



## Commercial and Investment Real Estate Newsletter

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Joanne M. Stevens

For more information on  
LISTINGS OF PARKS,  
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Visit us at

www.JoanneMStevens.com  
joannestevens@iowarealty.com

Office: 319.378.6818  
Direct: 319.378.6786  
Fax: 319.365.9833

NAI Iowa Realty Commercial  
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## Is Now a Good Time to Buy/Sell Commercial Real Estate?

**Yes, actually. Here is why:**

If you're a buyer, especially for multi-family, interest rates are 4% to 5%. A mortgage broker said that the Fed thinks people won't be able to buy houses, so they are keeping the rates low on multi-family, thinking that more rentals will be needed. Sometimes there isn't as much competition from other buyers. It's still competitive, just not as much. Another reason is that local lenders are starting to lend again.

If you're a seller, the low rates will help you get a good price. More buyers seem to be interested in the cash on cash returns than the cap rate. Another thing is the dearth of real estate investments which is to say real estate that produces a net cash flow. According to Dr. Peter Linneman, Economist at the Wharton School of Finance, once the elections are over more investors will be in the market to buy. The market doesn't like uncertainty and he predicts that the Congress may be "gridlocked". Investors will view that as positive.

Joanne Stevens is a specialist in consulting and brokering mobile home parks, multi-family communities and commercial real estate throughout the U.S. With her 20 years of experience in developing, zoning, owning, retailing, managing and brokering, she can enhance your decision to sell your property.

For a FREE PROPOSAL on your consulting needs or a FREE MARKET ANALYSIS on the value of your investment property, contact Joanne Stevens at:

319-378-6786 (office)  
319-365-9833 (fax)

joannestevens@joannemstevens.com

## Housing Trend of the Month

Super low interest rates of about 4% (and fixed for 30 years) are not having much homebuyer impact on site-built homes. Mostly, current homeowners are the ones taking advantage of the rates by refinancing their mortgages. It's not creating the stampede to buy a home like it did in the early 2000's. Realtors and lenders say it's because the underwriting is tougher than it was in the past. Today's homebuyer needs to have better credit, a down payment and a more stable job history so that has slowed demand to buy a home. Plus, potential homebuyers don't seem worried that interest rates are going to rise. In past market cycles the fear of rising interest rates was a reason to buy a home. Not so today. One lender said that the low residential rates will hurt home buying down the road. When rates go to say, 7% or 8% (still very low by historical standards) the homebuyers will feel like that's not a fair deal to have to pay that high a rate.

The fact that it's harder for the consumer to buy site-built harkens back to an earlier real estate market. In the early 1990's it was difficult for the homebuyer to qualify for a mortgage. Interest rates were in the 9% to 10% range. A lot of homebuyers were squeezed out of the site-built housing market. They didn't earn enough to buy a home. That was right around the time manufactured housing shipments of new homes going into parks and communities started to increase. People wanted to buy a home and build up equity until they could buy a "real" home so buying a home in a manufactured home community made sense. Chattel financing was readily available. Most parks and communities soon had 90% occupancy or better. Some had 100% occupancy and a waiting list. If chattel financing was available today would history repeat itself?

*Have you tried....*

### **Promoting Walkability?**

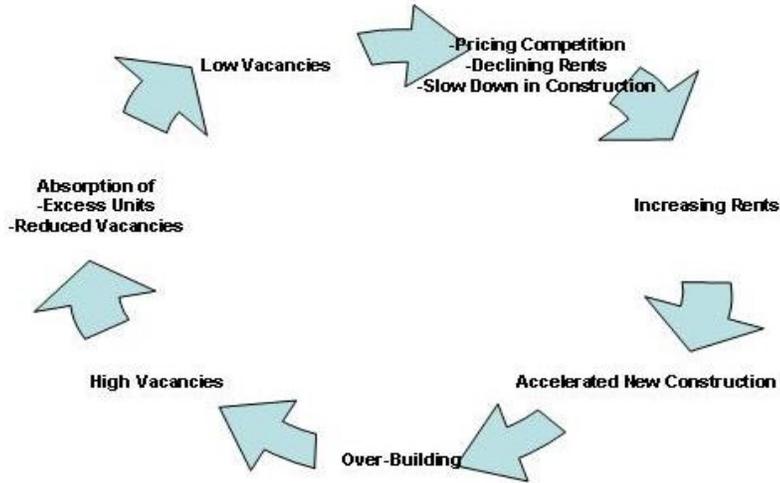
What is walkability and how will it help fill units in any multi-family property? According to "A Walker's Guide to Home Buying" in the Wall Street Journal, realtors are saying that the walkability factor (how close a neighborhood is to stores, coffee shops, walking trails, and other amenities) is becoming, at least for some, a part of the home buying decision. Obviously, there aren't sidewalks to everywhere but with traffic congestion, the cost of gas on the rise, and that valuable commodity of time, how close a home is to things to do and services is becoming more important. The fact is that many multi-family properties are close to amenities. Try using a Google map on your website and in your literature for proximity to stores, parks and so forth. Don't get hung up on whether or not there are sidewalks (although if there are, that's a plus). Just know that some of your customers are thinking about it. This is a way to anticipate what matters to them.

**People are Talking About.... "Dinner as a Family May Reduce Drug Use by Teens"**

A new study has come out about the number of times teens eat dinner with their parents and the correlation to drug use, alcohol use and smoking. The National Center on Addiction and Substance Abuse has continued to study the trend and reports that the results of eating dinner with children (or breakfast, lunch or even the ride to school) can be an important deterrent. The CASA reports that 72% of teens think that eating regular meals with their parents is important.

If you have a website or do a newsletter, this could be an important message to your residents with teenagers. In this economy many are struggling financially and worried about providing material "things" for the kids. It may give them some peace of mind to know that what their kids really want is time with their parents. According to the report, kids want to talk about friends, school and everyday life. (website: casa.org)

**THE APARTMENT CYCLE  
Where is Your Market?**



**HIGH 5'S...**

- √ To Randy Rowe, Chairman of Green Courte Partners for promoting to MHC owners at the George Allen roundtable in September 2010, that as an industry we should be using real estate agents to list and sell homes in our communities.
- √ The 2010 report from the National Center on Addiction and Substance Abuse at Columbia University ([www.casacolombia.org](http://www.casacolombia.org)) on the "Importance of Family Dinners". The study is pretty conclusive about the correlation between adolescent smoking, drinking and drugs and how having dinner as a family five or more nights a week is a huge deterrent for the children. What if park and community owners promoted this idea in their newsletters, websites, and handouts for prospective residents? How about contests and awards for the families? It's a way to differentiate your homes and community. What parent isn't interested in this?
- √ Clayton Homes is partnering with the Clinton Foundation to ship modular classrooms to Haiti. "We have dozens of production facilities all across the USA. We hope to use that expertise to help developing nations learn the quality, cost and eco-friendly benefits of this building process," said Kevin Clayton, Clayton Homes CEO. Clayton Homes said it contacted Bill Clinton after the former president was named to head the Haiti relief effort. The company called the Clinton Foundation with an offer to assist, which led to its involvement with the United Nations and the foundation.

This newsletter and its content are not meant as a solicitation of any property(ies) that may be listed. This is a creation of Joanne M. Stevens with NAI Iowa Realty Commercial as a resource for Mobile Home Park, Multi-Family Community, Investment and Commercial real estate owners.



**Do you need to sell your multi-family property?  
Call for a FREE and confidential evaluation.**

**319-378-6786 (office) 319-310-0641 (cell)  
E-mail: joannestevens@iowarealty.com**



**SOLD!**

*Pioneer Village Mobile Home Park—Older park, 10 cap—Multiple Offers!*

**FOR SALE**

NAME	TOWN	PRICE	# OF SITES
Frontier Village MHC	Ft. Dodge, IA	\$270,000	44
Grandview MHP	East Peoria, IL	\$500,000	147
Wapello MHP	Wapello, IA	\$695,000	58
Valley View	Colfax, IA	\$417,986	34
Shadow Wood Apts.	Cedar Rapids, IA	TBD	84

**Parks/Communities  
for sale can  
be found at  
JoanneMStevens.com**

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