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**WEEK 1**  
**Saturday**  
**Mar. 25, 2022**  
**9:00AM–1:00 PM**

**7<sup>TH</sup> CREATING  
SUSTAINABLE  
NEIGHBORHOOD  
DEVELOPERS'  
PROGRAM: *Virtual***

- 9:00 am: ***Welcome!***  
Dr. Donald Andrews- Dean,  
College of Business,  
Southern University and A&M College
- 9:05 am: ***SU EDA University Center for Economic and  
Entrepreneurial Development***  
Dr. Ghirmay Ghebreyesus, Director,  
SU EDA University Center
- 9:10 am: ***Course Objectives***  
Eric L. Porter/ComNet LLC
- 9:15 am: ***Curriculum Direction***  
Dr. Sung No, Co-Director,  
SU EDA University Center
- 9:20 am: ***“Entrepreneurship and Small Business  
Fundamentals”***  
Dr. Donald Andrew
- 10:05 am: ***Acquisition, Adjudicated Processes***  
Brenda Breaux, NORA
- 10:50 am: ***Break***
- 10:55 am: ***“Acquisition: How to do business with  
Municipalities”***  
Cedric Grant, Grant Management Group, LLC
- 11:50 am: ***“The State of Real Estate Development”***  
Lacy Baaheth, Broker/Owner/Realtor,  
Lacy Baaheth & Associates
- 12:50 pm: ***Closing***  
Eric L. Porter & Sung No

# CREATING NEIGHBORHOOD DEVELOPERS

## ACQUISITIONS

Presented By:

Cedric Grant

President, Grant Management Group

# ACQUISITION PROCESS

The acquisition of property for development can take many forms. All require a legal transaction and you should engage and involve an attorney early in the acquisition process.

## WHO AM I?

I will be speaking to you today as a former government official that has been involved in neighborhood and community development as well as major economic development and infrastructure development projects.

I have delivered billions of dollars of public projects at the local and state levels of government and that have included public and private investment.

# WHO CAN DEVELOP NEIGHBORHOODS?

- Individuals
- Non-profits
- For Profits
- You

## WHAT NEEDS TO BE DEVELOPED?

- Vacant Lots
- Single Family Homes
- Multi-Family Homes
- Commercial Buildings
- Mixed-use Facilities

## WHEN DO NEIGHBORHOODS NEED TO BE DEVELOPED?

- Based on individual initiative
- According to local government policy
- According to neighborhood strategic plans
- According to local planning, zoning and building codes
- According to agreed upon completion schedules

# WHY DEVELOP NEIGHBORHOODS?

- Stabilize neighborhood conditions
- Increase property values
- Reduce crime and blight
- Improve the tax base
- Create a stake in the community
- Create personal wealth
- Develop community capacity



## HOW ARE NEIGHBORHOOD DEVELOPERS SELECTED?

- Experience and Capacity
- Project Strength
- Repayment Ability
- Community Impact
- Diversity and Capacity Building

## WHAT DOES IT TAKE TO WIN PROJECT APPROVAL?

- Projects that are ready to proceed and are likely to succeed
- Projects undertaken by development teams with experience on similar projects
- Projects with financial projections that reflect existing market conditions
- Projects that target properties that require limited or no developer forgiveness
- Projects that demonstrate the ability to repay financing
- Projects that include fully developed, realistic marketing plans
- Projects that adopt high-quality and energy efficient building standards

## CRITICAL INFORMATION

- Respond to the proposal as requested
- Submit on time
- Ensure you meet the experience threshold or obtain the requisite expertise
- YOU DO NOT HAVE TO KNOW EVERYTHING.THERE ARE EXPERTS THAT CAN ASSIST YOU

QUESTIONS



LACY BAAHETH  
& ASSOCIATES

**March 26, 2022**

**The Real Estate Market**

# Credentials

**Lacy Baaheth & Associates**

**BROKER/Owner**

**Established 2008**

**(Licensed for 24 years)**

**LA Real Estate Commission – Past Chairman**

**Past Pres of Baton Rouge Association of Real Estate Brokers (BRAREB)**

**National Award: 2012 Realtist of the Year (NAREB)**

**Member of National Association of Real Estate Brokers (NAR)**

**Member of Professional Business Network (PBN)**

**Right-of-Way and Relocation Agent for Louisiana and GBR**

**LA REALTORS Board of Director, At Large 2021**

**LA REALTORS Exec Committee – Professional Dev 2022**

## **Professional Designations:**

**Accredited Buyer Representative (ABR)**

**Graduate's REALTORS Institute (GRI)**

**Vendor Resource Management (VRM)**

**Certified Distressed Property Expert (CDPE)**

**Certified Veteran Housing Counselor**

**Real Estate Negotiation Expert (RENE)**



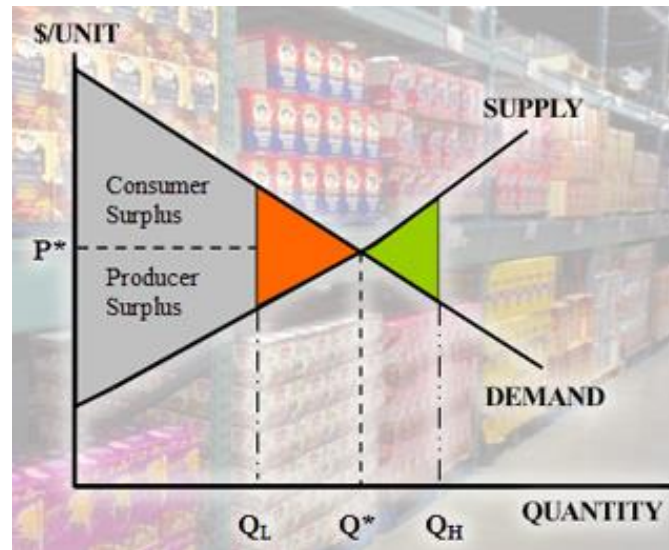
# “THE MARKET”

- ▶ Defined as: the overall state of Real Estate based on supply and demand
- ▶ Analyze Cycles
- ▶ Predict Cycles
- ▶ Leading Indicators
- ▶ 4 Phases
- ▶ Where are we today?
- ▶ Participation



# THE MARKET

- ▶ Supply and Demand
- ▶ Psychologically and Emotionally Driven
- ▶ Complicated
  - ▶ General Economic Condition
    - ▶ Location
    - ▶ Type
    - ▶ Consumer
  - ▶ Particular Niche
    - ▶ Single Family Housing
    - ▶ Investment Property
    - ▶ Multi-family Property
    - ▶ Commercial Buildings





# Key Factors Affecting the RE Market

## Factors That Drive the Real Estate Market



Demographics



Interest rates



The economy

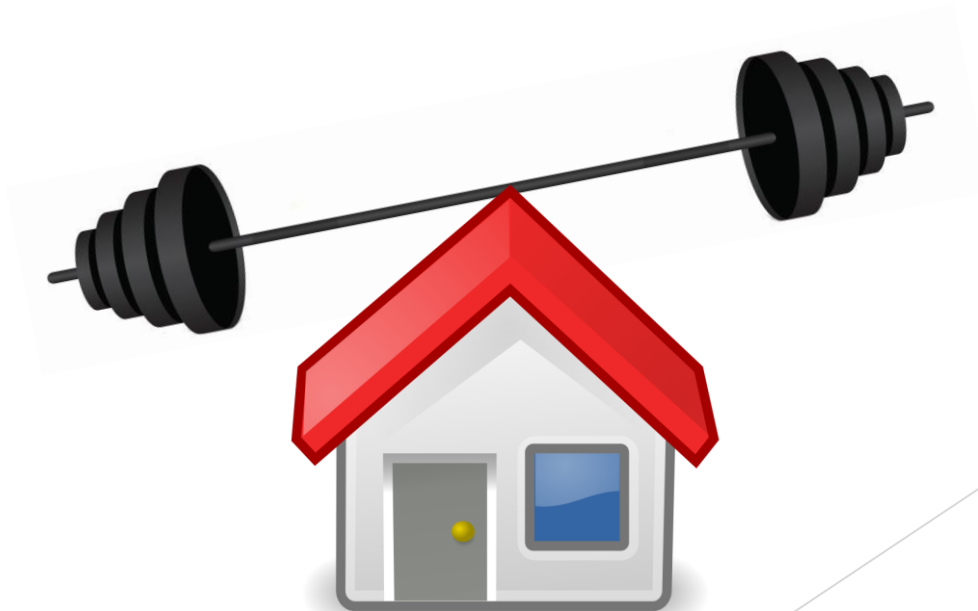


Government policies/subsidies

# The STRENGTH of the MARKET

The **MOST IMPORTANT QUESTIONS** to Help to Analyze and Predict Market Cycles

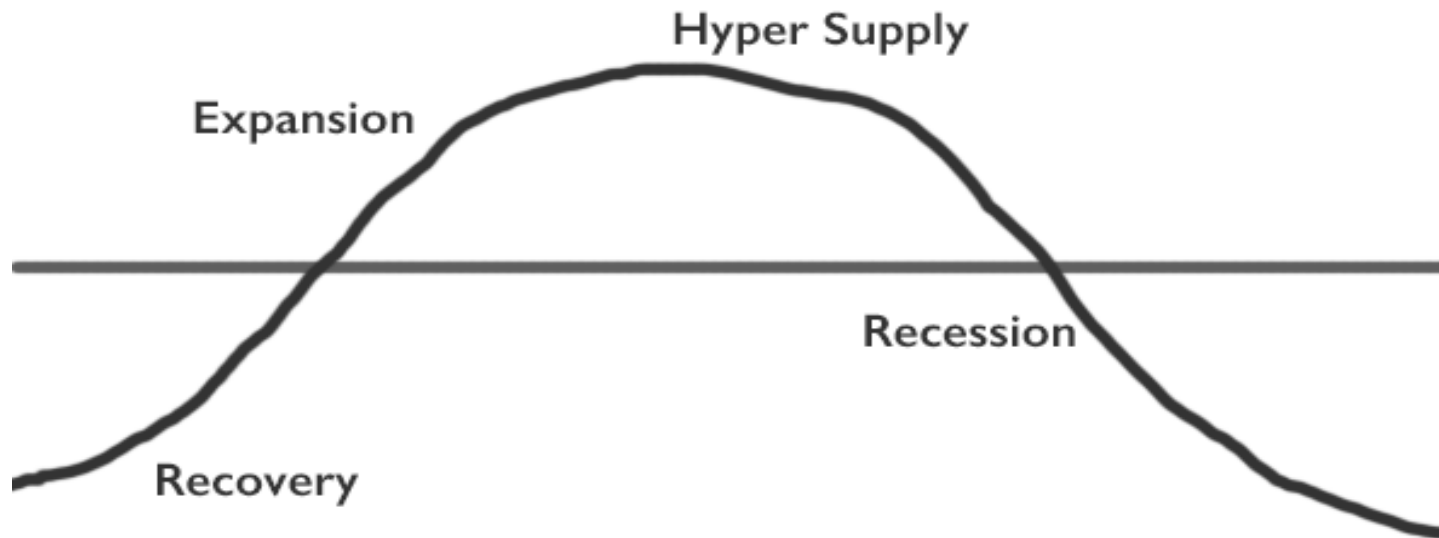
- ▶ **WHERE** is it strong?
- ▶ For **WHOM** is it strong?
- ▶ **WHAT** type of Real Estate is strong?



# THE REAL ESTATE CYCLE

## ► 4 PHASES

- Phase 1:            Recovery            Spring
- Phase 2:            Expansion           Summer
- Phase 3:            Hyper Supply        Fall
- Phase 4:            Recession            Winter



# PHASE 1: RECOVERY

## Spring Time

- ▶ RECOVERY from WINTER (Phase 4)
- ▶ RECOVERY from Downturn
- ▶ RECOVERY from Free Fall

REPRESENTED BY:

High Unemployment

Home Foreclosures

FEAR in the General Population



# PHASE 2: EXPANSION

## SUMMER TIME

- ▶ EXPANDING # of Businesses
- ▶ EXPANDING Businesses (size)
- ▶ EXPANDING Housing Market (start of)

## REPRESENTED BY:

- ▶ HIGHER Property Pricing
- ▶ LOWER Supply of Property
- ▶ CONFIDENCE of the General Population



# PHASE 3: HYPER SUPPLY

FALL

- ▶ HYPER-Prices
- ▶ HYPER-Building Projects
- ▶ HYPER-Market - “BULL Market”



REPRESENTED BY:

- ▶ Sky-Rocketing Prices
- ▶ Over-Development
- ▶ Rising # of Vacancies
- ▶ OVER-CONFIDENCE



# PHASE 4: RECESSION



## COLD-COLD WINTER

- ▶ Market Collapse
- ▶ DECREASING # Businesses
- ▶ DECREASING Businesses (size)
- ▶ Property Owners Drowning (under water)

## REPRESENTED BY:

- ▶ RISING Unemployment Rate
- ▶ Decreased Rents and Increased Vacancies
- ▶ FEAR



# PHASE 4: RECESSION

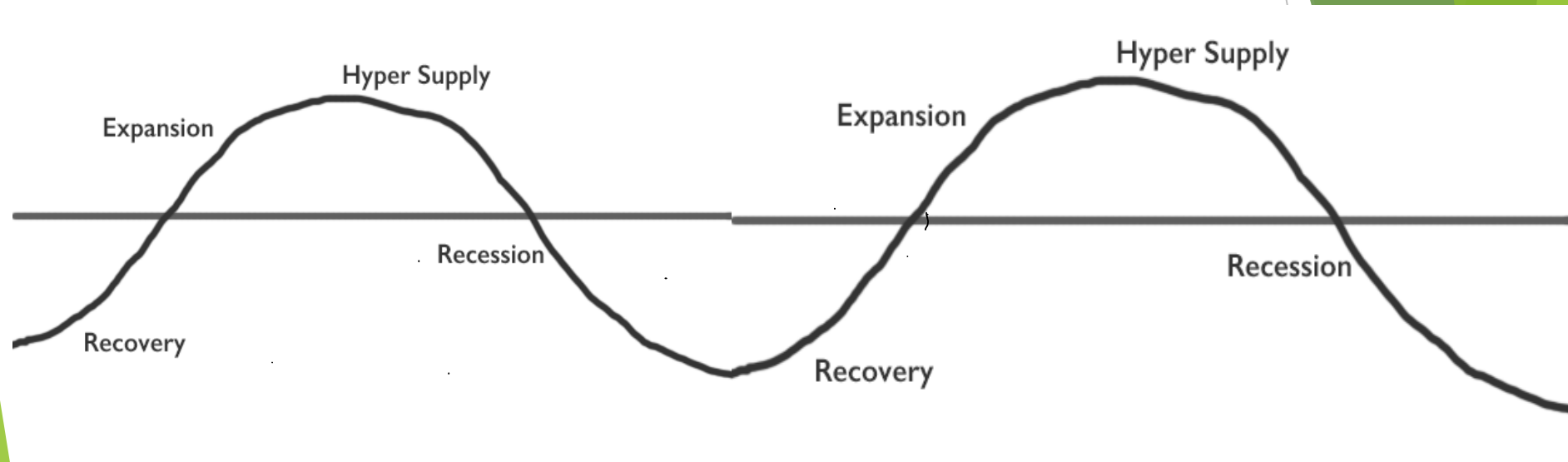
## THE SAVVY INVESTOR

- ▶ PLAY VERY IMPORTANT ROLE
- ▶ PREVENT MARKET COLLAPSE





# THE REAL ESTATE CYCLE



Fred E. Foldvary - "The Depression of 2008"

18-Yr Cycle

1989 - 2007

2007 - 2025

# WHERE ARE WE TODAY?

- ▶ Ask the important questions
  - ▶ WHERE is it strong?
  - ▶ For WHOM is it strong?
  - ▶ WHAT type of Real Estate is strong?
- ▶ Many factors can affect “The Market”
  - ▶ Interest Rates
  - ▶ White House
  - ▶ War
  - ▶ ....AND, Of Course



# “NATURAL DISASTERS”

- ▶ ARTIFICIALLY inflate
- ▶ ARTIFICIALLY deflate
- ▶ INSTANT Phase Shift
- ▶ INSTANT Multi-Phase Shift



# Where are we today?

## ► NATIONALLY

- Phase 2: EXPANSION
- Nearing the End
- Unemployment Rate is Decreasing
- CONFIDENCE in the General Population



## ► LOCALLY

- Phase 2: EXPANSION
- Home Prices Still Rising
- **Market** Driven by FEAR and CONFIDENCE

► **Still a Seller's Market**

► **Investors' Market Slowing**

**MY OBSERVATIONS and MY PREDICTIONS**



# My Observations

OCT 2021

- ▶ Increase
  - ▶ Home Values - High but Leveling
  - ▶ Rental Rates - Rising
  - ▶ Rental Properties
  - ▶ Construction Costs
  - ▶ Foreclosures - Artificially Low
- ▶ Decrease
  - ▶ Homes for Sale
  - ▶ Home Values
  - ▶ Investment Property



TM

# Projections

## 2022-2023

- ▶ Foldvary - Economist
- ▶ Doug Duncan - Fannie Mae Econ
- ▶ NAR
- ▶ Realtor.com
- ▶ Redfin
- ▶ Zillow
- ▶ NAHB



▶ **WHERE DO WE STAND?**

# Types of investments

## ▶ LONG-TERM

- ▶ Land Purchases
- ▶ Income Producing - Income Supplement
  - ▶ Rentals
  - ▶ Retirees
  - ▶ Generation X and Y

## ▶ SHORT-TERM

- ▶ Flipping





# FLIPPING

“THE DEVIL IS IN THE DETAILS”

## ► GOOD TEAM MEMBERS

- REALTOR®
- CONTRACTOR
- LOAN REPRESENTATIVE
- GENERAL MAINTENANCE
- TITLE ATTORNEY
- CPA
- INSURANCE AGENT
- SU COB
- YOU!
- REALTOR®





When is the BEST Time to  
Enter the Market?

**The BEST Time  
is NOW!**

# A GOOD & “KNOWLEDGABLE” REALTOR®

- ▶ UNDERSTAND TOTAL COSTS
- ▶ HAVE RELATIONSHIPS
- ▶ HAVE FAVOR
- ▶ BE FLEXIBLE
- ▶ HELP DEVELOP YOUR GOALS
- ▶ HAVE A GOOD REPUTATION
- ▶ HAVE EXPERIENCE
- ▶ UNDERSTAND FINANCING
- ▶ AVOID PITFALLS



**LACY BAAHETH**  
**& ASSOCIATES**  
Real Estate Sales & Property Management