



NEWS RELEASE

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FDIC SELLS A RECORD \$412 MILLION IN COMMERCIAL REAL ESTATE AT TWO-DAY AUCTION

The Federal Deposit Insurance Corporation's preliminary data indicate that 218 commercial real estate properties sold for a record \$412 million during a two-day auction held December 1 and 2 in Dallas. The properties, located in 31 states, were obtained from failed banks and the former Federal Savings and Loan Insurance Corporation (FSLIC).

A total of 270 properties valued at approximately \$610 million was up for auction. Any saleable commercial real estate, excluding land, valued at \$500,000 or more in the FDIC's portfolio was included in the auction. The assets at the two-day event sold for approximately 87 percent of appraised value. In addition, the FDIC was able to sell 146 properties eligible for auction for \$262 million prior to the auction deadline, making for a combined sale of \$674 million.

Even though the auction was held in Dallas, bids were accepted via satellite from Boston, Los Angeles and Miami. "The spirited bidding among the four locations enabled us to return a vast number of commercial properties back to the private sector," said Arthur F. Lorentzen, Jr., Associate Director, FDIC Division of Liquidation. "There were bidders in Los Angeles vying for properties along the East Coast, as well as bidders in Boston and Miami going after West Coast assets."

The auction was conducted jointly by Ross-Dove Company, Inc., a Foster City, California-based auction company, and Grubb & Ellis, a San

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Francisco-based asset service company. The partnership teamed up last December to assist the FDIC in its first-ever nationwide real estate auction, also held in Dallas. At that auction, 118 properties sold for \$242 million.

Successful bidders are expected to close on their purchases in 45 to 60 days. Proceeds from the auction will go to pay expenses and creditors of 71 failed banks and 22 S&Ls receiverships. As of the auction, the FDIC held assets with a book value of about \$36.0 billion from failed banks and \$6.0 billion from the former FSLIC.

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