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CONDO BULK BUY SUCCESS – SALES RELEASE ALREADY TWO-THIRDS SOLD

Encore Sales Release Now Available at Participating In-City Condominiums

SEATTLE, WA. (November 13, 2009) – Realogics Brokerage, LLC. announced their bulk sales program has already generated 20 home sales out of a 30-unit release at two participating developments: *The Decatur* on First Hill; and *Eleven East Pike* on Capitol Hill. Sales volumes exceed \$5 million. The two projects previously had no sales in 2009.

The firm announced their bulk sales strategy on September 10 as an alternative to condo auctions, which are becoming increasingly common in the marketplace. Their first project, The Decatur was introduced on September 28 with 21 units released and their second project, Eleven Eleven East Pike was introduced on October 11 with 9 units released. The two properties promoted bulk sale pricing that was (up to) 35 percent and 25 percent off previously listed prices, respectively. Realogics sought to accelerate sales in order to meet the November 30 deadline for first time homebuyer tax credits.

“We’re pleased to have helped our clients find their market value while assisting homebuyers purchase in a quick timeframe,” said Sam Cunningham, Managing Broker and Partner of Realogics Brokerage, LLC, who is handling both bulk sales programs. “Our unique approach has resolved a stalemate between buyers and sellers over price - there wasn’t any dialogue (offers) taking place so there weren’t any sales,” he added. “Our success is a win-win for all parties.”

The bulk sales program first offers homes for reservation so buyers can secure an opportunity to purchase - just as soon as the developer authorizes the sales price. As the buyers were aggregated, a volume sales discount was being negotiated with the developer based on the block of sales to be consummated. The price was set and reservation holders were converted to Purchase and Sale Agreements, either for block closings or individually as required.

The creative sales approach was derived to overcome several challenges that are present in the condo marketplace:

- While demand is present, buyers aren’t buying and sellers aren’t selling where there’s a lack of initiative
- Projects require a minimum number of sales before FHA and Fannie Mae mortgage products are available
- Smaller projects require a vehicle to gain attention with small budgets – collaborative marketing is a solution
- A lack of project sales results in lower unit appraisals, which can face more downward pressure from auctions
- Buyers may be concerned to “buy first” in a building that hasn’t (yet) demonstrated market success

“The irony is that homebuyers remain very interested in these projects so it was never a demand issue,” said Cunningham. “They (buyers) just needed an opportunity to start the negotiation process and had to agree on a fair price. And for their part, our sellers needed to mark to market – but were only willing to do so if it resulted in expedited sales.”

Based on the 20 sales to date, Cunningham estimates buyers purchased at prices that were between 25 and 30 percent off previous list prices, depending on the product. The pending block of sales are also helping unit appraisers by using an inter-building value matrix instead of relying solely on surrounding market comps. Third party comps alone may temporarily suppress unit values given the increased activity of condo auctions and short sales within the marketplace.

“Lenders appreciate real-time demonstrations of market demand for their mortgage asset,” said Jeff Bell, a Mortgage Banker and Partner in Cobalt Mortgage, the preferred lender for The Decatur. “Realogics has illustrated that condo auctions aren’t the only way to spur sales: especially for sensitive communities that are partially occupied.”

Cunningham says both The Decatur and Eleven Eleven East Pike now offer an additional block of 30 units for sale as an encore sales release. And while the recent deadline for homebuyer tax credits was deferred (June 30, 2010 instead of November 30, 2009), sellers remain highly motivated to move unsold product today.

“We’re thrilled with the bulk sales results to date and we look forward to more success ahead,” said Joel Ospovat, the Declarant representative for The Decatur Condominiums. “We’re sitting on standing inventory so to maintain our sales momentum we’re happy to offer the best high-rise condo value in the marketplace.”

Development consultant William Justen of The Justen Company said that he watched condo auctions impact market values just as he completed the Eleven Eleven East Pike condominiums last month. His decision to join in a bulk sales release was to shore up his appraisal values while also seeking to comply with mortgage financing guidelines, he said.

“Unit appraisals and mortgage financing can become a major challenge for projects that are just beginning their sales process these days,” said Justen. “The bulk sales approach helped us calibrate our product for the market so we’re now successfully selling.”

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About Realogics, Inc.

Realogics, Inc. is a Seattle-based real estate consultancy, managing member of Realogics Brokerage, LLC. and the creator of Condo Bulk Buy as an accelerated sales division. The group collectively specializes in market research, product development, marketing and sales brokerage solutions for condominiums and mixed-use properties. Realogics has been recognized nationally with more than 100 individual award honors for industry excellence. Visit www.realogics.com.

EDITOR’S NOTE: High-resolution photography available - contact Michelle Poitevin at michelle@realogics.com or by calling 206.448.5752.