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Community Notebook

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Skyscape To Unload 26 Empty Units In Rare Auction

ELLIOT PARK — There are 26 available units left in Skyscape, a sleek, 27-story high rise that opened in 2007. The local investment group that owns them wants them sold, stat.

In an unusual move, Skyscape Opportunity LLC has announced a “close-out” auction for the empty condos, with starting bids at a rock-bottom, near half-off of the original listing price. One single bedroom on the block will start at \$125,000, 46 percent below the last asking price of \$229,900. Bidding for a three-bedroom-plus-den will start at \$450,000, 44 percent off its original price tag of \$799,900. The block also includes eight one-bedroom-plus-den units, 15 two bedrooms and one two-bedroom-plus-den.

According to area Realtors, the average sale price for Downtown condos over the last six months has been \$254,000.

The auction takes place on March 14, at 6 p.m. at the Graves 601 Hotel.

A Boston-based firm called Velocity Marketing Services (VMS) is conducting the auction.

“The close-out sale for Skyscape Condominium will be a first for the Minneapolis area, as it has yet to see a non-foreclosure auction,” said VMS President and CEO Sue Hawkes in a prepared statement.

But Matt Loskota, manager at the Downtown office of Edina Realty, says that the auction isn’t as unusual as it may seem. It’s just a classic example of overzealous building resulting in a need to unload unsold inventory — an urban version of the home auctions that used to take place on Sundays at the Convention Center.

“This isn’t weird at all for our area,” Loskota said. “It happens to be the only condo building” involved in such an auction. “But it’s not bizarre at all.”

Of course, the close-out does threaten to drive down values of tenants who bought condos prior to the building opening. Recent reports have suggested values are already down 10 percent from the pre-construction days.

Skyscape Opportunity first acquired inventory in the building last year, when it bought 72 remaining units in the tower at 929 Portland Ave. S. last year from the original Chicago developer Tandem Developers.

According to Project Manager Chris Kennely, Skyscape Opportunity has sold “an average three homes every month” since acquiring the units. But that rate is too slow, and the company envisions the auction as a way to save money on marketing the condos. Full occupancy in the 250-unit building is the goal.

But the big question is: What’s the demand like these days for Downtown condos? “I think there will be some investors that show up [to the auction],” speculated Loskota. “I think there will be some first time homebuyers. It’ll be interesting to see how it all shakes down.”