

Rod's Radio Show Notes January 9th 2013

Go to: www.rodnolespropertymanagement.com and click on radio notes and sign up to have them emailed each week. If you know of someone looking for rental space, apartments, homes, retail, office or industrial send them to www.rodnolespropertymanagement.com.

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:

Review 3 deals for last week

Cowboy Town \$2,500,000 sold to Sundrop Fuels

Lake District \$2,300,000 sold to V&V

McKesson 12 acres and 172,000 square feet bank is taking it back with loan of \$4,800,000

Deals of Interest for the Week:

30 Additional Rooms at Hampton Inn

Calhoun Enterprises, LLC (4000 Locke Lane, # 7, Lake Charles, LA 70605) to MIC Alexandria, LLC (202 W Superior St., Suite 321, Duluth, MN 55802) - .78429 acres in Parcel L, Calhoun Commercial Park 1-2nd filing, \$187,900.00 Sale is \$5.50 psf. 30 Rooms being added to Hampton Inn. Paul Stich from Baton Rouge NAI Latter & Blum. 308-2629 cell phone good values, good sites available.

Barry Mitchell Enterprises, LLC (184 Cooper Road, Alex., LA 71303) to Stat Central Alexandria Properties, LLC (10615 Jefferson Hwy., Baton Rouge, LA 70809) - Lot 3, Yorktown Medical and business Park, Phase I (101 Yorktown Dr., Alex., LA 71303), \$650,000. This was Mike Dorman sale with Noles-Frye Realty and we gain sale and I lost a tenant now have 4,450 square feet available in our building.

Christian International Outreach Center, Inc. (P O Box 12863, Alex., LA 71315) to Red River Bank (1412 Centre Court, Alex., LA 71301) - Lots 1, 2 & part of 3, South Masonic Subd. (6011 Masonic Dr., Alex., LA 71301), \$1,193,572.37

Mykoff Absorption Report:

10.59 months total market total available boy December 752 homes / 71 sold =
10.59 plus 97 new homes on the market

25 months above \$400,000 total available boy December 25 / 0 = 25 no new homes in that price range

19 months \$250,001 to \$400,000 total available boy December 80 / 9 = 19 plus 10 more homes on the market

11.89 months \$150,001 to \$250,000 total available boy December 214 / 18 = 11.89 plus 30 more on the market

9.02 months below \$150,000 total available boy December 433 / 48 = 9.02 plus 57 more on market

Tips on what to do when supply is greater than demand and you are selling in wrong seasons.

Consider holding your house off the market until April look for 7 to 8 absorption time in your price range.

Price the property correctly. You do not need an appraisal but interview two successful agents for BMA.

- List with a Realtor
- Do not cut agents selling fee at time of the listing
- Make it easy to show your property
- Be involved with marketing ideas, and having your agent make contact with certain spheres of influence
- Make repairs that you have been putting off
- Unclutter furniture (yours and your children's) give the house some space
- Don't be Donald Trump in negotiations consider the last deal you passed on is you buying that property at that price

People not Property:

Jason Cobb new CEO at Rapides Regional welcome to town and kudos on your new position.

Brandon Fonote for opening his own business Uncle B's La. Comfort Food in Pineville on 28 East. Could one of our drive by reporters call in and tell us more. I saw the story in the Town Talk this morning.

John Benton new general manager at the mall if one of our drive by reporters knows John ask him to call in sometime and tell us more about John Benton and Alexandria Mall

“PR” team Priscilla and Rod Noles were #NO 1 in production for December at Noles-Frye Realty and #NO 2 for the quarter.

Tornado update at Washington Square: heroes, lessons learned, new discoveries and few disappointments

Steve Ayers might be the best people story. Steve walks on the parking lot 7:00 am day after Christmas and asked if he could help. In just a few minutes he has front end loader and operator pushing debris off the parking lot so we can bring in dumpsters and places for workers to park. I walked over and said do you need me to sign a contract for work you are doing? He said I am here as a neighbor and not a contractor.

Garden Club asked if they could plant some color to brighten up otherwise ugly sight.

Martin Heyman gave me a lecture on co-insurance and increased insurance by 33% last February. Martin is in top 1% of insurance agents in the state when it comes to intellect and integrity.

City crews and AT&T are the type of people I would share a fox hole with.

Tenants that were able to stay have been wonderful to work with. (Story of three young men standing around)

Lessons Learned or Re-enforced:

- (1) Check on your friends when their lights are out
- (2) Harder to lose your shirt with the sleeves rolled up
- (3) Good relationships with clients and vendors is the best asset any company has.
- (4) You are never prepared for “black swan” events

Sales Meeting this Week:

Inventory during listing presentations covered 8 Parishes: Rapides, Vernon, Beauregard, St Landry, Avoyelles, Natchitoches, Evangeline, and Grant Parish. Company since I sold to Latter & Blum has become a regional, state, and national player. Good for the community, good for Noles-Frye and good for me.

Rose Steepleton #NO 1 for last quarter my goal for personal production is to be #NO 2 just like Norte Dame.

Will attach next week past two week activity this gives my listeners peak at 25% of MLS activity.

Construction Contracts: Zero recorded for the week

Wrong last week LA Division of Administration to Pat Williams Construction, Inc. (P O Box 1508, Leesville, LA 71496) - Replacement of dormitories, LA Special Education Center, \$8,125,500.00 this development will be in Pineville and not 28 West as reported.

(+2.50) 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:

Business days December 31st though January 4, 2013 scores will be double for this show.

- (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.

(-1.25) Total Weekly Volume:

22 sales total volume of \$2,504.988 way below minimum bar for negative score.

(-1.25) Lot Sales:

To rank positive score need one sale per week the market gave us zero for negative score

(+1.25) New Home Sales:

Looking for one new home sale per week for positive score market

Floyd C Hebert, Inc. (4033 Waterford Dr., Alex., LA 71303) to Adam T & Tamera K Dever (193 Woodwind Dr., Pineville, LA 71360) - Lot 84, Woodlake Subd., Phase V-B, \$240,000.00

Brittain & White Construction, LLC (5512 Jackson St. Ext., Alex., LA 71303) to Guy R Sherwood (5445 Provine Place, Apt. 809, Alex., LA 71303) - Unit 420C, The Cypress Point at Lake District Condominiums (420 C Ansley Blvd., Alex., LA 71303), \$295,000.00

(+1.25) Lender Sales as Percent of Total Sales:

Rates positive score if lender sales are below 5% of total sales, the market gave us three sales for total volume of \$108,900 / \$2,500,000 = 4.36% for positive score

Federal Home Loan Mtg. Corp. (5000 Plano Parkway, Carrollton, TX 75010) to Campbell Appraisals, Inc. (1038 Amber Lane, Pineville, LA 71360) - Tract in Sec 12, T5NR2E (712 Gene Gunter Road, Deville, LA), \$34,900.00

U S Bank (7301 Baymeadows Way, Jacksonville, FL 32256) to Joel H Short (72 King Richard Road, Dry Prong, LA 71423) - Lots 19 & 20, Blk C, Yeager Subd. (4510 Woodlawn Dr., Pineville, LA 71360), \$43,000.00

Capital One (7933 Preston Road Mail Stop 31062-0310, Plano, TX 75024) to Glennen F & Sonya Jones (107 Willie Wells Rd., Deville, LA 71328) - 2.5 & 1.0 acre tracts in Sec 28, T4NR2E (52 Ponderosa Road, Deville, LA 71328), \$31,000.00
Capital One (7933 Preston Road Mail Stop 31062-0310, Plano, TX 75024) to Glennen F & Sonya Jones (107 Willie Wells Rd., Deville, LA 71328) - 2.5 & 1.0 acre tracts in Sec 28, T4NR2E (52 Ponderosa Road, Deville, LA 71328), \$31,000.00

Interest Rates:

30 year rate was 3.4% this week is 3.53%, the 15 year rate was 2.8% this week it is 2.84%, the 5/1 ARM was 2.82% now 2.86%.

Where is the best buy in residential rentals; Stock market returned 2.19% last year, my worst performing rent house returned 8%. If you do not own any real estate other than your home you might want to go shopping.

Question for our listeners is which of following areas presents best buying opportunities?

- (1) Bank foreclosed homes
- (2) For Sale by Owners
- (3) Landlords selling rent houses
- (4) Home owner who has moved and has two notes to pay or house note and rent where they just moved.

Best Small Commercial Deal on the Market:

¾ of an acre between Grand Cinema and Paradise Catfish 29,000 sf. Price is reduced to \$299,000 email Priscilla Perry for a building layout suggestion. perry@noles-frye.com

NAR Issue Brief

Real Estate Provisions in "Fiscal Cliff" Bill

On January 1 both the Senate and House passed H.R. 8, legislation to avert the "fiscal cliff." The bill will be signed shortly by President Barack Obama. Below are a summary of real estate related provisions in the bill.

Real Estate Tax Extenders

- Mortgage Cancellation Relief is extended for one year to January 1, 2014
- Deduction for Mortgage Insurance Premiums for filers making below \$110,000 is extended through 2013 and made retroactive to cover 2012
- Leasehold Improvements: 15 year straight-line cost recovery for qualified leasehold improvements on commercial properties is extended through 2013 and made retroactive to cover 2012.
- Energy Efficiency Tax Credit: The 10% tax credit (up to \$500) for homeowners for energy improvements to existing homes is extended through 2013 and made retroactive to cover 2012.

Capital Gains

Capital Gains rate stays at 15% for those the top rate of \$400,000 individual and \$450,000 joint return. After that, any gains above those amounts will be taxed at 20%. The 250/500k exclusion for sale of principle residence remains in place.

Estate Tax The first \$5 million dollars in individual estates and \$10 million for family estates are now exempted from the estate tax. After that the rate will be 40 percent, up from 35 percent. The exemption amounts are indexed for inflation.

Indices

	Last	Last Week	YTD return %
DJIA	13391.36	13096.31	2.19%
NASDAQ	3100.57	2985.91	2.68%
S&P 500	1459.37	1418.10	2.33%
MSCI EAFE	1628.10	1609.75	1.50%

Russell 2000	872.60	837.40	2.74%
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Consumer Money Rates

	Last	1-year ago
Prime Rate	3.25	3.25
Fed Funds	0.17	0.07
30-year mortgage	3.35	3.91

Currencies

	Last	1-year ago
Dollars per British Pound	1.616	1.565
Dollars per Euro	1.311	1.305
Japanese Yen per Dollar	86.880	76.690
Canadian Dollars per Dollar	0.986	1.010
Mexican Peso per Dollar	12.742	13.686

Commodities

	Last	1-year ago
Crude Oil	92.92	102.96
Gold	1676.80	1598.97

Bond Rates

	Last	1-month ago
2-year treasury	0.26	0.24

10-year treasury	1.93	1.62
10-year municipal (TEY)	3.03	2.66