

Danner also built seven high-end retail shops for the British clothier Jack Wills Outfitters, including a shop on Newbury Street, and has completed similarly upscale fashion stores nearby for Alton Lane and No Rest for Bridget, both new to Boston. "Being selected by these high-end clients speaks volumes about our workmanship and record of being on-time and on-budget despite a wide range of challenges," Danner said.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540