

# Convert Your Co-op Today

## Cedarbrook Case Study



### Property Information

Location: Parsippany-Troy, NJ  
 Number of Units: 193  
 Converted to Co-op: 1985  
 Converted to Condo: 2000

### What Owners Say About Their Conversion

*"I for one was skeptical of the entire process of converting from Co-op to Condo, questioning and mostly fighting against every detail – especially the costs involved to share-holders who already were stretched to the very limit. However, I'll be the first to say that converting to Condo was a huge success and entirely beneficial to our owners. We've seen selling prices go up beyond ROA Hutton's estimates, units have been selling quickly, and there seems to be a demand for units in our complex."*

**Kim Costa, Board President**

*"We were in a never-ending spiral of few sales and low prices. Shareholders could not afford to sell their shares and the only recourse was renting. This resulted in individuals living in our units who did not have the same concern for our community. This lack of concern caused additional problems, which had negative impact on the few sales that did occur. We needed an exit strategy that would increase values and sales. ROA Hutton provided that solution and we now are experiencing a minimum of double our previous sales. Five star rating to ROA Hutton!"*

**Jack Black, Board Member**

### As A Co-op

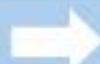
Suffered for years from slow sales and extremely low market values, never reaching late 1980's values as co-op units.



Was considered ineligible for competitive bank financing and being hostage to only a few expensive lenders.



High investor concentration with shareholders having limited exit strategies.



### As A Condo

Units that were selling for \$55,000 as co-ops are now selling for over \$180,000 as condos, providing original owners with recovery and expansion of their investments.

ROA Hutton arranged Fannie Mae approval allowing buyers to purchase or refinance at the lowest rates available and with downpayments as low as 3%.

Higher condo values allowed owners to sell to owner-occupants creating a stronger sense of community.

## Results from Conversion of Cedarbrook to Condominium

	One Bedroom	Two Bedroom
<b>Values as a Co-op</b>	\$31,500.00	\$55,000.00
<b>Add: Conversion Obligation</b> <i>(Including underlying mortgage, fees &amp; costs)</i>	\$31,000.00	\$40,000.00
<b>Total Investment</b>	\$62,500.00	\$95,000.00
<b>Condominium Value after Conversion</b>	\$148,900.00	\$180,500.00
<b>Net Increase in Wealth (Equity)</b>	<b>\$86,400.00</b>	<b>\$85,500.00</b>