



Bill Doumar presents

# Commercial Real Estate

news and more

A "GOOD NEWS" NEWSLETTER FULL OF FUN AND INTERESTING FACTS FOR YOU

NOVEMBER 2009

## Hello!

This issue of *Commercial Real Estate News* is being sent to you courtesy of

## Bill Doumar

It is my way of saying that you're important and that I truly value your business. Please feel free to pass this newsletter on to friends and business associates.

## Funny Bone

**Notable things we have learned from the movies...**



- Every police investigation will require at least one visit to a strip club.
- The Eiffel Tower can be seen from any hotel room in Paris.
- Striking one match will provide enough light to illuminate an area the size of the average football stadium.
- Ventilation ducts are roomy enough to allow anyone to wiggle through them. Villains never think to search them.
- Medieval peasants all had perfect teeth.
- Mothers will cook elaborate breakfasts of bacon, eggs, waffles, and pancakes only on days when no one in the family has time to eat.

## Why Cash Is Becoming King in Commercial Real Estate

Cash is king. That's a term we've all heard many times over the years, but how does it relate right now to our current economic situation? The term "cash is king" often implies that having great amounts of cash and being liquid in your assets allows you to seize great investment opportunities when they arise. And because so few people have great amounts of cash at any given moment in time, the investors who do have the cash often get great returns on their investment purchases—especially when the sellers are demanding cash from the buyers. And in this current real estate market, having cash in your hands right now may bring about more investment opportunities in commercial real estate than at any previous time during our lifetime.



Why is this so? Well I don't believe any of us can ever remember a time when financing for commercial properties was as difficult to obtain as it is right now. Yes, we've definitely experienced real estate recessions before where financing has tightened-up on us, but most if not all of us have never experienced financing being this difficult to obtain. So what this means is that because of the difficulty everyone is having in getting financing, the investors who have cash are now in a better position than ever to command better rates of return on their real estate purchases. This is because so few investors can consider competing with these cash investors, because of the higher amounts of cash that are now required. And when you have less competition to buy properties, you end up getting higher rates of return on those properties.

Compare this with just 2-3 years ago when investors could easily purchase property with only 30% down, and have the lender carry 70% of the purchase price in the form of a new first trust deed. Nowadays lenders want downpayments of 50% or more on properties, and many investors just aren't interested in putting this much of their own money into just one property. And when you combine this with the fact that many investors just don't have as much liquid cash available as they did 2-3 years ago, you begin to better understand why cash is really becoming king in commercial real estate.

With this in mind some great investment opportunities are beginning to arise. One office building just sold for \$31 million to an all cash buyer, and that property had sold for \$83 million just a few years ago back in 2007. And the buyer, Highridge Partners, says they're now ready to purchase a total aggregate of \$500 million in commercial real estate investments.

As companies continue to need more cash for operations, hundreds of millions of dollars of sale/leaseback transactions have also been closing, as savvy investors with cash have risen to the occasion now that prices are starting to make more sense to them.

So if you're someone looking to buy commercial real estate when the timing is right, keep your eyes open—as you're going to see some great investment opportunities coming your way in the months ahead.

## How To Continue Your Education Without Becoming A Professional Student

Here's a sobering thought: Do you have the skills and education your employer would look for in your replacement?

Many professions today require workers to continually upgrade their skills, to learn the next new thing and prepare for future challenges. But planning for what you don't yet know can be daunting. Here are several ways to constantly acquire expertise and make professional development part of your daily routine:

- Check out current job listings for your profession. See what employers are looking for, what competencies, skills and experience are expected. If you lack certain qualifications, go out and get them.
- Many professional associations offer continuing-education programs. Attend their conferences or seminars. Join special divisions of the association or local roundtables. Network and exchange ideas via e-mail, discussion groups or newsletters. Take advantage of any training opportunities the association provides.
- Review what went on at the conferences you missed. Many presentations are posted on the Web. Or buy the audiocassettes to help you stay current.
- Find a mentor, someone whose career path you'd like to emulate. That person need not be local. With e-mail, a mentor can be anyone willing to share their time and expertise.
- Be a mentor yourself. You can learn a lot from students enrolled in classes you once took. You may get a new perspective on your job, career or work style.
- Learn something new by offering to write about it for an association newsletter or in-house publication. The research you'll do in preparation for writing the article will inevitably teach you something new.

## Encourage Health And Nutrition Among Your Workforce

Workplaces can be a breeding ground for bad health, from junk food in vending machines to the lazy habits of cubicle-bound workers. There are ways you can foster a health-conscious environment:

- Add fresh fruits to the usual offerings of cake and ice cream during birthday parties. Serve nutritious snacks, such as carrot sticks or olives, instead of doughnuts at staff meetings.
- Encourage workers to get outside. Urge employees to get out of the workplace during their lunch hour or break time and go for a walk. Do it yourself to set the example. Provide maps of good walking routes.
- Give them the facts. Post the calorie and fat content of the items in the vending machine or cafeteria.



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## Keep Your Career Vibrant

Are you neglecting your professional health? Add this annual check-up to your routine to make sure your career isn't on the critical list.

Ask yourself these six key questions at least once a year:

- Am I achieving my job objectives?
- Have my career objectives changed?
- Is this job meeting my expectations?
- Am I doing what I'm good at and enjoy doing?
- Are my skills up to date for this job and organization?
- How can I best achieve career satisfaction either on this job or in another job or career?

# Rally The Troops For Great Customer Service

Keeping employees motivated to consistently provide high-quality customer service is a monumental task for many companies. But it can be done.



Here are a few tips:

- **Hire the right people.** The rule is you either hire smart or manage tough. Hiring smart is better, but it requires you to know what you're looking for and to recognize the skills and attitude you want. Look at experience, and listen to your gut.
- **Reward.** Make sure you reward the desired outcome. For instance, if you want your salespeople to create relationships and long-term accounts, reward them with back-end commissions.
- **Practice what you preach.** If you want a motivated customer-service rep, you need to be motivated yourself first. Are you genuinely excited about the work your group produces? You need to love your customers, because if you're not sincerely motivated yourself, you'll never motivate other people to provide service excellence.

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## Get A Pet—Your Health May Depend On It

No one loves you like your pet, but Fido and Fluffy may be more than just constant companions. Owning a dog or cat can actually improve your health. Here's what some experts say about the health benefits of pet ownership:

- **Blood pressure.** Simply petting your cat or dog can lower your blood pressure—and your animal's as well. One study of New York stockbrokers, for example, found that those who adopted dogs or cats experienced better blood pressure and heart rates than those who didn't.
- **Physical activity.** Owning a dog almost forces you into taking two or three walks a day. The exercise can improve an owner's physical health and bring you into contact with fellow pet owners, relieving loneliness and stress.
- **Heart attack recovery.** The odds for surviving a heart attack seem to improve dramatically if you own a pet, and pet ownership apparently contributes to an increased one-year survival rate for people who have been hospitalized for heart problems.
- **Alzheimer's disease.** Some studies suggest that elderly people with Alzheimer's disease have fewer outbreaks of anxiety with an animal companion nearby. A dog or cat can also help relax a patient's primary caregiver, who's also at risk of stress-related ailments.

# Financially Speaking

## Map Out Your Finances

Personal finance can seem murky and tortuous, and without a good road map it's easy to feel lost.

The current recession makes careful handling of your money especially sensitive, so heed these tips as you make financial plans for the future:

- **Invest.** If you have extra money after paying the bills and funding your tax-deferred retirement plan to the max, think about investing the remainder rather than spending it. In the long run, you're likely to find compounding returns far more rewarding.
- **Strengthen your financial relationship with your spouse.** If you're in a stable relationship with a spouse or partner, consider strategies like combining more of your assets, opening investment accounts for retirement purposes or your kids' college costs, and diversifying your investment strategies. You don't have to merge everything—remember that 401(k) and IRA plans can't be combined—so you'll still have some financial autonomy.
- **Save for college.** The right strategy to save for your children's higher education depends on several factors: your tax bracket, the investment flexibility that you require, and the amount you have to save. You may think your kids can apply for financial aid, but remember that many colleges take education savings into account when calculating a family's need for grants or loans. Explore 529 savings plans, Education IRAs, or taxable investment accounts.
- **Protect yourselves.** There's no such thing as total job security, so financial advisers recommend an emergency fund. Calculate what your fixed expenses are. Take a look at the job market in your field so you can estimate how long you may be unemployed if you lose your job, and start making regular deposits into a dedicated "lost job" account.

**PLEASE CALL, FAX OR MAIL ME WITH YOUR REAL ESTATE REQUIREMENTS**

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**Are you thinking of buying or selling a property in the coming weeks and months? If so, please let me know what your requirements are.**

1. Will You Be Buying or Selling? \_\_\_\_\_

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2. Please Describe the Property You Will Be Buying or Selling \_\_\_\_\_

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3. What Would You Like Me to Do To Assist You With Your Requirements? \_\_\_\_\_

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4. When Would You like Me to Contact You To Follow-Up On Your Requirement? \_\_\_\_\_

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5. Please Let Me Know Your Name and Telephone Number(s) You'd like Me to Contact You at on the Date You've Mentioned Above. \_\_\_\_\_

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