

Land Assembly for Redevelopment

Three Factors That Influence Success

Acquiring abandoned property for redevelopment in distressed markets is challenging, complex and time-consuming. However, it ultimately comes down to three factors.....

Greed.....Leverage.....Process.

Greed – Understanding the self-interest of those who have an ownership interest.

- Individual owners
- Spouses, children and grandchildren of owners
- Corporations, partners, investors
- Lenders who have a mortgage on the property

What value have they placed on the property? Do they have unrealistic expectations? Are they aware of redevelopment plans for the area? How long have they held the property? Do they see the property as a liability, and are anxious to get out from under it? Or, are they comfortable sitting on the property and waiting for the right offer? What would it take to motivate them?

Leverage – Understanding the leverage you have, or can obtain.

- Code enforcement, threat of condemnation or demolition
- Tax foreclosure
- Eminent domain and “spot” eminent domain
- Receivership
- Angry or frustrated neighborhood residents
- Appraisal or other evidence of market value

Investigate both the property and the owner. Is the property vacant? How long has it been vacant? Has the owner stopped paying taxes? Does the property present a health and safety hazard to neighbors? Is the City willing to hold the owner accountable for its condition? Is the County willing to pursue tax foreclosure?

Process – Your understanding of, and your ability to sheppard a deal through, the real estate acquisition process in your city or county.

- Reading and understanding title reports
- Title defects and clearing title
- Drafting & negotiating purchase agreements
- Financing & loan closing
- Liability and casualty insurance
- Escrow & closing

Build relationships with professionals and service providers you can work with as needed: attorney, appraiser, realtor, lender, insurance agent, title company.