



CARWIN ADVISORS

Success Story

The Situation: When a national homebuilder ceased operations, our client (a large national bank) foreclosed on several properties across 5 major markets in the Southeast and Southwest U.S. Each property had its own set of unique issues which needed to be addressed locally and with a hands-on approach. Most of the developments were in various stages of neglect and deterioration and needed immediate attention as well as long-term management attention. Portions of land that had positive resale values were being devalued due to negative issues tied to the overall situation.

The Objective: To provide strategic advisory services and perform local operational duties to assess damages, finish development, manage the completion of vertical work-in-process, and act as a liaison between the lender and local governments, vendors, and homeowners.

Our Process: Led by Carwin's senior advisors with residential, financial, and land development experience our team divided the tasks into 3 stages: (1) Stabilization, (2) Repositioning and (3) Operational Execution. Before the work began we developed a detailed and comprehensive recovery plan for each asset. This plan produced a variety of execution options and predicted outcomes for various tactics. Once a direction was set, Carwin Advisory and Operational teams were set in-place to handle local issues as well as large macro issues. The following are the execution initiatives:

- 1. Stabilization:** Carwin resolved issues between local governments, lowered fines, negotiated payment extensions and lowered fees due to local vendors on behalf of the client, resulting in major cost savings and improved value of properties.
- 2. Repositioning:** We identified 'liquid' and attractive assets that would be most appealing for sale to other developers and home buyers. By resolving entitlement, development and marketing issues, we provided greater certainty and simplicity for buyers, thereby "cleaning up" the assets and positioning them for maximum sales price. We also began marketing assets for sale to developers, home buyers, and other investors. Our strategy was based around selling as large and as few transactions as logical and to create the most value.
- 3. Operational:** We negotiated transactions and ensured they closed by proactively working with buyer and seller to resolve issues that routinely arise in distressed situations.

Results: Simply put, our client generated greater cash proceeds than originally expected, within an accelerated timeframe. Timely execution allowed the lender to recover as much value as possible. All the while, Carwin retained multiple exit options and foresaw risks that we quickly moved to mitigate. The client was able to tap Carwin's seasoned operational expertise without high salary and overhead costs and focus on their business, while Carwin handled this short-term, complex and costly problem.

QUOTE FROM CLIENT:

"Carwin understands our business, our needs and our values. In today's dynamic world of real estate, they are unmatched for their capabilities, client focus and integrity."

– Amie Romero, BBVA Compass

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