



Enclave II Apartments 912 Klotz Road, Bowling Green, Ohio

Challenge

We were hired by the national asset manager of the owner of Enclave II to sell the property. The asset is attractive, quite new (built in 2006) and had occupancy at the time we went to market in excess of 93%. Despite these desirable characteristics, there were several challenges to overcome. The owner decided to aggressively price the property which ultimately caused some possible buyers to pass over the property. The property is located further from campus than some investors in student housing prefer. Bowling Green State University at the time had two new dormitories totaling 1,300 new beds under construction with completion scheduled for the fall of 2011. Enrollment on the main campus where the property is located had declined slightly more than three years. Eventually we also learned that a short sale was required and negotiating those terms between lender and owner was challenging.

Solution

We partnered with CBRE's Student Housing specialty group on the sale of this asset. An attractive, comprehensive Offering Memorandum was used in conjunction with an extensive email campaign sent to local, regional and national buyers who had identified their interest in student housing properties in Ohio and Michigan. The campaign lists were obtained from the Student Housing specialty group's data base as well as from the Private Capital Group's CBRE 360 database. Interested investors were directed to the Private Capital Group's proprietary website to obtain the offering information or to the Student Housing website for the same. Follow up calls to queries at both locations were made.

Results

The sale campaign generated many inquiries and ultimately six offers, all from investors outside of the state of Ohio. When best and final offers were called for, the ultimate buyer raised his offer to an acceptable number although lower than the other competitor. The latter had not visited the property at that point and the former had already done significant due diligence. The owner decided to select the lower bidder based upon his demonstrated interest level. Once decided, the details of the short sale had to be ironed out. The sale was successfully concluded in the beginning of July 2011, in a total of eight months from listing.