



Request for Qualifications
Exclusive Residential Brokerage Partnership
Released: September 30, 2020

Background

The Land Bank was created to return unoccupied, abandoned properties to productive use. After we acquire an abandoned building, we have learned over time that the most cost-effective and scalable way to bring it back to productive use is to sell it to a buyer that agrees to renovate or redevelop it themselves. Sometimes we provide technical or financial assistance to help with the project, and sometimes we renovate the property ourselves. But in all cases, we put processes in place to ensure that a productive reuse is promised and delivered on.

Our relationship with brokers has served us well over our first 10 years. We continue to believe that we find more buyers, a more diverse set of buyers, and buyers who are better ready to navigate our processes by using brokers. But unlike typical sellers, our budget often has to absorb the costs of marketing without recovering that cost through the property's sale price. This may be why most other major land banks in Ohio and similar community development organizations do not use brokers, or if they do, do not hire brokers in the way a private seller might.

Compounding this, the kind of properties we offer for sale are among the least valuable, by definition. The job of a broker in a private transaction is to sell a property for a client quickly and to the buyer who can pay the highest price. There is a tension between this type of listing and the Land Bank's goal of finding the most viable long-term end use for the property and the community. For the Land Bank, many offers that would be viable for a private seller may be disqualified for any number of reasons (including neighborhood goals that prioritize a certain use, unclear development plan, lack of funding, undesirable use, and the capacity of the buyer).

Our brokers take on Land Bank listings that require substantial work to show properties and field calls from prospective purchasers, including some who may not be qualified. At the same time, the inventory of vacant & abandoned properties that can be renovated remains steady and some of these inherent marketing challenges are offset by a reliable set of listings.

From an internal management perspective, we have typically worked with many agents affiliated with most of the local brokerages and rotated listings. However, given the complexity of our processes and our expectations, it is more of a challenge for the Land Bank to have many different agents working on many different properties at the same time.

Beginning in January 2021, we will be making changes to our agent and brokerage relationships to ensure the highest quality service to buyers and maximize our chances to return a vacant & abandoned property to productive use for good.

Exclusive Brokerage Opportunity

We are seeking written proposals from local residential brokerages to serve as an exclusive broker for Land Bank residential properties marketed for renovation. The Land Bank may choose **up to 2 brokerages** to partner under this exclusive arrangement. This partnership is not available to individual agents.

Key Details

- Brokerages must be able to demonstrate successful prior listing experiences with the Land Bank.
- If a brokerage is chosen, the broker and/or up to two agents of the firm must be designated to work directly with the Land Bank, participate in occasional trainings, and be available for calls/emails about current listings, active offers, and marketing adjustments. The agents chosen do not have to have prior experience with the Land Bank, but must be available for no more than quarterly trainings regarding Land Bank expectations.
- The brokerage(s) will be the exclusive agent to list Land Bank inventory marketed for renovation. If two brokerages are chosen, then the listings will alternate as best as possible to provide fair allocations.
- There are not anticipated to be any major changes in the Land Bank's process, offer paperwork, or expectations for these sales with buyers.

Commissions

The Land Bank's inventory has been steady for years. In 2019, the Land Bank closed on 101 residential sales with agents. Inventory is not guaranteed, but the brokerage(s) that are qualified under this exclusive partnership will likely receive a substantial number of listings in the coming years.

To allow the Land Bank to better budget marketing costs, the following commission schedule will be adopted.

- If the brokerage represents both the Land Bank and a buyer, a commission of \$1800 or 5%, whichever is greater, will be paid.
- If the buyer's agent is not the Land Bank's exclusive brokerage, a commission of \$900 or 2.5% to each agent, whichever is greater, will be paid.

The Land Bank may also offer move-in ready inventory under this partnership. In the event that this inventory is included, the commission schedule will be the same.

Term

This exclusive brokerage partnership will begin in January 2021 for 1 year and may be renewed annually for up to 4 more years. Until January 2021, the Land Bank's current listing process will remain in place.

Application

Deadline: October 30, 2020 by 4:00p

Email applications to: dmann@co.lucas.oh.us

To apply for this exclusive brokerage partnership, a brokerage should provide a written proposal to the Land Bank that:

1. Describes the brokerage, its experience, and years of service,
2. Describes the broker and/or agents who will work under this exclusive partnership,
3. Lists the number of overall sales in the last 3 years,
4. Lists the number of successful Land Bank sales,
5. Explains how the brokerage serves any other non-traditional sellers, if any, and
6. Describes how the brokerage would maximize the Land Bank's goals through its staff, its marketing approach, and its overall track record.

Please take advantage of the opportunity to "sell us" on your firm and your ability to do this work at the highest level!

Review

Applications received by the deadline will be reviewed by David Mann and Stephanie Shackelford. The Land Bank will select up to 2 brokerages for this exclusive partnership based on the most responsive and responsible proposals submitted in the sole discretion of Mann and Shackelford.

A final decision will be shared with all applicants by November 9, 2020.

Questions about this RFQ should be directed to David Mann.