

Steve, we appreciate your interest in our project on W. Johanna and understand your desire to examine alternatives to demolition. Unfortunately, there are a number of reasons that forgoing demolition and pursuing a renovation of the current structure would not work. First, the price paid for the property would prohibit a remodel being economic. The price we paid for the property assumed we would be building a new structure. Additionally, the home's floor plan and ceiling heights would also limit the appeal of a remodel. We would not have purchased this home at any price if we had looked at it from a renovation perspective. Specifically, the home has formal rooms which are no longer appealing to buyers, has a small kitchen, bedrooms and closets, ceiling heights throughout the home of eight feet and rooms partitioned by walls with doors. Today's buyers, especially at a price of more than \$500,000, are looking for homes with no formal living and dining rooms, large room and closet sizes, floorplans that flow and are open (not partitioned by walls and doors) and that have ceiling heights of 9 or 10 feet.

What we would like to do is build a project that fits in with the city of Austin's goals and those of today's home buyers. We are very active in Austin's urban core and place a big premium on quality and energy efficiency. All of our homes run on tankless water heaters, have ceilings sprayed with 7" of foam and have very low "E" high quality windows installed. We also insulate every interior wall in every home we build.

In addition to building a high quality structure, we also try to build two units on a property whenever possible in order to increase urban density and housing affordability. Both are key city initiatives and are exemplified by several new 2 unit projects on the same street.

For these reasons, we oppose a postponement of our request for demolition. Please let us know next steps.

Thanks for your help.