

Winter
Weekly

Reader

Volume 9, Issue 28, March 15, 2012

The Plano Rotary Club
www.PlanoRotary.com



The Unreal State of Real Estate

UPCOMING MEETINGS

- 3/15 Ted Cruz, U.S. Senate Candidate
- 3/22 Dallas Arboretum "Chihuly in Nature" by Kathleen Cunningham
- 3/29 Simple Sleep Services, John Truitt

MARCH BIRTHDAYS

- Benjamin Criste 3/1
- Marshall Johnson 3/10
- Chris Henry 3/11
- Myrtle Hightower 3/11
- Jamie Schell 3/18
- John Pittman 3/24
- George Wong 3/28
- Louise Davis 3/31
- Bruce Glasscock 3/31



LAURA Leppert received from **S**ainted Editor the DVD of his Africa trip with the explanation, "If you want to see what a *real leopard looks like...*" She thanked him and turned to husband **T**om to say, "And I *don't* want to hear today the story about me and the leopard!" (The emphasis made **S**ainted Editor dearly want to hear it! Let's hope it wasn't as hair-raising as **S**teve Miller's.) But Tom promised and delivered on the promise; after



all, it would not likely influence our decision in voting for him for the U.S. Senate. (It only seemed) as if he was running for President. By the way, when **S**ainted Editor gives his presentation on Africa later this Spring, he'll have DVDs and Blu-Ray discs for you to take away...all 90 minutes of them! If you have an HDTV but *not* a Blu-Ray player, be aware that the latter are now almost as cheap as DVD players ever since 3D went on the market.)



Princling **J**ohn tri-struck the **G**REAT **R**OTARY **B**ELL at 12:16, summoning us to attention while cajoling **D**avid **B**owman to give the Invocation and **J**amee **J**olly the Pledge. ("Thanks, **B**ob!") **P**rince **J**ohn acknowledged the newly-admitted but not-yet-inducted **J**ohn **P**arker and stalwart **A**lan **F**eigenbaum as Greeters. Then he delivered the podium over to Life-of-the-Party **J**eff **F**rauenheim.

Jeff **F**rauenheim relished recommending we give **M**etro Rotary, **K**en **M**aun (Collin County Tax Assessor-Collector), the appropriate greeting, and we obligingly booed him. **J**eff **F**rauenheim was more generous with **P**ark **C**ities' **D**ennis **D**eavenport and **M**etro's **A**shley **M**aris-**J**ohnson. Generous to a fault, he offered to welcome **E**an's many



guests, including **J**oe **F**oor, **J**ohn **P**arker, and "the lovely" **J**an **S**ullivan. **E**an explained that **J**an was a guest of her proposer, so **J**eff **F**rauenheim offered a second introduction to **S**ainted Editor. **C**hris said that, being obliged to be even-handed, and having referred to **J**an previously as "Ean's finest wife," he now bade us welcome the woman whose "finest husband" is **E**an; then he expressed to her his profound condolences.



Also among the guests were **M**arc **H**ite and **C**APTAIN **K**IRK'S partner-in-crime, **A**l **M**ark **C**uban **V**alente. **J**eff **F**rauenheim started to introduce his cousin, **B**ill **W**ray, but then noticed **J**eff **F**rauenheim's intense gaze and questioned him about it. **J**eff **F**rauenheim explained, "I'm just watchin'." **J**eff completed the welcome, acquitting himself with distinction, much to **J**eff **F**rauenheim's surprised, "That was the oddest introduction I've seen."

John acknowledged a birthday bill for "\$50 without requesting his \$1 change" from **M**ark **J**ohnson, who used the occasion to proselytize for **D**entistry with a **H**eart volunteers (see Lynette).

The Unreal State of Real Estate continued...

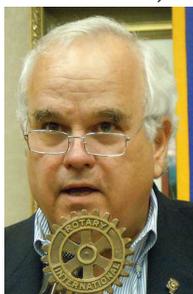
Lenny Schwartz almost gave **Ken Too Tall Robert's** deathless induction speech to Pam Little while sponsor, □□□□ □□□□□□ looked on, ever deadpan.



“Almost” because he omitted the part about commitment “*especially in attendance*,” perhaps in recognition of the possibility of her winning her election to the State Board of Education. If she wins, she’ll be part of the most contentious elected body in the nation; its machinations over school textbooks have earned it even international criticism:

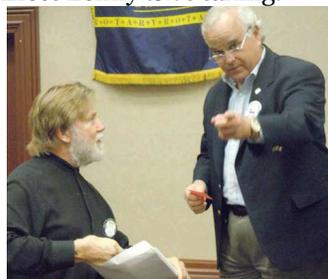
independent.co.uk/news/world/americas/texas-schoolbook-massacre-rewrites-american-history-1929320.html

Be that as it may, when Lenny got to Rotary’s accomplishments, like “*eradicating Polo*,” **John** chimed in that it was, after all, a “*dangerous sport*.”



John also noted that, at its monthly meeting that morning, the Board had voted \$250 each to PESH and PSHS for their Project Prom. (PWSH hadn’t requested, but then it services McMansions.) The Board had also voted \$2K for the Polio+ Campaign, but it will come from monies captured from a trip President-Elect Lenny *isn't* taking.

A 40-year (!) Perfect Attendance pin and commemorative plaque was won by **Randy Wright**, who had to be reminded to pose for his photograph, a victim of target fixation. (Being an Army Ranger, he knows what that is.)



Finally, **Octavio Ortiz** whittled the 3-page *résumé*, given him by speaker **Olin Jaye**, down to a manageable few sentences. For more than ¼ century, Olin has been a commercial Realtor®™ representing buyers and tenants. He has been Managing Partner at (**Connie & Mary Lou**) **Harrington Development**. Olin

has been a Plano City Councilman, Chair of both the Collin County Planning and Central Appraisal Boards.



Active in the Texas Association of Realtors®™ (TAR), he has been Chair of its Public Policy and Transportation Committees. Locally, he has been 2006 Realtor®™ of the Year, Director and VP of Plano Chamber’s Advocacy Committee, President for CCAR (Collin County Association of Realtors®™), and Treasurer of the *Heritage Farmstead Museum* (presumably before its indictment era).

Someone wanted to know whose *résumé* that was.

Olin first acknowledged the helpful advice of **Jamee Jolly**, “*Watch the profanity*,” and Octavio, “*Don’t be a smart ass*.” (They don’t know him very well, or do they?)

Then Olin announced that all of the opinions expressed herein were those of the speaker, as if we were expecting him to parrot others. Also, he wanted us to know that, while he “*is not an expert*” on all these matters, he “*knows where to find them!*”

CYA ACCOMPLISHED, he explained that CCAR and Rotary are intimately connected. The former was founded by **Jamie Schell’s** grandfather, **Alec**. It has hosted Randy Wright (ex-CEO), **Marvin Jolly** (**Jamee’s** hubby), **Ann Jones**, **J.C. Posey**, and others. So CCAR has been running on *Service Above Self* for some time.

Given the number of its members (4100), CCAR is the 35th largest such organization in the U.S. This single county group is larger than the entirety of groups in 12 states! This is a result of Collin County being such a high growth area over the years. 95% of its members are in residential sales; Olin represents the 5% “*dark side*” in commercial.

Realtors®™ are governed by a code of conduct about which “*Randy knows more than I ever will*.” Realtors®™ are involved with public policy and politics necessarily. They have a professional interest in



1. Property rights, and
2. Homeowner rights.

And they serve a huge constituency; about 60% of residences are owned by families within the county.

As a trade association, the 1+ million Nat’l. Assoc. of Realtors®™, constitutes the largest in the nation. And they are as involved in D.C. as in Austin and McKinney.

While it’s true that the U.S. housing market is rotten, “*a disaster in many ways, there are some exceptions*.” Since 2007, the prices of new and used homes have fallen 60-70%! Not so in Collin County where inventory has leveled off to a “*normal six months*” and dropping. But it’s far worse elsewhere.

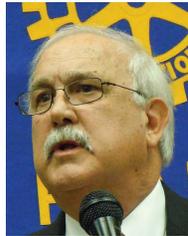


In some parts of California, bail bondsmen (chiding **John Ernst** for knowing about them...smart ass) now refuse to accept homes as collateral because they know “*neither their value nor their ownership*.” That’s a result of ~60% of CA and NV mortgages having been “*underwater*,” owned on more than their worth...negative equity. Here in TX, it’s only 10% (take that, 3rd largest state).

There’s a 4~5 million-home “*shadow inventory*,” foreclosed upon or four+ months in arrears. When that

“gets dumped on the market, it will have a big effect on the economy.” One sticking point in clearing the backlog is tight mortgage financing. A related issue is mortgage fraud, an example of which is the conviction of 50 folks in Dallas recently. Olin credits Randy with stumping for stiff local prosecutions for mortgage fraud (and, presumably, fraud protection?).

But every cloud has its silver lining. In this case, it is the ready availability of bargains and a Homebuyer’s Tax Credit. And here in TX, the lining is more highly polished. “Prices are relatively stable” and we’ve

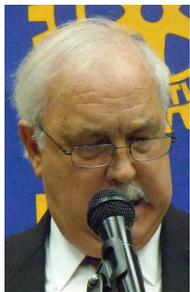


lower foreclosure rates than elsewhere. Our state economy matches that of the nation of India as 12th best in the world! While CA’s used to compete with China’s, TX now has the nation’s best state economy.

Part of our invulnerability comes from TX Home Equity laws that forbid more than 80% of a house’s value to be borrowed upon. In NY, it’s 120%. TX beats the nation. DFW beats TX. Collin County beats DFW. (And Frisco, **Bruce**?)

While Collin used to grow by 80 residences per day, it now grows by a respectable 45. And job two-year growth, according to Mayor Dyer, is up 2,000 with an average salary of \$85K. Olin says that a stable local government, good schools, and a “high quality of life second to none” are the attractions. “U-haul surveys show net in-migration” here vs. out-migration in CA.

County sales are up 4% and “run about” is off by only 93% of the listed price. Days-on-Market are down by 9% to an average of 93. We’ve a 3.6-month inventory, but six is normal. County home sale averages \$237K while in Plano it’s \$264K where the inventory is only 786 homes (down from thousands a few years ago).



In Olin’s bailiwick, U.S. commercial property “is a disaster.” There are far fewer Realtors® in commercial now. But it’s turning around, in part due to the boom in oil and gas. However, DFW was seriously “overbuilt,” and while rents in Plano and Frisco are “back up,” office building occupancy is way up,

compared to the rest of the nation. The best deal now, if any, involves vacant land.

Olin teased us with the bargains available now in recreational lots and lakefront properties.

With the current “jobless recovery,” real estate is hurt disproportionately. The reason, Olin says, is the uncertainty implicit in impending tax changes: “Bush tax cuts going away” and new capital gains taxes. The “role of government in your lives is increasingly influential,” so Realtors® say, “if real estate is your profession, politics is your business.”

asked whether and where new multifamily projects might arise. Olin said that as families lose their homes, apartment occupancy increases. “They have to live somewhere.” There are currently 2-3 multifamily zoning projects on the books, but in Plano at least, these won’t be for lower income families.

Lenny wanted to know the pros and cons of Fannie Mae and Freddie Mac. Olin said that their 100s of millions in bad loans get modified, but if their inventory gets dumped, we’re all in deep doo-doo (Sainted Editor’s characterization).

Olin welcomed “my younger, good-looking twin brother” back to the podium, and John gave him the redundant Four-Way Test medallion and promised a donation to Shoes for Orphan Souls. He asked Ken Maun how this all played out with Collin County taxation, but Ken told him that we have “great property values, and everybody pays their taxes.” To quiet the chorus of boos, Randy said Ken was “a great guy,” and “we’re very fortunate to have him.” Lenny reminded Randy that sucking up to the tax assessor is unlikely to permit him to escape taxation.

John led us in the Four-Way Test and belled us out at 1:03.



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Know someone who would make a great Rotarian?

Invite them to be your guest at Rotary!

The 4 Way Test:

Of the things we think, say, and do:

1. Is it the truth?
2. Is it fair to all concerned?
3. Will it build goodwill & better friendships?
4. Will it be beneficial to all concerned?

Guests & Visiting Rotarians

Guest

Joe Floor
John Parker
Bill Wray
Jan Sullivan
Marc Hite
Al Valente

Visiting Rotarians

Ken Maun
Dennis Devenport
Ashley Maris Johnson

Guest Of

Ean Sullivan
Ean Sullivan
Jeff Frauenheim
Chris Parr
Alan Feigenbaum
Kirk Bell

Home Club

Plano Metro
Park Cities
Plano Metro

Member NEWS

AWARDS:

Harold Sullivan Award

Randy Wright

Athena Award

Rebecca Caso

Fred Moses Award

Richard Butterfly

Business Executive of the Year

Gary Base

Kersey Can Holder:

Vance Bryson

Citizen of the Year:

Beth and Duncan Webb

Rotary Make Up Website:

www.rotaryclubhone.org

New Member Proposals:

Jan Sullivan
Classification: Chaplain/Property Management
Proposed by: Chris Parr