

Rod's Radio Show Notes

May 2nd 2012

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You can participate in the show by calling 318-442-8255 (talk) between 8:05 and 8:55 on Wednesday morning. Do not attempt to call Saturday this is our encore performance (fancy way to say taped).

Every Deal Has a Tale / Tail:

The City of Alex. to Sutherland Global Services, Inc. (1160 Pittsford Victor Road, Pittsford, NY 14534) - 41,923 sq ft located at Power Center Mall, Alex., LA for 7 years \$3.50 square foot for first year

Vacant Burger King on 28 east is under contract sale has not closed but my taste buds tell me it is another fast food restaurant.

Nolan E & Priya K Daniel (116 Don Lane, Pineville, LA 71360) to Louisiana College (LC Box 381, Pineville, LA 71359) - Lot 9, Blk B, W H Barron Subd. (1303 College Dr., Pineville, LA 71360), \$114,500.00

Investor's LLC Activity:

Heather N Wainwright (220 Spring Creek Dr., Pineville, LA 71360) to C & G Rentals of Cenla # 2, LLC Eugene and Cheryl Vanlangendonck (146 Red Oak Lane, Dry Prong, LA 71423) - Part of Lots 3 & 4, Sq 3, Ozone Heights Subd. (114 Fairmount St., Pineville, LA 71360), \$62,000.00. Appears to be their first deal.

Steven J Northridge (18 Purser St., Pineville, LA 71360) to J & J Real Estate, LLC James and July White (1997 Dovie Dr., Pineville, LA 71360) - Tract in Sec 12, T4NR1W (17 Purser St., Pineville, LA 71360), \$66,283.63. Purchased 5 properties since 1/11/2008 and sold 2 during same time period.

Razor's Edge: No news today and name I liked best was "a little off the top" and "rusty razor"

People Not Properties:

Jim Clinton, Rick Ransom, Wayne Denley and others at CLEDA have really gotten off to a good start with regional economic development in 10 parish area.

The Alexandria area led the nation in earnings growth over a recent six-month period, according to a report issued from a leading site selection firm. Garner Economic LLC recently released the report measuring earnings in 372 U.S. metropolitan areas using data from the U.S. Bureau of Labor Statistics.

E Ray Proctor is d/b/a Parkside Grocery (9421 Hwy. 165 S, Woodworth, LA 71485)
Construction Contracts: none recorded this week.

Announcements, Attachments and Travels:

Happy 200 Louisiana, great state, great people, flare and foibles I would not want to live anywhere else.

To our grandparents in the listening audience we are new at this. Marilyn and I spent five days last week in New Orleans, house sitting, dog walking and baby-sitting our 2 year old grandson Noles. Kid's home is a short walk to the Fairgrounds and I did attend Jazz Fest Sunday morning for first time. Did discover at Razor's edge from "other barber" Larry that John Laborde chef and cater takes tractor trail of food each of the 10 days of festival of great Marksville cooking to his booth.

BAS seminar last night with the Zing Company would like for someone to call in and tell us about the seminar. Two of our folks went last night and two are going this morning I could not attend since Tuesday night is when the show transcripts are drafted.

(+3) Rod's economic indicator perfect score is 5.

When top rating of 5 appears week after week I will share with our audience, that "Green Shots" is here and recovery is in full swing.

Legal recorder data: five business days from time period of April 23rd through April 27th

- (1) Total of 40 closed deals for the week has positive score
- (2) At least one new home sale for the week has positive score
- (3) At least one subdivision lot sale for the week garners positive score
- (4) Number of lender sales in market place is less than 5% of the total market sales for the week.
- (5) Two random subdivision sales compared to averages for 2008, 2009, 2010, 2011, and year to date for 2012.

(-1) Total Weekly Volume:

Closed transactions numbered 38 with volume of \$4,731,400 not a bad week but only 38 sales rates a negative score.

WJS article Monday April 30th headline read "Housing ends slide but faces a long bottom" highlights worth mentioning

1. Nationally more markets appear to be nearing a new phase: a prolonged bottom
2. Full-fledged recovery for home owners who purchased during the bubble is long way off
3. Home builders began construction on only 434,000 single family homes last year which is lowest record on record
4. Research firm Zelman and associates estimates 24% increase 2012 with projected 540,000 single family home starts
5. New-home sales during 1Q12 posted double digit gains
6. Previously owned home sales are up 32% from their low point of 2010 when sales plunged following expiration of tax credit
7. February Core-Logic states home prices fell 2% from year earlier but removed foreclosed properties from numbers 0.8% decline
8. Biggest headwind is the "shadow inventory" of potential foreclosures
 - a. End of March banks owned 450,000 properties
 - b. 2,000,000 loans in some stage of foreclosure
 - c. 1,700,000 loans where there has been no mortgage payment in past 90 days
 - d. Shadow inventory is the "ball and chain" for recovery in national picture and has been bigger part of local market 1Q12
9. Housing is getting a life from reduced supply and larger demand.
10. Investors have strong appetite for single family homes as an investment. True with me and several of investor clients.
11. The "Buy back demand clauses by Fannie Mae and Freddie Mac has created a "hoop jumping" process for borrower.
12. Absorption rate was so low last month that I declared Mykoff report to be flawed. Reasons for lean inventory include following:
 - a. Sellers are making decision not to sell at the price their home would bring right now and pursuing other alternatives
 - b. Courts have caused banks to sharply decline foreclosure process in past 18 months
 - c. Increased demand, low interest rates, and more confidence has more home selling.

(-1) Random Home Sales for the Week:

Clarence Frazier, Jr. (5722 Goodland Trace, Alex., LA 71301) to Matthew & Toni Valencia (5735 Goodland Trace, Alex., LA 71301) - Lot 77, Shenandoah Subd., 2nd filing, \$140,000.00. Only 7 sales since January 1, 2008 very stable neighborhood but sale we are tracking is lower than 2010 average of \$146,333 for negative REI.

2008 total sales were zero

2009 total sales were 3 the average price was \$132,633 the lowest price was \$99,900 and highest price was \$155,000
2010 total sales were 3 the average price was \$146,333 the lowest price was \$140,000 and the highest price was \$150,000
2011 total sales were zero sales.
2012 total sales year is one at \$140,000

Martha F Meehan (111 Belle Meade Dr., Monroe, LA 71203) to Gloria J Newton (1830 Memorial Dr., Alex., LA 71301) - Lot 17, Sq 5, Wedgewood Downs, \$100,000.00. Only 10 sales since January 1, 2008 sale this week is below average of any previous year for negative score.

2008 total sales were 7 the average price was \$109,842 the lowest price was \$45,000 and the highest price \$133,000
2009 total sales was a single sale at \$115,000
2010 total sales were zero sales
2011 total sales were zero sales.
2012 total sales year to date are 2 with average price of \$113,163

(+1) Lot Sales:

To rank positive score need one sale market gave three and two were from developer's inventory for positive score for the week.

Louisiana Conference Center of the United Methodist Church (2350 Methodist Parkway, Woodworth, LA 71485) to Marvin C Cassell (1945 Tom Cassell Road, Woodworth, LA 71485) - Lots 132 & 159, Country Club Place, Phase VI, \$67,000.00

Patsy M Fisher (63 Mabou Hill Road, Deville, LA 71328) to Sean T & Carla D Fisher (35 Boyce Mabou Road, Deville, LA 71328) - 3.3 acres in Sec 41, T5NR3E, \$38,000.00

(+1) New Home Sales:

To rank positive score need one sale last week market provided two both condo sales with one in Pineville and the other in Alexandria rates positive score for the week.

“Barely Building,” was the headlines for Town Talk B6 article in Wednesday May 2nd edition.

- (a) Small increase in March's construction spending after 2 straight months of decline
- (b) Pick up in single family homes and commercial offset steep drop in state and local government spending

- (c) \$808.1 billion dollar annual rate which is 6% better than last year which was lowest of past 12 years.
- (d) New homes sales fell 7.1% in March (note WSJ article estimates 24% increase in home starts for 2012)
- (e) New home sales represents 10% of total sales but creates lots of jobs.
- (f) Short sales and foreclosures continue to compete with new home sales.

Brittain & White Construction (5512 Jackson St. Ext., Alex., LA 71303) to Wayne J Berlin, Sr. & Dianne M Berlin (281 Wilderness Dr., Boyce, LA 71409) - Unit 508 G, Cypress Point At The Lake District Condominiums (508 G Ansley Blvd., Alex., LA 71303), \$149,000

Stonegate Condominiums of Pineville, LLC (P O Box 12846, Alex., LA 71315) to Christopher J Foti (3200 H Military Hwy., Pineville, LA 71360) - Unit 3200-H, Stonegate Condominiums, \$126,000.00

New home construction is improving but not nearly at 800,000 starts required to signal full recovery. Rents are higher, construction lending has improved, and looks like more homes will be built this year than at any point in past 3 ½ years. Seasonally adjusted annual rate of 747,000 permits as of March with 462,000 of those single family homes.

(+1) Lender Sales as Percent of Total Sales:

Rates positive score if lender sales are below 5% of total sales, total number of sales for the week was two with volume of \$138,000 / \$4,731,400 = 2.91% rates positive score for the week.

The Evangeline Bank (P O Box 12900, Alex., LA 71315) to Samuel B Tamburo (4057 Bayou Rapides road, # 204, Alex., LA 71303) - Lot 14, Colina Heights, \$60,000.00

The Evangeline Bank (3700 Jackson St., Alex., LA 71303) to Doyle E Knight (794 Hwy. 8, Lena, LA 71447) - Tract in Sec 22, T5NR4W, \$78,000.00

Louisiana's delinquency fell 0.39 points on the month to 6.36%, while the U.S. delinquency rate slipped 0.59 points to 7.24%. This is the percentage of home loans more than three months past due.

Interest Rates:

30 year fixed is 3.81% was 3.82% the 15 year rate is 3.05% was 3.07% 5/1 ARM is 2.71% was 2.72%.

Mortgage of interest

Carlo J Spera Building Alexandria, LLC (5412 South Maple Place, Broken Arrow, OK 74011) to Bank of Oklahoma (3237 South Peoria Ave., Tulsa, OK 74105) - Lot 1, Bacon Place Addn., et al (3001 Masonic Dr., Alex., LA 71301), \$525,000.00

Thames Properties (3515 Castle Road, Alex., LA 71303) to Colfax Banking co. (P O Box 247, Colfax, LA 71417) - Tract in Sec 31, T4NR1W (3515 Castle Road, Alex., LA 71303), \$580,000.00

Norm Thompson Properties, LLC (2238 Worley Dr., Alex., LA 71301) to Red River Bank (1412 Centre Court, Alex., LA 71301) - 226.3 acres in Sec 29, 26, 25, & 30, T3NR1W (2 Hwy 165 & 3 Hwy. 165, Alex., LA 71301), \$1,139,944.29

Mortgage activity for the week: total closed mortgages was 61 with volume of \$7,795,012 / \$4,731,400 of closed sales = 1:1.65 ratio loans to closed deals. Closer number is to 1:1 will indicate refinancing has slowed down.