

MEMORANDUM

TO: Board of Directors, Buffalo Erie Niagara Land Improvement Corporation

FROM: Brendan Mehaffy, Chairperson

SUBJECT: **Resolution #2018-33** Buyer's Agent's Fee for Rehab and New Construction Projects In-House Sales

DATE: May 24, 2018

DISCUSSION:

BENLIC has begun to list, market, and dispose of property with the use of in-house staff. Currently, all sales have been through the BENLIC Note & Mortgage or Side Lot Programs. This allows BENLIC to have a hands-on approach when walking offerors through the purchase process, and explain questions surrounding the organization and its mission.

Historically, BENLIC has relied upon third-party realtors for major rehab and new construction sales. The BENLIC Brokerage Agreement uses an ordinary six-percent (6%) sales commission for brokers upon closing. Utilizing an in-house sales staff member, BENLIC is able to limit realtor commissions as BENLIC staff do not receive any compensation for real property sales.

BENLIC realizes that local agents representing potential offerors are of value to the organization and can aid in fulfilling its mission to return property back to productive use. Additionally, BENLIC realizes Rehab and New Construction sales carry a more complex purchase process than a Note & Mortgage Sale. - interested offerors must access financing, document and verify income through the BENLIC Homebuyer Application, and successfully close on a home purchase.

Therefore, in lieu of a standard commission, BENLIC wishes to provide a \$2,000.00 commission to any licensed buyer's agent participating in a BENLIC rehab or new construction in-house real estate sale. This commission would be exclusive only to in-house sales that are renovations/new construction projects.

ACTION:

The Board of Directors is hereby requested to approve the following resolution:

RESOLVED, that the BENLIC Board of Directors authorizes BENLIC to pay at closing a \$2,000.00 buyer's commission to licensed real estate agents acting on behalf of buyers of BENLIC real property listed in-house for new construction and complete rehab projects.