

## October 2, 2009 Update for Lake Point Condominiums

Overall status: Fair

Market Status: Poor

MARKET DATA: For the entire East Side of Madison, 26 units under 90K, 2 bdrm, 16 of the 26 are Lake Point. Note, all units except for 1 are at least 200 sq ft bigger than Lake Point and all but 1 are at least \$14K more.

There are 4 currently with offers, all are at least 300 sq ft larger, 1 - \$5K more, 3 - \$25K more

Solds in last 6 months

16 total - 4 within \$10K, (1 was the Lake Point Sale), all other 200 - 400 sq ft larger

11 from \$12K - \$31K greater in price, all 300 - 600 sq ft larger

Lake Point Inventory- 9 townhomes and 16 conversion (Garden View) units.

### Traffic Overview

Keller Williams, the new marketing team, took control this month of the marketing effort, and are aggressively in pursuit of prospects. Open house activity in September was somewhat slow, but we are working with several interested parties. Several co-broke showings have generated some interest as well.

### Contracts

One contract for a Garden View unit.

No other offers have been submitted.

Schedule item	Item Owner	Plan date	Actual or scheduled	Comments
Owner Punch Lists	Receiver		7/29/09	This work is about complete with a few items remaining to coordinate with owners and some issues beyond the scope of our punch list view.
Inventory Completion	Receiver		10/30/09	Two Garden View units and one townhouse are being completed.

### Detail

Lake Point Owners Association Meeting is scheduled for the 12<sup>th</sup> of October.

The Lake Point Condominium Documents have been reviewed and the omission of rules and regulations is a shortcoming. We will be introducing the rules and regulations for Lake Point at the owner's meeting. Rules and regulations are an essential amendment for long term control. The original developer set up the project for the

heat in the Garden View units to be paid by the Association. This is not equitable for all owners and will be discussed at the owner's meeting on the 12<sup>th</sup> of this month.

Operational budget is relatively on target, but the absence of townhome sales is damaging the revenue side of the budget. Construction

Overall operational and property management practices have been reviewed and a number of ideas will be introduced at the owner's meeting. Better site service can be created with some innovative changes. Liability issues will be the challenge in that process.

Abandoned cars are being ticketed to gain permission to tow.

Townhome sales were predicted, the revenue side is lagging behind the estimate. I'm encouraged by the early report from Keller Williams and believe we can procure townhome buyers. Price reduction may be necessary as the 150,000 range is not present in the area. Given the one car parking and location concerns, the single buyer with one car is our target, so we'll have to be aggressive when that buyer appears.

## **Marketing**

Parking review and idea generation has been in full swing since discussions at the last CDA meeting. Several spaces can be created by investing funds into a reconfiguring of the center island landscape. This may be a great benefit to the existing Lake Point Owners for visitor parking, but generally, based on the information from the marketing resource, the potential buyers are seeking enclosed garage parking. There are two concepts I am reviewing to potentially expand the dedicated parking, some enclosed. Feasibility and cost analysis may follow if the concept seems to work.

Sales have slowed generally, but it appears prospects are being cultivated, despite heading toward the slower winter season.

As previously stated, Anchor Bank's capacity for this type of condominium loan is limited. Lenders are being recruited to get involved at Lake Point. One prospect with a credit score of 670 was turned down and unfortunately has an income level greater than the limit for down payment assistance programs.

The Lake Point website has been up and links will be transferred to Keller (<http://lakepointcondos.com>). This site is owned and controlled by the development. Keller Williams is spearheading some creative changes to the site.

Neighborhood and parking concerns are the most prevalent buyer objections. Several of the current resident owners have offered to explain the neighborhood condition to interested buyers in an attempt to diffuse that objection. Parking is a buyer and existing owner concern we must continue to work on.