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Buyers may soon pay more for a condo in Ray Hensler's Twelve Twelve high-rise



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[Ray Hensler](#)'s financial backers no longer need convincing that there's money to be made by building condos in Nashville.

And the prices for those condos are about to go up.

Hensler is the developer of the Twelve Twelve high-rise in the Gulch, which originally began as luxury apartments. Hensler's lenders, **US Bank** and JP Morgan, [wouldn't agree to anything else](#).

Hensler kept lobbying, and successfully persuaded the financial institutions that there was, once again, a market for condos in Nashville. That makes Twelve Twelve the first condos to hit the market here since the recession killed demand five years ago. For that matter, Twelve Twelve appears to be a forerunner for much of the Southeast ([see our exclusive slideshow of Twelve Twelve here](#)).

In an interview Tuesday, Hensler told me 65 of the tower's [286 condos](#) have gone under binding contract. That represents \$49 million worth of condos, which is above and beyond the \$35 million his lenders required him to obtain. Last week, Hensler signed revised loan documents that officially permit the switch from apartments to condos.

A binding contract means the condo buyers have paid a nonrefundable deposit for their units, equal to 20 percent of the final purchase price.

Hensler is rapidly approaching the point where he'll have enough condos under binding contract to pay off his construction loan, of about \$58 million. In the past week, Hensler's sales team sold \$2 million worth of condos.

The loan payoff is a critical juncture.

"Then we can take a more patient approach," Hensler told me. "We are certainly not under any pressure to generate volume at the expense of price.

"Candidly, I feel we are underpriced now, but we will stay that way until the loan is paid off," Hensler continued. "Once we are debt-free, we can decide how much to adjust pricing."

Hensler is co-developing Twelve Twelve with Florida-based **Stiles Corp.**, where Hensler worked until roughly a decade ago. He was then hired by Corner Partnership, made up of three local investors, to build the Adelia condo project in Midtown. Hensler went out on his own after that, in 2009.

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Adam covers commercial real estate and manufacturing.