

**CITY OF MADISON
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Community Development Authority
FROM: Percy Brown, CDA Deputy Executive Director
DATE: February 2, 2012
SUBJECT: Economic Development Status Report for the month of
January 2012

WEST BROADWAY REDEVELOPMENT AREA

Lake Point Condominium Project: Attached please find the real estate marketing and monthly project report.

RESERVOIR AND DUPLEXES

The Reservoir has one vacancy and the Duplex are fully occupied.

MONONA SHORES

The occupancy at Monona Shores increased to 90% in January. The unseasonably good weather brought better than expected foot traffic to the property. Please see attached Monthly Owner's Report for more details.

REVIVAL RIDGE APARTMENTS

Revival Ridge is 100% occupied.

LOAN STATUS REPORT

See attached.

LOAN AND GRANT LOSSES REPORT

See attached.

Percy Brown, Manager
Office of Economic Revitalization

PROJECT REPORT

Prepared for: Community Development Authority of Madison, WI

Prepared by: SPL Beverly, LLC

Date: February 2, 2012

Report #:



February 2, 2012-Lake Point Condominiums Monthly Report

Inventory

6 Townhomes
5 Conversion Unit Apartments

Contracts

1 Conversion Contract
2 Conversion unit prospects
1 townhome prospect

PROJECT OVERVIEW

January's arrival brought with it early positive signs for Lake Point. Historically, the months of January and February offered few signs of buyer life. Showings and/or buyer interest was virtually nonexistent. Weather forced operating expenses north and buyer interest south. 2012 has opened with some buyer interest and minimal snow removal expenses. This is positive news for Lake Point. The foregoing buyer activity has the marketing team optimistic about the 2012-selling season.

On the sales front, the theme remains consistent per the attached Keller Williams marketing report. The primary buyer difficulties remain, property location and the parking limitations. Recently, there was a sexual assault in the area featured in the newspaper. Selling to our strengths and utilizing the Lake Point homeowner community's commitment to the area to sell around location concerns remains our strategy.

Site Work

As 2012 begins, the site and inventory are in solid shape. Two projects are underway.

1) Epoxy injections for the Garden View basement cracks are slated for next week. Zander Solutions will complete the work and offer a 5-year warranty. Upon completion of this work and provided the water flow is corrected, we will paint the floor and wall areas of the basement to offer potential buyers a fresh and revitalized view of a 40+ year old basement area.

2) A safety issue was discovered at Lake Point in the original workmanship. The stairway deck entrance platform to unit 5326 is mysteriously failing to a critical point. The deck structure under the membrane surface has decayed to the point of complete failure. The puzzling feature of this problem is there are no apparent signs of water damage beneath or around the failing deck. The CDA and I have reviewed this condition on several occasions and its failure has accelerated to point of immediate action. Several contractors reviewed the condition and offered opinions and bids for potentially correcting the situation. Not all had experience with that type of decking membrane. Zander has experience and have proven themselves to be a reliable contractor. The difficulty lies in that the potential source of the rotting is hidden from sight. The CDA and I will be on site when the removal portion of their work takes place to ensure we investigate and correct the source of the problem prior to the contractor completing the repair of the deck.

The storm water drainage issue on Garden View Court is a project for late summer 2012. The flooding of two of the Lake Point garages during consistent periods of rain will be reviewed and solutions will be evaluated and vetted during the Spring. To summarize the problem, the street's pitch forces the rainwater to drain into the southern two garages on the west.

Conversion Units

The inventory is in sound shape. Three units remain unfinished.

Townhomes

The inventory is in sound shape. Four units remain unfinished.

Marketing

Motivated by the early activity at Lake Point, the marketing team and I met last week to brainstorm how to generate sales volume in 2012. My direction was to bring forth a marketing BLITZ for Lake Point ready to review and evaluate by the end of February. E mail campaigns, signage, broker open houses simultaneous with incentives and promotions all hitting the public in early March. Any and all ideas will be implemented in our marketing plan to achieve our goal of all Lake Point inventory being sold in 2012.

We are costing and investigating the probability of a successful FHA application and approval. The KW team believes this will be a strong motivator for potential buyers. We need to sell to our strengths and if the possibility of FHA financing creates a sellable advantage and in the marketing team's opinion, it will, its well worth the time and investment required.

KELLER WILLIAMS report is attached.



Lynn Holley Real Estate

Marketing Report

Lake Point Condos

January 2012

MLS Condo Statistics January, 2012- February 1, 2012

E15 Condo MLS Sales January, 2012 (E15 is the MLs geo code for Lake Point area)

- 17 current active listings
- Average list price \$98,688
- No sales this time period

Statistics: Market Statistics

Market Statistics - Market Statistics - Report

Statistics for: Class=CD AND Date Range=01/01/2012-02/29/2012 AND Area=E15; As Of: 2/1/2012

Class	Bedrooms	Current Active	Avg List Price	Avg DOM
All	All	17	\$98,688	79
CD	All	17	\$98,688	79
CD	0-2	9	\$69,266	77
CD	3	8	\$131,787	81
CD	4+	0	\$0	0

Class	Bedrooms	Total Listed	Num Sold	Pct Sold	Avg List Price Held	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Avg List Price Unsold	Pct Expired
All	All	1	0	0.00%	0	0	0	0	0	0
CD	All	1	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	0-2	1	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	3	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%

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East Madison MLS Condo Sales January 2012-February 1, 2012

- 7 Sales
- Average sale price \$118,000 (down 5.6% from 6 months ago)
- 314 currently on the market (down 14% from 6 months ago)
- Average list price \$187,625 (down 6.8% from 6 months ago)

Statistics: Market Statistics

Market Statistics - Market Statistics - Report

Statistics for: Class=CD AND Date Range=01/01/2012-02/29/2012 AND Area=E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16; As Of: 2/1/2012

Class	Bedrooms	Current Active	Avg List Price	Avg DOM
All	All	314	\$187,625	388
CD	All	314	\$187,625	388
CD	0-2	244	\$176,529	414
CD	3	69	\$228,353	296
CD	4+	1	\$84,900	218

Class	Bedrooms	Total Listed	Num Sold	Pct Sold	Avg List Price Held	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Avg List Price Unsold	Pct Expired
All	All	39	7	17.95%	\$127,028	\$118,000	92.89%	158	\$135,208	71.79%
CD	All	39	7	17.95%	\$127,028	\$118,000	92.89%	158	\$135,208	71.79%
CD	0-2	32	5	15.63%	\$141,860	\$131,800	92.91%	195	\$127,577	75.00%
CD	3	7	2	28.57%	\$89,950	\$83,500	92.83%	65	\$164,642	57.14%
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%

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SOLD EAST MADISON CONDOS JANUARY, 2012

Address	Sale Price	Beds	FinSqFt	Condo Fee	Sale Price/FinSqFt	CDOM	Condo Project	Nar	Bedrm	# Full Bath:	Garage
702 Herndon Dr	\$99,000	2	1480	180	\$66.89	172	Alta Green	M		2	2 spaces under
1506 Wheeler Rd	\$110,000	2	1500	261	\$73.33	317	Cherokee Garden	M		2	2 spaces under
3 EAGLE SUMMIT CT	\$123,000	3	1770	90	\$69.49	118	Yesterday Drive	U		2	2 car garage
1532 Langley Ln	\$140,000	2	1523	225	\$91.92	137	Westminster Cour	M		2	2 spaces under
5318 CONGRESS AVE	\$140,000	2	1652	160	\$84.75	526	STONERIDGE POIN	M		2	2 spaces under
5 CHEROKEE CIR	\$170,000	2	1717	265	\$99.01	302	CHEROKEE CONDC	M		2	3 spaces under

Lake Point Townhomes (FOR COMPARISON)

List Price	\$129,900-\$139,900										
		3	1610	125	\$80.68		Lake Point	U		1.5	1 car garage
					per sf list price						

West Madison MLS Condo Sales January, 2012-February 1, 2012

- 24 Sales
- Average sale price \$178,158 (down 15% from 6 months ago)
- 602 currently on the market (down 20.4% from 6 months ago)
- Average list price \$233,996 (down 3% from 6 months ago)

Market Statistics All MLS										
Statistics for: Class=CD AND Date Range=01/01/2012-02/29/2012 AND Area=W01, W02, W03, W04, W05, W06, W07, W08, W09, W10, W11, W12, W13, W14, W15, W16, W17, W18, W19; As Of: 2/1/2012										
Class	Bedrooms		Current Active		Avg List Price		Avg DOM			
All	All		602		\$233,996		267			
CD	All		602		\$233,996		267			
CD	0-2		443		\$217,852		258			
CD	3		150		\$272,072		296			
CD	4+		9		\$394,044		208			

Class	Bedrooms	Total Listed	Num Sold	Pct Sold	Avg List Price	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Avg List Price Unsold	Pct Expired
All	All	98	24	24.49%	\$188,258	\$178,158	94.64%	257	\$245,277	68.37%
CD	All	98	24	24.49%	\$188,258	\$178,158	94.64%	257	\$245,277	68.37%
CD	0-2	69	19	27.54%	\$172,121	\$162,205	94.24%	241	\$221,324	68.12%
CD	3	28	4	14.29%	\$218,225	\$207,250	94.97%	120	\$305,728	71.43%
CD	4+	1	1	100.00%	\$375,000	\$364,900	97.31%	172	\$0	0.00%

NARROWING IT DOWN

East Madison Condo Sales 1400-1800 SF January, 2012

- 6 Sales (see attached detail on 6 sold)
- Average sale price \$130,333
- 66 Currently on the market
- Average list price \$188,821

Market Statistics All MLS										
Statistics for: Class=CD AND Date Range=01/01/2012-02/29/2012 AND Area=E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16 AND FinExpSqFt=1400-1800; As Of: 2/1/2012										
Class	Bedrooms		Current Active		Avg List Price		Avg DOM			
All	All		66		\$188,821		292			
CD	All		66		\$188,821		292			
CD	0-2		40		\$221,771		373			
CD	3		25		\$140,260		165			
CD	4+		1		\$84,900		218			

Class	Bedrooms	Total Listed	Num Sold	Pct Sold	Avg List Price	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Avg List Price Unsold	Pct Expired
All	All	12	6	50.00%	\$139,716	\$130,333	93.28%	182	\$157,100	41.67%
CD	All	12	6	50.00%	\$139,716	\$130,333	93.28%	182	\$157,100	41.67%
CD	0-2	8	5	62.50%	\$141,860	\$131,800	92.91%	195	\$144,900	25.00%
CD	3	4	1	25.00%	\$129,000	\$123,000	95.35%	118	\$165,233	75.00%
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%

East Madison Condo Sales up to 700 sf

- No sales
- 16 currently on the market
- Average list price \$91,843

Market Statistics All MLS										
Statistics for Class=CD AND Date Range=01/01/2012-02/29/2012 AND Area=EE1, EE2, EE3, EE4, EE5, EE6, EE7, EE8, EE9, EE10, EE11, EE12, EE13, EE14, EE15, EE16 AND FinExpSqFt<700; As Of: 2/2/2012										
Class	Bedrooms	Current Active	Avg List Price	Avg DOM						
All	All	16	\$91,843	275						
CD	All	16	\$91,843	275						
CD	0-2	16	\$91,843	275						
CD	3	0	\$0	0						
CD	4+	0	\$0	0						

Class	Bedrooms	Total Listed	Now Sold	Pct Sold	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Avg List Price Unsold	Pct Expired
All	All	3	0	0.00%	0	0	0.00%	0	0	0.00%
CD	All	3	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	0-2	3	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	3	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%

Open Houses, Showings and Closings in January

No Open Houses due to weather and prior lack of showings. However, Open Houses will resume in February.

January Showings:

Garden View

1/19 5335 Garden View Dasha Shy

Buyer likes the location and the finishes. I think we will be coming back for a second showing on Sunday. Note: Clients came back on Sunday with parent. Parent does not like the location and parking situation is going to eliminate them.

1/21 5335 Garden View Holly Lutz

Thank you for letting us view your listing. My buyer actually found another property on the Eastside that he is interested in. Thanks

1/28 5335 Garden View Christine Rader

Thanks for the showing. It's a great property -- love the options. However, my client has only just started looking and figuring out what exactly she likes and dislikes. The lack of laundry in the unit and no central air were the primary reasons for her not being interested. I do appreciate you giving us the opportunity to see it. I'll definitely keep it in mind.

1/30 5335 Garden View Devery Cash

2 Professionals, have to have 2 places to park, overall too small. No further interest.

Conservation Townhomes

1/7 1811 Conservation Randy Aschbrenner

2nd Showing for Randy, clients want Lake Point, working through lending issues. Agent has shown twice to client. Note: lender requested Condo Questionnaire, Steve completed and we have forwarded to their lender

1/7 1811 Conservation Diane Holmes

thanks for the showing.. buyers are still looking and haven't decided on area yet !

1/10 1811 Conservation Lynn Holley

Overall the client liked it, it is a consideration – however, in no specific hurry. Will consider along with other options they have seen.

1/15 1805 Conservation Chris Venden

Buyers really love the condo. They lived in Madison for a few years, and moved to Milw. to go to school, and are planning to move back to Madison in August, if not sooner. They would be interested in knowing more about the down payment assistance options/programs, and how many of the units are sold. Thank you, Chris Note: All down payment assistance has been provided to Chris.

1/30 1811 Conservation Devery Cash

Very complimentary of the units and really liked them. 2 car family – professional, does not like the parking situation. May not be approved for this high of a price. (Dr and Dentist – but huge student loan debt), just starting with a lender.

1/31 1811 Conservation Crystal Schliefer

Feedback not received as of this time.



Representative Report of Hit Counts from Trulia Marketing in January, 2012

Reporting Details [← back](#)

5369 Garden View Court, Madison WI

Print

Send Client Listing Reports

Summary Week of Jan 29, 2012 - Feb 1, 2012 [↕ Change week or filter](#)

Leads **0** 0%
 Search Results Views **163** -30% [↕](#)
 Property Detail Views **1** -60% [↕](#)

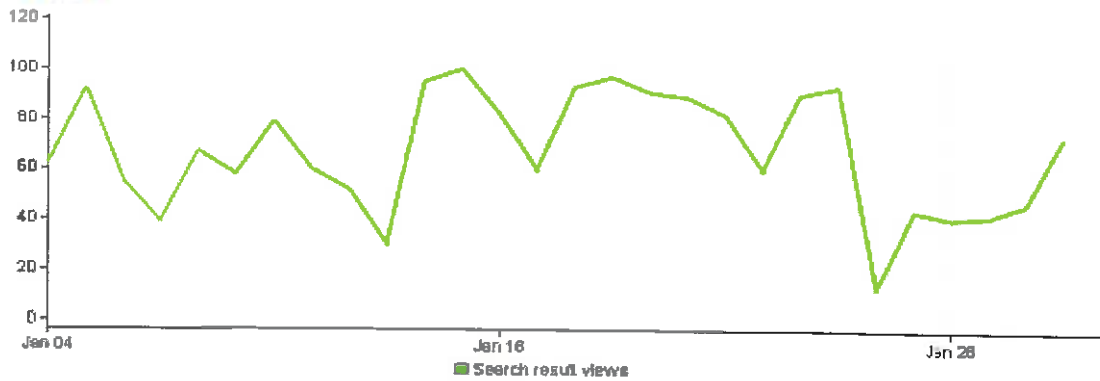
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Weekly Stats Comparison

Report Week	Leads	Search Results Views	Property Detail Views
JAN 29, 2012 - FEB 01, 2012	0	163	1
JAN 22, 2012 - JAN 28, 2012	0	423	14
JAN 15, 2012 - JAN 21, 2012	0	612	3
JAN 08, 2012 - JAN 14, 2012	0	441	13
TOTAL LIFETIME	0	10,020	112

Client Listing Reports

Sent To Sent on Frequency

No client listing reports have been scheduled for your listings.

These are good numbers!

MLS Hit Counts in January 2012

Agent hit counts

Garden View (representative #) 50 on average

Townhome (representative #) 54 on average

Buyer hit counts

Garden View (representative #) 35 on average

Townhome (representative #) 40 on average

Monthly Owner's Report for the Month of January 2012
The New Monona Shores Apartment Homes

Operations and Marketing:

Occupancy:

Occupancy increased in January to 90%. We closed out with 10 vacancies and 94 occupied apartments, of which 3 were market rate and 7 were affordable units. There are currently two approved applicants and one pending application.

During the month of January, 3 applicants were denied housing, and 2 canceled due to life changes.

There are three scheduled move-outs, one of which is a transfer on site.

Resident Functions:

Nothing new to report.

New Resident Services:

We've extended the Referral Reward Program and we plan to run the below incentives through March 31, 2012.

First Referral:	\$200	Second Referral:	\$300
Third Referral:	\$400	Fourth Referral:	Flat screen TV

Cost/Time Savings Ideas:

The staff is always looking for new ways to be more efficient by saving money in operating costs, but at the same time, maintaining the property. For example, staff frequently bids out goods and services, finding vendors willing to reduce or keep costs the same.

Our long term maintenance technician has consistently saved the property significant cash outlays by completing projects and day-to-day maintenance in house. Noteworthy are his skills in repairing appliances and HVAC systems and components.

Street Rent Changes:

Applicants who lease are being given a \$500 rent credit to be used anytime throughout their tenancy. This equates to an approximate savings of \$42/month on a 12 month lease. Again, this has been extended through March 31, 2012.

Street rents have not increased.

Capital Improvements:

One stove was replaced during the month of January. A reserve request was approved in January and we expect payment in February.

Security/Crime Incidents:

Nothing major to report.

Marketing:

Web site advertising continues to be the number one source of traffic. Following in a close second is drive by traffic. Even during the cold months, the property consistently has great curb appeal. The office continues to be open with regular office hours Mon. – Fri. and staff is also available during weekend hours by appointment.

Mailings still go out to new Chamber of Commerce members. The property is a member of both Monona and Madison Chamber of Commerce.

Staff continues to make contact with past “model” residents, who might consider moving back.

We also continue to work closely with the Road Home, formerly Interfaith Hospitality Network, to house families that are participating in one of their many programs offered to homeless families. The key factor in the success has been the case management. Because of these outreach efforts, one unit was leased in November and that particular family is working out extremely well.

The Monona Senior Center Director has been invited to take a tour of the property.

Staff continues to regularly check Craig’s List and follow up on people who list their needs when searching for housing. This generates some traffic for the site. It also generates a lot of junk mail.

Staff is still offering flexible leases with new move-ins and renewals.

Local Market Conditions:

Nothing new to report.

Local Development:

Nothing new to report.

60 day Objectives

- The main focus for the staff remains obtaining rentals and increasing occupancy with qualified individuals. The goal for the first quarter continues to be 95%. Providing we can qualify potential renters, the staff should be able to gain some momentum and increase occupancy. Fortunately, the unseasonably good weather brought some traffic to the property. Unfortunately, three more households were denied housing, mainly due to unacceptable housing and credit.
- The 2012 budget was reviewed and is pending staff approval.
- We continue to stay up-to-date with HUD changes that are applicable to the AHTC program and comply with any necessary form revisions and compliance procedures. New rent and income limits were effective January 1, 2012.
- The annual auditor will remain the same this year and the audit is scheduled tentatively for March 1, 2012.

Maintenance:

- Resident work orders continue to be completed within 24 hours, unless of course there is an emergency situation or a part that needs to be ordered.
- Vacant units are in rent ready condition.
- Winter preventive maintenance has need completed.
- Staff will begin spring project planning and bidding out contracts.

Personnel:

Our new part time administrative assistant/leasing agent is still in the training process and everything is going quite well. She is acclimating to the property and getting to know the residents.

We also have a new resident who replaced our common area cleaning person's position. He is on temporary status until we determine whether we want to contract the cleaning out or complete in-house with our personnel.

Other Misc. Administration:

The first half of the tax payment was made in January.

Year end reports are being finalized and sent to partners.

CDA Loan and Grant Losses Report for the Month of January 2012

Loan & Grant Programs	In Default			Delinquent			Judgement			In Negotiation			In Bankruptcy			In Foreclosure			Written Off			Comment	
	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount		
Rehabilitation	2		\$48,400													3	0.01	\$47,550					
Down Payment Assistance	1		\$6,200													3	0.01	\$12,500	1			\$3,100	Drescher
Capital Revolving Fund																							
Façade Improvement																							
TOTAL	3		\$54,600	0		\$0	0		\$0	0		\$0	0		\$0	6	0.01	\$60,050	1	0		\$3,100	