

**Episode #41**  
**Meet the Future Leaders of the CCIM Institute:**  
**The 2008 Class of the Jay W. Levine Academy**  
**July 16, 2008**

Mosca: Real estate, if purchased well continues to be the single best investment one can make. Welcome to Income Property Investment Talk, a program dedicated to providing investors eager to invest well in real estate, with the knowledge, the resources and the tools to generate increased wealth. Each week we bring the powerhouses of commercial and residential real estate to our program for you to learn from and to call at 1-866-472-5790. My name is Peter Mosca and I'm coming to you live from Lake Placid, New York where I am with the 2008 leaders of the Jay Levine Academy of the CCIM Institute. CCIM, Certified Commercial Investment Member are the experts in commercial real estate and I have the Academy students with me here today that I am going to introduce you to. All of them are here ready, willing, and able to talk to you about them, their markets, commercial real estate, and all different topics. Again, to call in: 1-866-472-5790. My first guest is Charlotte Goldblatt, from Goldblatt Associates in Woodbridge, Connecticut. Charlotte welcome to the program.

Goldblatt: Thank you Peter. I'm very delighted to be here with you today. To tell you a little bit about myself, I am president of Goldblatt Associates with offices in New Haven area and also New York City. We specialize in land development and mixed-use development from Boston to Washington, DC. We are very involved in the reemergence of the American city.

Mosca: Charlotte, let's talk a little bit about that reemergence of the American city. What is exactly happening? What do you mean by that? Can you tell our listeners briefly?

Goldblatt: What's happening is people are realizing they want to live where they can both work and play so there is an enormous movement back to the cities. With that, there is a

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reemergence of development in the cities where they are combining business, certainly shopping, and residential.

Mosca: So you're basically describing a type of mixed-use development then.

Goldblatt: That's correct.

Mosca: How does that benefit a potential investor who might be interested in a project like that? What are we looking at?

Goldblatt: They could be looking at a small property in a central business district in one of the secondary cities. We work in the Northeast. For instance, in New Jersey if you go to towns like Hoboken or Hackensack, those are areas where you can see the development progress and even cities like Newark where they are actively promoting, the city and the state and the federal government are actually promoting revitalization of existing properties.

Mosca: That's something that I know, like I you said, that's happening in New Jersey. I happen to live and work in New Jersey as well but that's happening in states all across the country.

Goldblatt: That's correct. Particularly, of course the cities like New York and Atlanta, Chicago are major cities that have had this going on for many, many years but the secondary cities and the third tier cities are great opportunities for investing in properties where perhaps you have a couple of retail stores on the first level and you can have residential above or you convert what was office into residential properties and create a really good investment opportunity.

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Mosca: That's wonderful Charlotte. Now, we did mention in the very beginning of the program that we are going to be talking with the entire Levine Leadership Academy here this afternoon, so if you can maybe in the next 30 seconds or a minute, what would you like to leave our listeners with? What type of golden nugget would you like to leave them with?

Goldblatt: Well, I would like to say that you should first of all work with a CCIM, Certified Commercial Investment Member because they are the experts in our business, including myself and if you'd like to reach out to me it's Charlotte Goldblatt, Goldblatt Associates, 203-982-5002 or I can be e-mailed at [cgoldblatt@CCIM.net](mailto:cgoldblatt@CCIM.net).

Mosca: Excellent Charlotte, thank you for joining us on Income Property Investment Talk. Our next guest is joining us right now. Her name is Pamela Spadaro. Pamela is with the Bank of America in Dallas, Texas and if you would like to learn more about our guests here today you can go to our website at [incomepropertyinvestmenttalk.com](http://incomepropertyinvestmenttalk.com) or go directly to the CCIM site at [CCIM.com](http://CCIM.com). Pamela, welcome.

Spadaro: Thank you very much Peter for having me on the show.

Mosca: Pamela, what's hot and happening in Dallas besides the weather? Pamela is so excited by what's happening in Dallas she's having a little trouble getting that out for us but like we talked about we do have the entire room here and Pamela is excited about Dallas. Pam, tell us a little bit about what's happening in Dallas.

Spadaro: We look to have real estate investors entering the market more frequently and that's because of what's happening in the stock market and with the economy. Therefore I wanted to give you some ideas about what type of investment would be pertinent to you

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and find out from your viewers how they could evaluate themselves as to what type of investment they would see for real estate.

Mosca: It sounds like you have a certain scenario in mind so why don't you talk to us a little bit about what you feel is hot right now and makes sense to potential investors listening to the program.

Spadaro: If you're a conservative investor in the stock market or in your personal life you may want to be buying AAA credit tenant properties such as a CVS or a restaurant or a government building. Of course, those returns like any conservative investment are going to be lower returns and if you have a shorter investment hold those would be ideal. If you would like to have a value added opportunity, something that you have a longer-term period for you to look for moderate tenant credit properties. Maybe if they have 75% occupancy or higher they'd have three years of operating history. Sometimes they are multi-tenants, they'd be in fairly good condition. Then, if you were an opportunistic investor, you would look to tenants with some credit risk. You'd look to properties that have occupancy less than 75%. You would look for multi-tenant or vacant single tenant buildings that could be reused and you'd look for opportunities where there were deferred maintenance or re-models needed. Being able to look to those things, you would have a longer investment hold and more opportunity for appreciation and you would really definitely want to hire a CCIM to help you with one of these types of investments. When you're investing in these types of properties you also want to ask yourself how much money am I willing to put in this. We recommend anywhere from 5 to 15% of your portfolio. Bank of America has criteria that we look to properties that are 2 1/2 million

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and above and then we sort between that. You could buy a property between 1 million and 5 million, 5 million to 10 million. Then you want to decide on what kind of property type and this is where you might go to your CCIM professional and ask them for input as to what types of property are performing better than others and also geographic location. Do you want to do it by a specific region, do you want diversification, and do you want to do it by a certain market, either rural, suburban, or urban infill.

Mosca: That's really where the CCIM professional helps the investor to determine where those markets are, what location would work best with their individual not only portfolio but when they decide on what type of the property or property type to get involved in, that would be helpful as well.

Spadaro: Yes, that's correct. I think the last thing is what are your own investment objectives? Are you looking for yield? What are your hold periods? Do you need income generation versus a value growth? Do you want financial stability or are you willing to take some risk?

Mosca: That's excellent Pamela. In about 30 seconds or so do you have any last pieces of advice?

Spadaro: If you'd like to talk more about what type of an investor you are and what type of properties you'd like to invest, please contact me at [PamelaSpadaro@UStrust.com](mailto:PamelaSpadaro@UStrust.com).

Mosca: Thank you so much, Pam. We appreciate you coming on the air with us at Income Property Investment Talk. Remember if you have questions of any of our guests give us a buzz at 1-866-472-5790. Our next guest with the Levine Leadership Academy from the CCIM Institute is Tony Rickard. Tony is with Chesapeake Commercial

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Properties in Matthews, North Carolina. Tony, we know from our readings and our research that North Carolina is a hot market right now. Can you talk to us a little bit about that or did you have something else in mind?

Rickard: Thank you Peter for having me on the phone today. North Carolina is a very hot market. We have three of the top five banks in the nation located in Charlotte. The real estate boom has not ceased. I would like to talk a little bit about the North Carolina CCIM chapter. The chapter itself consists of about 500 members. The benefits of our chapter are unique. We have free CE two times a year and an annual conference. We have unified dues billing that was just initiated and got confirmation yesterday via Chicago. We have 16 members on our Board of Directors. We most recently created a foundation for education charity in our chapter.

Mosca: So what you're doing then Tony with this CCIM chapter, and by the way there's chapters of the CCIM throughout the country, Tony's chapter is working, and Tony like you said, you're working to enhance the communities in which you live and work. I'm assuming that those members of that chapter are also active in terms of staying abreast of what's happening in North Carolina and the surrounding areas and really staying on top of the different types of investment potential and property types that are available for investors there.

Rickard: Peter, we hold breakfast meetings the first Thursday of every month in four cities in North Carolina. We have a year-long agenda where people can book their calendars to know what person or breakfast they want to come to and we give them

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market updates for the different general markets in North Carolina. Also, once a year in March, because we have basketball fever in North Carolina, March Madness...

Mosca: You actually have folks who watch college basketball in North Carolina?

Rickard: We have just one or two. In March, we have three market forecasts and we have the best of the best. We have Triad which is the Raleigh market, the Greensboro market, and the Charlotte market and we have the best of the best of the brokers that get up and give a five minute speech or their snapshot of where the market has been, where it is, and where it is going. We've been doing this for over fifteen years and it has been very interesting and very informative. We normally have about 500 guests at each luncheon.

Mosca: You know Tony, what you just mentioned there about where a market was, where it is, and where it's going, that's knowledge right there that investor's should know going into an investment, is it not? The history, the current and then a future look at what is going to happen to a particular property, that seems to be important to me.

Rickard: I totally agree. There are several areas within North Carolina that the market has been the same for years. The growth corridor along 85 going from Atlanta up to D.C. is a very high growth corridor with Dell computer moving in, Greensboro, the Triad market, Federal Express hub coming into the Greensboro market, the ports coming into Wilmington, the Charlotte market, Lowe's Motor Speedway, Lowe's corporate headquarters and all the other corporate entities that have been relocating along I85.

Mosca: Okay, Tony Rickard from Chesapeake Commercial Properties, we thank you for coming on. When we get back we will be talking more with the Levine Academy students.

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**BREAK**

Thanks for tuning in today to Income Property Investment Talk. If you have a question for Peter or Dean call now, listener lines are open. The toll free number is 1-866-472-5790. That number again is 1-866-472-5790. Now back to Peter and Dean.

Mosca: Welcome back. That's right you can give us a buzz at 1-866-472-5790. I'm talking with the Jay W. Levine Leadership Academy students in Lake Placid, New York. They're going over networking, education and technology, all different ways to keep the investor generating wealth in different types of properties. One other way that you can keep in touch with the program is to go to [radioremind.com](http://radioremind.com) and download a small resident memory program that will pop up every week to let you know when the program is coming on, who is coming on, and it gives you the opportunity to instantaneously chat with our guests. Our next guest is Lani Jo Weaver. Lani is with Royal Pacific Realty Corp. in Vancouver, British Columbia, which shows that the CCIM Institute and its 18,000 members are located throughout the globe. Lani, welcome to the show.

Weaver: Thank you very much Peter.

Mosca: Lani, we were talking with other Academy students about different aspects of the commercial real estate business. What would you like to talk about here today?

Weaver: I just want to let you know that I work in the greater Vancouver area of British Columbia, Canada and that my office, which is Royal Pacific Realty group is the actual largest office here in BC. We have over 900 agents at this time both commercial and residential agents.

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Mosca: Lani, what makes, for the listeners, what makes Vancouver, British Columbia a real estate investment opportunity? What's hot, what's not, what's going on up in Vancouver right now?

Weaver: Well, right now the market is pretty flat although the commercial transactions are still active. The Vancouver area is well known for its beauty. We do have a lot of commercial investments there. We have a lot of investors that are coming out. We do also have the 2010 Olympics, which is stimulating the market as well. So, people are coming and looking. There's a lot of opportunity in order to make a return.

Mosca: And it's no doubt that one of the principles of investing is location, location, location. We've all heard that and when you have something like the Olympics coming into town that tells investors right off the bat that this is an up-and-coming or just a hot potential market to generate some wealth in.

Weaver: That indeed is true. We do have a lot of other activities going on because we're on the Pacific Coast and our relations to China and also to the other areas there, we do get a lot of investors coming from all around the world. Like I said, the return on an investment there is, that seems to be the target where everyone is looking at this time because of the activity.

Mosca: Because you are a CCIM and because you do have these global connections, you have experience not only working with United States investors but investors across the globe.

Weaver: That's true. We do have, like I said, a lot of investors from all over the world.

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Mosca: Lani, if you can in maybe a minute or so tell us a little bit more about Vancouver and maybe you have a potential golden nugget to share with our listeners as well.

Weaver: Basically, as far as Vancouver, like I said it's a pretty active market. People are there, the location is central, and as far as the activities going, it's a beautiful place to live, a beautiful place to invest, and Vancouver all the way.

Mosca: Outstanding. Hopefully I'll be able to join you in 2010 for those Olympics. Thank you for coming on the program. That was Lani Jo Weaver with Royal Pacific Realty Corp. in Vancouver, British Columbia. Remember, if you are listening and you would like to call one of our guests, give us a buzz at 1-866-472-5790. Our next guest is Miriam Campos-Root. Miriam is from Prudential CRES Commercial Real Estate in the sin city of Las Vegas, Nevada. Miriam, welcome to the program.

Campos-Root: Thank you Peter. Thank you for having me. It's a pleasure to be here.

Mosca: Excellent Miriam, thank you. Hey Miriam, one of the other hats that I wear is I report on the building industry and what is happening across not only our country but across the globe in terms of building and I know you and have met you now over the last two days and I know Green building is a passion of yours. Is that something you'd like to talk about? I know in Las Vegas I think they just put up the first Leed certified residential properties in Las Vegas. Can you talk a little bit about green and what green means to investors?

Campos-Root: Absolutely. You know, we've got some great high profile projects that have been completed or are in construction in Las Vegas, a few that I would like to note. Probably the largest project, which is the Project City Center along the Strip, is the

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largest project going on in the world right now under construction. It is \$8 billion and over 18,000,000 ft.<sup>2</sup> of retail, hotel casino, hotel condos, and convention space and this particular project is going for Leed certification.

Mosca: That's outstanding news. I'm a big proponent of doing whatever we can. Really what we should make clear or maybe you disagree but I think we should make clear that every little thing that we can do is going to eventually help in our green building efforts. It doesn't necessarily mean you have to grow your hair long and build a tree house and live in a tree for your entire life from now on. We are talking about little things that can add up to make a big difference. Right Miriam?

Campos-Root: Absolutely. I think green is probably a bit overrated. It's really we're talking about sustainable development and changing the way we do business, the way we build buildings to be more sustainable.

Mosca: Excellent. Now, I assume that you want to talk about another project that might be happening in and around your marketplace and maybe you want to talk a little bit about Las Vegas as well because I'm not sure that an accurate picture of Las Vegas is actually getting out to the potential investor.

Campos-Root: Actually, I would like to share with our listeners today some statistics on Las Vegas, which they may not know. It is an exciting place to live. Obviously, it's the home of entertainment and definitely commercial real estate and real estate does follow. We have over 40 million visitors in the last year that visited Las Vegas. We have over 4.2 million ft.<sup>2</sup> of convention space and here's a staggering number that maybe a lot of listeners have not realized with our gaming revenue that for every minute, the gaming

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industry brings in \$21,000 per minute which equates to \$11 billion in the last year. That's an amazing number.

Mosca: That is an amazing number and that's probably why development just continues to skyrocket in Las Vegas. A part of location investing like we talked about is not only activity, it's about jobs and I'm assuming that jobs are still doing quite well in Las Vegas right now as a result of all this building?

Campos-Root: Absolutely. Compared to the other cities, Las Vegas will always land on top because of the job force. The Project City Center that I mentioned earlier alone will bring in over 10,000 jobs. The city is thriving and we will continue to thrive and continue to be prosperous and continue to be definitely a potential for investors not only nationally, locally, but globally to come and invest in our city.

Mosca: Let's talk a little bit more about that global aspect to Las Vegas investors. Are you seeing investors coming from certain areas around the globe coming to Las Vegas to look into it? I heard there is a lot of, and I don't know if this is accurate or not but I did hear that a lot of Australian investors are coming into the area.

Campos-Root: Well Peter, we get investors from all over, probably some higher concentrations of the UK, Europe. Again most notably, I keep coming back to the Project City Center. Recently the Project City Center was just purchased by a company from Dubai so they actually own half of the project, half of the \$8 billion project.

Mosca: Well, I'll tell you some of those e-mails that come across your desk, some of them are spam but some of them that show what's happening in Dubai with development

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projects there, if they are bringing that type of an attitude, a mentality to Las Vegas, that can only be good news for your region.

Campos-Root: I agree.

Mosca: Can you leave our listeners, maybe take a minute or so to talk a little bit more about you, the market, whatever you would like to discuss at this particular time.

Campos-Root: I've been in commercial real estate for about 10 years and I'm with a company that's a full brokerage office. We have 50 offices all over the country and we offer real estate services, all product types. Most importantly, I am a CCIM and I have been involved with CCIM Institute since 2000 and it is by far the best advice I can give any investor, anyone who's looking for real estate is to seek out a CCIM professional because they will give you the best service.

Mosca: Absolutely. Thank you Miriam Campos-Root from Prudential CRES Commercial Real Estate in Las Vegas. Thank you for coming on the show and I can back what Miriam said. CCIM, they are the experts in commercial real estate and investors who are looking to make a decision to invest in different types of property, just so you know, there are corporations around the globe that only work with and refer CCIMs when it comes time for them to do business. Our next guest has joined us. His name is Darrell Crotts. He is with Crotts Commercial Real Estate in Wichita, Kansas. Darrell thank you for coming on the show.

Crotts: Thank you Peter for inviting me. I enjoy the opportunity.

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Mosca: Darrell, what say you? What would you like to talk about and tell our listeners about commercial real estate perhaps in Wichita, Kansas? I know is an up-and-coming market, is it not?

Crotts: It has been a hot market but I'll tell you the first thing I'd like to talk about is my real estate career. I started in 2001 by getting my real estate license and then I got my CCIM designation in 2005. Peter, it's a second career for me and I realized that without the experience of years and years that many of my contemporaries have that the only way I could compensate for that lack of actual experience was through education. That's why I obtained my CCIM designation because it gave me the education to put me at the forefront of my career.

Mosca: Knowing a little bit about the CCIM Institute, having worked with the Institute for the last five years, I know we throw around that word education a lot. There are a lot of associations, organizations, and industries that throw education around, but when you're talking about the CCIM designation you are talking about the premier designation in real estate. There's a lot that goes into the education. In order to earn that designation Darrell isn't it true that you also, not only do you have to go through a course module but you also have to show experience in terms of transaction experience?

Crotts: Very much so. You have to demonstrate that you've exhibited confidence in representing your clients in real estate transactions to be accepted for this designation, which is part of what makes it so prestigious.

Mosca: What I want to do is we're coming up in about a minute to a break. Continue on down the path that you were going on and when we get back from the break you can

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further your thoughts. Oh, we are right on top of that break, my apologies Darrell. We will take a short break. We are here with Darrell Crotts of Crotts Commercial Real Estate in Wichita, Kansas. We are talking with the 2008 Jay W. Levine Leadership Development Academy of the CCIM Institute. When we get back, we'll talk to Darrell and other members of the Academy.

**BREAK**

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Mosca: Just a quick reminder, if the phone is not at your disposal and you're on the Internet, obviously listening to the program, and you'd like to contact us go right to radioremind.com, download the small resident memory program and you'll be able to instantaneously send us a question. We are back with Darrell Crotts from Crotts Commercial Real Estate in Wichita, Kansas and Darrell you were talking about relationships and how important they are to commercial real estate being a relationship type business.

Crotts: Absolutely. Peter, the real estate market anymore isn't just local, its national and even global. The opportunity that the CCIM Institute provides is the opportunity to network with other brokers that are at the pinnacle of their profession in other locales throughout the country and the world for that matter. That's another opportunity that we in the CCIM Institute get to enjoy.

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Mosca: Darrell, can you talk to us a little bit more about the Wichita market, what's happening right now?

Crotts: A lot of people may not be familiar with Wichita but it is the largest city in Kansas with a half a million people in the MSA. In spite of what's been said in the media about the current state of the real estate market, Wichita is actually kind of an oasis. It's still a very good place to invest. Most people don't realize that we are the home of Coleman products and the aircraft industry including Beechcraft, Cessna, Boeing Military, Bombardier, which is the old Learjet and probably one of our most hidden secrets is the home of the largest, independently owned company in America, Coke Industries. It has brought a lot of opportunity to Wichita and it's kept us as a very strong market.

Mosca: One of the things that we focus on on this program in terms of property type is multifamily and apartment buildings. In order to have a successful market in the property type, you have to bring in the jobs and the money to a market like you've been talking about. Is that something that you're involved in it all?

Crotts: Absolutely. In fact, one of the major developments recently that has an effect directly on Wichita is the reversal of the tanker award to Northrop Grumman and EADS and now is up for bid again. Boeing Military in Wichita is now back in the running to get that and if it does, it will mean several thousand jobs back in the Wichita market. That's just one example. All I know is that a lot of our employers have signs hung that say now hiring. I think that's the best indication of the economic status in Wichita.

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Mosca: That's the kind of news that we like to promote here to let people know that there are markets, there are areas across this country that are humming quite a long rather nicely. There are jobs and it sounds like good paying jobs that you just mentioned that are available throughout this country. If you can Darrell, can you surmise what you've been talking about and what you like to leave our listeners with here today?

Crotts: It's really a pleasure to associate with the kind of caliber of people that we do here in the CCIM Institute. It has been a great pleasure to me to be able to have the associations that I've developed with these people as it is really been a boom to my business and my personal life. I'd say that there is nothing more that you could say about a career than you enjoy and love what you're doing. This has given me the opportunity to say that.

Mosca: Darrell, thank you so much. Darrell Crotts from Crotts Commercial Real Estate and to take that to another level, with Darrell was talking about, not only does his business increase but the bottom line is it helps investors like you to generate the wealth that you want to generate through your real estate investments. Our next guest is David Verwer. David is with Eagle Commercial in one of my favorite places in the United States, Phoenix, Arizona. David, thank you for coming.

Verwer: Thank you very much Peter. It is a pleasure to be here and I'm looking forward to spending a little time with you.

Mosca: Excellent David. Right now, Phoenix, Arizona is in the news for a number of reasons. Can you set the record straight and tell us what is happening in the Phoenix area.

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Verwer: It's a difficult thing to sum up in a few minutes but I guess if I were just to put a little thumbnail sketch on the market, if you're hearing or reading about opportunity to invest in a particular area you're probably in the back end of it at that particular time. In other words, others have already gone on before you and figured out that there is value there and by the time your listeners hear about it, it may be a little later than what they want to do. So, while we hear about the growth and the boom and the development in the Phoenix area, which we've certainly experienced, we've also heard a little bit about some absorption issues which we are dealing with right now as well. It takes time for that news to get out that things are starting to increase again and to point out. Again, for your investors, for their benefit, opportunities for them lie not once they hear about it but taking a look at a market right now and looking in the Phoenix area, looking for multifamily investment opportunities, looking for small retail opportunities, and looking now to investigate those things. That's what we are there for right now is to help them identify those.

Mosca: We couldn't agree with you more. The sponsors of our program, RealSource, that's what they are the very best at, identifying the markets ahead of the competition to help investors get in to potential markets before they become what are called in the media emerging markets and things of that nature. Now, did you want to talk about anything in the Phoenix area in terms of your company or potential properties that you have available? What did you want to touch on and help our listeners learn and gain some knowledge from?

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Verwer: I appreciate that. Eagle Commercial Realty Services is a full service real estate company in the Phoenix area. We manage properties. We have about 3 1/2 million feet of under management right now primarily, multifamily, office, and retail. While we manage properties, we also handle the leasing aspects of it, primarily in leasing in the office side. Then on the acquisition and disposition of the properties, we have our brokerage arm that will take care of identifying whether it's the right time to sell a property, whether it's the right time to refinance or to possibly market the property for sale and exchange into other property types. That's what we are there for. In a smaller company such as Eagle Commercial, we are more of a boutique shop and it allows us to focus on the needs of our individual clients and give them a great deal of attention. While we have the smaller footprint as it were, we have a much larger footprint through the CCIM designation and through the network that we have with over 18,000 professional commercial realtors around the world. That puts us on the level of any of the big houses and I think really gives us an advantage then because we have people in places all around the country and all around the world.

Mosca: Basically what you say is what we've been talking about since we started this program is how important it is to develop relationships with the professionals who are out there doing these types of activities on a daily basis. I know we're a country of do-it-yourselfers, you can see that, you can read that, you can hear that in numerous different media that are popping up throughout the country but ultimately what we like to say David, on this program is rely on the professionals who do this for a living, who have the

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success. Obviously if you have that CCIM designation at the end of your name, investors know that they're dealing with the very best.

Verwer: That's so true. Again just having a relationship with somebody who's looking out for you all the time, one of our chief joys is getting referral business. When we get a client who says to a friend or another associate of theirs, go talk to David because he is just taking great care of me and I know he is going to treat you the same, you can bet that we are just going to bend over backwards to do everything we can to take care of that client as well. That's really what we're working for, to keep our clients happy, to pick out that referral business and to establish long-term relationships with these clients. We are not in it for one transaction. We want to be doing business together for the next 20, 30 years.

Mosca: You couldn't have said it any better. That's the beauty of real estate. There are rules and regulations. We've had shows on about 1031 tax-deferred exchanges that allow investors to take the gain and move into another property. That's really; if you look at the Fortune 50, Fortune 100, the wealthiest people in this country have done an excellent job of taking advantage of real estate location, real estate investment opportunities in generating their wealth that way. One question did come in David and if you want to tackle it that would be great but it centers around what type of returns you can get from investments today as opposed to five or 10 years ago. Can you touch on that or should I pass that on to our next guest?

Verwer: That's fine, I'm happy to address that. I guess I'm happy to say I been in the business for about 20 years so I've got a little bit of history here. You can measure return

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by various methods obviously. I'm sure your listeners are familiar with the cap rate methods and comp methods. If we're looking at just a capitalization rate right now and also what comes into play with that is our current interest rate situation where that's going to help us structure deals. If you're looking for a thumbnail as far as where we are at and in the different property types, I would say probably in the seven, low 7 1/2 percent for some multifamily opportunities, 7.5, 7.3 cap. On a single tenant net lease opportunity, stand-alone Arby's and something like that, you're probably in the 6.9 to 7.2 range. If that's what you're listener was looking for and then it sounded like they wanted to have it compared to what it was 10 years ago. Obviously my recollection of exactly 10 years ago isn't going to be that accurate but just thinking about how things have changed, we used to have much higher cap rates years ago but now because of the interest rate situation that we're in, that certainly plays into what the cap rate ???

Mosca: Outstanding observation David, I thank you for that. With 30 seconds or minutes that I have left with you, is there any golden nugget that you'd like to leave our listeners with?

Verwer: I get this a lot when people fly into or fly over the Phoenix area or just looking at all the desert land that's out there. The appearances are there is just so much land out there that can be developed and yet we only have 15% of the land in the whole state of Arizona that's really available for any kind of development. It's either federal land, its state land, its Indian Reservation, so when you've got 15% of that that's available left for development what looks like there's no end to it, there is an end to it. When looking for an opportunity to invest, it's always better to look on the front end than on the back end.

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So, again, if your listeners have any interest at all, I'd love to talk with them and perhaps follow-up and give them some information on our area. My name again is David Verwer with Eagle Commercial Realty Services and my phone number is 480-889-4555. Thank you very much for the time Peter. I really appreciate it.

Mosca: You're welcome, David. When we get back from the short break, we're going to talk with Michael Shelton from Magic Financial Services in Longwood, Florida and then we will be joined by 2010 President Richard Juge when we get back with Income Property Investment Talk.

**BREAK**

Thanks for tuning in today to Income Property Investment Talk. If you have a question for Peter or Dean call now, listener lines are open. The toll free number is 1-866-472-5790. That number again is 1-866-472-5790. Now back to Peter and Dean.

Mosca: Welcome back. I do want to thank Dean Essa for graciously taking a day off today so I can interview one on one the students of the Jay Levine Leadership Development Academy here in beautiful Lake Placid, New York. Our next guest is Michael Shelton. Michael is with Magic Financial Services in Longwood, Florida. Michael, welcome to the program.

Shelton: Thank you Peter. I'm very happy to be here.

Mosca: Michael, I want you to talk a little bit about what we were discussing at the break. You know we have investors who are listening and maybe we want to talk about the front end. Talk a little bit about that.

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Shelton: Peter, I've been in real estate for about 15 years now and did a number of transactions, both landlord and tenant rep. and then got into investment. One factor I found in real estate that really drives the deal is the capital and I didn't understand the capital end of the real estate transaction. I decided that I wanted to understand financing so, Steve Marrero who is the president of the Florida CCIM chapter had a small boutique company in Longwood, Florida, Seminole County, just north of Orlando and I went to work with him about four years ago. It has been a real education learning the financing end of real estate transactions. I constantly get calls from individuals who are interested in buying an investment property and the first thing I find out is they may be or are under contract and that their real estate agent has referred them to me. The first thing I ask them is: are you under contract? If you are under contract, please send me the contract. The very first thing I look for on that real estate contract is the closing date because many individuals have not been schooled on how long it takes to close a commercial real estate deal. Anytime I see a contract come through with 30 days on it, the first thing I say is you need to go back and get an addendum and get me at least 60 to 90 days to close on this deal. The other thing is that many people do not do, and prior to going out and looking for any type of commercial real estate even if you're investing in residential real estate, you need to do some homework. The first thing I tell people to do is fill out a personal financial statement. There are a number of those online that you can pull up, people can call me and I can e-mail you one but I really recommend a personal financial statement. The next thing is go out and pull up three years of tax returns. People say why do you want three years of tax returns. Lenders today are much more conservative than they've

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ever been. They want to show a history of income and what assets you have. They look at your Schedule C. to see how many assets you own, how the cash flow is on those assets, and the thing that I found out is most people's tax returns that they send us, they have not signed and dated. A non-signed and dated tax return is nothing but a worthless piece of paper to me. So I have individuals sign those tax returns and date them in blue ink and send them to me. You can scan them in color and it comes through excellent.

Mosca: So these things, what you're proposing here, is a way to further the process along and to move it maybe a little bit more efficiently and a little bit more in the way of a savings of time for the individual investor.

Shelton: Well, time is money and that's the first thing that we look at is how quickly can we get this deal done even before we look at the financial aspect of it, we want to know what's going on. The one thing that I really find that many borrowers have not thought about when they come to me, I ask them the question, what is your exit strategy and what I find is most people haven't even thought about this. If they own other properties, I ask them how long they've owned those other properties. If they haven't owned another property and we have to look at this one and see how long they're going to hold it. From that standpoint, we can take and make a decision on the right type of financing to use.

Mosca: Michael Shelton from Magic Financial Services in Longwood, Florida, you've given us a lot of great information, several golden nuggets, and we thank you for joining us on Income Property Investment Talk.

Shelton: Thank you Peter.

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Mosca: Our next guest and last guest from the Jay Levine Leadership Academy just happens to be the 2010 President of the CCIM Institute. His name is Richard Juge. Richard is with RE/MAX Commercial Brokers in Metairie. I hope I got that right to all you Louisianans, if I got that right. Richard, I mucked that up pretty badly. Welcome to the show.

Juge: You can say New Orleans. It's a lot easier that way.

Mosca: That does work, doesn't it? Richard, thank you for coming on. I did mention that you are the 2010 President of the Institute. Perhaps you want to tell us a little bit more about this institute that represents 18,000 members globally.

Juge: We're in exciting times to say the least. In fact, you know what Tony Robbins says when you're asked how's real estate, you just say unbelievable. That could be unbelievably bad or unbelievably good but in our leadership class we're finding that most everybody in our class is saying their economies are good. The Institute is going through some interesting times now. We're actually in a \$3 million rewrite of our education, which for those of you who have taken it, it's probably an opportunity for you to come back and take some refreshers. For those of you who haven't taken our courses, they are cutting edge now and they're getting enhanced every day.

Mosca: For the investors out there again, this is not promotion, this is not PR, the CCIM designation represents the experts in commercial real estate. Remember that there are corporations across this globe that will work only with CCIM designees and that says a lot. Doesn't it Richard?

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Juge: Yes, in fact McDonald's Corp., just as an example, puts their students through our curriculum. Many of the other household brands that most people would know, in fact not only are they there for the investment side of it. We have four courses and part of what they're there to do is market analysis and saying where do we put our stores and why do we put them there. In addition to that, they will also have part of our curriculum is the cost side of it. For users of real estate, there's a whole course that specializes in if you will, mitigating the cost of owning real estate. We look at it from soup to nuts, from acquisition to ownership and then disposition both on the investment side and the ownership side.

Mosca: There couldn't be anything more important than just that. That's probably why you referenced how the Academy students here are excited and passionate about real estate because they see it from all the different angles how real estate can generate the wealth that people are looking for with their real estate investments.

Juge: It's the old adage of he who dies with the most stuff wins. In fact, we were talking in our class today about capital accumulation and that's simply how much capital can you accumulate through the investment of real estate. Not only do we talk cap rates and IRs, and net present values, but the next step is how do we build wealth for the future. That's really what we're all trying to do whether we're planning to spend that money on weddings or moving to Tahiti or whatever your motivation may be in terms of building wealth.

Mosca: Absolutely. You met my two little ones last night and that's my motivation and why I invest in real estate. I know you have a focus right now; I mentioned that there are

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18,000 CCIM designees across the globe. The globe is a big part of what you are looking at right now. Right Richard?

Juge: Absolutely, in fact most people say are we a global company. We are in fact a global company. We have 1000 international designees. We have designees in 38 countries. We teach in eight countries from Moscow and Warsaw, Poland, and Shanghai, you just about name it and we are there. We have ambitious plans for expansion because if you look at what happened last week with Jones, Lang, LaSalle, and Staubach as a trend, you can rest assured if you're working with a CCIM, even if they don't have one of our members, a lot of them are independent type company people but through this network, these are educated people across the globe that speak the same language you speak, which is investment real estate, I. R., MPV. They are trained the same way we are here.

Mosca: Absolutely, and if I can let me just mention the fact that one of these students who is here today but will not be joining us is Michael Tseng, who is in Taipei and is the only CCIM instructor and he is from Taiwan.

Juge: He is the only, outside of North America, we have several Canadian instructors and again we teach over there but he's an interesting person and certainly a dynamic one. That is a booming market to say the least as well as most of Asia I suppose and certainly Taipei and Taiwan. He knows it backward and forward.

Mosca: Richard Juge, 2010 President of the CCIM Institute with RE/MAX Commercial Brokers in Louisiana, we thank you for coming on the program. Next week, we will have

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Rich Arzaga, Professor of Real Estate at UC Santa Cruz who will discuss how to build wealth in real estate.