

Madison at MetroWest—A Case Study

Challenges

Financing—Due to the high percentage of investor purchasers and a high delinquency rate of HOA payments, a 20% down payment was required to purchase at the Madison at MetroWest. The first time homebuyer target market was unable to meet this requirement.

Comps—Short sales and foreclosures within the community were numerous and there were more than 200 listed within 3 miles at Madison at MetroWest as well as in the MetroWest neighborhood. NRTDA worked closely with the developer to price the remaining 98 units accordingly.

Rentals—96% of the 98 remaining homes had renters in place with 6 – 18 month leases.

Strategy

Due to lack of attractive conventional financing, we needed to attract cash buyers. Because the units were rented and the pricing allowed an ROI, investors were the perfect target. NRTDA created a cohesive sales and marketing platform to sell 98 units, pricing our units 30% above the competing short sales and foreclosures. We also provided quick contract response and easy closings; while the process of purchasing one of these competing units was very frustrating and time consuming.

NRTDA partnered with several brokers that marketed the project in Europe and provided cash buyers who recognized the strength of investment at Madison at MetroWest due to price, renters and location (proximity to Universal Studios).

Results

Selling mostly to investors, NRTDA sold out and closed 98 homes in 8 months in 2009. With our centralized sales and marketing process, we achieved sale prices that were 28% higher than the sales of the competing short sales and foreclosures.

NRTDA Sales in Madison at MetroWest (2009): Average Sales Price/SqFt: 1 Bed = \$67.50; 2 Bed = \$63.91 and 3 Bed = \$62.74. Other MetroWest Sales: Average SP/ SqFt: 1 Bed = \$48.40; 2 Bed = \$46.54 and 3 Bed = \$45.23.

Madison at MetroWest is an Orlando, FL conversion project that originally sold at \$200 per/ sq foot in 2006. By 2009, there were 98 units remaining to sell with short sales and foreclosures selling below \$50.00 per sq/ft. NRTDA's cohesive sales effort achieved a 28% higher return over the competing properties.

