

REQUEST FOR ACTION

To	The Collection Board of Directors			
Subject	Unit 401 Sale			
Preparer	Rodney Funakoshi			
Date	2-18-20	For Board	x	Action
				Info

EXECUTIVE SUMMARY

This is to propose selling Tower Unit 401 owned by the AOOU The Collection (including parking stalls 4098, 4099, lockers L445, L567 in unit). Unit 401 was purchased and intended for use by the resident general manager. The unit is no longer needed due to the Board's approval of and successful retention of a non-resident general manager. The unit is currently being rented at \$4,000 per month but has a negative cash flow of about \$2,500 per month. If sold, the net proceeds to the Association would be about \$160,000 due to price appreciation.

Rental:	Sale:
Monthly loan payment \$4,857	Purchase price \$ 992,500
Maintenance fee: 1,181	Estimated selling price* 1,200,000
Property tax/month <u>525</u>	Mortgage balance (Dec.) 938,000
\$6,563	Fees/closing (8% est.) <u>96,000</u>
Rental income*: <u>\$4,000</u>	Net proceeds <u>\$ 166,000</u>
Cash flow: <u>-2,563</u>	
*lease expires September 2020.	*Zillow estimate: \$1,238,000

RECOMMENDATION

That the Board endorse the sale of Unit 401, excluding the additional storage rooms and parking stalls purchased from A&B (including parking stalls 3088,6102; storage rooms S416, S616) which would remain under AOOU ownership. The Executive Committee is delegated authority to carry out the sale.

RATIONALE

Unit 401 was purchased for use by the resident general manager, but is no longer needed due to the Board's approval of and successful retention of a non-resident general manager. The rental unit has a negative rental income, so selling the unit would save the Association about \$2,500 per month. Furthermore, the net proceeds from the sale would be about \$160,000 due to price appreciation. In the future, should the Board decide to hire a resident manager, a Tower unit could be rented in the open market for this purpose.

Exhibits (If applicable)	Index	Title

FOR BOARD USE ONLY												
CERTIFICATE OF BOARD ACTION												
<input type="checkbox"/>	Approved	<input type="checkbox"/>	Declined	<input type="checkbox"/>	Noted	<input type="checkbox"/>	Returned	<input type="checkbox"/>	Deferred	<input type="checkbox"/>	Withdrawn	
Stipulations												
Coordinating Instructions												
Distribution Instructions												
Recording Secretary		Desmond Oliveira				Action Date				RFA No.	02-2020	