

# CASE STUDY- BUYER REPRESENTATION

Know thy Neighbor



## Situation

MacVaugh & Co. represented a Buyer interested in acquiring property in the east Pasadena area. 2620 E Walnut Street was not on the market for sale but the owner had been considering selling. Seller wanted to hold on to the subject property for his family. However, he had tried over the years to lease the property himself with minimal results.

The building was in need of extensive repairs. The expectation and pricing was high but attainable. Seller did not want to pursue a 1031 exchange.

It seemed that the main issue in getting the owner to sell the building was accommodating his desire to provide some kind of long term income for his children and help him avoid paying significant capital gains on a sale.

## Solution

Our client was willing to consider the seller's needs to ultimately end up with the property.

MacVaugh & Co. negotiated a sale in which Buyer and Seller agreed to terms of a promissory note secured by the deed of trust with a low down payment. Seller created a family trust (naming his children as beneficiaries) and transferred ownership of the property prior to sale. The promissory note provided the desired income for his children.

## Results

Our familiarity with the marketplace and knowledge of potential sellers in the area enabled us to locate a property for our client and close escrow in a short period of time.