

LOCATION, LOCATION, GEOGRAPHY

By Pete Janemark



PETE JANEMARK

DRIVE TIME

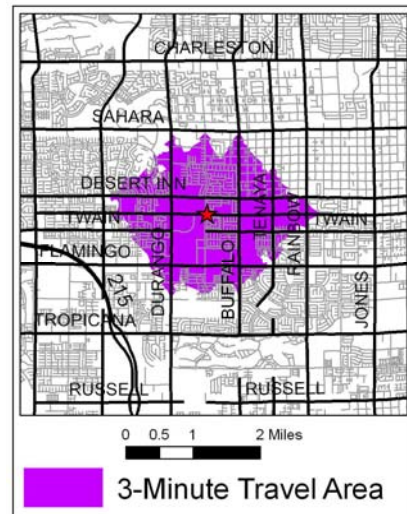
Many on-line applications are now capable of providing the most efficient route from one location to another, a map of the route, and actual written driving directions.

This type of application can actually be used inside-out to provide a valuable tool when deciding where to live, work or especially where to locate a business.

The concept is relatively simple. It makes use of traffic lights, stop signs, and speed limits to determine exactly how far down each road one can make it from the point of origin within a certain amount of time.

The following two maps, shown at the same scale, illustrate the difference between the distance that can be driven in three minutes through the grid of Las Vegas surface streets, and the distance that can be traveled if located near a freeway or highway.

3-minute travel time from Cimmaron & Spring Mountain



3-minute travel time from Jones & 95

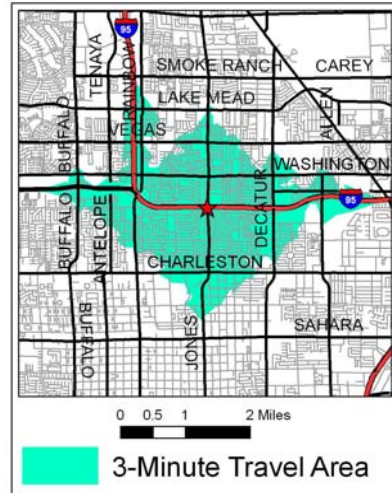
The maps show that being located near a freeway nearly doubles the distance that can be traveled in the first three minutes. While the idea that one can travel farther in the same amount of time when near a freeway is far from revolutionary, the concept of being able to easily map the phenomenon is.

If a business needs to perform deliveries all around the Las Vegas valley, locations can be evaluated to make sure that all territory can be covered within a reasonable amount of time.

If a business needs access to only certain things in the valley such as the downtown legal district, or the strip, each location can be evaluated to see how travel times are affected.

If commute times for employees is relevant, optimum locations can be discovered that provide the lowest average commute time.

While the science of calculating drive time is somewhat inexact, this technique serves as an excellent tool when choosing between different locations since it provides a representation of average trip times.



CLIFFORD COMMERCIAL REAL ESTATE

6152 West Sahara Avenue
Las Vegas, Nevada 89146
(702) 889-9898



CLIFFORD COMMERCIAL MARKET BRIEF

Volume 4, Issue 3
October 2008

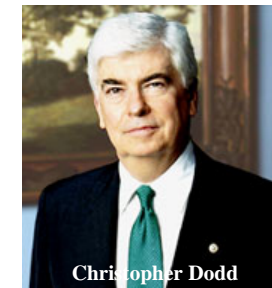
www.cliffordcommercial.com

Clifford Commercial Real Estate
6152 West Sahara Avenue
Las Vegas, Nevada 89146
(702) 889-9898

DO FACTS MATTER TO YOU?

BY Kent Clifford, CCIM

Abraham Lincoln said, "You can fool some of the people some of the time and some of the people all the time, but you can't fool all the people all the time." But he lived in a day when there was no radio, television, movies or internet. Currently, any one with an agenda can fool most of the people most of the time.



Christopher Dodd



Barney Frank

Who is responsible for the financial crisis we now find ourselves in? It is hard to know because everyone puts their spin on it. Two of the main culprits who prevented congress from enacting regulations on Fannie Mae and Freddie Mac were Senator Christopher Dodd and Congressman Barney Frank. **Greed, Greed** and more **Greed** reared its ugly head time and time again. Now we find, as taxpayers, we have to pay the bill or we will not be able

to continue with life as we now know it. Fannie Mae and Freddie Mac were the twin towers that came down due to Greed. Greed was allowed to exist because congress gave those individuals who were running the companies billions of dollars of tax payer money with no oversight. This has been going on for decades and the people who warned congress were ridiculed, threatened with congressional investigation and sent home with their tails between their legs.

Two more important questions for us are: **How can we fix the problem and how can we prevent it from happening again?**

First, this is an election year and all of our politicians are running scared. The news media is interested in headlines and have not stayed interested in Fannie Mae and Freddie Mac. We need to understand that the money from investors has dried up. Once severely burned, investors are not likely to come back and invest in any security presented by these two morally bankrupt companies. The investors were enticed into purchasing the securitized mortgages by a government guarantee. Now the two companies and there are not any new loans to sell as a security, where is the money going to close the doors and terminate the workers like the other mortgage companies? Not likely! The tax payer will keep the doors open whether there is any business or not.

THROW THE CONGRESSIONAL BUMS OUT AND START OVER

Second, whatever fix is made will be discussed and decided by the politicians who got us into this crisis in the first place.

Third, throw all the congressional bums out and start over. Limit their time to two (2) four (4) year terms and no more. If they can't get the job done in eight years we need to replace them and make it a non-partisan office so democrats will not hate republicans and republicans will not hate democrats. **Aren't you tired of it all? I know I am!**



In This Issue

- DO FACTS MATTER? 1
- BICYCLE RIDE ACROSS AMERICA 2
- PAHRUMP - THE PLACE TO INVEST IN MULTI-FAMILY UNITS OR UNDEVELOPED LAND 3
- SMART INVESTORS LOOKING TO INVEST IN COMMERCIAL REAL ESTATE 3
- MAPPING DEVICES— CALCULATING DRIVE TIME 4

Clifford Commercial
Executives

Kent Clifford, CCIM,
President/Broker
kent.clifford@cliffordcommercial.com

Jerry Shapiro,
Executive VP
jerry.shapiro@cliffordcommercial.com

Sally Rycroft, Sr. VP
Land/Investments
sally.rycroft@cliffordcommercial.com

Don Chism, Sr. VP
Land/Investments
don.chism@cliffordcommercial.com

Chuck Haldeman, Sr. VP
Office/Industrial
chuck.haldeman@cliffordcommercial.com

Pete Peterson, VP,
Office/Industrial
pete.peterson@cliffordcommercial.com

Kimmen Olsen,
Broker/Salesman
kimmen.olsen@cliffordcommercial.com

Royden Britsch, Salesman
royden.britsch@cliffordcommercial.com

Dennis Perri, Salesman
dennis.perri@cliffordcommercial.com

Vic Adkins, CCIM, ABR
Salesman
vic.adkins@cliffordcommercial.com

James "Fred" Denton,
Salesman
fred.denton@cliffordcommercial.com

Pete Janemark
Salesman
pete.janemark@cliffordcommercial.com

Tom Tedder, Broker/
Salesman
tom.tedder@cliffordcommercial.com

My Bicycle Ride Across America

By Don Chism



In the last issue of our newsletter, there was an article about my Bicycle Ride Across America written by my assistant, Ducky Stephen. When I was about half way through the ride and during one of my phone calls to the office to "check in," Ducky suggested that I read the latest issue of the newsletter on the Clifford Commercial web site. I didn't know the article was going to be written, so I was very surprised, but flattered by the kind things she said in the article. Congratulations at that point seemed a little premature, but she was accurate in the basic theme of the article which was the importance of having dreams and setting goals. As it turned out, I did finish the ride and accomplished my goal to ride across the country. When I returned, I was requested to write this article about the trip.

For me, this particular dream started years ago. It seemed to be the perfect adventure to incorporate several things I love to do: ride bikes, travel, meet interesting & like minded people and take on a good challenge. About a year ago, I set my first set of goals regarding the ride. The first step was to figure out a way to do it without adversely affecting my clients. My co-workers and partners, Chuck Haldeman, Pete Peterson, Kent Clifford, Ducky Stephen and especially, Dennis Perri, really stepped up and agreed to cover for me while I was gone. Next, I had to convince my wife, Janice, that this was a good idea. I don't know if I ever convinced her that it was a good idea, but she knew I really wanted to do it and fully supported me from the beginning. Next was the training, which started about the first of the year and consisted of riding about 3,000 miles.

The ride started June 1st in San Francisco, CA and ended in Portsmouth, NH on July 22nd. It went through 13 states and covered a distance of about 4,000 miles. There were a total of 34 of us who started out to do the cross-country ride, but we rarely rode as one large group. Usually each day's ride just seemed to evolve into smaller groups ranging from two to ten with occasional periods of riding solo, depending on the mood. With the exception of having to ride on interstates in Nevada and Utah, we rode on the back country roads with little traffic, and we saw some incredible and diverse sights up close and personal - at about 15 miles per hour.

One of the best parts of the ride for me was the people I met. The locals were generally very friendly and helpful. It was really interesting to see some of their reactions when they asked

where we were coming from or where we were going. Some even invited us to their homes to give us refreshments and ask us about our ride. Also, I was pleasantly surprised to see how many people, especially in the Midwest, proudly showed their patriotism by flying flags and having patriotic signs on their homes, businesses and churches along the way.

Then there were the people in our group. My long time friend, Skip King & I joined 49 other people who participated in the ride and 4 members of the support crew. Of the 51 riders, 34 started out to do the whole ride and the others did one or more of the five sections that the ride was divided into. I think it's almost a given that a person is health conscious and positive minded to even attempt something like this and that's the type of people I generally like to be around. Such was the case with this group. Most were very successful, professional people, many of whom have recently retired or are semi-retired from all over the United States and abroad representing 14 states and 6 countries. It was a great group of people, many of whom I got very well acquainted with and hope to keep in contact with.

Since I've returned, many people have asked me to describe the experience. Usually, all I can come up with is something lame and generic like, "It was a great trip and a really wonderful way to see the country." I don't know if I will ever be able to adequately describe what the experience meant to me, but I know I'll never forget it! Perhaps the following picture will help:



Not a very sophisticated picture, but it pretty well sums up the fact that I was having the time of my life.

The satisfaction of accomplishing this goal has energized me and will give me the confidence to "dream on" and set more goals. For now, it's good to be back home and back to work.

One of my next goals will be to figure out how to effectively deal with this challenging market we're experiencing. That may be tough too, but with a little persistence, a little realistic optimism, and a lot of hard work, hopefully we can make the best of it and position ourselves for the eventual turnaround. ♦

WHAT'S HOT AND WHAT'S NOT IN THE REAL ESTATE MARKET?

By Chuck Haldeman & Pete Peterson



CHUCK HALDEMAN, SR. VP
OFFICE/INDUSTRIAL



PETE PETERSON, VP
OFFICE/INDUSTRIAL

Multi-family and self-storage buildings are the hot items in the commercial real estate market. Why? The housing sub-prime market has led to many people leaving their homes and renting apartments. Since the square footage of the apartment is apt to be much smaller than the home they had been buying, they need to lease a self-storage unit to store their excess belongings. Rents in multi-family apartment buildings have remained stable because there are still enough bank-owned homes to lease. This will continue as these homes will be sold in the next two or three years, leading to an increase in lease rents. Therefore, the time to purchase may be now.

We predict the mortgage industry will simply return to traditional ways of lending (pre-subprime) by the end of the year or early next year. This lending will be very slow at first and then pickup by third or fourth quarter of next year. However, funding for multi-family and self-storage units should prove to be an exception for the mortgage business. Why? Because the lenders want to make a profit and these two entities are great investments.

A recent edition of the Western Real Estate Business listed many purchases of multi-family units in the Western United States. There could have been more but condominium conversions have continued to slow down, if not die.

The self-storage business has not had the number of sales that the multi-family buildings have experienced. Why, because it is a specialty business and the owners are not willing to sell at this time. This will change when a premium-selling

price becomes the norm. National firms may well be ready to sell if they can get a premium sale price. Prices could increase as these storage units become full. Therefore, if you can find one for sale maybe now is the time to buy.

The hard money lenders have pulled back on their loans as they spend their time in recovery from past loans. They will loan money if you need a small bridge loan or if you have the 30% to 40% down-payment requirement on a project that is being built. This doesn't look like the place to borrow money to buy either the multi-family or self-storage units.

If you have money to invest, then Pahrump, Nevada, may be the place to invest in multi-family units or land to build new units. Land prices in Pahrump are like land prices in Las Vegas were in the 1980's. There is hard-zoned multi-family land available with utilities in the Cal-Vada Eye (Government Center). Call Chuck or Pete for more information. ♦

NOW MAY BE THE TIME AND PAHRUMP MAY BE THE PLACE TO INVEST IN MULTI-FAMILY UNITS OR UNDEVELOPED LAND

CONSUMER PRICE INDEX

BY JERRY SHAPIRO



Have you ever read an article and a light bulb went off in your head. That is exactly what happened to me when I read an article from the Wells Fargo Economics by Eugenio

Alema written on September 2, 2008. (I would be happy to send you a copy of the complete article).

In a nut shell, the article states that inflation is, Currently, not a serious problem. But, because of increases in fuel costs, increases in commodity prices, rising food costs, and the rising cost of credit, anyone who thinks inflation is not coming is "naïve." The trend is up. If producers can not raise prices now, because of the economy, they will as soon as possible.

Where does this leave you, the investor? The smart investors are looking to invest in commercial real estate. "Real estate?" you ask. The entire market has taken a beating. True, but that is where the real values are. The credit markets are extremely tight, prices have been reduced, and there are sellers who have to get out from under their debt.

Commercial real estate in Las Vegas has not been affected as much as residential and it will recover more quickly after the market bottoms out. But the time to buy is now, because there is added value in the fact that Las Vegas has a finite amount of land with which to grow. Five thousand to 7,000 new residents are still moving to Vegas each month, because there are new hotels being built and jobs are available. This growth will force prices up.

We have been approached by some of our investors to create a limited liability company to purchase commercial real estate (an office building or small shopping center) in Las Vegas. Because we do not have a specific property in mind we are creating a list of people who are interested in making money in real estate. Our objective is to have an annualized return on investment of 10% to 20% for our investors. This may take a few years but will be worth the wait. The individuals who invested with us in our Riverpark Office Complex are now enjoying 20% returns.

Where will you be when inflation hits?

Give me a call at 702-889-9898 or on my cell at 702-498-1195 and we can discuss this concept further. ♦