How to Sell an Observatory Commons Condominium

Harvard’s Faculty Real Estate Services¹ (FRES) team is committed to making the sale of your condominium go as quickly and smoothly as possible. We will work closely with you throughout the sales cycle to provide guidance and answer questions. This booklet provides an overview of the process and explains what you will need to do during each phase of the sale.

Overview

There are a few important points to keep in mind as you prepare to sell your condominium:

→ Sales of the Observatory Commons condominiums are restricted to a subset of Harvard University faculty. To find out if your potential buyer is eligible, please send e-mail to fres@harvard.edu.

→ Only FRES brokers are allowed to handle the sale of the Observatory Commons condominiums—private real estate agents are not allowed to participate in the sale of these units.

→ If the Unit does not sell within 90 days of setting the asking price, the owner can offer it for sale to Harvard University by contacting FRES, which acts as the University’s agent. Harvard will buy the condo back at the adjusted market price, adjusted for condition of the condominium determined by the inspection process.

→ Contact FRES whenever you have questions by calling 617-495-8840 or sending e-mail to fres@harvard.edu.

STEP 1: Notification

The first step in selling your condominium is to send written notification to FRES notifying us of your decision.

→ The letter should include your name, your unit number, and your contact information.

→ You should allow a minimum of 90 days from setting the asking price for the sales cycle.

→ Please provide as much notification as possible so we can help you meet your desired closing date.

→ Mail to:
  Faculty Real Estate Services
  1350 Massachusetts Avenue, room 827
  Cambridge, MA  02138
  Attn: Assistant Director of Faculty Real Estate Services

¹ FRES is a division of Harvard University Housing and is the agent for the Observatory Commons Condominiums.
STEP 2: Working with Faculty Real Estate Services
Upon receipt of the letter, a member of the FRES team will contact you to set up a meeting to explain our role in the sale. We will also make an appointment for a FRES broker to tour the unit so we will be better able to market and sell it. In addition, we will order a Fair Market Appraisal from a certified Real Estate Appraiser—not a real estate agent.

- FRES will appoint an appraiser upon receiving written notification of intent to sell. It will take no longer than 14 days to complete the Certified Appraisal Process.
- You have the right to obtain a 2nd appraisal, at your own expense. If the two appraised values are within 10% of each other, we will take the average of the two to determine the price.

STEP 3: Setting the Price
Based on the result of the Fair Market Appraisal, FRES will determine the Adjusted Fair Market Value of the unit. Each condominium at Observatory Commons is discounted anywhere between 26%-39% below market. After the appraisal is completed, the adjusted market price is determined by discounting the appraised value by the discount associated with your specific condominium. Please check with FRES for the exact amount of the discount. After the adjusted market price is determined, the condominium documents allow for the owners to set the asking price at 10% above the adjusted market price.

Step 4: Eligibility
Once the asking price is determined it is time to get the word out. Please remember that:

- Sales of the Observatory Commons condominiums are restricted to a subset of Harvard University faculty. To find out if your potential buyer is eligible, please send e-mail to fres@harvard.edu.

Step 5: Marketing and Sales of Unit
The University has designated FRES as the selling agent for the Observatory Commons units. We will provide guidance on prepping your unit for sale and will be responsible for showing the unit to potential buyers. FRES receives a 2.5% sales commission on each unit sold.

FRES will market the unit in a number of ways. These can include:

- Assist in the preparation of your condominium for sale.
- Digitally photograph your unit for marketing purposes.
- Notify wider University community by:
  - Putting the sales information on the FRES web site.
  - Contacting current faculty recruits.
  - Contacting all Harvard University hiring personnel.
- Explain the details of a leasehold condominium sale to potential buyers.

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2 Adjusted Fair Market Value is an amount equal to (a) the Fair Market Value of a Unit, minus (b) the Land percentage multiplied by the Fair Market Value of a Unit.
Step 6: Showing the Unit
As selling agent, FRES will handle all legal requirements of the sale. These include:

- Presenting all offers to you, the seller, for acceptance.
- Providing advice and opinions.
- Assisting with home inspection to expedite process.
- Negotiate improvements and implement physical changes.

Step 7: Offer Accepted
FRES will assist both the seller and the buyer by:

- Providing a list of real estate attorneys who are familiar with the Observatory Commons legal documents.
- Providing a Purchase and Sale document, if requested, to be reviewed by both attorneys.
- Obtaining a 6D certificate from the HRES Accounts Receivable department, required for closing. This certificate verifies that there are no outstanding funds owed to the condominium association, by the seller.
- Obtaining a smoke detector certificate from the Cambridge Fire Department, required for closing (Note: the seller must pay the $50 cost of this certificate.)
- Obtaining a copy of the insurance certificate for the Master Policy, required for closing.

Step 8: What to Do If the Unit Remains Unsold for 90 Days
An extraordinary benefit of owning an Observatory Commons condominium is that Harvard University will buy it from you if it remains unsold 90 days after determining the asking price (Adjusted Fair Market Value). The buy-back price is set at 100% of the Adjusted Fair Market Value. The closing date will be set by mutual agreement between the parties.

Step 9: Celebrate!
Congratulations on a successful sale of your Observatory Commons condominium. We hope your experience with FRES has been a positive one. To help us offer the best service possible, we would appreciate any feedback, comments, or suggestions you may have.

Faculty Real Estate Services
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