

## **Rod's Radio Show Notes January 30<sup>th</sup> 2013**

**Go to:** [www.rodnolespropertymanagement.com](http://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](http://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:**

Bonner's Properties of Cenla, LLC (2600 Monroe Hwy., Pineville, LA 71360) to Redmon's Automotive Clinic, LLC (2600 Monroe Hwy., Pineville, LA 71360) - 1.91 acres in Sec 1, T4NR1W, \$675,000.00

The Central LA Chamber of Commerce, Inc. (P O Box 992, Alex., LA 71309) to John L Van Mol, Jr., et al (6299 Old Baton Rouge Hwy., Alex., LA 71302) - 110.1 acres in Sec 55, 57, & 59, T3NR1W, et al, \$160,500.00

Frank J & Helen M Candiloro (230 Jimmy Brown Road, Boyce, LA 71409) to The England Economic and Industrial Development District - 2.005 acres in Sec 11, T4NR2W, \$55,735.00

Shreveport, Louisiana #2 Bible minded City in the country: great for Shreveport but it does make you wonder how these various ratings are established. Noles and Madison need to find a non-published rating and decide which areas rank in top 10

*Travel Tip:* Unless you are going to the super Bowl avoid downtown New Orleans this week end. My bet is that broadcast media will treat New Orleans very well

### **People not property:**

Harry Silver update following health scare.

Canterbury House thanks for hosting our sales meeting last week and thanks for being a good neighbor with a great mission.

Priscilla Rose Perry: Keep your eyes on this young lady my bet is she will be local super star within a few years.

Wally Smith math teacher at Menard gave up career many years back to teach math in high school. Good Town talk story about his class in Wednesday's town talk.

Drive by reporter for Matt O. Ball neighborhood meeting with members from State Historical certification group. Meeting was Tuesday night 6:00 pm if one of our listeners attended give us a call for an update.

John Tumbasco 17 from Bolton High School was awarded Platinum Level Ready Certificate. This reminds me to tell our listeners that I myself was a gifted student.

Email from partner in one of our land deals about Marine Shale; this is the website I mentioned to you last week. It gives a good summary of the Tuscaloosa Shale. Now that technology has advanced to make drilling at 10,000+ feet profitable, it seems like it is only a matter of time before they start proving these wells in Rapides Parish.  
<http://www.tuscaloosa-marine-shale.com/>

### **Construction Contracts:**

City of Pineville to Don M Barron Contractors, Inc. - Installation of 6" water mains along Hillcrest Road, Fairbrook St., Wood Street, Effie Street, & Holoman St., Pineville, LA, \$287,830.00

Rapides Parish School Board (P O Box 1230, Alex., LA 71309) to M D Descant, Inc. (P O Box 329, Bunkie, LA 71322) - Additions to J I Barron Elementary, \$7,019,000.00.

When did McDonalds stop updating number of burgers sold? Answer 1994 count was at 99 billion. Has anyone tried the cheddar, bacon and onions burger they look great in the commercials.

Dish owns Blockbuster and plans to shut down 300 more stores closings will result in 3,000 layoffs or 40% reduction in employees. 500 Blockbuster stores will remain open in 2005 the chain had 5,700 stores opened. Can you identify a closed Blockbuster store give us a call. Dish inherited 1,700 stores when is bought Blockbuster out of bankruptcy in 2011 for \$226 million. I remember dish executive saying "the price was so cheap it didn't pose a significant risk."

Flowers Foods Inc reached a deal with Hostess earlier this year to acquire bread assets, including Wonder Bread and Nature's pride for \$390 million. Pabst owner and Apollo are stalking horse bid (explain to listeners). Hostess will be selling off 30 brands and has 36 plants. Sure hope one in Alexandria is sold and back in production soon. \$2.5 billion in sales and company declared bankruptcy to bad they were not a big bank or automobile manufacture.

### **(+3.75) 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 from January 21st though January 25th, 2013

- (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:**

First three weeks in 2013 total transactions 73 sales or less than 25 per week. Last week there were 42 sales with volume of \$4,008,893 for positive score this week. Through the 21st of January there were 115 sales and 300 Realtors.

#### **(+1.25) Lot Sales:**

To rank positive score need one sale the market gave us a single lot sale in the Lake District for positive score.

Leon M & Pamela C Rubin (6704 Tennyson Oaks Lane, Alex., LA 71301) to Stephen D Downs (P O Box 14438, Alex., LA 71315) - Lot 81, The Lake District, Phase 1 (4701 Sample Place, Alex., LA 71303), \$52,000.00

#### **(-1.25) New Home Sales:**

Looking for one new home sale market provided zero new home sales.

#### **(+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 with volume of only \$76,798 / \$4,000,008 = 1.91%

Sec. of HUD to Deana M Shelton (1517 6th Ave., Glenmora, LA 71433) - Lots 11-14, Sq 5, East of 12th St., Glenmora, LA, \$9,343.00

J P Morgan Chase Bank to Federal National Mtg. Assoc. (2001 Bryan Tower, Suite 1200, Dallas, TX 75201) - Lot 5, Sq 8, Hickman Hooe Addn. (16 Louisiana Ave., Alex., LA 71301), \$15,955.76

Sec. of HUD (2026 S Wall St., Joplin, MO 64804) to Lawrence Real Estate Group, LLC (1320 McNutt Dr., Alex., LA 71301) - Part of Lots 6 & 7, Blk 5, Thornton Place (1739 Thornton Court, Alex., LA 71301), \$51,500.00

### **Interest Rates:**

30 year rate was 3.47% this week is 3.59%, the 15 year rate was 2.84% this week it is 2.91%, the 5/1 ARM was 2.81% now 2.84%.

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.

### **Priscilla & Rod Team “ PR Team”**

Rod Noles has a 40 year history of success with clients across Louisiana. Priscilla Rose Perry has quickly proven herself as an excellent, client-oriented agent.

Rod Noles is President of Rod Noles Property Management, the largest fee-based management company in Central Louisiana. He is also an active agent with Noles-Frye Realty, part of the Latter & Blum family of companies, which also includes CJ Brown and Van Eaton & Romero.

With geographic reach and years of experience, Rod can handle your real estate needs across town or across Louisiana. Before the next real estate move, call Priscilla and Rod. They're the team you want in your corner.

### **Housing Market Uptrend Expected Through 2014:**

Realtor newsletter and wsj 1-23-2013 page A-3

**Summary:** The housing market recovery should continue through the coming years, assuming there are no further limitations on the availability of mortgage credit or a “fiscal cliff,” according to forecast presentations at a residential...

WSJ 2012 “existing homes sales rose to their highest level in five years” article explains we appear to have hit bottom last year.

Lawrence Yun, chief economist of the National Association of REALTORS, said the housing market clearly turned around in 2012. "Existing-home sales, new-home sales and housing starts are all recording notable gains this year in contrast with suppressed activity in the previous four years, and all of the major home price measures are showing sustained increases," he said.

Yun sees no threatening signs for inflation in 2013, but projects it to be in the range of 4 to 6 percent by 2015. "The huge federal budget deficit is likely to push up borrowing costs and raise inflation well above 2 percent," he said. Predicting Inflation rates two years out can be tricky.

Rising rents, qualitative easing (the printing of money), federal spending outpacing revenue, and a national debt equal to roughly 10 percent of Gross Domestic Product are all raising inflationary pressures.

Mortgage interest rates are forecast to gradually rise and to average 4.0 percent next year, and 4.6 percent in 2014 from the inflationary pressure. My bet is interest rates will approach 6% by end of 2014

With rising demand and an ongoing decline in housing inventory, Yun expects meaningfully higher home prices. The national median existing-home price should rise 6.0 percent to \$176,100 for all of 2012, and increase another 5.1 percent next year to \$185,200; comparable gains are seen in 2014.

Existing-home sales this year are forecast to rise 9.0 percent to 4.64 million, followed by an 8.7 percent increase to 5.05 million in 2013; a total of about 5.3 million are seen in 2014. Wsj says highest in recent years was 5.04 in 2007 and lowest at the time was lowest since 1998. The journal does not agree that there will be a big increase with headwinds on mortgage underwriting, too little cash saved by consumers, millions of mortgage delinquent, and many in foreclosure. Hard to have large increase in sales when inventory is so low 21.6% lower than year earlier.

New-home sales are expected to increase to 368,000 this year from a record low 301,000 in 2011, and grow strongly to 575,000 in 2013. Housing starts are forecast to

rise to 776,000 in 2012 from 612,000 last year, and reach 1.13 million next year. Housing start numbers include multi-family

"The growth in new construction sounds very impressive, and it does mark a genuine recovery, but it must be kept in mind that the anticipated volume remains below long-term underlying demand," Yun said. "Unless building activity returns to normal levels in the next couple years, housing shortages could cause home prices to accelerate, and the movement of home prices will be closely tied to the level of housing starts."

"Home sales and construction activity depend on steady job growth, which we are seeing, but thus far we've only regained half of the jobs lost during the recession," Yun said.

Yun projects growth in Gross Domestic Product to be 2.1 percent this year and 2.5 percent in 2013. The unemployment rate is showing slow, steady progress and is expected to decline to about 7.6 percent around the end of 2013. "Of course these projections assume Congress will largely avoid the 'fiscal cliff' scenario," Yun said. "While we're hopeful that something can be accomplished, the alternative would be a likely recession, so automatic spending cuts and tax increases need to be addressed quickly."

Regardless, Yun said that four years from now there will be an even greater disparity in wealth distribution. "People who purchased homes at low prices in the past couple years, including many investors, can expect healthy growth in home equity over the next four years, while renters who were unable to get into the market will be in a weaker position because they are unable to accumulate wealth," he said. "Not only will renters miss out on the price gains, but they'll also face rents rising at faster rates."

Also speaking was Mark Vitner, managing director and senior economist at Wells Fargo, who said the fiscal cliff is the biggest situation that needs to be addressed. "Beyond concerns about the fiscal cliff, the economic improvement seems to be broadening," he said.

"Housing will strengthen in 2013 even if the economy weakens because there is a demand for more construction, and the demand for apartments is rising at a faster rate than the need for more single-family homes," Vitner said. "Unfortunately, apartment construction is focused on about 15 submarkets, so additions to supply will be uneven."

Even with declining market shares of foreclosures and short sales, Vitner said they will continue. "Distressed homes right now are like an after-Christmas sale most of the best stuff has been picked over, but make no mistake they'll be with us for a while."

Yun projects the market share of distressed sales will decline from about 25 percent in 2012 to 8 percent in 2014.

For more information, visit [www.realtor.org](http://www.realtor.org).  
<http://ris.mccid.com/article.php?rssItemId=http%3A%2F%2Frismedia.com%2F%3Fp%3D74621>

## **NAR Issue Brief**

Real Estate Provisions in “Fiscal Cliff” 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.