



CELEBRATING
56 YEARS

nerej

Raising the bar on residential condominiums in Exeter, NH - by Brian White

July 10, 2020 - Appraisal & Consulting



Brian White
White Appraisal

In the summer of 2016, the highest priced new construction residential condominium located in the town of Exeter, New Hampshire was commanding a sale price of approximately \$370,000, slightly over \$225 per s/f. At the same time, Kathleen Mahoney, a local developer, was designing a new mixed-use multi-phase development to be called “the Porches at Exeter.” This property was made up of several assembled parcels of land located on Franklin St., just off of the downtown area and within walking distance to Phillips Exeter Academy. When I first met with Ms. Mahoney to appraise the proposed development, she laid out her plans to bring 11 new high-quality residential townhouse units to Exeter with a target price of \$695,000 or \$373 per s/f for the 1,860 s/f units. At this time, residential condominium prices like these were only being garnered in the nearby city of Portsmouth and the town of Rye.

Fast-forward to the summer of 2020 and the Porches at Exeter is in its fourth and final phase of development. Over the past few years, the seven high-quality townhouse units of Phase I and II sold from \$695,000 to just short of \$780,000 with an average sale price of \$740,000. Unit upgrades, over the base price, increased most of the sale prices into the mid-\$700s. The success of this development was due to these units having a fresh and attractive design with high-end finishes that are not found in any other Exeter area condominiums. The units were advertised as having a style of “New England meets California meets Charleston.” With several front and rear porch areas, nine foot ceilings, many built-ins, high-quality kitchens and rear frontage along the Squamscott River, these unique condominium units quickly doubled the highest price paid for a residential condominium unit in Exeter.

Phase III of the development contained a mixed-use building with a 5,000 s/f restaurant/function unit and three high-quality second floor apartment units. The Bungalow Club, a private social club, was operating in the restaurant and function space up until COVID-19 recently caused them to cease operations. The Bungalow Club will be re-launched as a one-of-a-kind event venue called Bungalow Events, Parties & Catering Company. They have several events booked for later this year and they are taking reservations for 2021. Ms. Mahoney indicated that COVID-19 caused her to quickly pivot with regard to the Bungalow Club in order to continue to maximize the use of the space.

The Phase IV residential townhouse condominium units will be slightly smaller than the other townhouse units in the development. Although not located along the river, these units will be designed with similar features to the previously completed units of the development. With an asking price of \$635,000, Ms. Mahoney anticipates that there will be a large amount of interest for these last few remaining units of this upscale development.

Since the recent success of the Porches at Exeter, there have been at least four other new residential condominium developments constructed within the greater downtown Exeter area that have asking prices from the mid \$400s to the low \$600s. While none of these developments can match all of the amenities that the Porches at Exeter offers, they are having success at these slightly lower price points.

A couple of adages come to mind with respect to the Porches at Exeter development and its impact on the condominium market. The first one is “if you build it, they will come” and the second being “a rising tide floats all boats.” The first adage was realized by the developer of the Porches by accurately identifying an untapped need in the Exeter marketplace. The second adage is being realized by all of the other residential condominium developments located in Exeter.

Brian White, MAI, SRA, operates White Appraisal and is the 2020 director of the NH-VT Chapter of the Appraisal Institute, Dover, NH.

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