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Waterfront Group finds a niche with problem developments

Charlotte Business Journal - by [Will Boye](#) Staff writer

A few years ago, twin brothers Mark and Will Adkins were running a \$100 million company and selling dream properties. Now they're using their real estate acumen and helping banks out of potential nightmares.

Since 1994, they have operated Cornelius-based **Waterfront Group**, specializing in the sale of mountain or lake properties. The firm typically bought land ranging from 100 to 3,000 acres in scenic, rural areas in the Southeast. Waterfront Group would divide the property into lots, handle the initial development and then sell the sites in locales such as Lake Lure in the N.C. mountains or Norris Lake in Tennessee.

At its peak three to five years ago, the company had a sales staff of 45 and annual revenue around \$100 million. Today it has a dozen salespeople, and it generated \$20.5 million in revenue last year. With 32 local employees, Waterfront Group continues to sell lots at a handful of projects. But it doesn't plan any more large-scale land acquisitions in the near future.

"Those days are gone for a while," Will says.

But last spring, the brothers found a new direction for their business: working with developers and banks trying to extricate themselves from projects that have lost momentum. In early 2009, Mark met a Huntersville-based investor in a lakefront development in southern Illinois who asked him to take a look at the project. The 568-acre site on Lake of Egypt had been divided into 400 lots, with waterfront parcels starting at \$200,000.

The project, then called Egyptian Isles, had seen few sales. The landowner, a commercial developer who specialized in office buildings and shopping malls, admitted he needed help. And the project's lender, **Peoples National Bank** in Mount Vernon, Ill., had lent \$6 million to the developer and was eager to assist.

With a budget of less than \$600,000, all paid by the bank, Waterfront Group cleared lots and worked with surveyors and the local power company to resolve easement issues that could hamper sales. The Adkins brothers renamed the development The Peninsula, a nod to the Lake Norman club they belong to. They launched a marketing campaign that offered waterfront lots for \$100,000 to \$150,000 and back lots for \$10,000 to \$50,000. Using its own sales and closing team, the firm held a sale Sept. 19 and sold 53 lots worth \$4 million.

"In these times, we wanted to try to move the lots as quickly as possible," says Bill Bonan, president of Peoples National. "They sold a record amount of property in a six-hour time period. It's just unheard of. The appraiser didn't even believe it after it was done."

So far, Waterfront Group has sold and closed 72 lots. For its work, it takes a 30% commission. The firm will hold another sale in the spring, and Bonan expects the bank to be repaid in full with the proceeds. That will leave the original developer with 100 lots to sell without any bank debt attached.

For Waterfront Group, the profit margin is as attractive as any the company has seen, and it didn't have to put any capital at risk.

The brothers are quick to note such deals are rare. But they've lined up seven more consulting jobs and say they are in discussions on 25 more.

Says Mark: "This is what I think we'll end up living off of for two or three years."

wboye@bizjournals.com



photo NANCY PIERCE

Mark Adkins (left) and his brother, Will, discovered a new market for their Waterfront Group after they helped resurrect a stalled lakefront development in southern Illinois.

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