



## St. Pete Condos Fly at Recent Auction

[Featured Content](#) Mar 26, 2010

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St. Petersburg, Fla.—Florida has been a poster child for an anemic residential property market for some time now, but that didn't stop buyers from snapping up 51 units of the Signature Place condo development in St. Petersburg all at once earlier this month. It took less than two hours at an auction for the units to sell, priced from \$199,000 to \$742,000, which represented 25 percent to 50 percent discounts compared with original asking prices. Also, nearly 30 more units have sold since the auction.

“We created a way in the market that can actually determine value,” Jon Gollinger, east coast CEO and co-founder of Boston-based Accelerated Marketing Partners (AMP), which arranged the auction on behalf of lender Fifth Third Bank, tells *MHN*. “If we have a good product, which we did in St. Petersburg, and pent-up demand, we can create the competition by starting at price points that were laughably low.”

But that wasn't the only component to the auctioneer's strategy. He enlisted Mary Cook & Associates — who has done this before for Accelerated — to design three new model residences in under two weeks that would help potential auction buyers visualize units at Signature Place, and thus motivate sales. Gollinger also conducted a practice auction to educate prospective buyers about the process, and brought in an on-site sales staff specializing in auctions in the weeks leading up to the event.

About 3,000 potential buyers toured the property in the weeks before the auction, and 250 of them ponied up the \$7,500 deposit necessary to be a part of the bidding.

“When we find a product that has been properly designed, and is in a good location, we've seen consistent results in the last 40 auctions that we've done,” Gollinger says. “But we hit this one out of the ballpark.”

The sale might have had a little help from the fact that buyers are now back in the market for condos in Florida, spurred by lower prices, low interest rates, and the federal homebuyer tax credit. According to Florida Realtors, 5,085 condo units sold statewide in February 2010, compared with 3,190 statewide in the same month in 2009.

Yet such a trend in condo sales might not have been enough to inspire many sales at an upscale property like Signature Place. The median condo price in Florida in February 2010, after all, was only \$92,200. Though prices had been lowered at Signature Place by developer Joel Cantor in the months before the auction, only 100 of the 242 units had sold. That wasn't enough for the lender Fifth Third Bank, which wanted the auction to proceed.

“Conventional marketing is just too slow in this market for this property,” asserts Gollinger. “What we created was a critical mass of sales at the highest possible price point.”