



TEAM Welcomes Brad Eldridge to Our Group



Brad Eldridge, MAI

TEAM Consulting LLC is pleased to announce that Brad Eldridge, MAI, has joined our consulting team. Brad has 18 years of experience in both the private

and public sectors of the real estate appraisal industry. He spent 11 years as a fee appraiser performing appraisals coast-to-coast on a wide variety of property types. Since 2009, Brad has worked as the commercial real estate manager for the Douglas County Appraiser's Office in Lawrence, Kansas.

Brad's strengths includes in-

come/expense analysis for commercial properties as well as senior housing, religious facilities, lodging, subsidized housing, and subdivision valuations. He has developed an excellent one-day workshop on senior housing valuation for TEAM (*see below*).

Brad's credentials include a Certified General Appraiser license in Kansas and the MAI designation from the Appraisal Institute. He is a certified instructor for the International Association of Assessing Officers (IAAO) and is a member of IAAO's Education Subcommittee.

Brad also works with the Kansas County Appraiser's Association

(KCAA) and the Property Valuation Division of the Kansas Department of Revenue in developing appropriate valuation methodology for subsidized housing.

Past leadership positions for Brad includes serving as secretary, treasurer, and education co-chair for the Kansas City chapter of the Appraisal Institute, and as local representative for the Leadership Development and Advisory Council (LDAC).

Brad can be contacted at:

1028 Rhode Island Street
Lawrence, KS 66044

Mobile: (785) 550-0945

Email: Eldridge.brad@gmail.com

Senior Housing Valuation Seminar Available

The Senior Housing Valuation Seminar is a one-day workshop that provides an overview of and valuation guidelines for the four main types of senior housing: Independent living, assisted living, skilled nursing, and continuum of care retirement facilities. The seminar will also address Alzheimer/ Dementia care units in the various property types.

Specific topics include:

- Property Rights
- Components/Allocation of Value
- Ownership Types
- Market Analysis
- Property Data and Analysis
- Cost Approach

- Sales Comparison (Market) Approach
- Income Approach

Due to the fact the valuation of senior housing properties are income driven, significant time will be spent on the Market Analysis and Income Approach to value, with emphasis on the collection and analysis of rent, occupancy, demographic, income/expense, and capitalization rate data. Examples will include single property and mass appraisal applications.

Written by TEAM member Brad Eldridge, MAI, this one-day work-

shop has a large amount of data that would take you years to gather and interpret on your own.

To set up this workshop, contact Brad at: eldridge.brad@gmail.com or (785) 550-0945; or you can purchase the material for \$75 at the TEAM website at <http://bit.ly/1WMLt6V>.



TEAM Consulting Members Enlighten at GIS/CAMA



URISA/IAAO's GIS/CAMA conference this year was back in Savannah, Ga. TEAM member Keith Cunningham, PhD, was one

of two keynote speakers. He gave an entertaining and informative presentation on the history of aerial photography. The history did a nice job of bringing us through the multiple generations of equipment and processes right up to the doorstep of his research.

Keith has been on the innovative edge of GIS and aerial photogrammetric processes for many years. It led him fairly naturally into the world of drones, which is where much of his current research is concentrated. The controversies that have developed around drones have impacted his research by constraining his activities somewhat. His reflections on these matters and the future of aerial photography and the applications for our business were very thought provoking.

(Learn more about Keith's background in box *right*.)



Another TEAM member, Ed Crapo AAS, ASA, CFA, presented *Leveraging ArcGIS in the Cloud: Doing More with Less*. His copresenters were

Bob Bates CFE, CCF, MCF, Alachua County's executive director of GIS, Technology and Support Services; and Logan Couch, Sr. GIS programmer analyst.

In our October 2015 newsletter, we reported that Alachua County had been presented with a SAG award at ESRI's annual conference. This presentation was about their

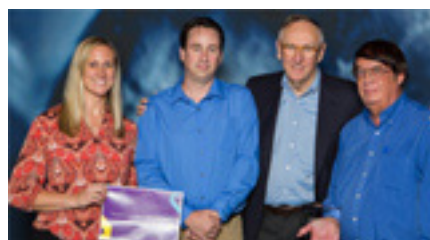
TEAM has a series of Mapping and GIS Workshops available. You can view these at <http://bit.ly/1CRwspv>.

journey to that award.

The bottom line is that through a pilot project of data on the cloud, they discovered incredible cost savings, amazing increases in operational efficiency, and an increased reliability for hardware performance. The cloud offered a built-in, 24/7 IT center for support and open access for all of users.

According to Ed, Alachua County supports GIS functions for several cities, two or more law enforcement agencies, countywide 911, multiple planning divisions and fire departments, and on and on.

"Now if we go down, no one else is affected," said Crapo. "We share licenses on the cloud and experience jurisdiction wide savings by bundling our needs in a single agreement. Prior to the changes, we estimated our cost of operations were \$135,000 to \$160,000 per year. The cloud solution enabled us to reduce our costs to less than \$10,000 a year." ❖



From 2015 newsletter. Alachua County's Logan Couch (2nd from left), Sr. GIS programmer analyst; and Bob Bates, CFE, CCF, MCF (on the end), executive director of GIS, Technology and Support Services, with Melissa Northey and ESRI president Jack Dangermond, who presented the ESRI Special Achievement Award to Alachua County's Appraiser's GIS department last year. ❖



The catapault-launched ScanEagle. Photo by Keith Cunningham appearing Keith's 2014 article for TEAM News, "Robot in the Skies."

Keynote Speaker 2016 GIS/CAMA Conference

Keith Cunningham, University of Alaska Fairbanks, Research Professor Fairbanks, Alaska.

Dr. Keith Cunningham is a research professor at the University of Alaska Fairbanks, where he specializes in remote sensing with drones. His largest drone research projects are with the U.S. Air Force Research Laboratory and with the US Department of Transportation.

Over the past thirty years, Keith has been involved with GIS and CAMA technologies. This began with the automation of land records and parcel mapping in the 1980s. During the 1990s, his work included street-view imaging and the IAAO Desktop Review for detecting change in the CAMA database. In 2008, he authored two papers in the *Journal of Property Tax Assessment & Administration* on how to automate CAMA change detection using airborne laser scanning. He has also written articles in the *IAAO Fair & Equitable* magazine on GPS and drones for property mapping.

His most recent GIS/CAMA research is using drones to build three-dimensional photo models of houses and buildings, which has proven to be a popular workshop that he teaches as a member of TEAM Consulting.

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Chris Bennett & IAAO.

Lexur Attends TAAD Conference

By Dan Muthard, President



Lexur Appraisal Services recently attended the Texas Association of Appraisal Districts (TAAD) 35th annual conference in Dallas, Texas. Over 600 TAAD members attended the four-day conference events. We were extremely impressed with the various programs and the overall synchronization of the conference.

This was Lexur's first time to exhibit at this conference, and it was a huge success not only for TAAD but also for Lexur. We were very impressed with the conference program content and associated activities. The conference planning committee should be very proud of their combined efforts in putting on such a fine event.

Lexur along with business partner Data Cloud Solutions (DCS) demonstrated Lexur's Virtual Data Verification (VDVSM) desk-top software and its full integration with

DCS's Mobile Assessor (MASM). Over 300 members stopped by our booth to see our exhibit to gather information. Many participants asked questions on how the VDVSM and MASM technology could work for their individual districts.

Several Texas CADs are already using the Mobile Assessor approach for data verification and parcel field review. The VDV desk-top approach certainly appealed to some as an excellent tool for pre-field review of exterior data characteristics, sketch validation, and parcel boundary definitions. Our integration concept spoke well toward the use of a system that is the best available in the appraisal industry today.

Since 2008, Lexur Appraisal Services has data verified and valued over 2 million parcels, including small and large jurisdictions. Some of the larger known counties

Since 2008, Lexur Appraisal Services has data verified and valued over 2 million parcels, including small and large jurisdictions.

include the cities of Columbus and Cincinnati, Ohio. In addition, we have been awarded an effort in Miami-Dade County, Fla., to data verify over 550,000 properties over a five-year period as a subcontractor to iLOOKABOUT, who is providing street-level imagery for the county.

Data Cloud Solutions to date has over 7 million parcels under management utilizing its Mobile Assessor process. Obviously, our business teaming is a logical approach for the Texas Appraisal Districts. Lexur and DCS look forward to meeting and working with many of the Texas Appraisal Districts in the very near future. ❖



Jenni Van Hart vice president of Micrographics, Inc; Mr. Nobuyuki Okubo from Fujitsu; Jim Craig president of Micrographics, Inc; Glenda Walrath, ACPA; Ed Crapo ACPA, Mr. Kiyoshi Hasegawa, Fujitsu; and Bob Bates ACPA.

President of PFU, a Fujitsu Company, visits Alachua County, Fla., Property Appraiser

Gainesville, Fla —The Alachua County Property Appraiser (ACPA) hosted Fujitsu's president and director of product strategy on Thursday morning, February 18, to give them an up close and personal look at the

county's document management solution, which includes Fujitsu scanners.

President of PFU, a Fujitsu company, Mr. Kiyoshi Hasegawa, and his Director of Product Strategy, Mr.

Nobuyuki Okubo, were impressed with the effectiveness of the county's implementation of their electronic content management solution and the forward thinking of the organization.

Mr. Ed Crapo, AAS, ASA, CFA, Alachua County's property appraiser, spoke of the importance of reducing the quantity of paper copies being retained by the county. He enjoys the speed which staff is now able to access the majority of their records, both current and past. This is due to the successful implementation of a comprehensive document management program.

Mr. Hasegawa was delighted to see the almost empty secure storage room in the new location on Main Street and recognized it was a testament to both the hard work of property appraiser staff and the reliability of his Fujitsu scanners. ❖

New AAS Designee

Reprinted from IAAO's *Fair & Equitable* with permission from Chris Bennett & IAAO.

TEAM is proud to recognize new AAS designees who have used our case study review material. *Congrats* to all the new designees.



Philip A. Vinson, AAS, fulfilled the requirements of the Assessment Administration Specialist designation

in November 2015. Mr. Vinson is employed by the Appraisal Research Corporation in Findlay, Ohio as a project manager, a position he has held for the past four years.

He began with the company as an analyst, and then was promoted to statistical analyst before moving into his present position. Philip

has both assisted in and overseen revaluation, triennial, and new construction efforts spanning multiple counties, while serving specific functions in management, statistical analysis, parcel analysis, and data collection.

Prior to his employment with Appraisal Research Corporation, Philip worked in local government, for the City of Marysville's Engineering and Planning Department. He also served as chair of the City of Marysville's Board of Zoning Appeals. He holds a bachelor of arts in public administration, with minors in business administration and bible, from Cedarville University, Cedarville, Ohio. He has been a member of IAAO since 2014. ❖

Good Reviews for TEAM Workshops

Rick Stuart, CAE presented two TEAM workshops in Dupont, Wash., in February, and both received very good reviews.

Valuation of Lodging

Properties:

92% rated the workshop "excellent" or "very good." Comments:

— Very impressed. I had no experience in motels, no improvements for beginning class! Thank you.

—A lot of info for one day.

Valuation of Manufactured

Homes:

74% rated the workshop "excellent" or "very good." Comments:

—I was only coming for hours but found this very good. I really learned a lot.

—Well put together, well presented!
—It was excellent.

Rick also presented the **The Development of Capitalization Rates** in five Texas cities in a five-day period. 95% rated the workshop "excellent" or "very good" with 75% rating it "excellent." Comments:

—You give us real life experiences and actual case work, not just theories.

—Content of the material was great!! Well written.

—The content was well thought out and was able to reach a diverse audience ranging from little experience to well tenured appraisers.

In February, Rick also presented **The Valuation of Big Box Properties** at the TAAD conference in Dallas.

Let us know how we can help your educational offerings receive high ratings. Almost 5,000 students have attended our workshops in the last four years. If you are seeking current topics with hands-on application in your office, contact Fred Chmura, AAS, at fchmura@teamconsulting.cc or Rick Stuart, CAE, at rstuart17@cox.net. ❖

TEAM Consulting Announces

2016 AAS Case Study Review Workshop

June 28–30, 2016 • Manhattan, Kansas

This workshop can take months off the time it takes you to prepare on your own!

This 2½ day workshop provides a review of materials and an understanding of the composition of a case study to help prepare for the AAS Case Study Exam. Topics to be discussed:

- USPAP
- Rates and levies
- Effective tax rates
- Economic principles
- Property definitions
- Ownerships and rights
- Three approaches to value
- Attributes in an effective tax system
- Role of the assessor
- Ratio studies
- Tax policy
- Reassessment planning
- Assessment administration

Included are multiple problems associated with the assessment and valuation processes, and the workshop will conclude with a practice four-hour case study exam with the answers provided. *This is not an IAAO workshop but one developed by TEAM Consulting, LLC.* Cost for the workshop is \$275.

For more information, including a registration form, go to **AAS Workshop Schedule** on the TEAM website. For questions, contact Rick Stuart, CAE, at rstuart17@cox.net or 785.259.1379.

Interesting Buildings

By Rick Stuart, CAE

Over the years I have collected a very large number of photos. They are actually in a file titled "Weird Buildings," but I thought a more appropriate title would be "Interesting Buildings." My intention is to publish a couple each month. If you have pictures that have piqued your interest, email them to me, and I will add to the file and the newsletter.



Crooked House, Poland



Cubic House, Netherlands



Travel Squad

TEAM associates continue to move about the country teaching, consulting and speaking. In the first quarter of 2016, we have been

in Arizona, Georgia, Idaho, Indiana, Mississippi, Missouri, Texas, Virginia and Washington.

Looking for a workshop, series of workshops or professional assistance for your location? Find them on our website at <http://www.teamconsulting.cc/>.

Now Available: Video Explaining Appraisal Process to Property Owners

TEAM Consulting, LLC and 502 Media Group have produced an award-winning video that explains the fair and equitable appraisal process. This clear and concise tool provides a quick and convenient way to deliver your message.

Video Answers Common Questions About Appraisals

As an appraiser or assessor, you spend countless hours answering questions and fielding appraisal appeals from taxpayers. With each question, it's undeniable that there is widespread confusion about the appraisal process. Often taxpayers are unclear on exactly how appraisers determine a property's worth. This confusion can lead to unnecessary misunderstandings.

We have created a solution that is more effective than presentations, brochures or phone calls:

A custom-branded animation that explains this process in terms that are easy for anyone to understand. The video can be uploaded to your website or your YouTube channel for easy access by your property owners. And it is available in English or Spanish. See for yourself! Preview the English version above.

Let the Video Do the Explaining

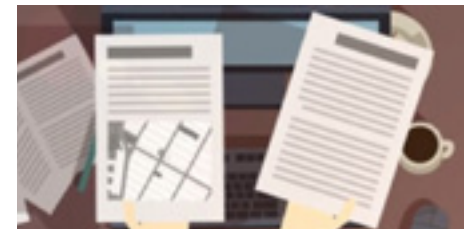
Our goal is to help communicate the appraiser's role in determining fair property values. Our video breaks down each part of this process to clear up any misunderstandings that may exist around property



CLICK ON THE APPRAISER VIDEO PREVIEW ABOVE

See for yourself!

Preview the Appraiser video above or the Assessor video below. Once you are ready to order your customized video, simply complete the order form online [here](#).



CLICK ON THE ASSESSOR VIDEO PREVIEW ABOVE

appraisals. Appraisers and property owners alike will appreciate the easy-to-understand information.

Save Time: Yours & Property Owners'

Fielding questions and processing appeals from taxpayers takes time. Using this video to answer common questions frees you to focus on other demands of your job. ❖

CLICK HERE TO ORDER YOUR CUSTOMIZED VIDEO TODAY!



After producing this article for other newsletters for several years, it finally dawned on me, why not for our newsletter? Hope you find it interesting. — *Rick Stuart, CAE*

Editor's Note: The following three articles are from Inside Self Storage, February 2016. Just makes you want to be aware whenever you happen to be inspecting self-storage units.

■ A November explosion at a Storage Unlimited self-storage facility in Hamilton, Mich., left one man injured and several buildings damaged. The blast occurred inside a unit where medical marijuana was being grown. Three structures were destroyed, one building partially collapsed and several others incurred damage. Michigan State Police suspect the explosion was caused by propane. The blast didn't appear to be related to the medical-marijuana operation, and the growing facility appeared to be in compliance with the state's Medical Marijuana Act.

■ GrowSpace Storage, a self-storage startup business designed specifically to help people grow, harvest and store marijuana, launched in Denver. The 24,000-square-foot facility is equipped with proprietary, climate-controlled units called GrowPods that enable renters to cultivate cannabis, herb, produce and other plants indoors. Chief operating officer Richard Lamb spent \$900,000 on the facility, which he believes can be replicated in other cities and states where growing

marijuana is legal.

■ A 45-year-old woman was charged with domestic battery after allegedly running over her ex-husband's foot in November at an unidentified storage facility in Manatee County, Fla. The reconciled couple argued about having sex in a storage unit, and then the woman told her ex to remove his belongings from her vehicle. As the man began to collect his things, she allegedly threw an object at his head, and then drove over his foot. When deputies arrived, the man was bleeding from his head, and his foot was swelling and becoming discolored.

■ Erin Ailworth, *The Wall Street Journal*, Jan. 21, 2016. "After days of negotiations with Oklahoma regulators, an embattled oil producer has agreed to shut down several wells used to dispose of wastewater and that had been linked to earthquakes in the state. The agreement comes after Sandridge Energy Inc. refused a request from regulators in December to close the wells, which are part of its oil-and-gas fracking operations, but facing legal action, the company brokered a deal with the state."

Editor's Note: Almost all the wells are close to the Kansas border.

■ Laura Kusisto, *The Wall Street Journal*, Jan. 23, 2016. A Las Vegas home builder has introduced a 5,200 square foot two-story home that is designed for separate occupancies. It includes a second-floor unit that can house aging parents or recent college grads with shaky employment prospects. The design also allows for two-family occupancy.

Editor's Note: Our children were provided a copy of this article.

■ www.hotelnewsnow.com, Jan. 21, 2016. Smith Travel Research (STR) reports in year-over-year results, the U.S. hotel industry's occupancy increased 0.8% to 53.0%. Average daily rate for the month was up 2.4% to US\$115.81, and revenue per available room increased 3.2% to US\$61.41. <http://bit.ly/1SaUgYL>

■ Daniel Goldstein, www.marketwatch.com, Jan. 21, 2016. "In the ecstasy and agony of a city winning and losing an NFL team, the economic impact of the arrival and departure of a professional football franchise is always hotly debated. With the St. Louis Rams on their way back to Los Angeles after leaving the city in 1995, San Francisco-based Trulia.com has looked at the data and after further review says that when it comes to housing near NFL stadiums, most cities are getting sacked for a loss despite civic promises of the venues improving economic growth."

Editor's Note: The article is titled, "Does having an NFL team boost housing prices?" It is an interesting article and can be read at <http://on.mktw.net/1Wy1MEp>

■ Ben Vestal, www.argus-selfstorage.com, January 2016. "As we kick off 2016, the business of buying and selling self-storage properties in the U.S. has never been more competitive or complex. In 2015 we saw occupancy rates and rental rates climb and cap rates for all self-storage assets compress by 25-75 basis points, which lead to historically high values. 2016 shows no signs of slowing down.

Even with whispers of interest rates increasing this year and the first wave of meaningful new development in place, we believe that strong fundamentals of supply



Rick Stuart, CAE, is a senior consultant with TEAM Consulting, LLC. He lives in Topeka, Kansas.

and demand will see cap rates stay within 25 basis points of today's market." <http://bit.ly/204pbTr>

■ Jennifer Goodman, www.builderonline.com, Jan. 26, 2016. This article discusses seven items to dress up your home, improve the value and make it sell faster:

- Curb appeal is very important. Think about scale, proportion, and elements that truly fit the style of a home.
- Make the front door and entryway enticing without spending a lot of money.
- Although a separate owner's entry is important for today's buyers, the cramped mudroom/laundry room entryway no longer cuts it.
- For 2016, the best way to get bang for your design buck in a great room is with appealing, expansive windows.
- Think beyond a utilitarian fireplace to making the fireplace part of a statement wall. Include a striking mantel, beautiful surround, and stonework, but do it with scale in mind.
- Don't let new ideas in kitchen islands pass you by.
- The importance of storage cannot be overstated, says Dirks, but current buyers want more than just a wire closet system in the master bedroom suite. <http://bit.ly/1JHNnUr>

■ Michael Tucker, www.mba.org, Jan. 26, 2016. "The flow of capital into multifamily housing shows no sign of drying out, as banks loosen multifamily lending standards and some of the biggest commercial real estate investors pour money into the market, according to a report from market researcher Yardi Matrix, MBA NewsLink reported Jan. 21." <http://bit.ly/1SLTj1n>

■ Suzanne Mellen, www.htrends.com, Jan. 26, 2016. "Five years of steady cap rates and rising NOI have resulted in significant U.S. hotel as-

set appreciation. The current economic landscape is likely to cause hotel cap rates to rise in 2016, moderating future value gains". <http://bit.ly/1VufQhd>

■ Robert Douglas, www.htrends.com, Jan. 26, 2016. "A shift in lender expectations suggests that financiers of U.S. hotels expect the current period of growth in hotel asset values to peak within the next year, according to the year-end release of the 2015 Hotel Lender Survey." <http://bit.ly/1UsM24e>

Editor's Note: These next two articles have no relationship to property values, but seems like pretty cool use of technology and non-technology.

■ www.builderonline.com, Jan. 31, 2016. "Fast Company staff writer Adele Peters highlights the latest major advancements in streetlight technology, including models in Copenhagen, Denmark, that point out empty parking spaces, in Glasgow, Scotland, that measure air and noise pollution, and in Los Angeles that boost Wi-Fi coverage. The newest of the bunch is designed specifically for Southeast Asia, and can kill mosquitoes, charge cell phones, and issue flood warnings." <http://bit.ly/1RVQomF>

■ www.builderonline.com, Feb. 2, 2016. "Governments across the world are looking for ways to control small consumer drones that are entering air space they shouldn't otherwise be in. The Dutch have found a pretty creative solution: attack eagles. The Dutch National Police have started a program to train raptors to scoop up unmanned aerial vehicles like its prey, while some municipalities have tried nets to pull the drones down." <http://bit.ly/1PUFYUu>

■ John D. (Jack) DiEnna,

www.prodgreenhome.com, Jan. 20, 2016. "The New York City Council passed the geothermal energy bill on Dec. 7, 2015, and sent it to Mayor De Blasio for signing. The bill, Int. 0609-A-2015, is a local law to amend the administrative code of the City of New York regarding the use of geothermal energy in the city. When the mayor signs it, this legislation will go into effect immediately."

Editor's Note: This does not seem to fit! "The bill is a follow up to a 2013 measure that called for the study of geothermal of energy systems in New York City, showing that the city has some of the best geology and conditions for the adoption of geothermal systems." <http://bit.ly/20BBCTy>

■ Liam Plevin, *The Wall Street Journal*, Jan. 27, 2016. "Real-estate researcher Green Street Advisors is lowering its forecasts for the rent that large U.S. mall owners will be able to charge and the amount of space that will be occupied by tenants for years to come. Rents will grow at a paltry 1.5% annually for existing non-anchor tenants through 2019, Green Street now predicts, down from the 2.5% growth it anticipated a year ago for the same four-year period."

■ Kristen Grind, *The Wall Street Journal*, Feb. 2, 2016. "Wall Street wants to bring back the 'low-doc' loan. These mortgages, which are given to borrowers that can't fully document their income, helped fuel a tidal wave of defaults during the housing crisis and subsequently fell out of favor." **Editor's Note:** History is a great teacher, if we ever pay attention.

■ Realtormag.org, Feb. 1, 2016. "The median age of inventory now stands at 100 days—with homes taking 6 percent longer to sell in January than in December. The

continued on next page

median listing price for January was \$227,000, which is up about 8 percent year-over-year. Still, a handful of markets are outshining the national market.

Realtor.com's latest report pinpoints 20 housing markets that are beating the winter chill."The top five are: San Francisco, San Jose, Dallas, Vallejo, CA and San Diego. California has 12 of the top 18.
<http://bit.ly/1JVIXKX>

■ www.builderonline.com, The Wall Street Journal, Feb. 5, 2016. "Wall Street Journal staffer Joe Light reports that Flint, Mich., residents have a new concern on top of lead in their drinking water: Home buyers must prove there is no contamination at a property or banks won't qualify a mortgage for a buyer. What this means is that if there's no buying allowed, due to the lack of ability to get housing finance, there's not a heck of a lot of selling that's going to go on either. When transactions effectively stop, that means properties have no value."

■ www.htrends.com, Feb. 5, 2016. "In year-over-year measurements, the industry's occupancy increased 2.5% to 57.1%. Average daily rate for the week was up 2.8% to US\$116.87, and revenue per available room rose 5.4% to US\$66.77."

■ Randy Drummer, Feb. 3, 2016, www.costar.com. "U.S. office net absorption topped 100 million square feet for the first time since the Great Recession and the national office vacancy rate declined another half-percentage point in 2015 as broadening demand and constrained levels of construction contributed to tightening space availability in virtually every metro area.

The U.S. office vacancy rate declined from 11.3% in 2014 to 10.8% at the end of 2015, continuing its downward trend from the 13.2%

vacancy rate at the worst of the economic downturn, according to data presented at CoStar's recent State of the U.S. Office Market 2015 Review and Forecast." <http://bit.ly/1Q8QCqD>

■ Joe Light, The Wall Street Journal, Feb. 10, 2016. **Editor's Note:** A few months ago, I discussed an extremely large ranch that was for sale in Texas and it has sold. This still boggles my mind!

"A sprawling, 535,000-acre Texas ranch will be sold to billionaire Los Angeles Rams owner Stan Kroenke in a deal approved by a court on Tuesday. The terms weren't disclosed, but the property had been listed for \$725 million. The deal includes everything that comes with the property, including 7,500 head of cattle; 500 horses; 30,000 acres of farmland; and 1,200 oil wells yielding 675,000 barrels a year."

■ Nicholas Parasie, The Wall Street Journal, Feb. 11, 2016. "Dubai's year-round sunshine and near zero taxes have been easy sells for foreign investors and expatriate workers. Oil's plummet below \$30 a barrel might change that for the glitzy emirate and its Arab Gulf neighbors. After toying with the idea for nearly a decade, six members of the Gulf Cooperation Council group of countries — Saudi Arabia, the United Arab Emirates, Qatar, Kuwait, Bahrain and Oman— agreed to introduce a value-added tax (VAT) of between 3% – 5%."

■ www.htrends.com, Feb. 15, 2016. "There are 4,084 projects totaling 496,184 rooms Under Contract in the United States, according to the January 2016 STR Pipeline Report. This represents a 13.0% increase in the number of rooms Under Contract compared with January 2015 and a 17.1% year-over-year increase in rooms under construction."

■ Nathan Barney, www.usatoday.com,

Feb. 24, 2016. "Certain types of laminate flooring made by Lumber Liquidators (LL) have a greater risk of causing cancer or other health problems than previously believed, U.S. health regulators said Monday.

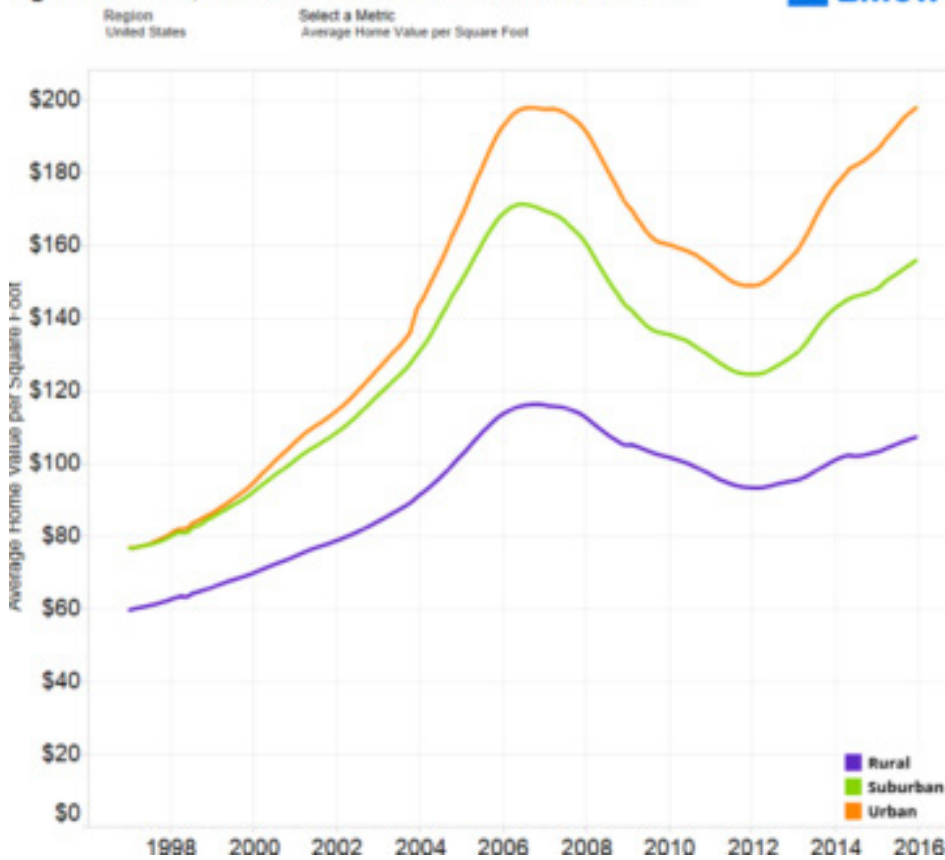
The Centers for Disease Control and Prevention said Monday that people who purchased the China-made flooring are about three times more likely to get cancer than it had calculated earlier this month — a revelation that rattled investors, who sent Lumber Liquidators stock down 19.8% to close at \$11.40."
<http://usat.ly/1KE3sLs>

■ Richard Florida, www.citylab.com, Feb. 25, 2016. Back in the late 1990s and early 2000s, urban and suburban homes in the U.S. used to be worth about the same on a per-square foot basis. But since the mid-2000s, urban homes have been worth more per square foot. Today, as a fascinating new report from Zillow on the shifting geography of American home values explores, urban homes nationwide are now valued at roughly 25 percent more than suburban ones on a per-square foot basis (\$198 versus \$156 per square foot). *See chart on page 9.*

■ Liam Plevin, The Wall Street Journal, Feb. 24, 2016. "Like many malls around the U.S., the 40-year-old Ridgmar in Fort Worth, Texas is at a crossroads. The rise of online shopping and changing consumer habits are battering the big department stores known as anchors that once lured shoppers to malls—leaving landlords, with empty space and forcing them to undertake expensive overhauls to stay relevant. Some of the malls are making the property less retail center, and more of a mixed-use center."

■ Jennifer Goodman, www.builderonline.com, March 2, 2016. "84 Lumber's introduction of its Tiny Living collection makes it the

Figure 1: Urban, Suburban & Rural Home Values Over Time



first-ever major retailer and only large building-materials retailer to tap into this new market and offer competitively priced custom-built houses no bigger than 200 square feet.

Packages start at \$6,884 for a custom trailer and home plans and are available in three options: Build Your Own, Semi-DIY, and Move-in Ready." <http://bit.ly/1nikSlS>

■ Liam Plevin, The Wall Street Journal, March 9, 2016. "Downtown may be trendy, but landlords are thriving with properties often seen as suburban eyesores: strip malls and shopping malls. The main reason: safety. While economic uncertainty clouds the outlook for many businesses, owners of open-air retail space have gotten a relative boost because their tenants often include grocers, discount-clothing stores and pharmacies—stores that consumers shop at in good times and bad times."

■ Eliot Brown, The Wall Street Journal, March 9, 2016. Commercial-property market shows rising signs of weakness and some of the pain is very evident in oil boomtowns. Office buildings in Houston appear to be suffering some stress. Experts predict that any commercial downturn will be moderate and limited in length.

■ Laura Kusisto, The Wall Street Journal, March 9, 2016. "Demand from foreign buyer's for U.S. real estate is weakening, the National Association of Realtors said, undermined by a strong dollar and rising home prices."

■ Joe Light, The Wall Street Journal, March 9, 2016. "Nationwide, the number of homes for sale priced below \$100,000 fell 8.6% in January from a year earlier; while the number of homes above \$1 million rose 15%, according to the National Association of Realtors. Price bands

in between show a similar trend: The lower the price, the smaller the growth in the number of homes on the market."

■ Daniel Goldstein, www.marketwatch.com, March 6, 2016. "A new program, the Detroit Home Mortgage, or DHM, will offer borrowers a second mortgage that, combined with the first loan, can exceed the appraised value of the house and help homeowners pay for the necessary rehabilitation to make the home safe to occupy.

Under the program, the borrower takes out a first mortgage with a maximum loan-to-value ratio of 96.5% of the appraised value of the home from one of five participating lenders. The borrower simultaneously obtains a second mortgage (up to \$75,000 with an interest rate of 5% and for no more than 20 years) to cover the difference between the purchase price of the home plus rehabilitation costs and the value of the first mortgage.

Normally, this would be considered a big risk to the bank, but because the backers of the program — the Ford and Kresge Foundations and the Minnesota-based Community Reinvestment Fund — are guaranteeing the second mortgage, the banks can afford to take the risk of default. The second mortgage can also be forgiven under certain circumstances, according to the DHM website." <http://on.mktw.net/1QRPgkn>

■ Josh Zumbun, The Wall Street Journal, March 11, 2016. "U.S. households ended 2015 with their home equity at the highest level in a decade, a housing-recovery milestone that could shield Americans pinched by financial-market volatility early this year. The report underscores the extent to which the housing crisis is fading into the rearview mirror."

■ www.remodeling.hw.net, March

continued on next page

11, 2016. The annual return on investment report is now available. "This site compares average cost for 30 popular remodeling projects with the value those projects retain at resale in 100 U.S. markets. Check out this year's trends and how they compare to prior years." <http://bit.ly/1lMO17w>

■ Jennifer Goodman, www.builderonline.com, March 11, 2016. *How could you pass this up?* "A new add-on product seems like a must-have for anyone who has ever had to pay a visit to the toilet at night time. GlowBowl (see above) attaches discretely to the toilet bowl, transforming a dark bathroom into a welcoming space even in the middle of the night. With a choice of seven vibrant colors, the product is designed to appeal to family members young and old—those just learning how to use the toilet and seniors who may need a guiding light for nighttime bathroom visits.

The motion-sensor night light works only when it is dark and has a five-stage dimmer to achieve the desired level of brightness, says the firm. Backed by businessman and former Shark Tank judge Kevin Harrington, GlowBowl became the No. 1 bestselling nightlight on Amazon in its first 60 days on the site and received a 4.5 star rating from Amazon users. Could it be a cool way to differentiate your bathrooms?"

■ www.htrends.com, March 15, 2016. "STR's Feb. 2016 Pipeline Report shows 497,409 rooms in 4,057 projects Under Contract in the United States. The total represents a 14.2% increase in the number of rooms Under Contract compared with February 2015."

■ Leah Demirjian, www.customhomeonline.com, March 14, 2016. "The AIA's most recent report finds that as residential construction activity



GlowBowl with a motion-sensor night light attaches to the toilet bowl.

and demand for residential design continues to rise, homeowners are choosing to spend money on their kitchens and bathrooms, more so than other areas of the house. The most popular kitchen upgrades include electronic charging stations and high-end appliances. Homeowners are still adding larger pantry spaces and double islands, and drinking water filtration systems, but less prominently than in 2014.

In the bathroom, the survey showed that popular features include door-less and large walk-in showers, radiant heated floors, and upscale showers. LED lighting was also a top design trend in both kitchens and baths in 2015, charting a two and three point increase from 2014 in those rooms respectively; universal design upgrades also rated highly." <http://bit.ly/1QUur4F>

■ www.buidleronline.com, March 14, 2016. "Since the total value of household-held real estate rose faster than the aggregate amount of mortgage debt outstanding, then home equity held by households grew. Over the year, total home equity held by households grew by \$1.165 trillion, 10.2%, to \$12.539 trillion. Household's home equity is now 56.9% of household real estate." <http://bit.ly/1SPDbf0>

■ www.buidleronline.com, March 14, 2016. "AHV Communities recently acquired a 92-lot site near Austin

on which it will build Park on San Gabriel, kicking off a \$100 million commitment to building single-family rentals in sunbelt markets this year. Randy Drummer of Costar writes multifamily builders and investors have become frustrated with low returns from the traditional rental units, which has helped drive the single-family build-to-rent trend. Other home builders have entered the single-family rental market, including Lennar Corp, D.R. Horton and KB Home." <http://bit.ly/1QUVJJC>

■ www.realtytrac.com, March 16, 2016. **Editor's Note:** Can't make this stuff up. "Chances are most homeowners are frequent visitors to their neighborhood Walmart or Target, more often than their bank account would like. What we found is that homeowners near a Target have experienced better home value appreciation since their purchase, but also pay more and have higher property taxes on average.

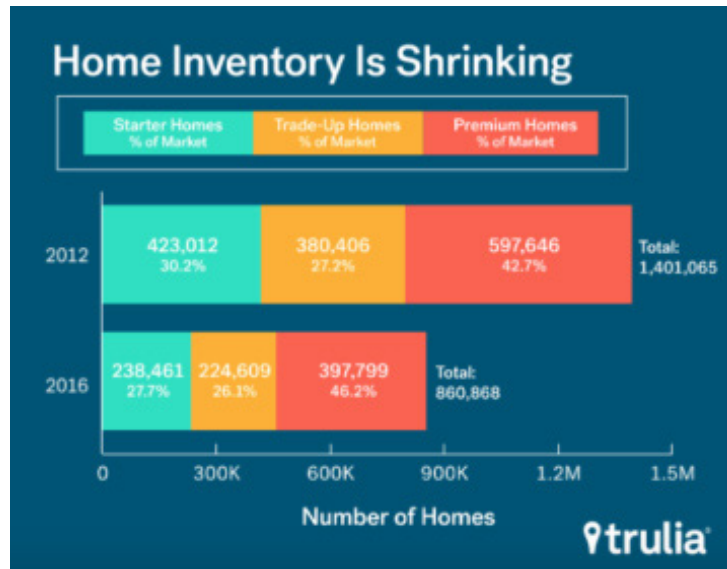
Among homeowners who sold in 2015, those near a Target saw an average 27 percent increase in home price since they purchased their home, which equates to an average price gain of \$65,569, compared to 16 percent appreciation and an average price gain of \$24,900 for homeowners near a Walmart. The average appreciation for all zip codes nationwide is 22 percent, while the average price gain is \$40,626." <http://bit.ly/1QP7HRz>

■ Parija Kavilanz, www.money.cnn.com, March 8, 2016. "Vacant commercial spaces are in high demand as both startups and multinationals look for facilities to house their U.S. operations. Several factors are driving this trend, according to Stuart Lichter, president of Industrial Realty Group, one of the largest owners of U.S. commercial real estate. Many U.S. companies, which had moved their operations overseas to keep costs down, are coming back home to be closer to their customers. On the flip side, foreign companies are also shifting some production to the U.S. to be more competitive and grow their U.S. market."

Meanwhile, some industries that were hit hard by the recession have recovered and are growing." <http://cnnmon.ie/1ppeoCz>

■ Donna Mitchell, www.nreionline.com, March 10, 2016. "Now that the first quarter is almost over, retail property owners have had a chance to assess how well property valuations performed in the fourth quarter, and what trends await them in the years ahead. Average retail cap rates, which had been on a steady decline since the recovery, might be heading for flat terrain, according to the Moody's/RCA Property Price Index. For the month of January, the retail sector saw its first monthly price decline in six years, according to Moody's/RCA report." <http://bit.ly/24StGQV>

■ Dianna Bell, www.nreionline.com, March 9, 2016. "Investors should keep the office sector on their radars, as metrics from a number of research and investment firms point to a strong performance in the years ahead. Vacancy will decrease nationally just as new office development will begin to accelerate—but new development will not stem dropping vacancy rates. The National Association of Realtors (NAR) predicts office vacancies will continue dropping



through 2016 and 2017, from 13.4 percent in the fourth quarter of 2016 to 12.7 percent by 2017." <http://bit.ly/1S5fsVU>

■ Hui-Yong Yu, www.bloomberg.com, March 1, 2016. "Buyout firms expect bargains may emerge in hotel investments following the slump in U.S. lodging stocks, suggesting a potential pickup in deals after a slow start this year. 'Market volatility creates opportunities for longer-term, value-oriented investors like ourselves,' said Tyler Henritze, co-head of U.S. real estate acquisitions for Blackstone Group LP, which raised a record \$15.8 billion property fund last year. The private equity firm in December bought Strategic Hotels & Resorts Worldwide Inc., owner of properties including the J.W. Marriott Essex House in New York, Westin St. Francis in San Francisco and Four Seasons Resort in Jackson Hole, Wyoming." <http://bloom.bg/24zkoJs>

■ Rose Quint, www.eyehousing.org, March 17, 2016. "Findings from the latest NAHB study on housing preferences, Housing Preferences of the Boomer Generation: How They Compare to Other Home Buyers, shows there are some similarities and differences in what home buyers of different generations want in terms of square footage and number

of bedrooms in a new home." **Editor's Note:** Two good charts in this article. <http://bit.ly/1WvVpRG>

■ www.builderonline.com, March 21, 2016. "Trulia, the online real estate site, was out with a study Monday that illustrates just how tight the entry-level-home market is in some of the most desirable metros in the U.S. See chart above. It also claims that for the first time, this study has parsed inventory and price data into three housing market segments: starter, move-up and premium. In this post on Trulia's site, blogger Ralph McLaughlin reviews the top-line results of the survey." <http://bit.ly/1T4tJVa>

www.htrends.com, March 15, 2016. "On year-over-year basis, the U.S. average online ADR is down (-2.6%) in March from a year ago, lower than the previous month's year-over-year growth rate." <http://bit.ly/1S1C0EB>
www.htrends.com, March 15, 2016. "STR's February 2016 Pipeline Report shows 74,668 rooms in 473 hotels Under Contract in the Central/South America region. The total represents a 3.9% increase in rooms Under Contract compared with February 2015 and a 16.4% year-over-year increase in rooms In Construction." <http://bit.ly/1o2KiE3> ❖