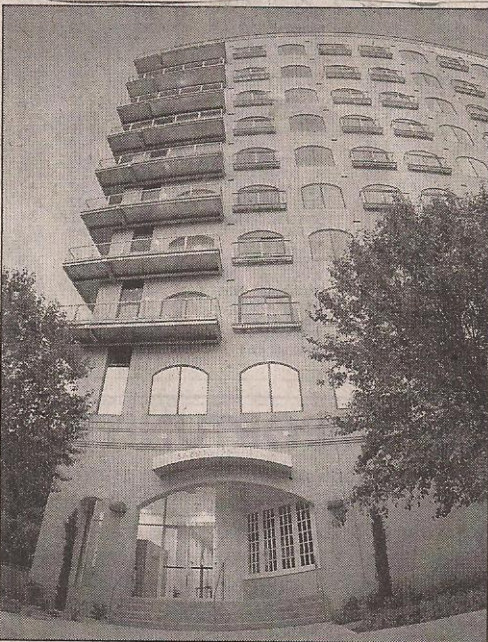


BUSINESS

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KENNEDY WILSON AUCTIONEERS

Bids on one-bedroom units at the Sabine on Fifth condominium project will start at \$85,000 — down from an original listing price of \$204,900 — at an auction scheduled for next month.

AUSTIN ■ RESIDENTIAL REAL ESTATE

To sell out downtown condo building, units in Sabine on Fifth set for auction

By Shonda Novak

AMERICAN-STATESMAN STAFF

Next month, a Beverly Hills, Calif.-based firm will auction 27 units in the Sabine on Fifth, a downtown condominium project whose future until recently had been clouded by a lawsuit and a foreclosure action. The auction is one of several that have taken place in Austin to allow some developers to quickly sell their remaining units in a slower real estate market.

Formerly an office building, the Sabine is a 10-story tower at East Fifth and Sabine streets that CWS Capital Partners converted into condominiums in 2007.

Bids will start at \$85,000 and \$135,000 for the lowest priced one- and two-bedroom units, previously listed at \$204,900 and \$409,900, said Rhett Winchell, president of the Kennedy Wilson Auction Group, which will conduct the sale Feb. 28 at the Hilton Austin hotel downtown.

Bids will start at \$195,000 for the most expensive units, previously priced at \$550,000. The one-bedroom units have 682 square feet, and the highest priced units have 1,419 square feet.

Kennedy Wilson is billing the auction as a “grand reopening” after CWS made significant improvements to the building, including modernizing elevators that had been cited for safety violations. CWS made the enhancements to resolve residents’ complaints that spilled over into a lawsuit last March.

The lawsuit has since been dismissed, said Greg Miller, CWS’ vice president for investments. The Sabine was spared from a Jan. 5 foreclosure auction after CWS’ lenders, Compass Bank and GE Capital, agreed to extend a construction loan that CWS had defaulted on.

There are 44 units left, but the developer expects the auction to generate enough interest

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AUCTION: Residents have control of tower, exec says

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to spur the sale of the last 17 units.

"We're looking forward to having a successful auction and completing the sellout of the building for the benefit of the residents," Miller said.

As a result of the resolution of the issues between CWS and residents, the residents now control the Sabine's homeowners association, "which should give further comfort to new buyers that the building is now controlled by the residents," Miller said.

Winchell said auctions are becoming more common, part of "what we call the new normal in the marketplace."

"They speed up the sales process for the seller," he said, and allow buyers to set the prices.

The open bid process, which allows potential buyers to see "what each and every property sold for," also generates



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"a lot of confidence with the buyers that they aren't overpaying," Winchell said.

Prospective bidders are required to bring a \$2,500 cashier's check; Bank of America and Colonial National Mortgage are the preferred lenders. The registration deadline is Feb. 25.

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