



# Richard Hanna's Cash Flow Forever Newsletter

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AlbuquerqueOfficeLeasing.com

\$5.00

Our mission is to profitably support our customer's vision for an effective location at which to do business.



"The brave die never, though they sleep in dust: Their courage nerves a thousand living men."

~Minot J. Savage

## A Note From Richard

### When Will The Price Of Real Estate Go Up?

I get this a lot as you might expect. I've learned a few things from technical trading of the stock market and forex that have helped me understand this question. Since those markets move much more quickly than real estate, I now understand cycles much better.

Every one knows about supply and demand, meaning that if there is lots of supply and demand is low, the price goes lower. When demand is high and supply is low, the price goes up.

In the Albuquerque residential market, our supply of houses is dropping for now, and our demand is increasing. What happens next is as the market turns from a buyer's market to a seller's, the price will begin to rise.

So the last thing to happen in the cycle is the price goes up, not the first thing, as many people believe. They are waiting for the price to move up before they think it is a good time. It is better to watch supply and demand to see when the price will move up.

In the commercial world, we tend to lag behind the residential market by about 1 to 2 years so we have awhile to go still. Some sectors like the office market will take even

longer to recover. Why? Because technology is reducing a company's need for office space.

Citi a few months back eliminated 131,000 square feet of their office space near Balloon Fiesta Park by deciding to have their employees tele-commute. This is amazing when you think about it.

These kinds of changes in the office sector will keep office prices down for several more years since demand will not exceed the supply.

Our vacancy rate is not going to go down very quickly since companies can do more with less space. In Europe, the average worker is in 100 sf compared to 176 sf in the US. Only a few years ago the average in the US was over 225 sf.



The commercial market tends to lag behind residential, and demand is still lower than supply. This keeps prices down.

## My Investments



Local politicians say one thing then do another. But their actions only create havoc, and benefit no one except themselves.

The building in Las Cruces for Chapparral Materials is now complete except for just a few punch list items. Las Cruces is not a very business-friendly city, at least for real estate.

One of the hold ups for our certificate of occupancy is that the urinal screen in the men's room has to be custom made. Most screens are 42 inches long, in Las Cruces it has to be 48 inches. No one makes this size!

We started to do a minor subdivision for the building last July and still don't have it complete due to all of the hoops that the city has us going through. It seems like the approval process should take less time than building a 44,000 sf building, would you not agree?

The city employees only give us one comment at a time, so each time we think we are through the process, we get

another objection. The current one now is Pioneer Place, which is the street into the industrial part of our land is not actually a street! It has been there for almost 40 years with other business already there!

They have been taking care of it as a street for this same period of time. Our rezoning of the entire tract is now at 2 1/2 years when they said it would take 6 to 9 months. The rules keep changing.

Perhaps someone could tell me what the planning department is intended for. The real purpose is to halt development and make things harder than they need to be.

The rules in place for development are what protect the public, not the planning department. It creates delays and increases costs with little to no benefit to the public, city or private investment.



Moving doesn't have to look like this!

## Tips For A Stress-Free Move

If you're planning a move this summer, keep these helpful tips in mind:

- ◆ Notify your telephone, electric, gas, water, and credit card companies. Forward necessary mail to your new address. Discontinue service on a specific date.

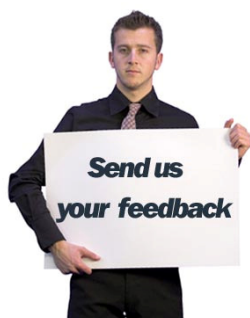
- ◆ Notify former employers. This will make tax time less taxing.

- ◆ Be there and give direction. Let movers know what you want loaded first and loaded last.

- ◆ Devise a system. You should label your boxes with their destination in your new home. Hang numbered signs on the doorposts of each room and write the same numbers on the appropriate boxes.

- ◆ Don't forget to have your tools ready when you start unloading. You should put your tool box in when everything else is loaded in the truck.

- ◆ Take all your valuable documents and jewelry with you! Don't forget your plants either; most are too sensitive to make a long journey in a hot, dark truck. If you can, take them with you too.



**Feedback?** Send your questions, comments, suggestions and submissions to [RHanna@RichardHanna.com](mailto:RHanna@RichardHanna.com) or call **505-332-0522**



## Strange Quotes From Actual Car Insurance Claims

- ◆ Coming home I drove into the wrong house and collided with a tree I haven't got.
- ◆ I knocked over a man. He admitted it was his fault as he had been run over before.
- ◆ An invisible car came out of nowhere, struck my car and vanished.
- ◆ Windshield broken. Cause unknown. Probably Voodoo.
- ◆ I thought the side window was down but it was up, as I found when I put my head through it.
- ◆ The indirect cause of the accident was a little guy in a small car with a big mouth.
- ◆ My car was legally parked as it backed into the other vehicle.

- ◆ Cow wandered into my car. Afterward I was informed that the cow was half-witted.
- ◆ To avoid a collision I ran into the other car.
- ◆ I didn't think the speed limit applied after midnight.
- ◆ No witnesses would admit having seen the mishap until after it happened.
- ◆ I knew the dog was possessive about the car but I would not have asked her to drive it if I had thought there was any risk.
- ◆ I collided with a stationary truck coming the other way.
- ◆ Q: Could either driver have done anything to avoid the accident? A: Traveled by bus?



"I would not have asked my dog to drive if I had thought there was any risk!"

## Churchill's Famous Speech He Never Delivered

A week after the demoralizing defeat of British and French troops by Germany at Dunkirk in 1940, Prime Minister Winston Churchill made one of the most stirring radio addresses in history. Speaking to the English public, he declared that the British would not fold: "We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender."

Historians say that this specific speech provided the morale boost that helped England summon the strength to continue the war effort, and ultimately win. But Churchill didn't make the speech. He was "too busy to appear on the radio," so he asked Norman Shelley to fill in. Shelley was an actor who had perfected the Churchillian delivery to such a degree that few people could pick out which voice was Shelley's and which was Churchill's.



"We shall never surrender!"

## Funnies

A married couple was celebrating their 60th wedding anniversary. At the party everybody wanted to know how they managed to stay married so long in this day and age.

The husband responded, "When we were first married we came to an agreement. I would make all the major decisions and my wife would make all the minor decisions. And in 60 years of marriage we have never needed to make a major decision."

Thanksgiving  
is a day when we pause  
to give thanks for  
the things we have.



Memorial Day  
is a day when we pause  
to give thanks to the  
people who fought for  
the things we have.

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**Why You Should Avoid Little Guys In Small Cars With Big Mouths (See Page 3)**

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**Featured Property**

*For Lease  
3241 University S.E.  
21,160 sf of Warehouse/Office*



*For Lease*

Features Include:

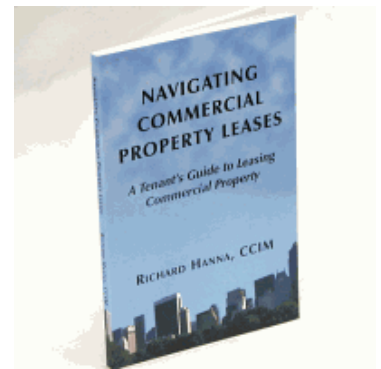
- \$5.50 / SF + NNN
- 19,440 sf Warehouse Space
- 4,720 sf Office Space
- 24 Drive-in Doors
- 2 Dock Doors
- Excellent Visibility
- Owner will consider short term lease for movie production with significant deposit.

**\$9,699/Mo**

For More Information: Contact Richard Hanna, CCIM  
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