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Silverman's \$17M Buys 72 Units

By Amy Wolff Sorter

SCOTTSDALE, AZ-After two years of market due diligence, Silverman Cos. made its move, buying 72 units from the 85-unit Mark condominium development. The Detroit-based company paid \$17.3 million to Toll Bros. AZ with plans to reposition and re-sell them.

Along with the all-cash deal for the units at 6803 E. Main St. Silverman Cos. received an adjacent 3.4 acres that has been approved for 64 townhomes. Nathan & Associates Inc. brokered the transaction.

According to company head Gilbert "Buzz" Silverman, the company has been interested in Scottsdale infill investments for awhile, with the Mark providing the first right opportunity. Silverman, who has worked with Toll Bros. over the years, says the opportunity came along, and he jumped at it.

"We're repositioning, which is a specialty in our company," he tells GlobeSt.com. "We like to take a fresh look at the market." With the Mark, Silverman Cos. has already struck a deal with the adjacent Hotel Valley Ho so residents can use the hotel's amenities which include a pool and spa, a fitness center, business center and use of other hotel amenities.

The result has been very positive for Silverman Cos. "We closed on this acquisition two weeks ago and have for sales to date, in two weeks, with no marketing," Silverman says. "That was our goal for year-end."

Silverman believes the success is due, in part, to the Toll Bros.' design. The pricing doesn't hurt, either. Silverman says the average resale for condominiums in Scottsdale is \$307 per square foot. The ask on the Mark units is between \$260 and \$280 per square foot. The one-, two- and three-bedroom units range in size from 1,114 square feet to 3,606 square feet.

In the meantime, Silverman wants more. He says he'll take a look at almost anything with value-add potential, is interested in working with lenders and owners that might need a little help, and has a couple of other potential acquisitions in the pipeline.

"We've targeted the Scottsdale market for infill opportunities to help our company's expansion," he adds. "We're turnaround specialists and we have everything on our staff from legal and architectural advisors to market advisors."

