

Real Estate Weekly

THIS WEEK'S HEADLINES

B.R. delinquency rate on the rise

The number of people in the Capital Region who are 90 days or more behind on their mortgages increased by 0.81 percentage points in August, compared with the year before. That's more than the increase seen nationally, but behind Louisiana's pace, according to statistics from CoreLogic. The percentage of people who were delinquent on their mortgages locally was 5.81% in August, compared with 4.99% a year earlier. In Louisiana, the delinquency rate was 6.47% in August, 0.86 points higher than the 5.61% rate seen a year earlier. The U.S. average was up 0.70 points, from 7.09% in August 2009 to 7.79%.

This week's poll question: When will the number of delinquent homeowners in the Capital Region post a year-to-year decrease?

Stirling project finalist for ICSC award

The renovated Hammond Square shopping center is a finalist for The International Council of Shopping Centers 2010 U.S. Design & Development Awards. The lifestyle center, developed by Stirling Properties, will compete in the category of best renovation or expansion of an existing project for retail space over 500,000 square feet. Hammond Square, which was built as a 430,000-square-foot enclosed mall, reopened last year as an open-air center nearly double the size. Tenants include Target, Dillard's, Best Buy and Books-A-Million. The winners of the ICSC awards will be announced next month at a conference in Phoenix.

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Coldwell Banker gets listing for Industriplex building

Coldwell Banker Commercial TEC Realtors has been named as the listing agent for a 31,000-square-foot office complex on Industriplex Boulevard. The building had been a distribution center, but was recently renovated for office use. Capital One had some telephone sales and loan processing operations in the building, which recently shifted to other states. Mark Inman, who heads up the Coldwell Banker team leasing the property, says the building could be used by a variety of office types, including finance, insurance, real estate or video game development. The building could also be rezoned for light industry.

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Tom Cook: College Drive Blockbuster sold



The Blockbuster on College Drive has been sold for nearly \$1.3 million. The seller was the Tamara Kay Pruitt Gift Trust and the purchaser was Edry-La. The purchaser is a Louisiana liability company, represented by its manager, Ruth E. Salek. The building contains approximately 5,500 square feet, so the sale price calculates to about \$235 per square foot. This is an interesting purchase, given the fact that DVD rentals are taking place more and more online, and the in-store rental purchase market has dropped dramatically. However, the location of the store on College

Drive, with the traffic counts and surrounding retail activity, makes the building suitable for more than just Blockbuster, and the property could be converted for another occupant.

(Appraiser Tom Cook owns Cook Moore and Associates. Reach him at 293-7006 or TCook@cookmoore.com.)

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Brian Andrews: J.D. Power releases banking satisfaction results



J.D. Power and Associates, the global marketing information firm that conducts independent surveys of customer satisfaction, recently released their 2010 Small Business Banking Satisfaction survey. The study, now in its fifth year, measures small business customer satisfaction with the overall banking experience by examining eight factors: product offerings, account manager, facility, account information, problem resolution, credit services, fees and account activities.

Not surprisingly, small business owners are less satisfied with their banks in 2010, continuing a four-year negative trend. Michael Beird, director of the banking practice at J.D. Power, says that fees are the greatest contributors to the decline in satisfaction. According to Beird, "Twenty-six percent of the customers had fee structure changes in the last 12 months of the study" but "only 3 out of 10 indicated that they completely understood how they were being charged for services." Problems and complaints also represent a major driver in dissatisfaction. "Customers with problems are three times more likely to switch banks over the next 12 months," Beird says.

Banks in the South Central Region, which includes Louisiana, BancorpSouth, Hancock Bank and Whitney National Bank, were ranked as "better than most" with Capital One, Chase and Regions being "about average." In general, satisfaction fell faster at large banks than smaller banks.

Account management is the most effective weapon in the banker's arsenal for improving satisfaction. According to Beird, "Only 18% of respondents viewed their account managers as 'trusted advisers,' but when they do there are significant benefits on customer experience." Being perceived as a trusted adviser requires three things:

Proactive communication

Completely understanding the customer's business

Honest, transparent communication of fees and service charges

So how satisfied are you with your bank and your account manager? We all know that real estate lending is down for a host of reasons, but how do you feel about how the bank is treating you as a continuing customer and what suggestions do you have for your account manager? Send me your comments and we'll talk about it in a future column.

(Brian Andrews is a certified mortgage banker specializing in the financing of commercial real estate. His business is Andrews Commercial Mortgage and he can be reached at brian.andrews@acmla.com.)

Real estate recap: Foreclosures jump in four La. metro areas ... Local construction employment holds steady

More people losing homes: Four Louisiana metropolitan areas, including Baton Rouge, recorded jumps in foreclosure actions against delinquent homeowners during the third quarter, a national tracking organization says. Irvine, Calif.-based RealtyTrac says New Orleans, Lafayette and Houma-Thibodaux also saw increases in foreclosure-related actions ranging from an initial notice of default to outright lender repossession. Shreveport-Bossier City recorded a slight reduction in such actions.

Unchanged: The number of construction jobs in Baton Rouge in September was unchanged from the year before. The Associated General Contractors of America says this means the Capital Region was one of 101 metro areas that didn't post a decrease in jobs over the year, while 236 cities lost jobs. Baton Rouge held steady at 40,500 construction jobs in September. Shreveport-Bossier City gained 300 construction jobs, going up 4% to 8,700. That made the city the 16th biggest gainer. Houma-Thibodaux saw construction employment go up by 2%, or 100 jobs, to 5,300, while Lafayette also reported a construction job gain of 100, a boost of 1% to 7,400 jobs.