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BUSINESS FIRST

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Takin' it to the street: Stalled condo project revived by new owners; units being sold as they are completed

Business First of Louisville - by [Ed Green](#) Business First Staff Writer

An investment group recently closed on the purchase of Fifth Street Terraces and has resumed sales at the stalled condominium project on South Fifth Street.

Greg Popham, a partner in Soho Mojotopo LLC, the group that bought the project late last month for \$2.33 million, said construction work has been under way to finish the former Soho Condominiums project since his group agreed to buy the property late last year.

Popham and three partners purchased the condo project -- excluding six units that were sold by its initial owners -- from 1st Independence Bank.

The bank took ownership of the project last year after its initial developer, Soho Development LLC, filed for liquidation under Chapter 7 of the U.S. Bankruptcy Code, leaving about \$2.6 million unpaid on a mortgage loan made by 1st Independence.

In December 2006, a judge approved the sale of the condos to Popham's group.

Since that time, Popham said, the partners have been involved in efforts to revive the project and complete its development.

It took more time than expected to complete the purchase because the buyers were not prepared to close on the property last year, said Tony Stefater, a partner with Joseph & Joseph Architects and a partner in



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the condo development.

The bank assumed ownership of the property through the bankruptcy process, giving the partners additional time to close on it, he said.

Bill White, CEO of 1st Independence, said a number of legal and regulatory hurdles had to be completed to close the sale. But the bank has worked closely with the partners to make sure the project moved forward.

"It's a real win-win for the buyers as well as the bank," he said, adding that the project should be a success now that the new ownership group has taken control and begun selling units.

Units have a finished look

The new owners believed it was important to complete construction of individual units -- inside and out -- before marketing them so potential residents could see a finished product before buying, Stefater said.

The previous developers had marketed unfinished units and allowed residents to choose finishes.

To help make sure the development was completed, 1st Independence committed to provide a construction loan of more than \$1 million to the new development group.

Popham said the group has "spent a good portion of that" but not all of it to complete units, which have a more open floor plan and granite countertops in the kitchen and hardwood floors -- features that were not part of the original design.

But prices remained about the same, starting at \$139,500 for a one-bedroom unit. Two-bedroom units cost \$179,500 to \$219,500.

Floor plans range from 826 square feet to 1,283 square feet, and each unit has a private terrace.

Sales have picked up

After a year of work, two condos have been completed and were sold last month, Stefater said. Another is under contract and will close soon.

Within a few weeks, six more of the remaining 22 units are expected to be completed and ready for sale.

The other condos are between 60 percent and 80 percent complete, Popham said, but work on those units should be completed soon.

"We really just started rolling them out over the last three or four months," Popham said, adding that Breland Group Realtors was hired to market the project for the partners.

"In the last month and a half, we are really starting to see some momentum -- some interest and some activity."

Fifth Street Terraces

Project: 30-unit condominium project located at the southwest corner of Fifth and Breckinridge streets, the former site of Cunningham's restaurant

Address: 900 S. Fifth St.

Owner: Soho Mojotopo LLC. The partnership was formed by Greg Popham, president of **Broadway Management Group LLC**; C. Merrill Moter III and Tony Stefater, partners with Joseph & Joseph Architects; and Joe Ferguson, former CEO of the local office of **Carlson Wagonlit Travel Inc.**

Prices: Start at \$139,500 for one bedroom or \$179,500 for two bedrooms

Maintenance fees: \$100 per month

Size: 826 square feet to 1,283 square feet

Sales agent: Breland Group Realtors, 584-0310

Web site: **www.fifthstreetterraces.com**

Cutting a deal

1st Independence Bank is working with the new developers of Fifth Street Terraces to make the project a success.

To attract new tenants to the project, the bank is providing special rates on mortgage loans.

Buyers can get loans from the bank with rates as low as 2.95 percent on three-year, adjustable-rate mortgages and 3.9 percent on five-year, adjustable-rate mortgages, according to Greg Popham, a partner in the project.

The loans require an 11 percent deposit.

"That is an extremely attractive financing package," said Tony Stefater, a partner with Joseph & Joseph Architects who also is a partner in the condo development. He added that the deal is

especially appealing to young people looking to buy their first home in a downtown condominium.

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