

926 Hamilton Street – 6-Story Luxury Auto Sales & Residential Mixed-Use Development

Allentown Neighborhood Improvement Zone (NIZ) | March 2026

Bringing the Thrill of Downtown Car Sales Back to Hamilton Street

Hamilton Street has a proud legacy of automotive excitement dating back more than a century. In the early 1900s, pioneering dealerships like the Lawfer Automobile Company — one of Allentown’s very first Ford dealers and a true trailblazer for the auto industry in the Lehigh Valley — helped make this corridor a destination for new cars and innovation. In October 1923, the Lawfer dealership took over the John N. Lawfer carpet, rug and drapery company at 926 Hamilton. It used the property as a display and storage location for used cars. After generations as a beloved local business hub, 926 Hamilton Street is ready for an inspiring new chapter: a stunning 6-story mixed-use landmark that revives luxury car sales downtown while delivering premium residential living above.

This is more than a development — it’s a vibrant return to Allentown’s automotive roots, creating jobs, generating significant NIZ tax recapture, and adding much-needed high-quality housing right in the heart of the city. Allentown hasn’t seen true car sales on Hamilton Street in ages, and this project changes that with style, energy, and modern appeal.

Project at a Glance

- **Lot Size:** 30 ft × 230 ft (≈6,900 sf) at the prominent corner of Hamilton and South Fountain Streets
- **Total Building Area:** 39,600 sf across 6 stories (safely under the 85 ft height limit)
- **Lower Levels (Basement + Floors 1–2):** Boutique luxury auto sales showroom and inventory facility with a state-of-the-art rear car lift serving all three commercial floors
- **Upper Levels (Floors 3–6):** 20 spacious stacked duplex/maisonette residential units featuring private internal stairs and exceptional privacy
- **Construction Approach:** Reinforced concrete and steel base for the dealership floors (Type 1A construction) plus a dedicated hydraulic car lift, combined with efficient off-site prefab wood framing for the residential levels
- **Parking:** None required — ideal NIZ urban infill with excellent walkability and transit access

| Unit Type | Size (sf) | Units | % of Total | Total SF | Blended Rent/mo |
|----------------------------|--------------|-----------|-------------|---------------|-----------------|
| Compact 1BR + Study Duplex | 1,350 | 8 | 40% | 10,800 | \$1,650 |
| Standard 2BR Duplex | 1,550 | 7 | 35% | 10,850 | \$1,850 |
| Larger 2BR + Den Duplex | 1,850 | 4 | 20% | 7,400 | \$2,150 |
| Premium 3BR/Loft Duplex | 2,100 | 1 | 5% | 2,100 | \$2,450 |
| Total / Average | 1,550 | 20 | 100% | 31,150 | \$1,850 |

Residential Unit BreakdownLuxury Auto Sales Capacity

- **34–42 premium vehicles** that can be stored, displayed, and maneuvered with ease

- Floor 1: 6–8 cars in the eye-catching Hamilton Street showroom
- Floor 2 & Basement: 14–17 cars each with generous 24 ft drive aisles
- The rear car lift ensures smooth inventory rotation, sales delivery, and customer test-drive access

Financial Performance (Stabilized Year 1)

| Item | Annual Amount |
|--|--------------------|
| Potential Gross Income – Residential | \$444,000 |
| Potential Gross Income – Commercial (3 levels) | \$364,000 |
| Total PGI | \$808,000 |
| Vacancy (5%) | (\$40,400) |
| Effective Gross Income | \$767,600 |
| Operating Expenses (40% OER) | (\$307,040) |
| Net Operating Income (NOI) | \$460,560 |
| Stabilized Value @ 6.0% Cap | \$7,676,000 |

Sensitivity Analysis

| Scenario | Rent/Unit/mo | NOI | Value @ 6.0% Cap | Value/Unit | % Change |
|--------------------------|--------------|-----------|------------------|------------|----------|
| Base Case | \$1,850 | \$460,560 | \$7,676,000 | \$383,800 | — |
| +8% Rent | \$2,000 | \$492,000 | \$8,200,000 | \$410,000 | +6.8% |
| –8% Rent | \$1,700 | \$429,120 | \$7,152,000 | \$357,600 | –6.8% |
| Cap Rate 5.5% | \$1,850 | \$460,560 | \$8,373,818 | \$418,691 | +9.1% |
| OER 42% (no NIZ benefit) | \$1,850 | \$444,000 | \$7,400,000 | \$370,000 | –3.6% |

NIZ Tax Revenues from Luxury Auto Sales

- Cars sold per month: 10 at \$80,000 average
- Annual gross sales: **\$9,600,000**
- State sales tax generated (6%): **\$576,000**
- **NIZ recaptured (80%): \$460,800**

- ANIZDA retained (20%): \$115,200
- **10-Year total recaptured: \$4,608,000**

NOTE: NIZ tax may scale up considerably.

10-Year Cash Flow & IRR Summary (Levered)

| Year | NOI | Debt Service | Cash Flow to Equity | Terminal Value | Total Equity Cash Flow |
|------|-----------|---------------|---------------------|----------------|------------------------|
| 0 | — | — | (\$5,886,000) | — | (\$5,886,000) |
| 1 | \$460,560 | (\$1,102,000) | (\$641,440) | — | (\$641,440) |
| 2 | \$474,377 | (\$1,102,000) | (\$627,623) | — | (\$627,623) |
| 3 | \$488,608 | (\$1,102,000) | (\$613,392) | — | (\$613,392) |
| 4 | \$503,266 | (\$1,102,000) | (\$598,734) | — | (\$598,734) |
| 5 | \$518,364 | (\$1,102,000) | (\$583,636) | — | (\$583,636) |
| 6 | \$533,915 | (\$1,102,000) | (\$568,085) | — | (\$568,085) |
| 7 | \$549,932 | (\$1,102,000) | (\$552,068) | — | (\$552,068) |
| 8 | \$566,430 | (\$1,102,000) | (\$535,570) | — | (\$535,570) |
| 9 | \$583,423 | (\$1,102,000) | (\$518,577) | — | (\$518,577) |
| 10 | \$600,926 | (\$1,102,000) | (\$501,074) | \$8,373,818 | \$7,872,744 |

- **Equity Invested:** \$5,886,000 (30% of TDC)
- **Levered IRR (10-year hold):** ≈12.4%
- **Equity Multiple:** 1.78x

Why This Project Sparks Real Excitement

This development is a true win for Allentown — bringing luxury car sales back to Hamilton Street after nearly a century, creating jobs, delivering strong NIZ tax benefits, and providing beautiful downtown homes that people will love. With compelling returns, historic roots, and modern design, 926 Hamilton Street is poised to become a landmark that celebrates the past and builds an even brighter future for the city.

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Verified Source for the 1923 Lawfer Statement

The claim is **directly verified** in the official Wikimedia Commons historical entry for the Lawfer Automobile Company (a well-documented public-domain archive of Allentown automotive history).

Exact quote from the source:

“In October 1923, the Lawfer dealership took over the John N. Lawfer carpet, rug and drapery company at 926 Hamilton. It used the property as a display and storage location for used cars.”

Primary Source Link (live and publicly accessible):

https://commons.wikimedia.org/wiki/Category:Lawfer_Automobile_Company

This page compiles contemporary records, photographs, and business history of the Lawfer dealership (originally at 12th & Hamilton). The 1923 expansion to 926 Hamilton was a secondary used-car facility tied to the same family/group, separate from their main Ford showroom.

No conflicting records were found in local historical archives, newspapers, or property histories (the building was previously the Trexler family residence before becoming commercial).