



VIRGINIA BUSINESS

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Around the Old Dominion

The CarMax of Real Estate

Selling a home may be profitable, but it can also be a real hassle. There's the presale prep work, the 6 percent real estate commission and all those strangers tromping through your living room, not to mention the insulting offers. Nick Ron, CEO of MAFC Residential in Chantilly, thinks he's found a quicker and less painful way for homeowners to sell their houses – and still make out on their investment.

His approach? He buys homes directly from homeowners at a fair and competitive price – regardless of the home's condition – and then resells them. "People call us, and in 48 hours, they have an offer on their house," Ron says. "And then they're free to move on to their next house."

In 2001, MAFC Residential took in \$1.9 million; in 2003, the company sold 250 houses and revenues rose 2,700 percent to \$54 million. The company has since expanded from Northern Virginia to the Washington, D.C., and Maryland markets, and in mid-April opened an office in Virginia Beach.

Ron, 29, who once sold software for a government contractor, relies on volume selling, direct sales and customer service to get

by on razor-thin margins. After a home purchase, he has a team of contractors – who must guarantee their work for a year – come in and make over the home for a quick and optimal sale. While some homes require a complete gut job, others need only touch-up paint and a few shrubs. Either way, the home is on the market within two weeks.

As a result, Ron says, MAFC Residential enjoys huge economies of scale on services and materials and circumvents pricey real estate commissions by keeping Realtors on staff and listing the homes itself.

And homebuyers are increasingly approaching the company directly, he says, attracted by a one-year home warranty and a \$500 credit with MAFC-preferred lenders.

Ron projects that his company will hit \$1 billion in sales within five years. His long-term goal is to go nationwide, with a presence in every major city. "Real estate transactions have been done the same way for decades," he says. "But we've found that people are just begging for a better, simpler way to handle their home sales. We think we'll end up reinventing this business."

