

If you buy, he'll buy

■ **Builder will get you out of your house so you can buy from him**

By Doug Henze
Of The Oakland Press

With a sluggish existing-home market slowing the sales of new houses, a Farmington Hills builder is offering to buy customers' homes to close a deal.

Hunter Pasteur Homes launched the "We'll Buy Your Home" program about a month ago at Cheshire Park in Clarkston, at Knightsbridge Gate in Novi and at Rolan Meadows and Cobblestone Creek in Wayne County's Van Buren Township. Hunter Pasteur also has a rent-to-own program at those four developments, the only communities in which it is building.

**Farmington
Hills**



The programs are the latest in a long line of incentives devised by metro Detroit builders in a tough market.

In this year's first quarter, 252 building permits were issued for Oakland County homes, according to Clarkston based Housing Consultants Inc. That was down 47.4 percent from the 479 in first-quarter 2006, itself a slow year.

"Based on everything that is happening in our marketplace, I felt it was a definite necessity," said Randy Wertheimer, president of Hunter Pasteur. "The number one hot

button for people visiting our communities is very simple: 'I love your homes, but I have a house to sell.' I believe we'll sell an additional one home per community per month because of these programs."

Knightsbridge Gate, which ultimately will include 348 homes ranging from 1,900 square feet to 2,900, is going up on the east side of Napier Road south of Grand River Avenue. Cheshire Park, which will include 48 single-family homes and 42 attached condominiums, is west of Sashabaw Road and south of Waldon Road.

When a customer expresses interest in Hunter Pasteur's "We'll Buy Your Home" program, the builder gathers information on sales prices of comparable homes in that customer's neighborhood. Hunter Pasteur then offers 90 percent of that price in return for the customer signing a purchase agreement.

The discount isn't as steep as it sounds, all things considered, Wertheimer said.

"If you hired a Realtor, you're going to pay 6 percent (commission)", he said. "Typically, you're spending \$1,000, \$2,000, \$3,000 on fixing things up. Then you have closing costs."

Hunter Pasteur is to launch a direct mail campaign next Tuesday, sending out 25,000 mailings to prospective customers. Hunter Pasteur plans to resell the homes for what it paid or less, he said.

"It's no different than giving someone \$10,000 in free upgrades," Wertheimer said. "(However) \$10,000 in free upgrades, that will not close the deal. Guaranteeing them a closing on their existing home, that will close the deal."

The rent-to-own program is aimed at customers with impaired credit or those who cannot make a down payment.

"There are a lot of people out there who are prospective home buyers who can no longer get traditional financing, but if they had a year or two to repair their credit they could get (it)," Wertheimer said. Until they could get a mortgage, homebuyers



would pay monthly rent – an estimated \$1,400 to \$3,500 depending on the cost of the home – with 5 percent to 15 percent applied to the down payment.

"You're building equity every month," Wertheimer said.

Homebuyers typically will rent for a year, but that term can be shorter or longer depending on individual's credit, he said.

So far, one customer has signed a lease – at Rolan Meadows – and Hunter Pasteur has four or five prospects, Wertheimer said.

**So far, the builder
has signed
deals with two
buyers**

Hunter Pasteur's incentive programs are among many being offered by metro Detroit builders with slumping sales.

Earlier this year, Warrenville, Ill., based Neumann Homes tried a buy-one-get-one-free lot deal at its Village Park at Stonewood subdivision in Independence Township, before shutting down its sales office there. Other builders have offered to pay closing costs, throw in extras such as granite countertops or ceramic floors and give buyers furniture, TVs or car leases.

For more information contact Hunter Pasteur Homes at (248) 539-5511 or www.hunterpasteur.com.