

BROKERAGE (SALES) CASE STUDY ESTATE BENEFITS

The McCurdy Estate Challenge

The beneficiaries of this Estate faced something of a dilemma: seven individuals were members of the same family, the rights of the remaining beneficiary, had been entrusted to a Trust Company. The market for residential real estate was “hot”: it was the optimum time to sell. But which part of the 400 acres should be sold first, at what price ... and which method of disposal would generate the highest value? The “family” were anxious to proceed before the market went off the boil; however protocol demanded that the Trust Company utilise a formal step by step approach. The McCurdy Estate turned to NAI Turner Drake for advice.

NAI Turner Drake’s Approach

NAI Turner Drake were familiar with the property; their Valuation Division had valued the land thirteen years ago. Zoning restrictions prevented much of the property from being developed in the short term, and none of it was serviced by city sewer and water. One 5.7 acre parcel had frontage to Halifax’s spectacular North West Arm, a treasure whose waters laugh and dance their way into the heart of the city. NAI Turner Drake identified this parcel as the jewel in the crown and recommended that it be marketed first. Since any development had to be serviced with on-site sewer and water, determining the number of residential lots that would be approved by Halifax Regional Municipality in advance of any subdivision, was problematic. NAI Turner Drake’s Brokerage Division therefore recommended the use of a quasi-tender approach in which offers would be invited in excess of a minimum published price by an offer closing date. The wisdom of this approach was confirmed when the two independent appraisals commissioned by the Trust Company initially produced widely differing estimates of the property’s value. In order to take as much risk out of the transaction for the purchaser as possible, and to encourage them to tender their best bid, NAI Turner Drake’s Brokerage Division carefully prepared a comprehensive Master Sales Prospectus detailing the physical, fiscal and legal attributes of the property. They then exposed the property to the market using a target list of prospective purchasers, on-site signage, circulation to the brokerage community, positioning on NAI Turner Drake’s website, and newspaper advertising.

Winning Results

Within 60 days of commencing the tender process for the Estate, NAI Turner Drake were able to secure seven offers for the property ... two of which being well in excess of the higher appraisal commissioned by the Trust Company.

