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Company of the Month: United Multi Family, founded in 1998, has closed over 400 multi-family properties in Mass., R.I., Conn. and N.H.

June 28, 2012 - Spotlights

Since its inception in 1998, United Multi Family (UMF) has exclusively represented owners in the sale of their multi-family properties. Founded by the company's President Richard Cawley, UMF has closed over 400 transactions with most in the 6 to 60 unit range however the company has closed several 100 plus unit deals and continues to move into this market. For the last ten years Cawley and company vice-president Jason Braun has teamed together to represent owners in the Eastern Mass. and Rhode Island markets. The other markets covered by the company include Connecticut represented by Joe Shertick and Bill Bonfanti, Western Mass. by Jack Creahan and New Hampshire by Dave Lamattina. Collectively the company has 100 plus years of real estate experience including acquisition, management, development, finance and the sale of multi-family properties.

Based on current market conditions we feel that the market is rebounding with a "mini boom" occurring in certain markets. This is due to the limited number of quality buildings available for sale, excessive demand by investors and access to financing at rates of 4% or below. Occupancy and rents of multi-family properties in most markets have increased dramatically which is also fueling the rebound. With the possible expiration of the current capital gains tax rate plus the additional tax included in the health care reform legislation owners could possibly see an almost 60% increase in taxes beginning in 2013. The good news for owners thinking of taking advantage of the current low tax rates is the fact that the market has rebounded and this could be the most opportune time to sell since the last market peak.

Recent closings by UMF include 36 units in Arlington sold by Cawley and Braun for \$5.712 million setting a record high of \$158,000 per unit. A 450 plus unit portfolio currently under agreement in Connecticut and a rebound in the Rhode Island market with several deals closed including 55 units in Exeter and 24 units in North Providence. New deals currently on the market include a 60 unit brick garden style apartment complex built in 1970 located in Brockton, Mass. known as the Claridge Apartments. The property has undergone renovations with rents increased considerably making it an attractive turn-key investment.

Dependant on a seller's needs UMF can provide several marketing alternatives. Typically properties are marketed with a list price however on certain occasions a "call for offers" strategy can be used. With a "call for offers" there is no list price and requires the investor to place their value on the property. Through this we are able to create competitive bidding amongst several investors with the final and best bids due by a specific date. This strategy is commonly used on larger deals or properties in prime areas that also have the potential for redevelopment.

When an owner wants to keep the sale discreet we present it to only the top potential investors through our "off market" strategy. Since we track every sale of apartment buildings in our

marketplace we know the most active and aggressive buyers in the market today. The investors that are presented the offering are asked to quickly determine their interest in making an offer. With a short time frame and the knowledge that there other investors bidding on the same deal there becomes a competitive bidding process. By tracking each and every apartment building sale we are also able to provide you with an up-to-date and accurate valuation based on current market indicators and recent comparable sales.

On deals where the seller wants maximize exposure we are able to do so through direct mail, email and telephone contact to over 10,000 investors registered in our proprietary database. We mail offerings monthly to all of the apartment building owners in the New England states we cover. In addition we email new offerings each week to those registered through our site. Almost 80% of our sales are a result of our weekly and private email blasts. We leverage the internet through our website (www.umf.com) that receives over one million hits monthly. Our state of the art website allows us to create a unique site for your property which includes a detailed financial analysis, rent roll, photo tour as well as aerial and location maps. We also provide additional exposure to millions of investors nationwide through the most popular commercial sites including Loopnet and Costar. Print advertising is done through the New England Real Journal and the more popular regional papers.

After finding the right buyer and lender to finance the deal the way we manage the deal is equally important since it preserves the original agreed upon price with little to no re-negotiation. Prior to showing your property we will determine the buyer's experience and motivation as well as the funds available for the initial investment and means by which the deal will be financed. The initial viewing will include one per unit type and the common areas with showings typically done on weekdays when most tenants are not present. Once it comes time for a buyer to make an offer we use our form since it is designed so the remaining contingencies in the Purchase and Sale Contract are Financing & Clear Title with some buyers having no contingencies at all. All due diligence including inspection and verification of income and expenses are done prior to the Sales contract with the understanding that the deal is being sold in "as is" condition. Once the property is under agreement we will schedule site visits for inspections & appraisal and oversee distribution of the necessary paperwork, coordinate final utility readings and alarm certifications in order for the closing to occur in a timely fashion. If you thinking of selling or buying a multi-family property please feel free to contact us.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540