

# Market Valuation Report: 1-Bedroom Residential Trends at The Athenaeum (1205 St. Charles Ave)

## 1. Strategic Market Context & Inventory Snapshot

The Athenaeum, located at 1205 St. Charles Avenue, represents a stabilized multi-family asset positioned at the transit-oriented intersection of the Central Business District and the Lower Garden District. The building's core value proposition is anchored by its "lock-and-leave" institutional profile, which utilizes 24/7 onsite security and a robust amenity package to command a premium over unstaffed inventory in the submarket.

The following infrastructure components define the **amenity-adjusted base rent** for the complex:

- **Security & Access Control:** 24-hour uniformed security, gated electronic entry, and key-fob restricted access.
- **Wellness & Facilities:** In-ground pool and hot tub; fitness center equipped with a sauna and free weights.
- **Professional Utility:** Club room, meeting spaces, and dedicated workstations.
- **Logistics & Parking:** Deeded/assigned gated parking (often covered) and immediate access to the St. Charles Streetcar line.
- **Operational Note:** The asset utilizes communal laundry facilities ("co-op laundry") rather than in-unit stacks, a specific friction point that caps the upside for premium-tier listings.

While the amenity baseline remains consistent, significant pricing deltas are driven by floor elevation (verticality), furnishing status, and the inverse relationship between unit square footage and price-per-square-foot (PPSF) efficiency.

## 2. Comparative Lease Analysis: Absorption Rates and Market-Clearing Data

To establish an accurate valuation, we must distinguish between speculative asking prices and market-clearing rates. The gap between Active and Closed listings reveals a clear disconnect in current landlord expectations, particularly regarding liquidity and Days on Market (DOM).

### Comparative 1-Bedroom Lease Data

| Unit # | Floor | SqFt | Furnished | Price   | PPSF   | Status | DOM |
|--------|-------|------|-----------|---------|--------|--------|-----|
| #1313  | 13    | 565  | N         | \$2,000 | \$3.54 | Active | 1   |
| #1014  | 10    | 648  | Y         | \$1,600 | \$2.47 | Closed | 71  |
| #313   | 3     | 565  | Y         | \$1,500 | \$2.65 | Active | 328 |

|       |    |     |   |         |        |        |     |
|-------|----|-----|---|---------|--------|--------|-----|
| #509  | 5  | 648 | Y | \$1,500 | \$2.31 | Closed | 48  |
| #701  | 7  | 850 | Y | \$1,500 | \$1.76 | Closed | 77  |
| #616  | 6  | 565 | Y | \$1,400 | \$2.48 | Active | 47  |
| #917  | 9  | 600 | Y | \$1,400 | \$2.33 | Closed | 31  |
| #1202 | 12 | 540 | Y | \$1,395 | \$2.58 | Active | 10  |
| #405  | 4  | 850 | N | \$1,350 | \$1.59 | Active | 71  |
| #513  | 5  | 565 | Y | \$1,350 | \$2.39 | Closed | 124 |
| #714  | 7  | 648 | N | \$1,275 | \$1.97 | Active | 99  |
| #1002 | 10 | 450 | N | \$1,200 | \$2.67 | Closed | 10  |
| #208  | 2  | 400 | Y | \$1,200 | \$3.00 | Active | 128 |

**Liquidity and Sentiment Analysis:** The realized market-clearing price currently peaks at \$1,600 (#1014). The \$2,000 asking price for #1313 must be categorized as a speculative test of the market ceiling rather than a substantiated benchmark. This unit sets a PPSF record of \$3.54, yet lacks closed comparables to support absorption at this level, particularly given the lack of in-unit laundry.

Evidence of market rejection is most visible in Unit #313, which has stagnated for **328 days** at \$1,500. This suggests that low-floor units, even when furnished, face significant price resistance when exceeding the \$1,400 threshold. Conversely, Unit #1002 achieved a market-clearing rate in just 10 days at \$1,200, confirming that the floor for the building remains high-velocity at this price point.

### 3. Verticality Analysis: The Impact of Floor Level on Valuation

In high-rise assets, "vertical premiums" reflect tenant willingness to pay for noise attenuation from the streetcar line and unencumbered city views. However, the data indicates that verticality alone cannot compensate for aggressive pricing.

- **Unit #1313 (Floor 13):** 2,000 (3.54/sq ft) - *Speculative/New*
- **Unit #616 (Floor 6):** 1,400 (2.48/sq ft) - *Active (47 DOM)*
- **Unit #313 (Floor 3):** 1,500 (2.65/sq ft) - *Market Rejection (328 DOM)*

The contrast between floor 6 and floor 13 suggests a theoretical vertical premium of roughly \$85 per floor. However, the 328-day vacancy of #313 proves that

lower-elevation units cannot sustain "high-floor" pricing models. For floors 1–5, pricing must be adjusted downward to account for proximity to street-level transit noise and reduced view corridors.

## 4. Furnishing Assessment: Liquidity Tool vs. Value-Add

The Athenaeum serves a transient professional demographic, specifically medical residents and graduate students at LSUHSC and UMC (located within 2 miles). In this context, furnishings act as a critical **liquidity tool** rather than a primary price driver.

- **Yield Compression:** While furnished units like #1014 (1,600) and #509 (1,500) sit at the top of the closed data, the 328-day DOM of #313 demonstrates that a furnishing package cannot rescue an overpriced asset on a low floor.
- **Strategic Utility:** In the case of #1202 (Floor 12, \$1,395), furnishings are being used to drive a rapid 10-day absorption, pricing lower than the unfurnished and speculative #1313.

The data suggests that for high-floor "trophy" units, elevation and views are the primary value drivers. Furnishings provide the most ROI on mid-building floors (5–10) where they differentiate units from the baseline "unfurnished" inventory and compress vacancy periods.

## 5. Efficiency Metrics: Price-Per-Square-Foot (PPSF) Benchmarking

PPSF remains the most accurate equalizer for The Athenaeum's varied inventory (400–850 sq ft). We observe a distinct "Efficiency Premium" for smaller footprints and a "Large Unit Discount" for units exceeding 800 sq ft.

### Critical Takeaways:

1. **The Inverse Relationship:** Smaller footprints command the highest PPSF. Unit #208 (\$3.00 PPSF) is an outlier because it is a **studio footprint** (400 sq ft), where the fixed cost of amenities is spread over fewer square feet.
2. **The 2.30–2.60 Median:** This is the stabilized range for mid-sized units (550–650 sq ft). Pricing within this bracket correlates with DOM under 60 days.
3. **The Large Unit Discount:** Units exceeding 800 sq ft (e.g., #405 at \$1.59 and #701 at \$1.76) experience significant PPSF compression. These units effectively compete for a different tenant profile—those prioritizing "work-from-home" utility over per-foot efficiency.

## 6. Strategic Pricing Recommendations for Professionals

To optimize yield and ensure rapid absorption, landlords should adopt the following tiered strategy:

- **High-Floor / Small Footprint (Floors 11–14):**
  - *Stabilized Target:* **2.75–2.95 PPSF.**
  - *Aggressive Target:* \$3.50 PPSF (speculative, expect DOM > 90).
  - *Note:* The absence of in-unit laundry makes \$2,000 a difficult threshold to maintain; value-add upgrades to kitchens/flooring are required to justify this level.
- **Mid-Building / Furnished (Floors 5–10):**
  - *Target Range:* **1,400–1,550.**
  - Focus on the medical resident demographic by emphasizing move-in readiness. Aim for a PPSF of \$2.40 to maintain a DOM under 45 days.
- **Large Footprint (800+ sq ft):**
  - *Target PPSF:* **1.65–1.85.**
  - Strategic positioning should emphasize "spacious residential utility" or "work-from-home compatible" layouts. To overcome the lower PPSF,

highlight the value of the "Dauphine" or similar larger floor plans compared to CBD lofts.

**Conclusion:** The Athenaeum continues to demonstrate resilience as a mid-market luxury asset. While speculative listings are testing the \$2,000 ceiling, the market-clearing data supports a stabilized core between \$1,200 and \$1,600. Avoiding the stagnation seen in Unit #313 requires a conservative approach to low-floor pricing, regardless of furnishing status.