
WEEK 1
Saturday
Oct. 29, 2022
9:00AM–1:00 PM

8TH GENERATION 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:***
Co-Creator of CSND,
Eric L. Porter/ComNet LLC
- 9:15 am: ***“Business Cycles”***
Dr. Donald Andrews- Dean,
- 9:50 am: ***Doing Business With Municipalities:***
Cedric Grant,
Grant Mgt. Group, LLC
- 10:50 am: ***Break***
- 10:55 am: ***Acquisition: “Municipal Properties Acquisitions”***
Victoria Hines, Esq.
- 11:55 am: ***”The State of Real Estate”***
Lacy Baaheth, Broker/Owner/Realtor
Lacy Baaheth & Associates
- 12:55 pm: ***Closing:***
Eric L. Porter, Dean Andrews & Sung No



SOUTHERN UNIVERSITY AND A&M COLLEGE
COLLEGE OF BUSINESS 1937-2022
Creating Neighborhood Developers

DONALD R. ANDREWS, PH.D., DEAN

10/29/22

The New Economy

▶ Accelerating Change

- ▶ “When the rate of change outside the organization is faster than the rate of change inside the organization, then the end is near.” *Jack Welch, Late CEO, GE*



Accelerating Pace of Change

Agricultural Age



Industrial Age



Knowledge Age



1100

1300

1500

1700

1880

1900

1920

1940

1960

1970

1980

1990

2000

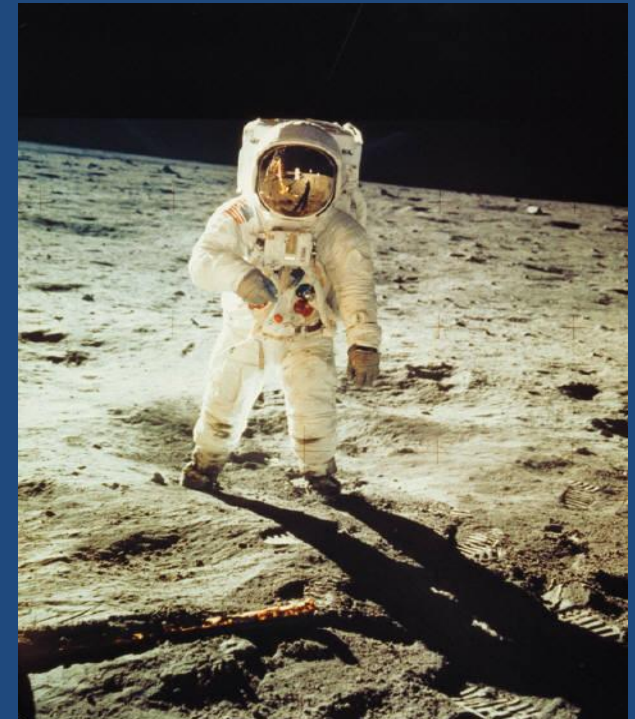
SOURCE: M. Emmi, SCT Corporation

From Knowledge Economy to Creative Economy
Calibrate, Explore, Create, Organize and Realize (CENCOR)
Jeff Immelt CEO GE

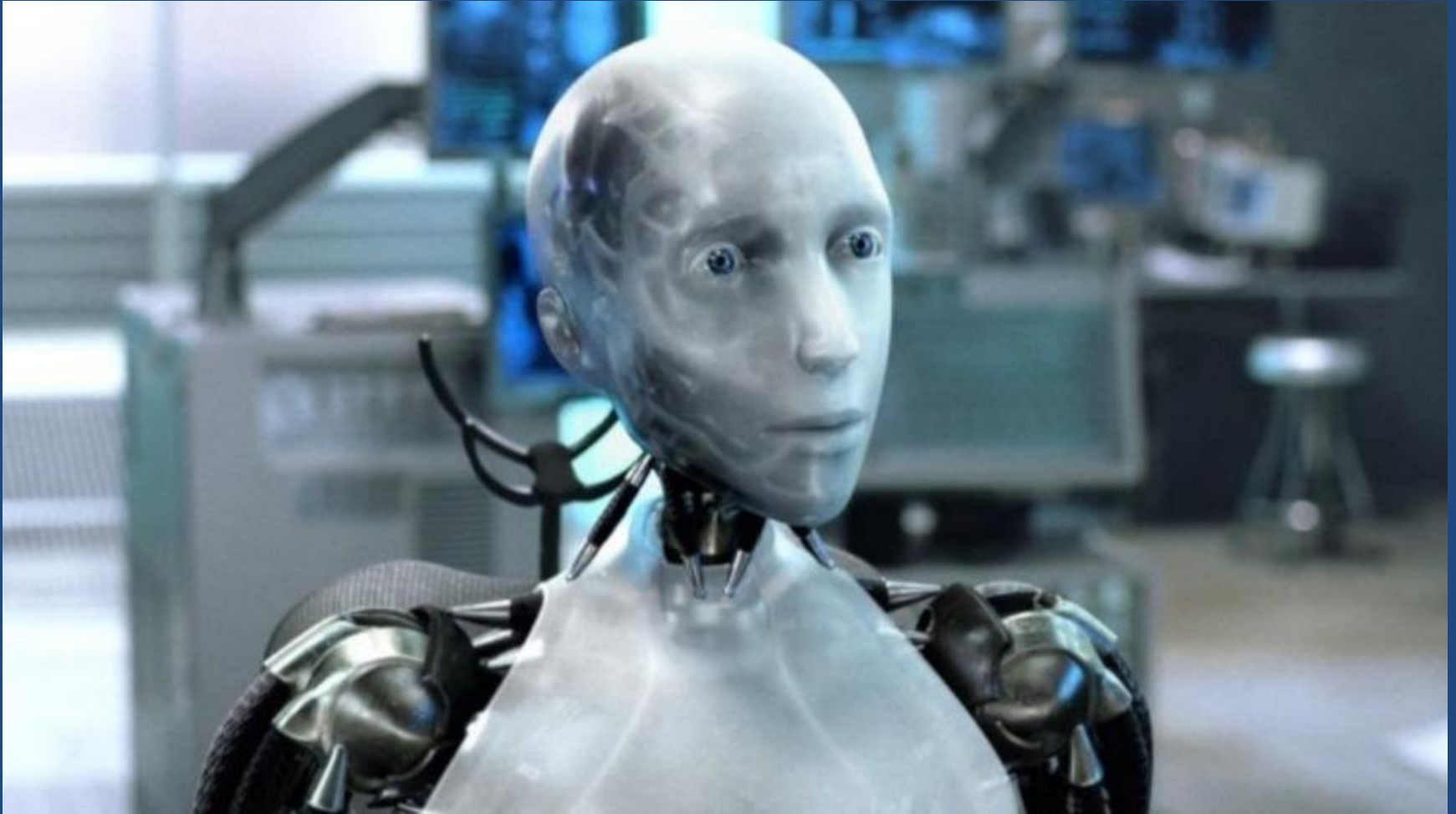
DESIGN

CREATE

IMPLEMENT



Brilliant Machines (Deep Blue and Mr. Watson) Can I Help You Think?



As Outline in *The Second Machine Age* by
Erik Brynjolfsson and Andrew McAfee 2014

Vision

The Best Way to Predict the Future is to
Create It

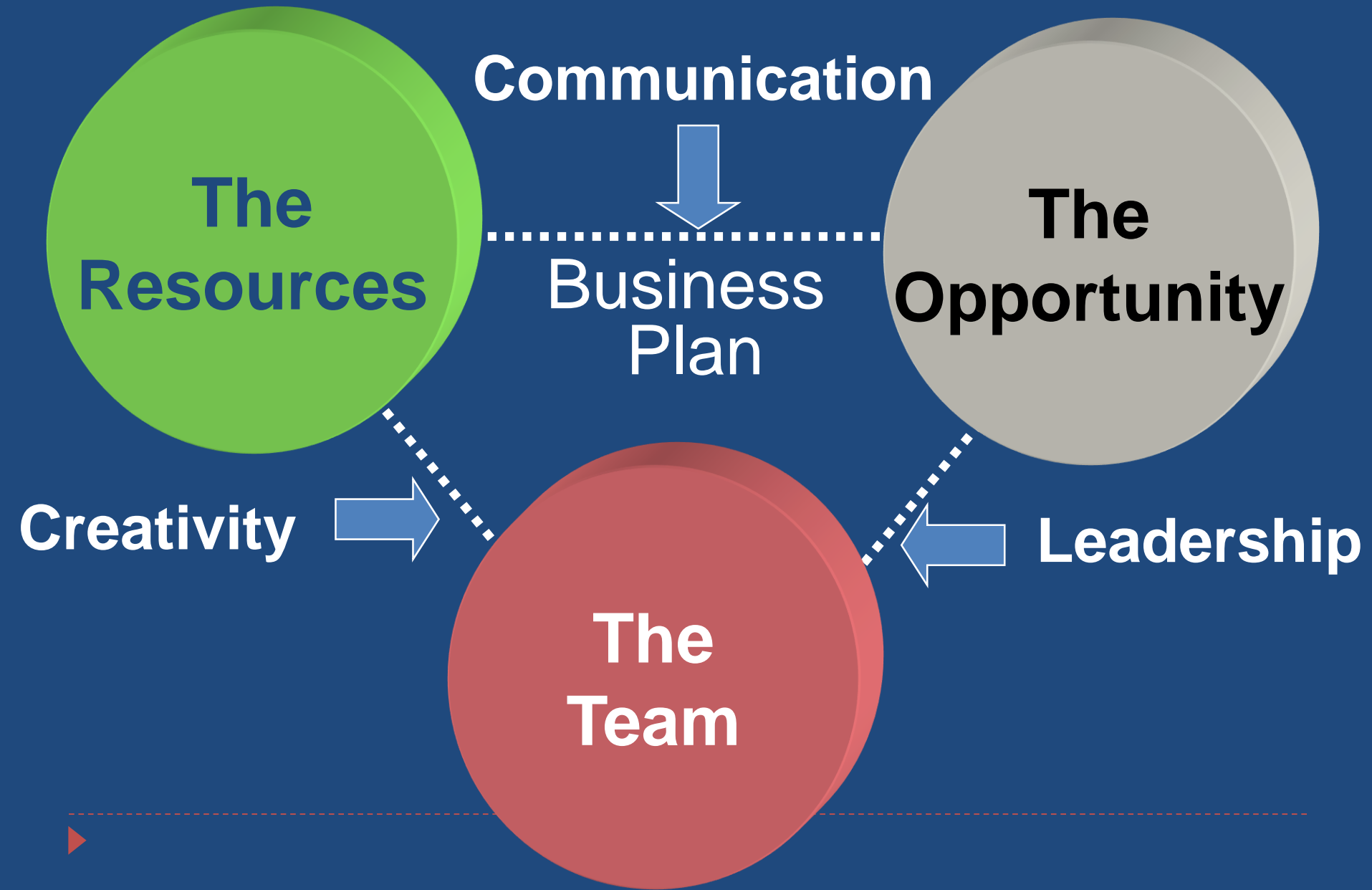


FUTURE OF WORK SKILLS

COMPLEX PROBLEM SOLVING
COGNITIVE ADAPTABILITY
CRITICAL THINKING
CREATIVITY
EMOTIONAL INTELLIGENCE
TEAM WORK AND UNDERSTANDING PEOPLE
NEGOTIATION
FLEXIBILITY (COVID-19)
SERVICE MINDSET
ENTREPRENEURIAL



The Timmons' Model of the Entrepreneurial Process





COB Mission

- To provide a quality business program that prepares students of **diverse backgrounds** for **global career challenges** and makes a **positive contribution** to the public and private sectors through **effective instruction, impactful research** and **innovative community engagement**





COB Structure

- **Founded in 1937**
- **Undergraduate programs in:**
 - **Accounting**
 - **Finance (Economic and Insurance Concentrations)**
 - **Management (HR, MIS & Supply Chain Concentrations)**
 - **Marketing (with Professional Sales Concentration)**
- **MBA (JD and Online) program**
- **University Center for Economic & Entrepreneurial Development (EDA)**
- **College Advisory Council**
- **MBA National Board of Advisors**
- **Accredited in 1998 by AACSB – International; the Association to Advance Collegiate Schools of Business.**

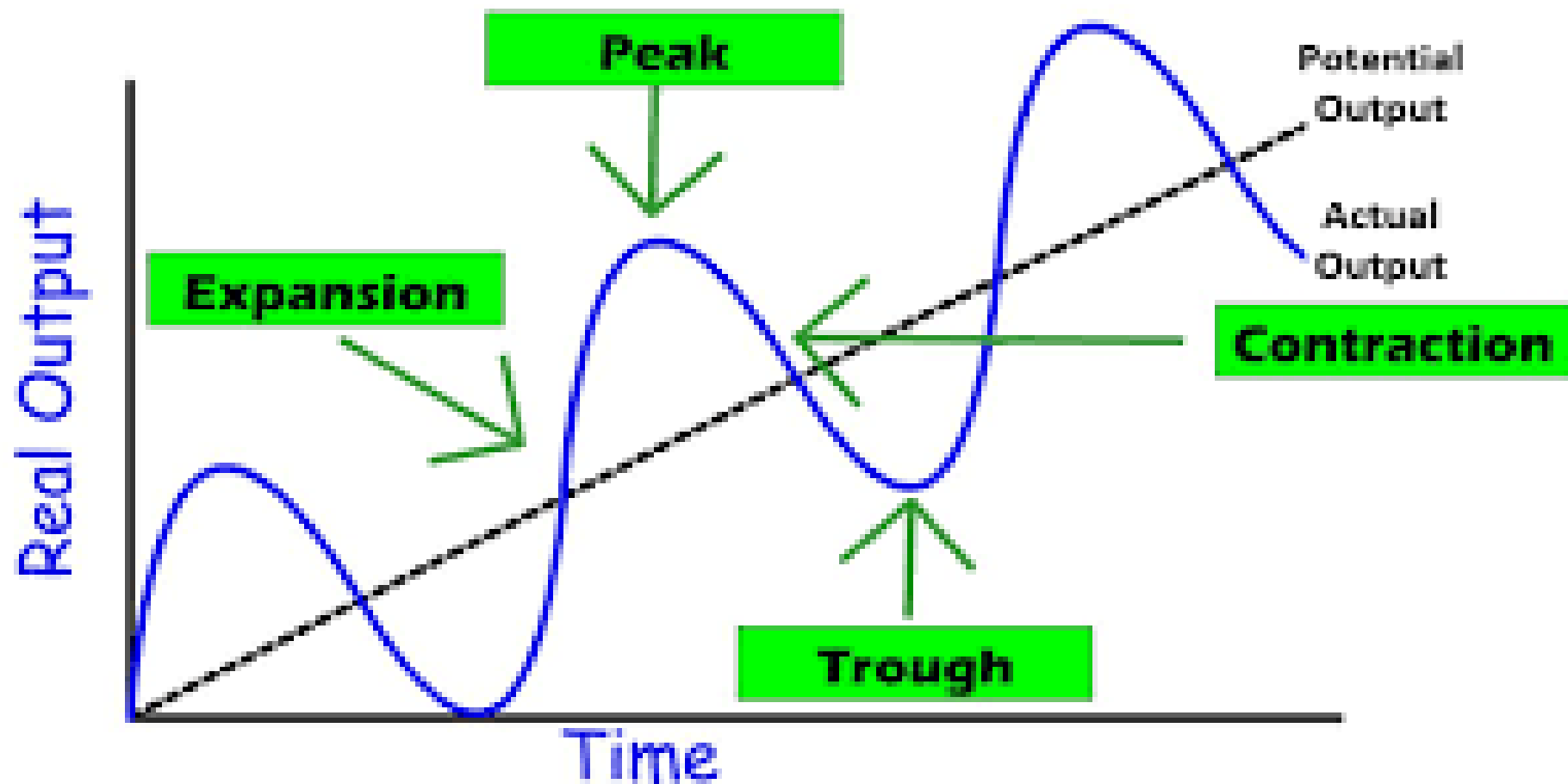


Business Cycles

- ▶ The **business cycle** measures changes in gross domestic product (GDP), or **economic** activity, over time. There are four phases: of the Business Cycle: Recovery, Prosperity, Recession, and Depression
- ▶ Causes of the Business Cycle
 - ▶ Changes in Consumption
 - ▶ Changes in Investment Spending
 - ▶ Automobile
 - ▶ Housing
 - ▶ Changes in Government Fiscal and Monetary Policy

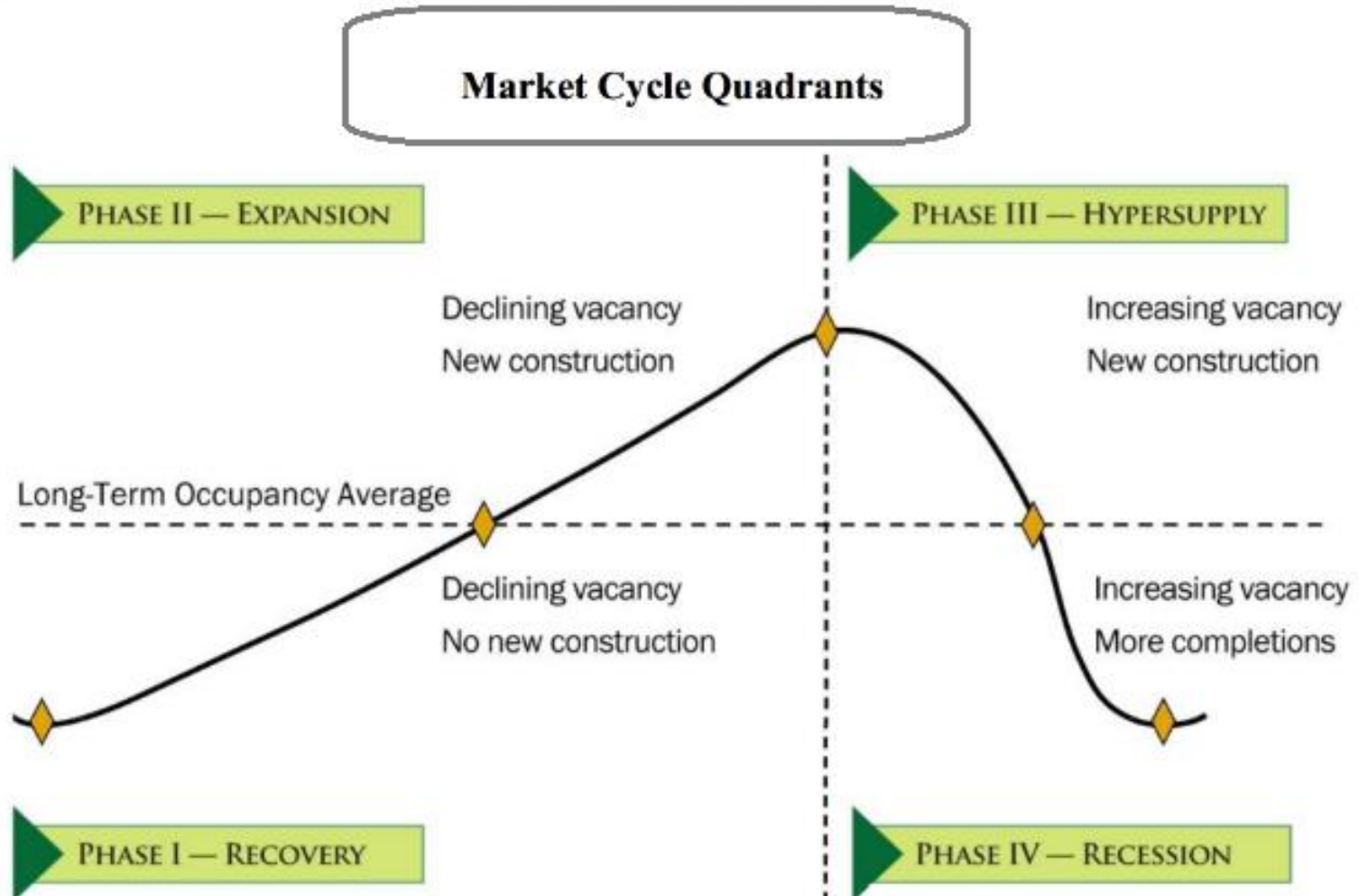


The **business cycle** measures gross domestic product, or **economic** activity, over time. In reality, the **cycle** rarely looks this neat, but this simplified **graph** shows its four phases: expansion, peak, recession, and trough. ... At the expansionary point in the **cycle**, GDP is increasing, and (usually) so is inflation.



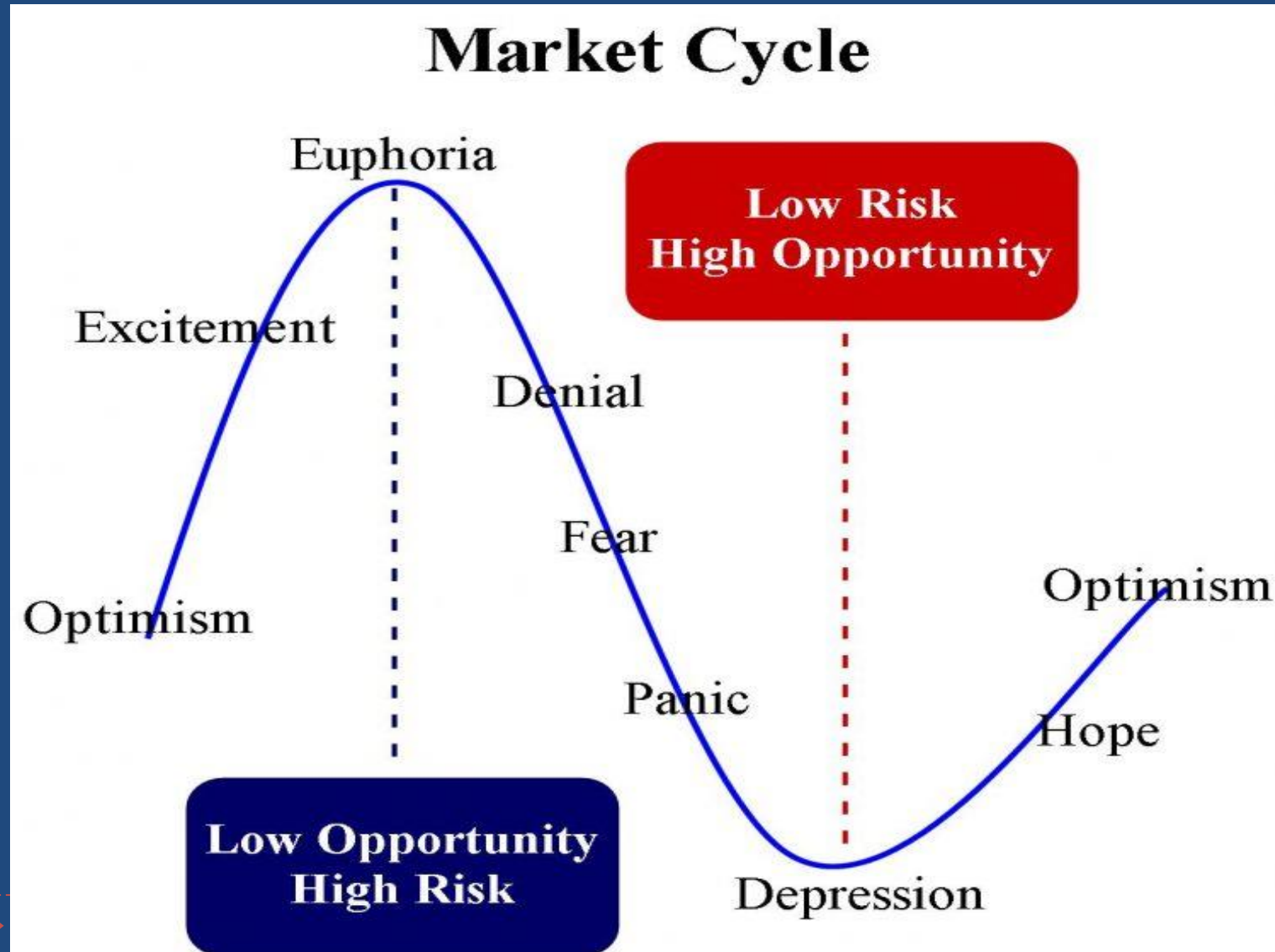
Real Estate Market Cycle

The four phases move in a continuous wave pattern that looks like this:



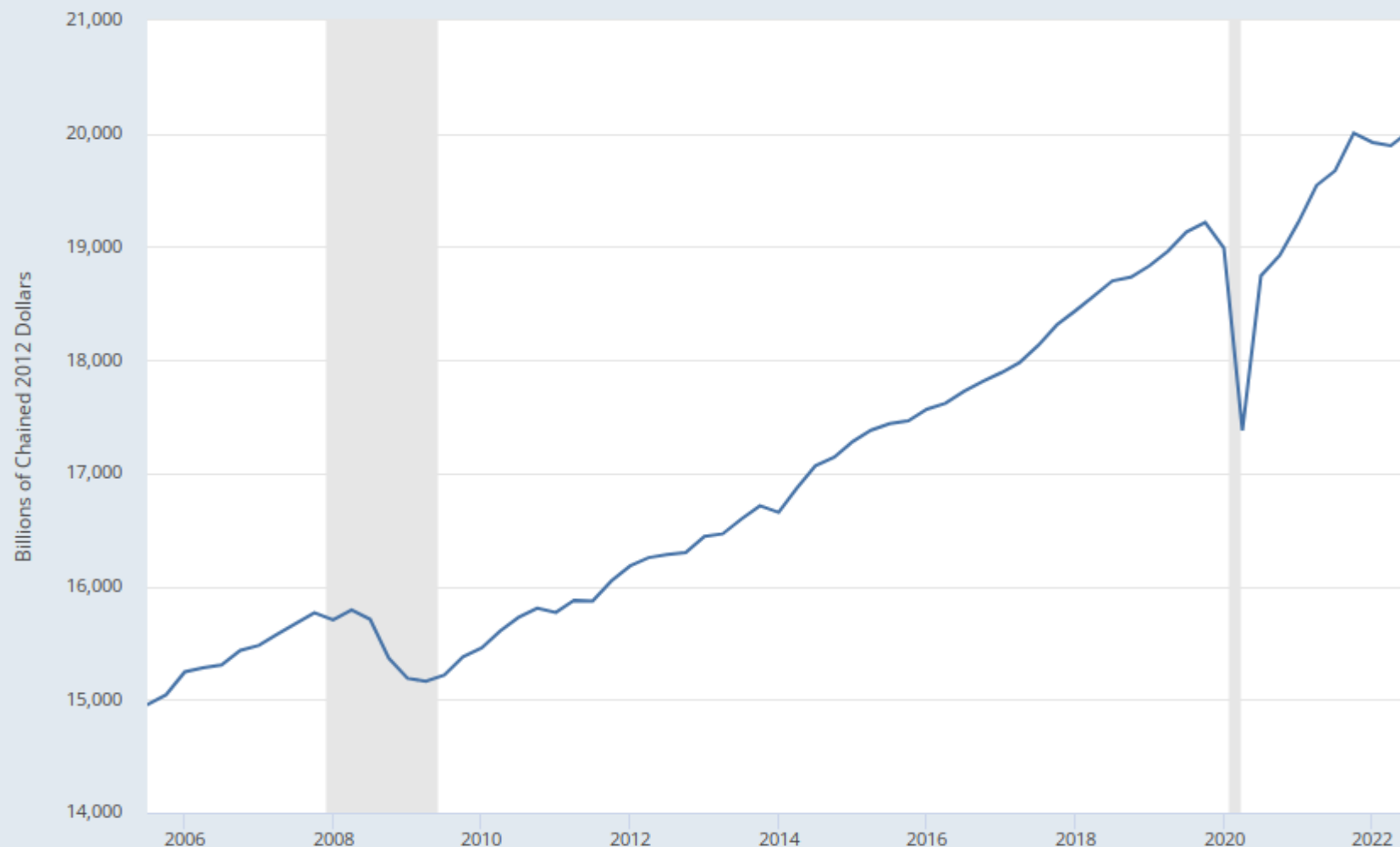
Source: Mueller, *Real Estate Finance*, 2016.

Real Estate Market Cycle



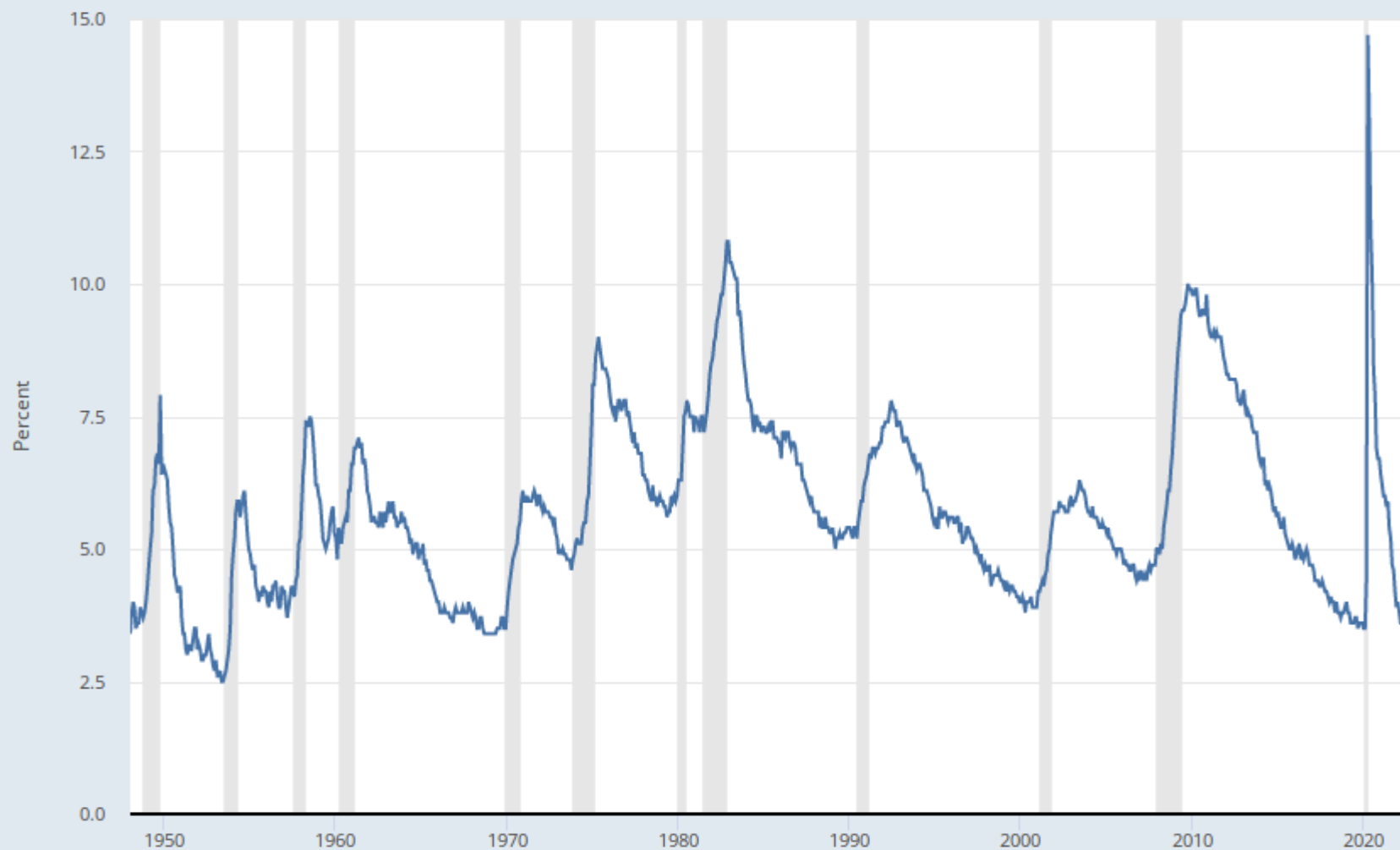


Real Gross Domestic Product



Source: U.S. Bureau of Economic Analysis

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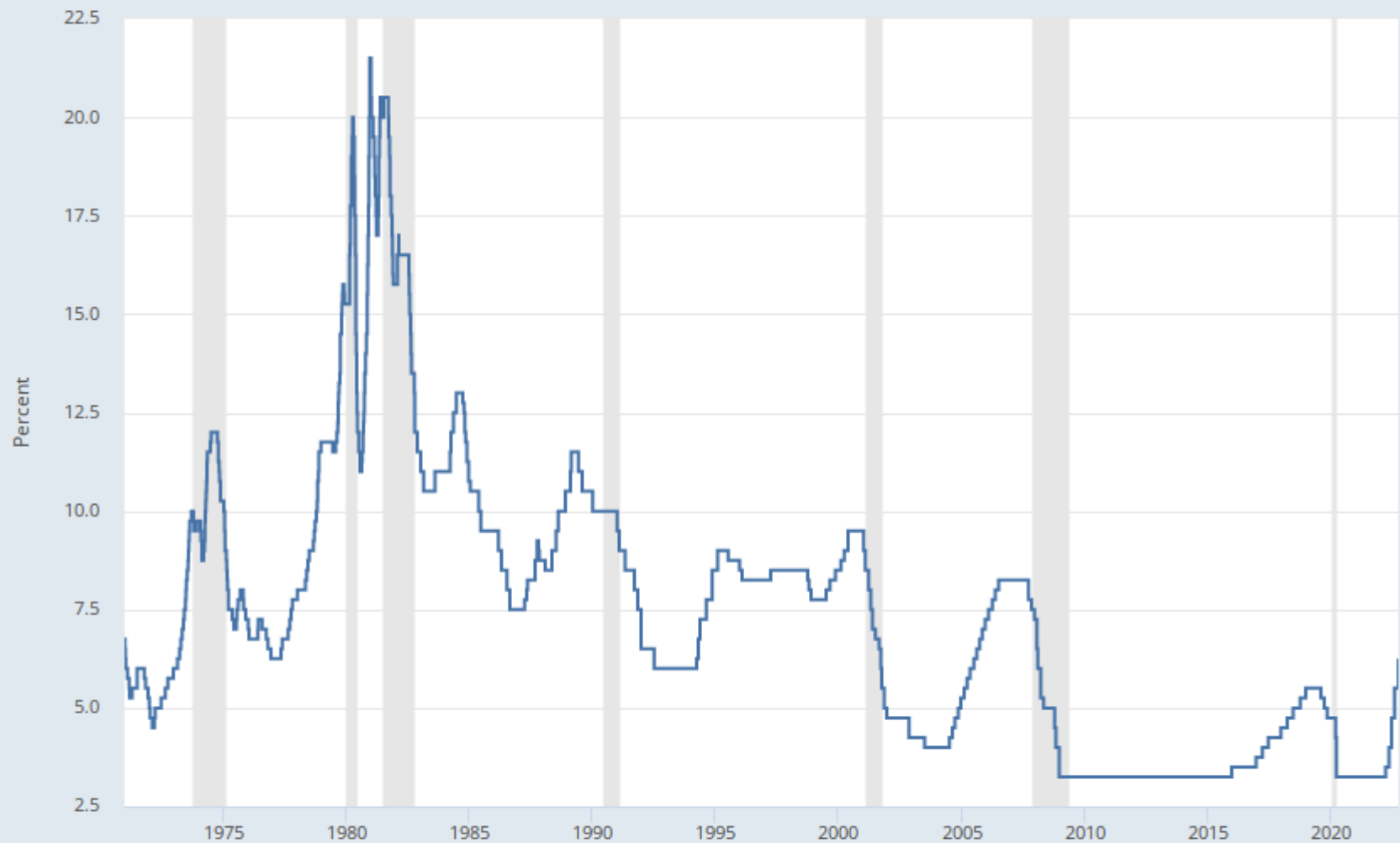


Source: U.S. Bureau of Labor Statistics

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— Bank Prime Loan Rate Changes: Historical Dates of Changes and Rates



Source: Board of Governors of the Federal Reserve System (US)

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Existing Home Sales

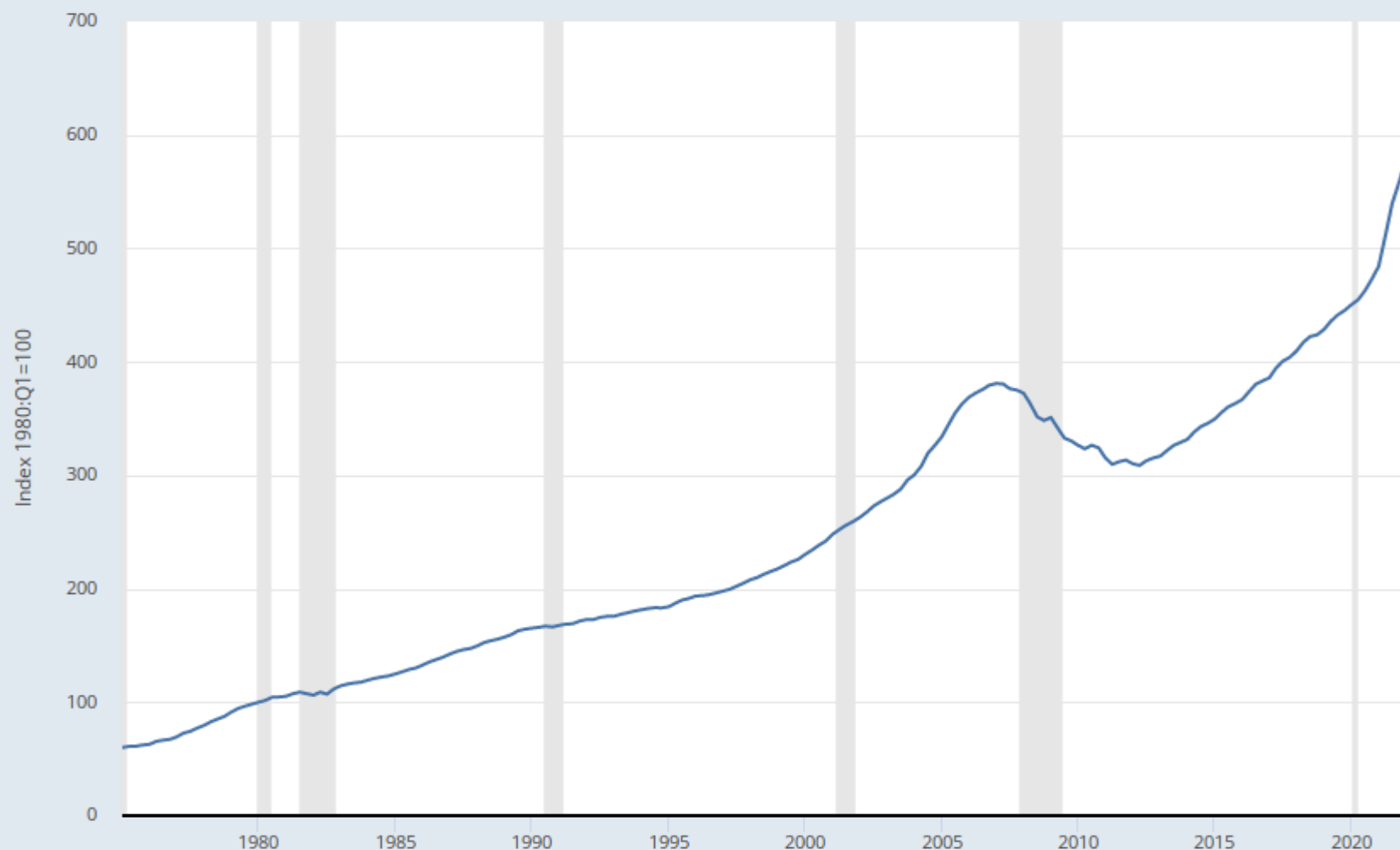


Source: National Association of Realtors

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— All-Transactions House Price Index for the United States

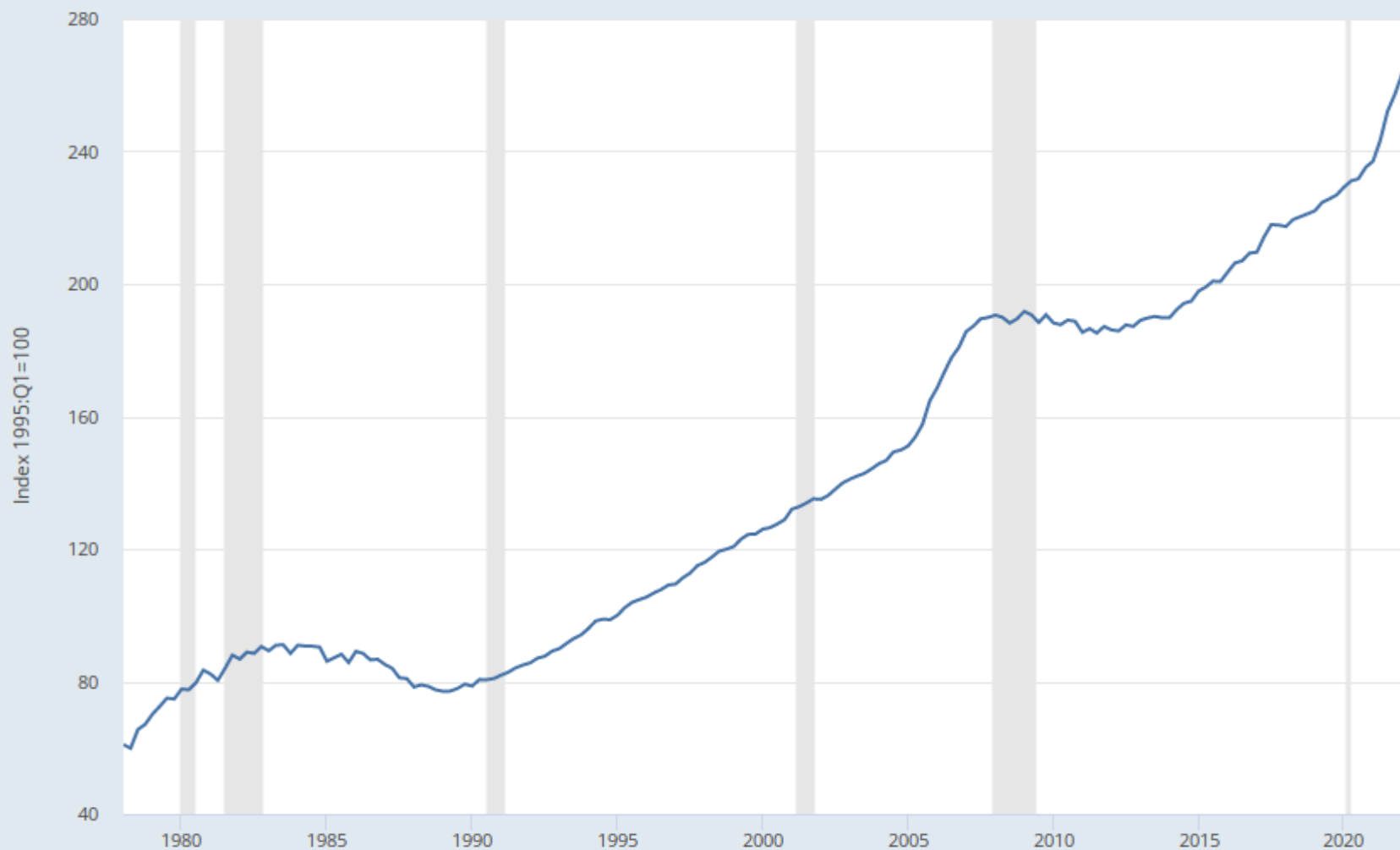


Source: U.S. Federal Housing Finance Agency

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— All-Transactions House Price Index for Baton Rouge, LA (MSA)



Source: U.S. Federal Housing Finance Agency

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FRED



— S&P 500



Source: S&P Dow Jones Indices LLC

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Questions and Answers





DOING BUSINESS WITH MUNICIPALITIES

CEDRIC GRANT, PRESIDENT
GRANT MANAGEMENT GROUP



RELATIONSHIP AND ACCESS WHO IS INVOLVED AND HOW ARE DECISIONS MADE

-
- Mayor
 - City Council
 - City Attorney
 - Community Leaders
 - Regulators
 - Citizens

KNOW THE COMMUNITY ISSUES AND PRIORITIES

Crime

Blight

Sanitation

Infrastructure

Housing

Homelessness

Poverty

KNOW THE RULES RELATED TO WHAT YOU ARE TRYING TO ACCOMPLISH

State Law

Local
Ordinances and
Code

Comprehensive
Zoning Code

Comprehensive
Plan

Community
Development
Plans

Strategic
Initiatives

Special
Districts

RESOURCES AVAILABLE

Federal Funds

State Funds

Local Funds

Private Funds

Is it in the City Budget

WHAT RESOURCES DO YOU BRING TO THE PROJECT



Expertise
and
Commitment

Financing

Political and
Community
Support

Partners

CAN YOU DO WHAT YOU SAY YOU CAN DO

1

Track Record of
Delivering Projects

2

Meet Deadlines

3

Present You and
Your Organization in
a Professional
Manner

4

Be Flexible

5

Be Patient

6

Execute the Project
on Time and Budget



QUESTIONS

CONTACT INFORMATION

Cedric Grant, President
Grant Management Group

cedricsgrant@gmail.com

(504) 508-8859

8th Generation Creating Sustainable Neighborhood Developers' Program: *Virtual*

Acquisition: *"Municipal Properties Acquisitions"*

October 29, 2022



What We Will Cover:

1. Defining an Adjudicated Property
2. Tax Sale/ Process
 - a. Notice
 - b. Tax Sale Certificate
 - c. Redemption
3. How to Quiet Tax Title
 - a. Petition to Quiet Tax Title
 - b. Acquisitive Prescription

What is an Adjudicated Property?

- "Adjudicated property" means property of which tax sale title is acquired by a political subdivision pursuant to Louisiana Revised Statutes (La.R.S.) 47:2196. While the property is adjudicated to a political subdivision, the tax debtor (original owner) is still liable for the property.
- Once a property is adjudicated, the political subdivision (usually a City/Parish) has three options: 1) quiet tax title; 2) DOAP (Donation of Adjudicated Property- La.R.S.47:2205); or SOAP (Sale of Adjudicated Property- La.R.S.47:2202); both usually include restrictions such as: build/renovate the property within a specific period of time.
- If DOAP is selected, the transfer must be for a public purpose.

TAX SALE PROCESS



NOTICE:

The city must send notice to the tax debtor prior to placing property in tax sale

TAX DEBTOR:

As of the date of determination, the person listed on the tax roll in accordance with R.S. 47:2126.

TAX SALE CERTIFICATE:

Document recorded by taxing authority; verifies tax sale interest acquired by tax sale purchaser

TAX SALE REDEMPTION:

Tax debtor has three (3) years from the recordation of tax sale certificate to redeem (get property back); reduced to 18 mths if there is a blight judgment



TAX SALE CERTIFICATE



STATE OF LOUISIANA, PARISH OF ORLEANS, CITY OF NEW ORLEANS

V.

BE IT KNOWN AND REMEMBERED, that, I, Beverly Garipey, Director of Finance and ex-officio Tax Collector in and for the City of New Orleans, in the name of the City of New Orleans, and by virtue of the authority vested in me by the constitution and laws of the State of Louisiana and in pursuance of the requirements of those laws, having mailed and published the notice required by law and having strictly complied with each and every requirement of the laws relating to delinquent taxes and tax debtors and to seizures, advertisements, and sale of tax sale title to the property in full, did in the manner prescribed by law, advertise and list in the Times-Picayune the property to be sold for delinquent property taxes with interest and costs for the year(s) 2016 and prior in the City of New Orleans on the 3rd day of March, 2017 and the 7th day of April, 2017, giving notice in the issues of the newspaper and in the list as advertised the following described immovable property appearing in the name of:

TO WIT: C/O [REDACTED]

Tax Bill Number: [REDACTED]

Property Description: SQ [REDACTED] LOT [REDACTED] 2005 TAX SALE C/O [REDACTED]

Year:	Type:	Balance:	Interest:	Penalty:	Collection:	Total:
2016	Code Enforcement Lien	\$4,155.00	\$0.00	\$0.00	\$0.00	\$4,155.00
2016	Real Estate	\$1,441.94	\$216.29	\$0.00	\$0.00	\$1,658.23
2016	Tax Sale Costs	\$0.00	\$0.00	\$0.00	\$300.00	\$300.00
2017	Tax Sale Costs	\$0.00	\$0.00	\$0.00	\$186.00	\$186.00
Total:		\$5,596.94	\$216.29	\$0.00	\$486.00	\$6,299.23

And on said 11th day of April, 2017, after beginning but not completing said list, I continued the same within legal hours each succeeding legal day offering tax sale title to said property for sale at public auction in the manner required by said laws and the whole or the undivided interest of the tax debtor therein being the smallest amount of said property that any bidder would buy and pay the taxes and costs, and [REDACTED] being the bidder, and having complied with the terms of sale, became the purchaser of tax sale title to 99% of the whole of the property or the undivided interest of the tax debtor therein.

NOW, THEREFORE, all the formalities of the law having been complied with, I, Beverly Garipey, Director of Finance and ex-officio Tax Collector for said City of New Orleans, by virtue of the authority vested in me by the laws of the State of Louisiana do by these presents sell and transfer unto [REDACTED] of [REDACTED], tax sale title to 99% of the whole of the property or the undivided interest of the tax debtor therein last above described with all the improvements thereon. The tax debtor or any person interested personally or as heir, legatee, creditor or otherwise, shall have the right to redeem the property for the period of three years from the date of filing of this tax sale certificate. All redemption payments shall be made through the tax collector of the appropriate political subdivision. Payment shall include all statutory impositions accruing before the date of redemption payment with a five percent penalty and simple interest accruing at one percent per month.

POST- TAX SALE PROCESS



NOTICE:

When a property is sold at tax sale, the city is required to send tax debtor notice of the sale at 30 and 90 day intervals. La.R.S.47:2156 (B)

TAX SALE PURCHASER:

“May” (not required at this point) send notice to all possible tax sale parties of his/her intention to terminate their interest if not timely redeemed. La.R.S.47:2156 (A)

TAXES:

Tax sale purchaser responsible for taxes until redeemed. La.R.S.47:2161 (A)

IMPROVEMENTS:

Tax sale purchaser may seek reimbursement. La.R.S.47:2161 (B)

WHAT TO DO AFTER THE REDEMPTIVE PERIOD- QUIETING TAX SALE TITLE- La.R.S.47:2266

Petition to Quiet Tax Sale Title

Once the redemptive period (3 years; 18 months if blighted), tax sale purchaser can proceed with quieting tax sale title:

- Must file a “Petition to Quiet Tax Title” in the court of the parish where property located- **CONSULT WITH AN ATTORNEY**
- Tax debtor and all other tax sale parties (who may have an interest) must be included as parties in the lawsuit and served
- If the tax sale purchaser waits 5 years from the date the tax sale certificate is recorded to file the suit, the tax sale purchaser may ask the Court for an immediate judgment quiet tax title; if 5 years have not lapsed, the Court will give the tax debtor or other interested parties 6 months to challenge the suit
- Once tax sale purchaser has a judgment confirming/quieting tax title, he/she may proceed with steps to redevelop the property

ACQUISITIVE PRESCRIPTION

- Louisiana Law provides for a 10-year acquisitive prescription of immovable property.
- Acquisitive prescription is a method of acquiring ownership of something over a period of time. La. Civil Code Article 3446.
- Four requirements:
 1. **Good Faith** on the part of the possessor;
 2. A title proving ownership;
 3. Possession during the requisite period of time; and
 4. An object that may be acquired by prescription



LACY BAAHETH
& ASSOCIATES

October 29, 2022

The Real Estate Market

Credentials

Lacy Baaheth & Associates

BROKER/Owner

Established 2008

(Licensed for 24 years)

LA Real Estate Commission (2016-2022) – 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)



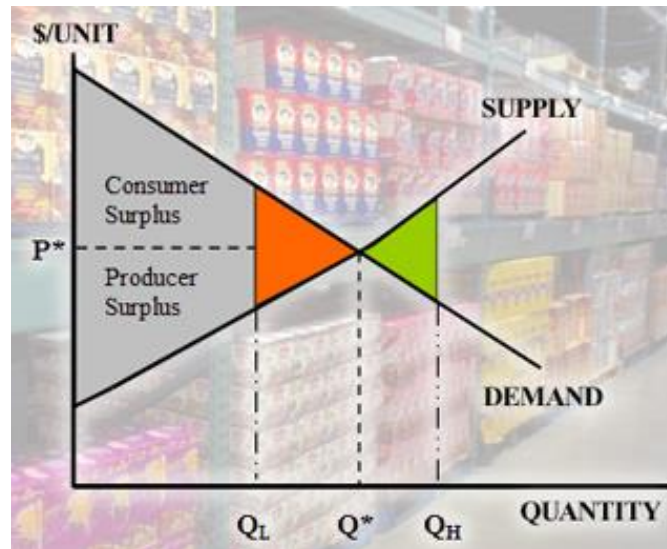
“THE MARKET”

- ▶ 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

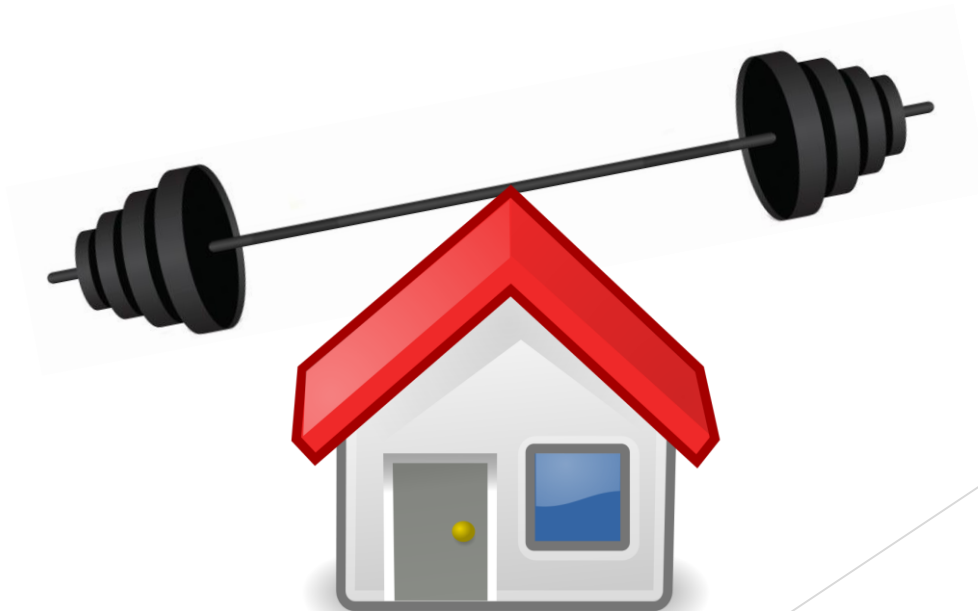


Government policies/subsidies

The STRENGTH of the MARKET

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

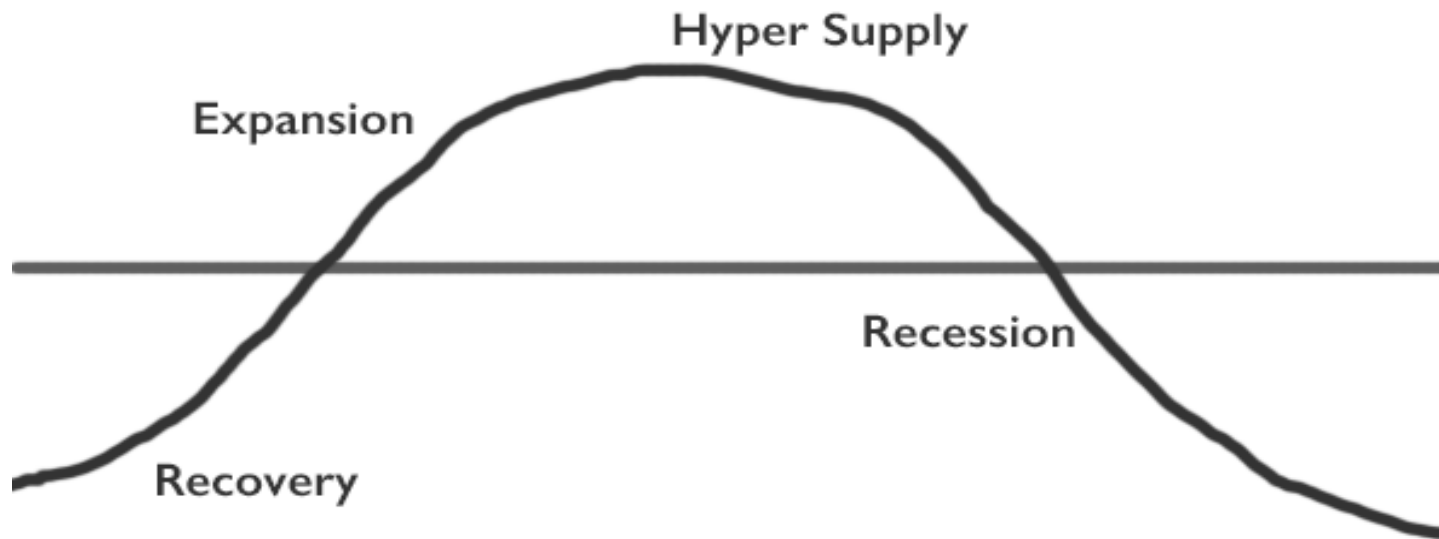
- ▶ **WHERE** is it strong?
- ▶ For **WHOM** is it strong?
- ▶ **WHAT** type of Real Estate is strong?



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



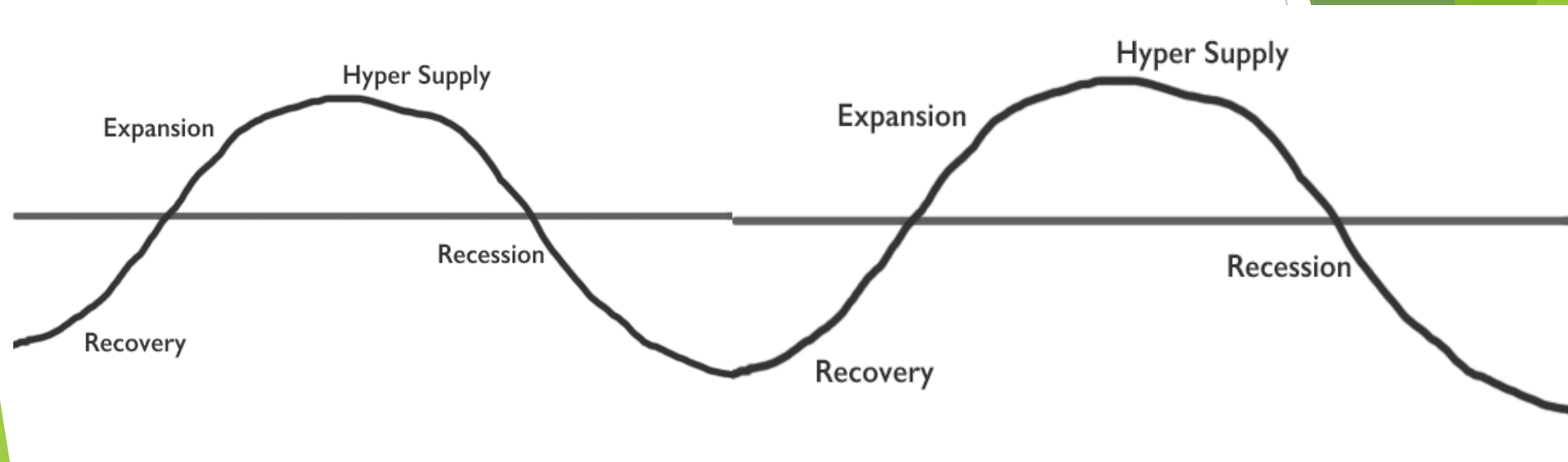
PHASE 4: RECESSION

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

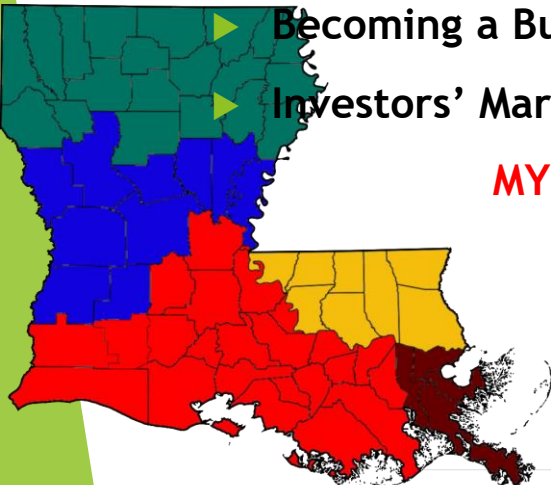
- Moving into Phase 3: HYPER-SUPPLY
- Beginning
- Unemployment Rate is Decreasing
- Losing CONFIDENCE from the General Population



► LOCALLY

- Phase 3: HYPER-SUPPLY
- Home Prices LEVELING
- **Market** Driven by FEAR
- **Becoming a Buyer's Market**
- **Investors' Market WILL Increase**

MY OBSERVATIONS and MY PREDICTIONS



My Observations

OCT 2022

► Increase

- Home Values - High but Leveling
- Rental Rates - Rising but Leveling
- Rental Properties - Leveling
- Construction Costs - Steady
- Foreclosures - Rising
- Homes for Sale
- Interest Rates
- Investment Property

► Decrease

- Home Prices
- Investment Property Prices



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

- ▶ SHORT-TERM

- ▶ Flipping
- ▶ Income Producing Properties



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