

## Area soon will be seeing a flurry of condo auctions

■ From Midtown to Galveston, plenty for sale

By **KATHERINE FESER**  
HOUSTON CHRONICLE

Several Houston-area condo projects will hit the block in auction sales over the next few weeks.

Developers of The Edge condominiums in Midtown will offer 27 units on Aug. 29, to shed remaining inventory.

Kennedy Wilson will conduct the auction on behalf of Midtown Edge. Starting bids range from \$90,000 to \$140,000 on homes previously priced from \$219,000

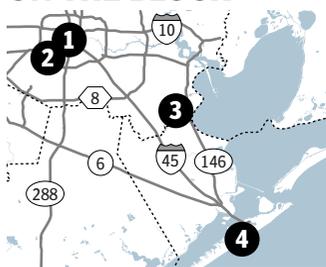
to \$364,500. The high bidder may need to meet a certain minimum price set by the seller to win the bid. Bidders must register by 5 p.m. on Aug. 26.

The six-story project at 300 St. Joseph Parkway contains 93 units with one- and two-bedroom floor plans. Sizes range from 972 square feet to more than 1,500 square feet.

"The builder is obviously looking to accelerate the absorption and pass the savings on to the new homeowners," said Marty Clouser, senior managing director of Kennedy Wilson Auction Group.

Ten condominium units at  
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### ON THE BLOCK



- 1. The Edge**  
300 St. Joseph Parkway
- 2. The Gramercy Park Condominiums**  
2600 and 2601 Gramercy St.\*
- 3. The Endeavour**  
4821 NASA Parkway
- 4. Diamond Beach**  
Seawall at 105th Street, Galveston

\* 220-unit package

CHRONICLE

# AUCTIONS: Shoppers test market bottom

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The Edge are listed on Houston Association of Realtors' website, with asking prices from \$185,000 to \$359,500. Some of the prices have been substantially lowered, with one discounted 40 percent. Nine of those are among the 27 remaining units to be auctioned.

Developers are turning to auctions to signal that now may be the time to buy, said Laurie Null, an owner of the Personette Group, a firm that specializes in marketing condos, townhomes and lofts.

"The developers are using that as a tactic to basically let buyers know that prices are as low as they're going to go," she said. "The people who are out shopping are value conscious, and they're kind of testing the bottom of the market."

While opening bids may start at half of the initial asking price, some have been selling for about 80 percent of the original price, Null said.

For residents who purchased in a new building when prices were higher, it could be frustrating, Null



MIDTOWN EDGE

**SEEKING BUYERS:** In order to reduce their inventory, developers of Midtown's The Edge condominiums will offer 27 units on Aug. 29.

said. On the bright side, she said, once a building sells out, it can be easier for an owner to resell.

In a different kind of auction, big-ticket investors will have an opportunity to bid on The Gramercy Park Condominiums, a luxury midrise

project at 2600 and 2601 Gramercy Street near the Texas Medical Center. Pending court approval, the project will be put up for sale at a bankruptcy auction in Reno on Aug. 26. The sale will include 220 units with the starting bid set at \$22.5 mil-

lion, an amount that exceeds an existing offer.

The 224-unit project was built in 2006 and was foreclosed in late 2008. Houston-based Situs has been marketing the property since mid-2009, but the asset's complex ownership structure, several bankruptcies and litigation surrounding the property have hindered a sale to date.

"We're getting a lot of interest from significant owners of multifamily properties around the country and other investors that are really seeking all opportunities in the distressed real estate arena," Randall Tuller of Situs said.

Currently, about half of the units are being operated as multifamily rentals on the south side of Gramercy, Tuller said. Units are the north side of the street are about 95 percent complete and have never been occupied.

Other previously announced auctions are coming up.

Chartwell Group will auction 35 units at The Endeavour high-rise on Clear Lake on

Saturday. Bidding will start at \$225,000 for units originally priced from \$450,000 to \$3.5 million. The auction will be held at the InterContinental Hotel near the Galleria.

In Galveston, the Diamond Beach resort's remaining 40 units will be auctioned by Kennedy Wilson on Sunday at another builder close-out. Starting bids will range from \$140,000 to \$375,000 on units previously priced from \$360,000 to more than \$1 million. The auction will be held at The Omni Houston Hotel at Riverway.

Kennedy Wilson recently held an auction of Palisade Palms in Galveston, where 27 units were sold for an average of \$490,000 per unit.

Bidders can get details on The Edge sale to be held at the Hilton Americas Hotel at [www.midtownedgeauction.com](http://www.midtownedgeauction.com) or by visiting the information office in Unit 106. Potential buyers can preview homes and learn about the process including a live practice auction at an on-site seminar Saturday at 1 p.m.

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