

Real Estate Sales to Non-Profit & Bulk Buyers

DEPARTMENT OF CITY DEVELOPMENT

REAL ESTATE

City Real Estate: In Rem* Sales Summary

PROPERTIES

- Residential
- Commercial
- Vacant Land

BUYERS

- Owner occupant
- Investor
- Non-profit/CBO

*In Rem legal actions are filed against a thing (in this case, a property), whereas In Personam actions are filed against a person

In Rem Acquisition Details:

- In Rem files grouped together – called In Rem lists or files
- Approximately 4 to 5 lists per year
- 100-250 properties acquired* per list
- As of October 31, 2016: 814 parcels acquired in 2016**
- Next scheduled foreclosure court date: December 12, 2016

*Pre-foreclosure lists include some properties that the City does not end up acquiring

**The 2015-5 list (220) was acquired after January 1, 2016 and *is included* in this total

Current Sale Process Summary

Exterior
Inspection



Interior
Inspection



Scope &
Pricing



Neighborhood
Property
Disposition Report

Sale Methods:

- Current Listing (City Direct – 30 Days)
- Resident Preference Letter (City Direct – 30 Days)
- Extended Listing (City Direct – Owner Occupant or Investor)
- Broker Listing
- **Non-profit/CBO**
- **Bulk Buyers**
- **Special Projects** (Some examples include: Lease to Own, RICH Program, Challenge Fund, Century City Homes)

Non-profit/CBO Purchase Program:

Occupancy of Property:

Vacant → Eligible for Program

Occupied → Not Eligible

City List Price Consideration:

Less than \$25,000 → Eligible for Program

More than \$25,000 → Not Eligible for Program



Bulk Buyer Sale Program

Occupancy of Property:

Vacant → Eligible for Program

Occupied → Not Eligible

City List Price Consideration:

Less than \$25,000 → Eligible for Program

More than \$25,000 → Not Eligible for Program



Unique Sale Initiatives/Special Projects

Internal or external group requests a list

DCD In Rem Disposition Manager supplies a list

DCD may contact Alderperson about potential project

Group confirms project status and addresses desired

DCD Contacts Alderperson for support if needed*

*Approval of sale type may be already on file from the Neighborhood Property Disposition Report

Buyers Can:

RENOVATE AND SELL TO AN
OWNER OCCUPANT BUYER

RENOVATE AND HOLD AS AN
INVESTMENT PROPERTY

Buyers Must:

- RENOVATE
- PULL & CLOSE PERMITS
- OBTAIN CERTIFICATE OF CODE COMPLIANCE

Non-profit/CBO & Bulk Offer Review:

Property Evaluation:

- Eligibility for the non-profit/CBO or bulk buyer purchase program

Buyer Evaluation:

- Have housing rehabilitation experience
- Been in operation for at least 12 months
- Provide verification of 501c3 status and articles of incorporation
- Provide timetable for completion of renovation work
- Provide proof of financing for rehabilitation
- Provide letter stating intent for property
- Pass standard buyer policy check (304-4-9)