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## Auction of 41 Condos Tops \$20M in Sales

By Bob Howard



Grant at Auction

MARINA DEL REY, CA-The auction of 41 units at the Element condominium project by a court-appointed receiver generated sales of more than \$20.5 million and sold all of the units within two hours, according to receiver Taylor B. Grant of California Real Estate Receiverships, which oversaw the auction at a Ritz Carlton Hotel near the Element project site at 4141 Glencoe Ave. The units were auctioned off via a system developed by Los Angeles-based Intellimarket, which employs a simultaneous electronic auction that allows prospective buyers to view the highest

bid that has been submitted on each home or condo unit at one time, rather than one at a time as in a conventional sequential auction.



Element Project

Sales prices were 33% over the opening asking prices, according to Grant, who notes that some 525 bids were received in two hours. "We think the results tend to indicate an emerging rebound of housing in Southern California," Grant observed.

According to Dan Lee of Intellimarket, more than 600 attendees turned out for the auction and the sales prices were "at or above the prices achieved from nearby new construction condominiums that are selling conventionally."

He says that the Element sales worked out to an average of \$415 per square foot, with a maximum of \$563 and a minimum of \$347 per square foot, compared with sales prices in the range of \$390 to \$410 per square foot for most of the local new competition.

Lee notes that "how-to" seminars for prospective bidders were held two weeks in advance of the auction and that Los Angeles Realty, a residential brokerage firm, conducted a 30-day marketing campaign to generate interest in the units before the day of the auction.

The Element condominiums were a project of Irvine-based developer John Laing Homes, which closed on nine of the units before Laing filed for bankruptcy early this year. Grant was then appointed receiver for a consortium of lenders including Bank of America, Bank of the West, First Bank of Tennessee, City National Bank and National City Bank.

According to Grant, the auction also reflects the growing role of court-appointed receiverships as the voice of the lender. A former developer, Grant serves as the receiver for 34 Bank of America projects. On the Element project, for example, Grant engaged the Halifax Group as asset manager to determine the optimum method of disposing of the property.

The Element units sold at an average price of \$501,342, the average minimum bid per unit was \$376,463 and the average unit was bid up \$124,879. The highest price paid was \$805,800 for a 1,560-square-foot condo and the lowest \$428,400 for a 1,030-square foot unit.