

BROKERAGE (SALES) CASE STUDY HAIR SALON TO CIDERY

Fred's Challenge

Home to "Fred" a high end hair salon and coffee bar, this former bank building is located on the main approach to the MacDonald Bridge which links Halifax and Dartmouth. It is situated on a prominent corner in Halifax's groovy north end (our head office is close by ... what more can we say). The owner, Fred Connors, community activist and trend setter, had purchased the property with his long time partner Joel Flewelling in the fall of 2003 after Hurricane Juan had torn the city apart and with it their downtown business. Fred contributed to the local ambience that saw the neighbourhood transition from seedy to sexy with a funky vibe. The owners wanted to see their building continue to contribute to that transition. They turned to Turner Drake for help.

Turner Drake's Approach

The property was located on a prominent corner and had been upgraded since its days as a banking hall. The owners wanted to capitalise on their investment while finding a use that would be compatible with the neighbourhood. They were sensitive too that a "for sale" sign might send the wrong message ... this was their community and they had been a pivotal part of its renaissance. They wanted to retain a business presence in the neighbourhood but their salon had also expanded to New York so they preferred to liquidate their investment rather than entertain a vendor take back mortgage. There were some challenges with the property: the building occupied almost all of the lot so there was no onsite parking or loading. Our Brokerage Division rolled up its collective sleeves and went to work. They undertook a detailed inspection of the property, gathered information on every stick and brick, legal and fiscal attribute, and compiled it into a Master Sales Prospectus. They scoured our database of prospective purchasers and circulated details to the target market. In order to give the property the widest exposure our Brokerage Division established a co-broker network and exposed the property to the local brokerage community. Our unique Listing Agreement is structured to encourage offers from other brokers by rendering the sales compensation "broker neutral" i.e. our commission on sale is identical whether we sell the property in-house or with the aid of another broker. There is therefore no temptation for us to "double end" the commission nor will we engage in "transaction brokerage". We focus solely on one objective: sell the property at a price and within the time frame that best fits the vendor's objectives.

Winning Results

We located a tenant, a young couple whose use as a cidery would contribute to the ambience of the area. However the vendors preferred to liquidate their holdings to invest in their business rather than provide a purchase option or vendor take back mortgage. Working with another commercial broker we secured an investor, a colourful character who owns a vineyard in Nova Scotia's Annapolis Valley. He purchased the property and leased it to the cidery tenant. All that was left was to provide the cheese.

