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Highly-Distressed Multifamily Fetches \$3M at Auction

By *Jennifer LeClaire*



The multifamily asset offers 176 units in Pinellas Park, the most densely populated county in Florida.

TAMPA, FL—In a highly-distressed deal, Woodlawn Park just traded hands for a mere \$2.8 million. That represents \$15,727 per unit and \$20.20 per square foot.

Darron Kattan, Robert Goldfinger, and Kevin Kelleher, all of Franklin Street, represented both parties in the bankruptcy auction sale. The buyer was a private local investor. Franklin Street estimates the replacement cost at \$75 a foot.

“The transaction was difficult because it was a complex bankruptcy sale,” Kelleher tells GlobeSt.com. “The successful buyer was selected through an auction held at the bankruptcy court.”

Specifically, the multifamily asset was overleveraged, undercapitalized, and literally out of money to support its operations. The buyer actually had to front money to keep on the utilities before they closed on the deal.

“It took approximately six months to work through the sale process,” Kelleher says. Franklin Street brokers described the real estate as having good intrinsic value—but capital expenditures are required to get the multifamily property 100% lease-ready because of its highly-distressed state.

“The biggest issue was the plumbing,” Kelleher says. “There were main sewer line issues that would create back-up in units. The roofs were also very old and needed replaced. Overall, the property was starved for capital and needed a lot of attention.”

Built in 1950, Woodlawn Park is located at 1626 18th Avenue N, St. Petersburg, Fla. The multifamily asset offers 176 units in Pinellas Park, the most densely populated county in Florida. It sits on about 14 acres and is built of concrete block with stucco exterior walls.

"A major component to this sale was that it is approximately 15 acres of land in Pinellas County," Kelleher says. "Being that Pinellas County is the densest in Florida, we believe the future value will be driven by redevelopment."