

# DAWNTREE



CARROLLTON, TX

Closing Price: **\$19,000,000**

Closing Cap Rate: **6.25%**

Seller: **Prudential**

Units: **400**

## MARKET RESEARCH, NATIONAL EXPOSURE COMBINED TO DRIVE VALUE ON REO APARTMENTS

Marketing a REO property in a distressed Texas market can be a challenge. Buyers are attracted to properties but vacancy, rental concessions, additional construction and available land often cause detrimental “re trading”.

For example, this 400-unit apartment complex located in a North Dallas suburb attracted considerable interest from buyers. However, most wanted significant discounts to market pricing because of the current high concessions status of the property and softness in the surrounding market.

The owner selected Norman Eastwood and Tommy Lovell from the Dallas office to market the property because he was convinced their market research and national marketing system could produce the optimal buyer, and they had a plan to drive the value and increase recovery for the Lender/Owner.

First, the marketing materials and pro forma underwriting were carefully prepared to discuss current market conditions as well as quantify the long-term investment opportunity in the market. The management company was consulted and a plan written to prove the concessions in the market could be reduced. Next, a national marketing campaign was engaged to provide broad access to institutional and private investors.

As a result, 78 confidentiality agreements, 12 on-site showings and 17 offers were generated from qualified investors across the country. The competition created a strong negotiating position for the seller and kept concessions to a minimum.

With this many offers, Norman Eastwood and Tommy Lovell were able to drive the value to far exceed the sellers expectations and reduce the loss on the property far below what our competitors indicated it would be.

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Market Makers for the Nation's Multi-Housing Industry