



Duration of the program: Forty-eight (48) hours over twelve (12) weeks period,
September 14-December 14, 2019

WEEK 1: Saturday: September 14, 2019, 9:00 AM to 1:00 PM

Course 1: Sustainable Neighborhood Development, Entrepreneurship and Small Business fundamentals, and Understanding the Impact of Business Cycles and Financial Market Conditions

Presenters:

| | |
|---|---|
| 09:00 Welcome/Introduction | Jamie Mayo, Mayor, City of Monroe |
| 09:15 City of Monroe Housing Initiative | Ellen Hill, Department Head, Planning & Urban Development, City of Monroe, LA |
| 09:30 Course Objective | Dr. Donald Andrews, Dean, College of Business, Southern University and A&M College, Baton Rouge, LA |
| 09:40 Southern University EDA Center | Dr. Sung No, W.E. Tucker Endowed Professor, Co-Director, Southern University EDA University Center |
| 09:50 ComNet, LLC | Eric L. Porter, Founder, Creating Neighborhood Developer Program |
| 10:00 Course 1A | Sustainable Neighborhood Development, Entrepreneurship & Small Business Fundamentals, and Understanding the Impact of Business Cycles and Financial Market Conditions ▪ Instructor: Dr. Donald Andrews, Dean |
| 11:00 Course 1B | Real Estate Markets: Trends, Acquisition, and Recent Developments in real estate markets. ▪ Instructor: Lacy Baatheth, Louisiana Real Estate Broker, Louisiana Real Estate Commissioner, District 6 |
| 12:45 Questions and Answering Session | |
| 1:00 PM: Class End | |



SOUTHERN UNIVERSITY AND A&M COLLEGE
COLLEGE OF BUSINESS

DONALD R. ANDREWS, PH.D., DEAN

Louisiana Economic Creating Neighborhood Revitalization Opportunity

Building the Next Generation
Entrepreneurial Ecosystems and Creating
Strategic Partnerships in
Monroe, Louisiana

September 14, 2019



UNIVERSITY CENTER ECONOMIC DEVELOPMENT PROGRAM: BRINGING RESEARCH TO WORK

- ▶ EDA's University Center Economic Development Program makes the resources of universities available to the economic development community.
- ▶ Institutions of higher education have extensive resources, including specialized research, outreach, technology transfer, and commercialization capabilities, as well as recognized faculty expertise and sophisticated laboratories.
- ▶ The EDA-supported University Center (UC) program is specifically designed to marshal the resources located within colleges and universities to support regional economic development strategies in regions of chronic and acute economic distress.





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 program**
 - **JD/MBA 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.**
-



Accelerating Pace of Change

Agricultural Age



Industrial Age



Knowledge Age



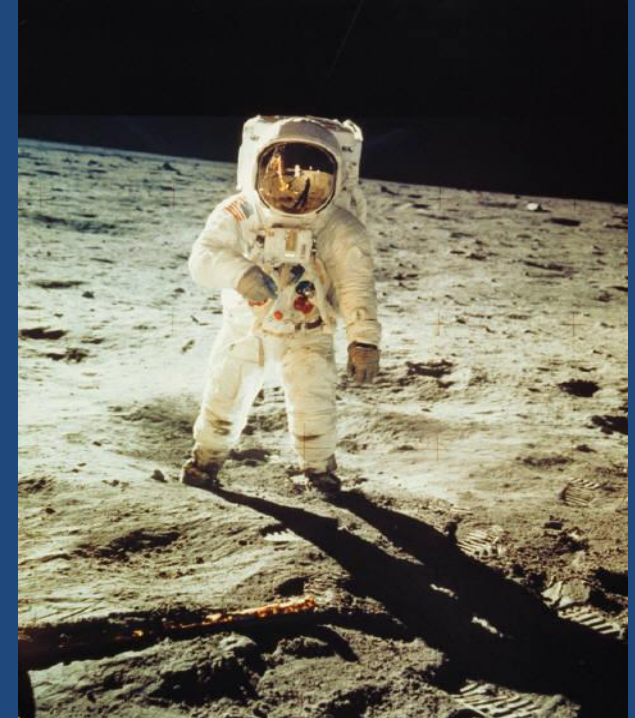
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From Knowledge Economy to Creative Economy
Calibrate, Explore, Create, Organize and Realize (CENCOR)
Jeff Immelt CEO GE

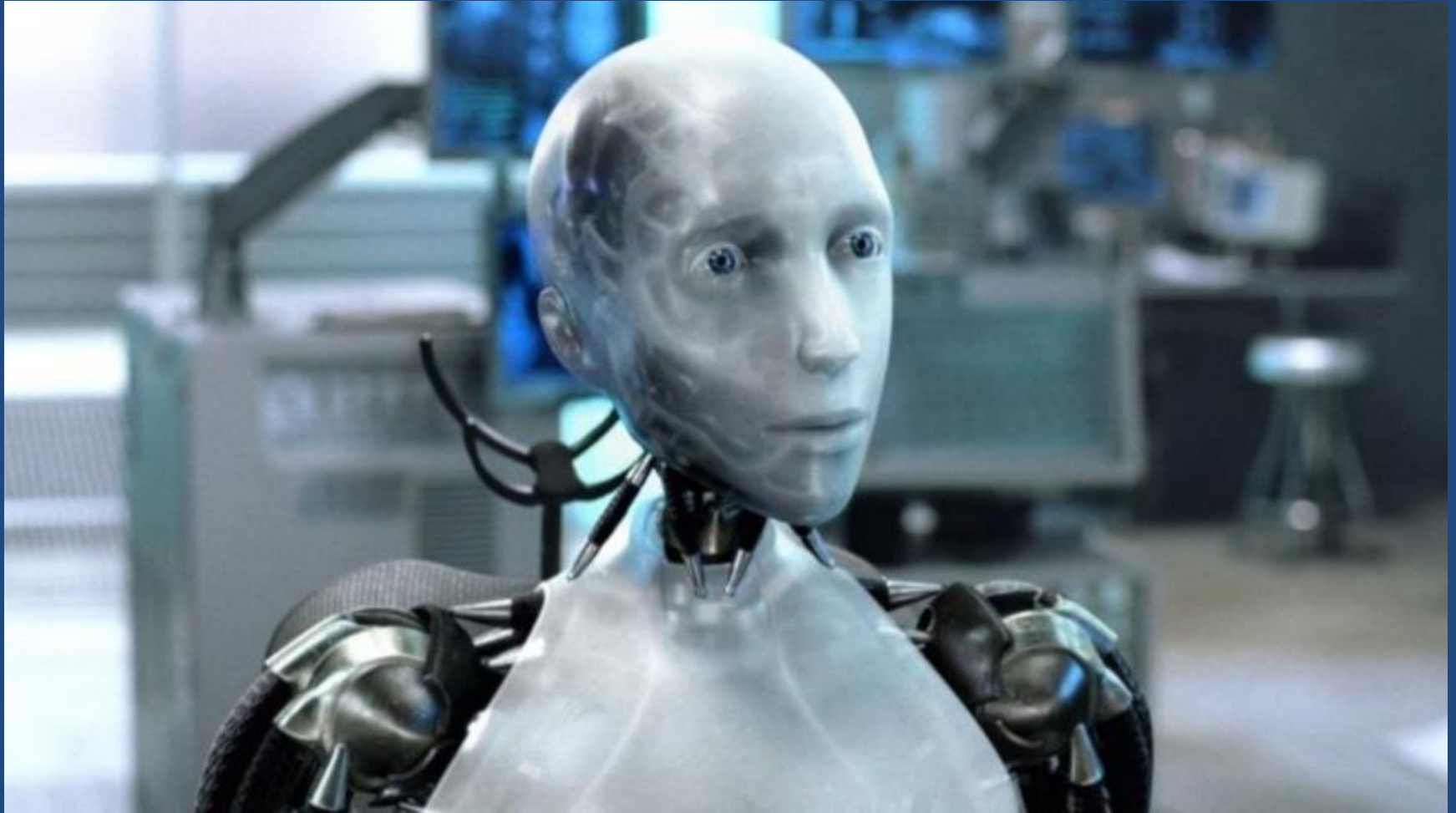
DESIGN

CREATE

IMPLEMENT



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



Income Share to Top 10 Percent 1917-2007

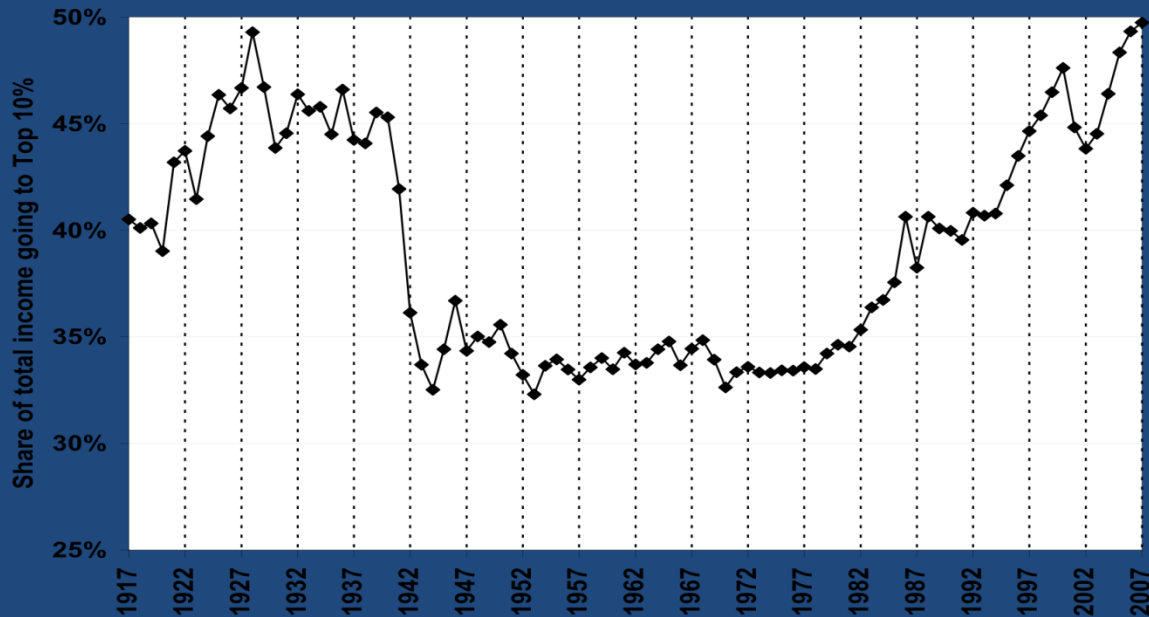


FIGURE 1

The Top Decile Income Share in the United States, 1917-2007

Source: Piketty and Saez (2003), series updated to 2007.

Income is defined as market income including capital gains.

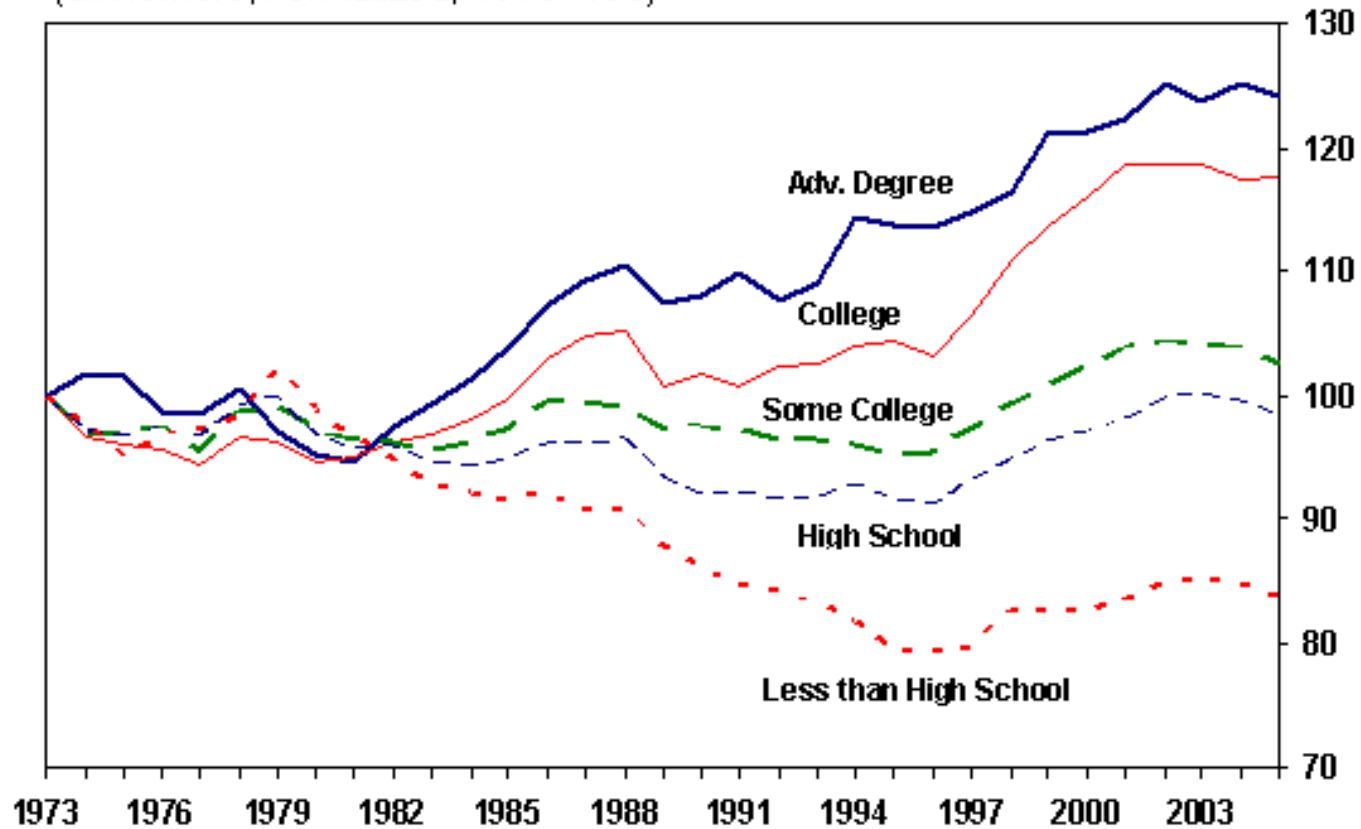
In 2007, top decile includes all families with annual income above \$109,630.

Growth in Wages by Education

1973-2005

Figure 2: Real Hourly Wages by Education

(all workers, normalized; 1973=100)



Source: Economic Policy Institute

Vision

The Best Way to Predict the Future is to
Create It



21st Century Institutions of Higher Education Role in Economic Development

Strategic Program Principles of Practice

- ▶ Embed Economic Engagement, Innovation, and Entrepreneurship Across Institutional Missions
- ▶ Value and Promote Scholarship Across A Continuum of Discovery and Application
- ▶ Be Good Community Partners
- ▶ Engage in Regional Innovation Ecosystems
- ▶ Identify and Strengthen the Institutions Strategic Competitiveness
- ▶ Serve Regional Human Capital and Workforce Needs
- ▶ Contribute to the Health and Well-Being of the Community and People Served
- ▶ Facilitate 21st Century Knowledge Creation at the Intersections, Collisions and Fusions of Academic Disciplines
- ▶ Affirm that, in Innovation and Engagement, Humanities, Arts, Social Science and STEM Disciplines are Vital
- ▶ Innovate Continuously in Teaching and Learning Practices

▶ Source: Higher Education Engagement in Economic Development, Association of Public and Land Grant Universities - Commission on Innovation, Competitiveness and Economic Prosperity – University Economic Development Association

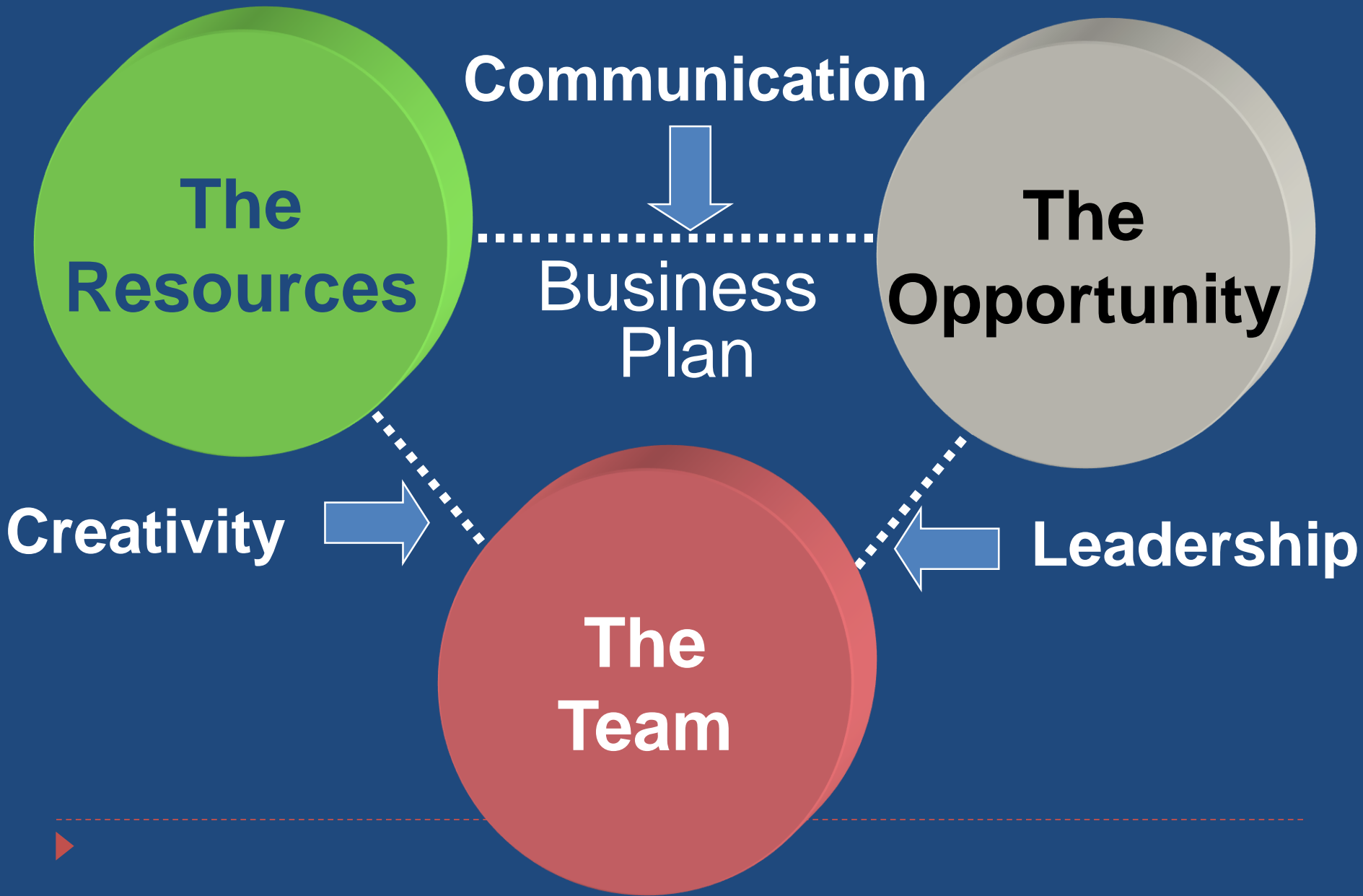


University Engagement Model

Source: Foundations for Strategy and Practice APLU and UEDA



The Timmons' Model of the Entrepreneurial Process



Entrepreneurial Ecosystem

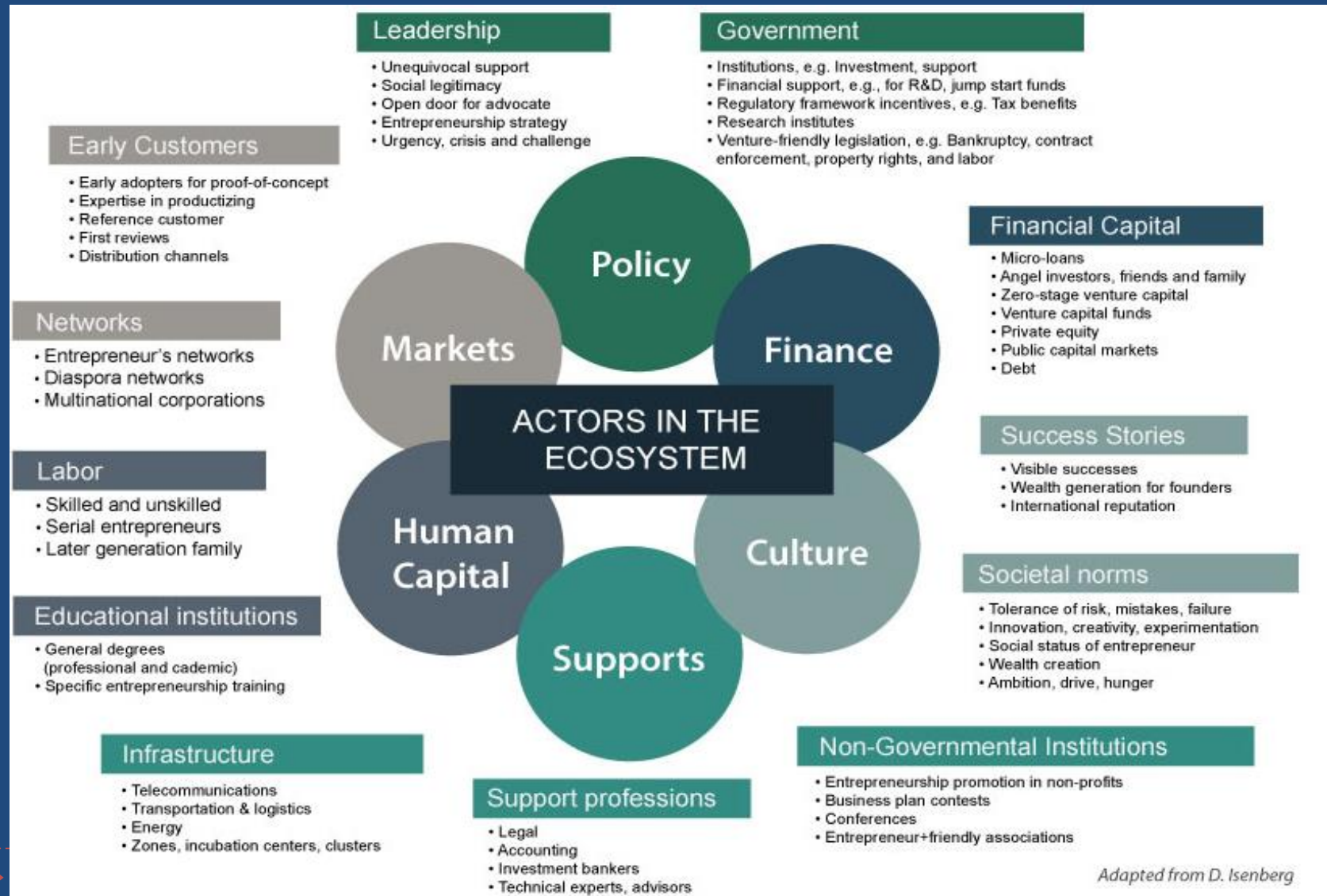
Kauffman Foundation

“Starting a venture is a complex task, and entrepreneurs thrive best in places where they have communities or “ecosystems” to draw upon—people who can stimulate their thinking, offer advice or assistance in many forms, and even participate in their ventures.”

Kauffman Foundation website



Entrepreneurial Ecosystem



Adapted from D. Isenberg

Building Community Resiliency

- ▶ Economic – Economy Stabilized, with Enhanced Sustainability and Resiliency to Future Risk
- ▶ Housing – Citizens of Louisiana who were Displaced from their Primary Residence are Returned to Permanent, Sanitary, and Accessible Housing
- ▶ Infrastructure Systems – Infrastructure Systems Restored and made More Resilient to Future Risk
- ▶ Mitigation (Watershed) – Implement Flood Mitigation Measures to Manage Floods to Reduce Future Impacts
- ▶ **Source: Economic Development Administration**



When Disaster Strikes



Where Do You Go?



How Do You Recover and Rebuild?





LACY BAAHETH
& ASSOCIATES

September 14, 2019

The Real Estate Market

Credentials

Lacy Baaheth & Associates

BROKER/Owner

Established 2008

(Licensed for 18 years)

One of 11 Real Estate Commissioners for State of Louisiana

Member of Baton Rouge Association of Real Estate Brokers (BRAREB)

Past President of BRAREB

National Award: 2012 Realtist of the Year (NAREB)

Member of National Association of Real Estate Brokers (NAR)

Member of Professional Business Network (PBN)

Licensed in Louisiana and Mississippi

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

2016 Louisiana Real Estate Commissioner

Professional Designations:

Accredited Buyer Representative (ABR)

Graduate's REALTORS Institute (GRI)

Vendor Resource Management (VRM)

Certified Distressed Property Expert (CDPE)

Certified Veteran Housing Counselor



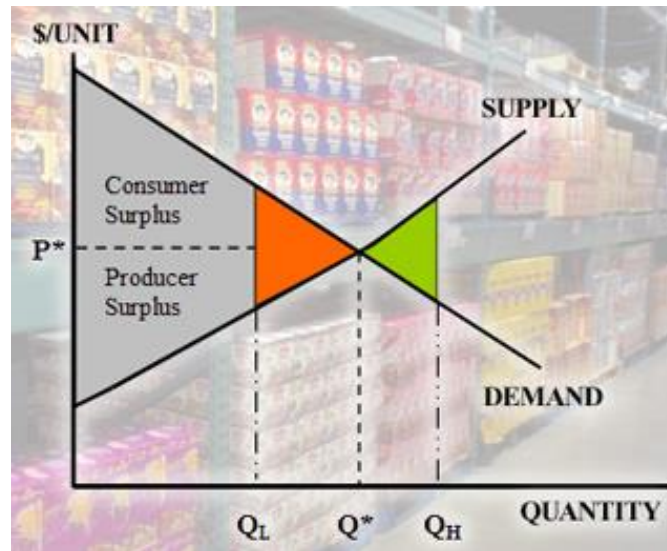
“THE MARKET”

- ▶ 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

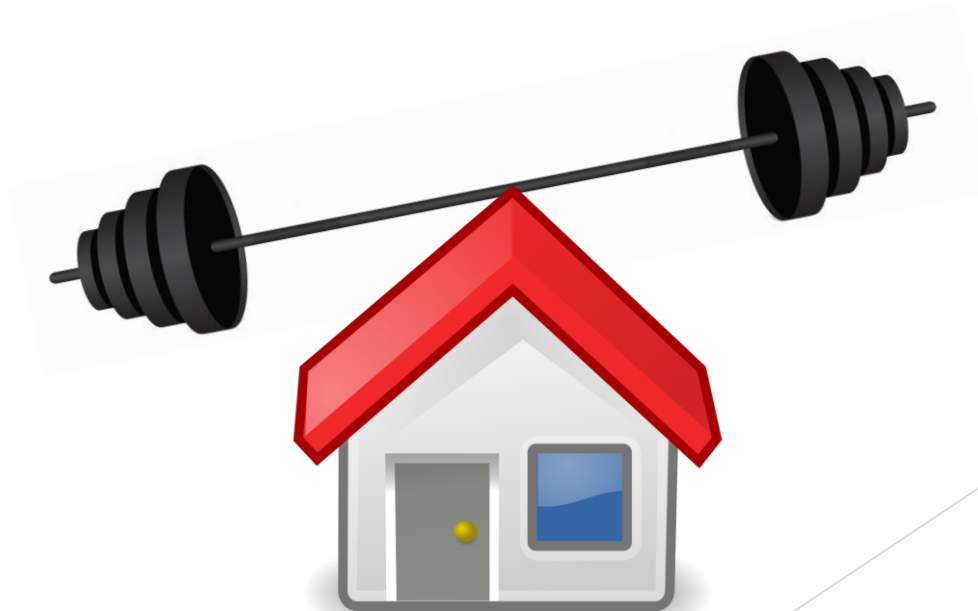
- ▶ Supply and Demand
- ▶ Psycholigically and Emotionally Driven
- ▶ Complicated
 - ▶ General Economic Condition
 - ▶ Location
 - ▶ Type
 - ▶ Consumer
 - ▶ Particular Niche
 - ▶ Single Family Housing
 - ▶ Investment Property
 - ▶ Multi-family Property
 - ▶ Commercial Buildings



STRENGTH of the MARKET

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

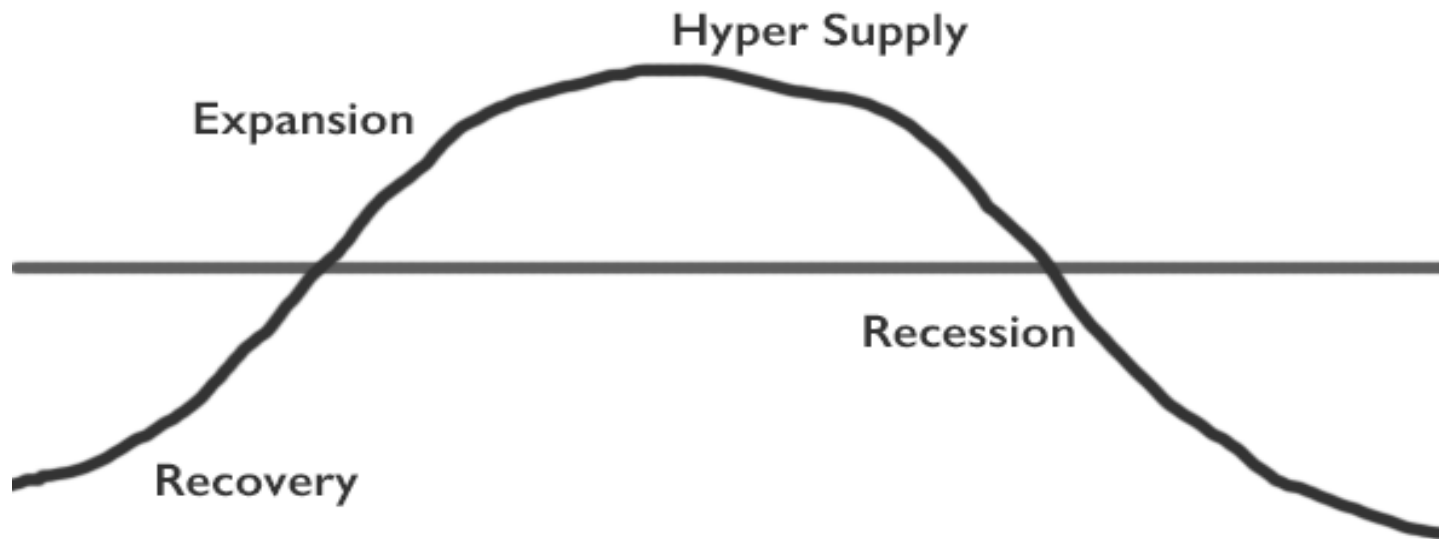
- ▶ **WHERE** is it strong?
- ▶ For **WHOM** is it strong?
- ▶ **WHAT** type of Real Estate is strong?



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



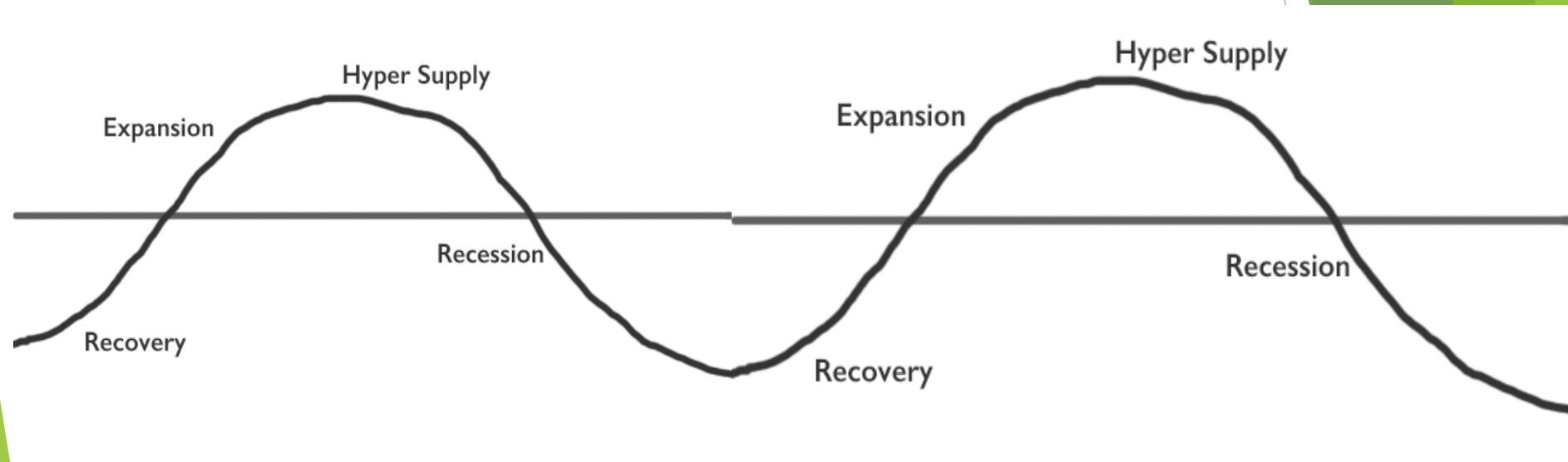
PHASE 4: RECESSION

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 Flattening
- ▶ **Market** Driven by FEAR and CONFIDENCE

▶ **Still a Seller's Market**

▶ **Investors' Market Slowing**

MY OBSERVATIONS and MY PREDICTIONS



My Observations

- ▶ Increase
 - ▶ Home Values - Slowly
 - ▶ Rental Rates - STEADY
 - ▶ Rental Properties
 - ▶ Construction Costs
 - ▶ Foreclosures - STEADY
- ▶ Decrease
 - ▶ Homes for Sale
 - ▶ Home Values
 - ▶ Investment Property



TM

Projections 2019-2020

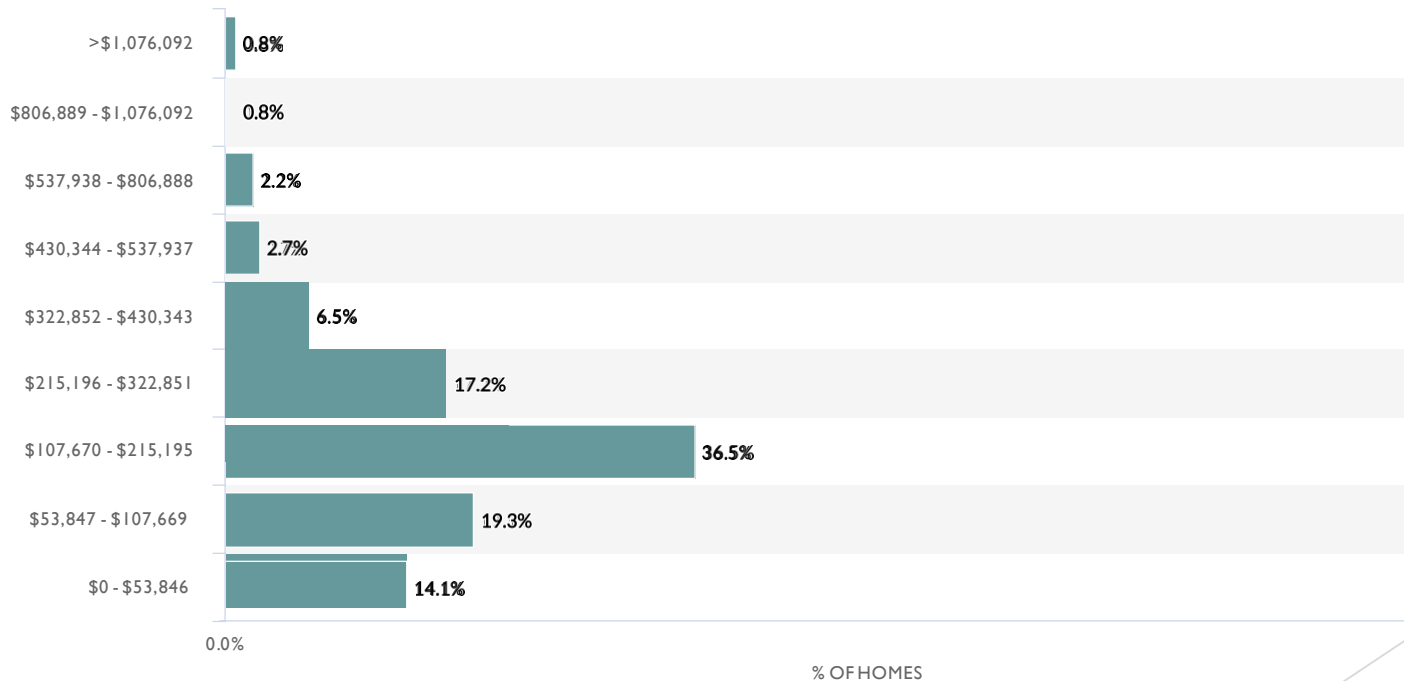
- ▶ Foldvary - Economist
- ▶ Doug Duncan - Fannie Mae Econ
- ▶ NAR
- ▶ Realtor.com
- ▶ Redfin
- ▶ Zillow
- ▶ NAHB

▶ **WHERE DO WE STAND?**



LOUISIANA Housing Market

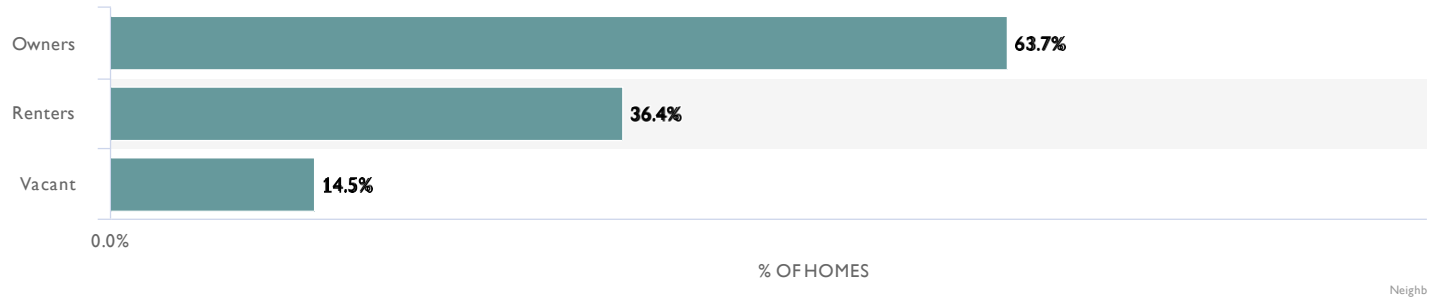
Median Home Price \$153,277



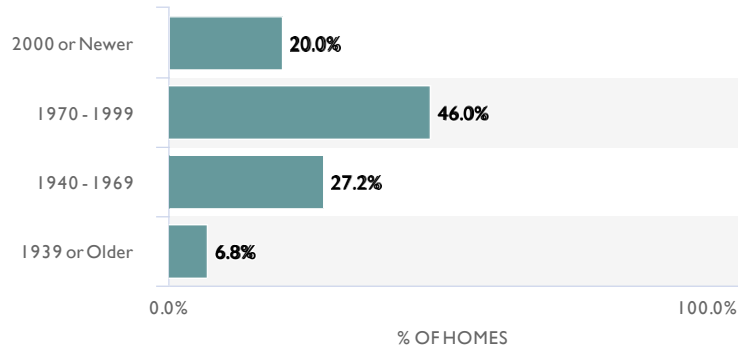
Neighb

LOUISIANA Housing Market

HOMEOWNERSHIP RATE

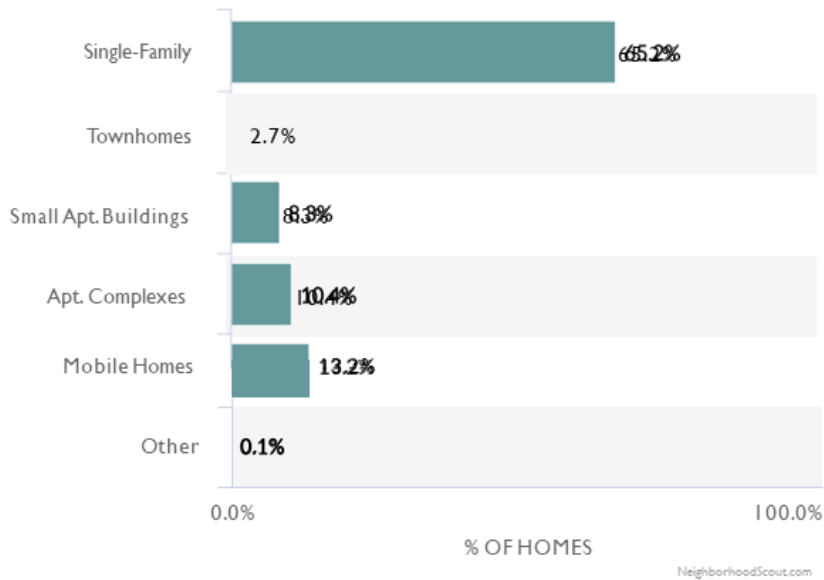


AGE OF HOMES

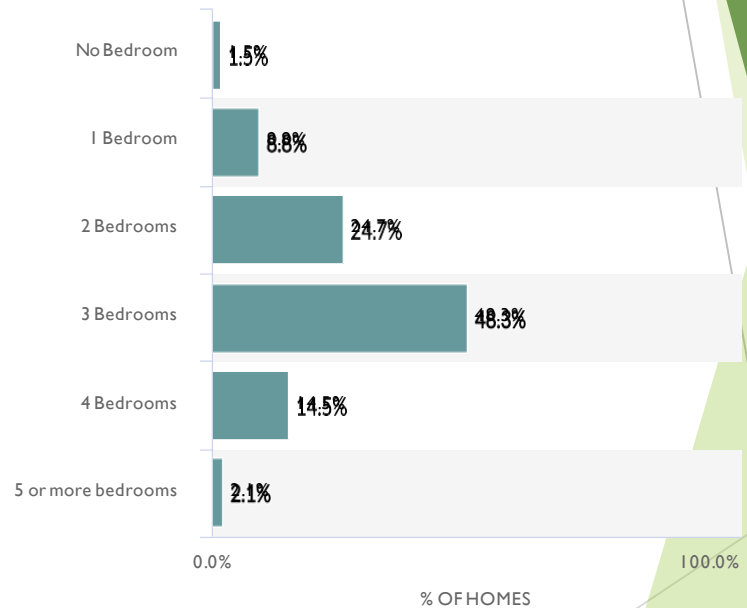


LOUISIANA Housing Market

TYPES OF HOMES



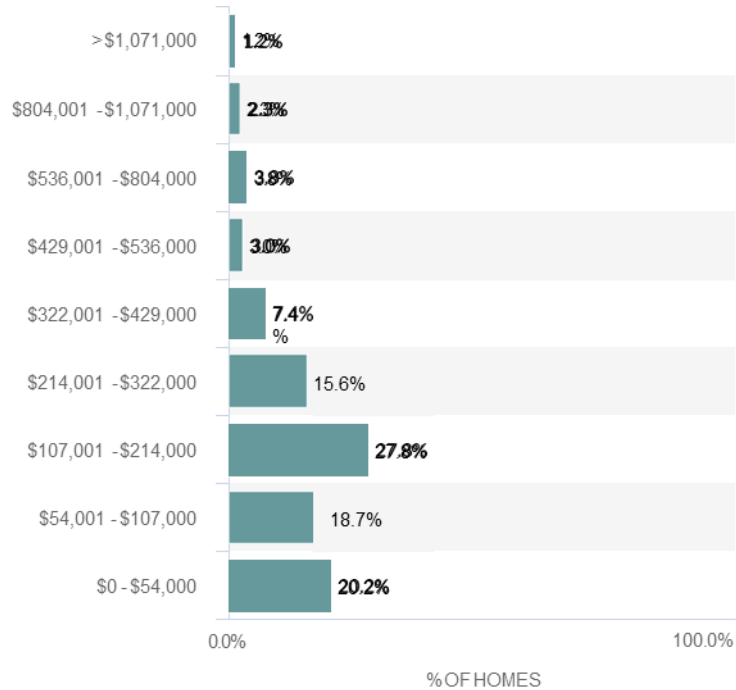
HOME SIZE



MONROE HOUSING MARKET

MEDIAN HOMEVALUE:
\$101,846

MONROE, LA HOME PRICES

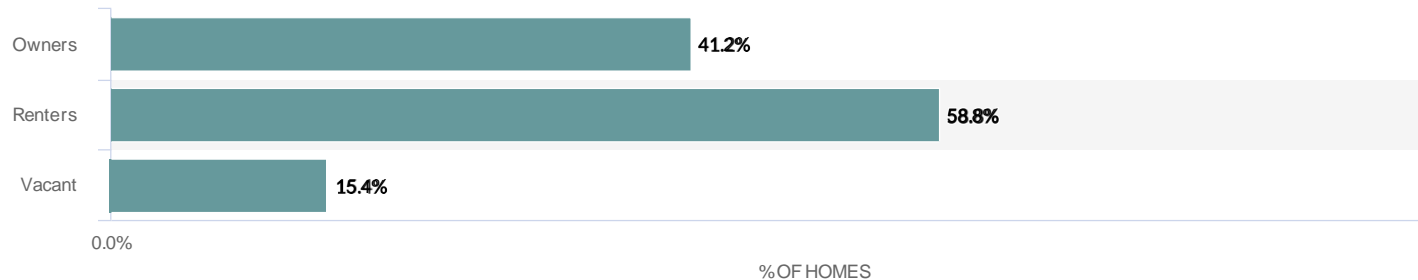


MONROE HOUSING MARKET

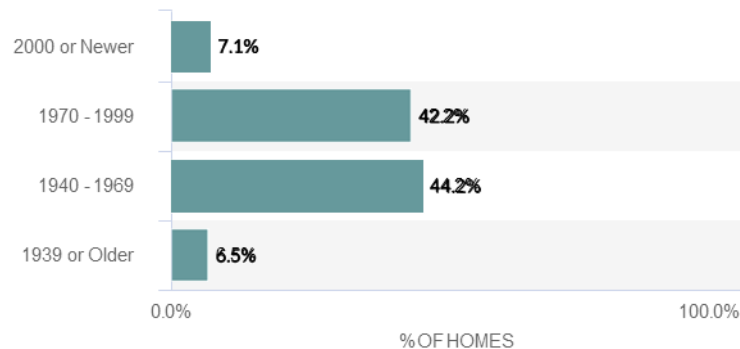


AVERAGE MARKET RENT:
\$876/ per month

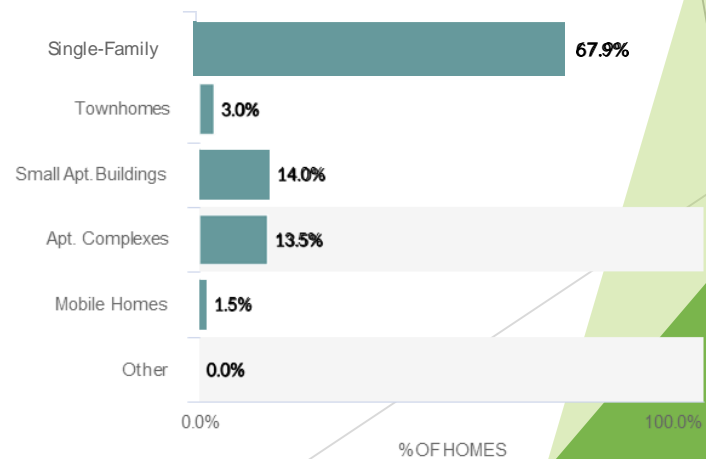
HOMEOWNERSHIP RATE



AGE OF HOMES

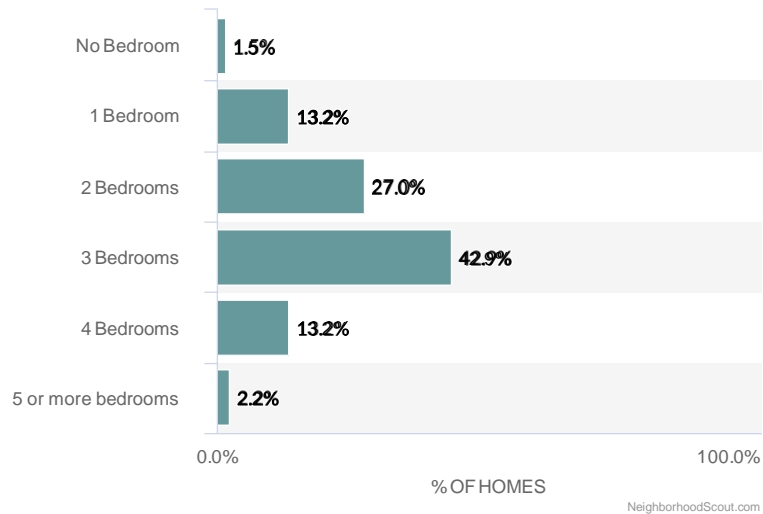


TYPES OF HOMES



MONROE HOUSING MARKET

HOME SIZE



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®



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