



VELOCITY

RESULTS IN REAL ESTATE

# CASE STUDY

## THE COMBINED AUCTION-CONVENTIONAL MARKETING CAMPAIGN



### THE SITUATION

Skyline at Station Landing is a 127 unit, 12 story condominium building being developed in Medford, MA that is part of a larger mixed-use, transit oriented development known as Station Landing. The Collaborative Companies (an affiliate of Velocity Marketing) commenced marketing for the development on a pre-construction basis in July 2005. The design quality of the building and units, the level of unit finishes, as well as project and building amenities positioned the development as the clear price point leader for all residential condominium properties within Skyline's geographic market (inner suburbs north of Boston).

- 32 units put under contract in 2005 & 2006 at an average price of \$513,000 (\$509 PSF)
- Only 6 additional units put under contract thru August 2007

### THE STRATEGY

- An auction marketing program was launched on October 11th with a November 11th auction date
- Promotion and Media Plan included newspaper advertising, on-line advertising, banners, television, handouts, mass transit advertising and email blasts
- 30 units listed for sale in the auction inventory, representing a cross section of remaining unit types by style, price, view profile and floor level
- Units had published minimum bids approximately 35% lower than previously published prices
- Auction inventory reduced to 17 units based on the number of anticipated registered bidders
- Purpose of inventory reduction was to maximize price levels at auction so that the proceeds to developer were maximized on a long term basis. There would be 70+ units remaining to be sold after auction day

### THE OUTCOME

- All 17 units listed on auction day were sold at an average price of \$378,000 per unit (73% of previous asking prices)
- New pricing post-auction was established at prices 5%-10% higher than auction prices
- There have been 78 post-auction sales at the property at an average price of \$431,000
- \$48 million in total sales since advent of auction-conventional program
- 95 sales at the property in 12 months (8 sales per month absorption vs. the 3/4 unit per month absorption for the 8 month period prior to the auction)

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