

Commercial Data Exchange

www.commercialdataexchange.com

August/September 2010 Issue #9

7232 Balboa Blvd., Van Nuys

A NETWORKING MEETING

For those who are **new** to our meetings, we want to welcome you and explain why we limit the Power Point presentations to properties over \$1,000,000. This is solely in the interest of time, we know you are all on heavy schedules, and time is precious. Arnie Garfinkel at All Star Group, is our Power Point guru, and he can be reached at 323-728-7700.

Meeting Day: We are discussing the possibility of moving our meeting to another day, to avoid the "double header" effect for those of you who attend both commercial meetings. If you have an opinion, please share it with Dennis Dishaw. He can be reached at www.aci@acicapital.net

Dennis Dishaw started the meeting as usual with an update on Commercial Property as a whole. Dennis heads up our subcommittee on Marketing, and is President of ACI Capital, Inc. Dennis spoke about the 504 program, which is beneficial to owner-operators, as it allows both personal and business to qualify.

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The Commercial Data Exchange Meetings will continue to be held on the second Wednesday of every month at the Encino Glen Golf Course Restaurant 16821 Burbank Blvd. (←see comments)



**Vice President
Regional Sales Executive
OREXCO 1031 Exchange
Old Republic Title
Insurance Company**

JANET DOWD addressed the meeting, pointing out the decrease in 1031 Exchanges has occurred as there is little capital gain, or depreciation to defer. In other words, no benefit. In addition it is difficult for buyers of relinquished properties to obtain loans, and loans are difficult to obtain for the replacement property. There is a solution, and Janet credits Jim Potter (one of our sponsors) for coming up with what she terms as "a brilliant solution". Jim suggests that investors wanting to buy a short sale, to structure a Reverse Exchange. The buyer can acquire the replacement property (short sale) without worrying about the timing factor. They can then sell their relinquished property, after the close of the short sale. Of course this has to be completed within 180 days of the close of the short sale. Because the taxpayer cannot hold title to both properties, Old Republic takes title to either the relinquished or the replacement property. While this is more expensive, it can allow the taxpayer to accomplish an exchange without having to pay capital gain tax.

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INTEREST RATE INDEX FOR COMMERCIAL REAL ESTATE

Rates effective August 27, 2010

Arnie Garfinkel 323-728-7700

www.incomepropertylending.com

Index	Prime	C.O.F.I.	12 MAT	6 mo. LIBOR	30 yr Treasury	10 yr Treasury	7 yr Treasury	5 yr Treasury
Rate	3.25%	1.797%	0.370%	0.503%	3.69%	2.65%	2.09%	1.49%

Janet Dowd's comments continued

In addition, Janet Dowd discussed converting 1031 property to a primary residence, and visa versa. Janet enjoyed her visit to the Commercial Data Exchange Group, as she was able to renew her acquaintance with many old clients. However she was reprimanded for using the term "old." She would like anyone who has questions to call her at:

Old Republic
Exchange Company
101 North Brand Blvd.
14th Floor
888-303-1031 Toll Free
626-676-6220
818-459-9016 Fax

More information from Dennis Dishaw

Dennis quoted **Co Star** telling us that Office vacancies in the Valley reported to be at 14.6% with asking rents an average of 2.6% per sq.ft.

Retail in the Valley is at 5.5% vacancy with asking rents averaging \$0.65 per sq.ft.

MEETING SPONSORS

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UP-COMING EVENTS At 7232 Balboa Blvd. Southland Regional Association of Realtors

ESCROW, TITLE & LENDING, ETC

September 15, 2010
9:00 AM-12:00 PM
\$25.00:

CARETS COMMERCIAL & LEASE TRANSACTIONS

September 18, 2010
2:00 PM-4:00 PM
(no charge)

For more information, call
Valerie 818-947-2255

Dennis Dishaw's Comments continued

and allows down payments of 15% to 25%. The Banks make 50% of the loan and a local CDC provides the rest, and underwrites the loan. The CDC (Certified Development Company) is a non-profit organization that approved the loan on behalf of the SBA. Banks like these loans due to the maximum 50% exposure, and the fact that the CDC underwrites the loans.

If approved, HR 5297 would provide new benefits to this program.

- Allow the 504 program to also cover refinances, now it only covers purchases.
- Allow maximum, loans for \$5 Million, and \$5.5 Million for manufacturers.
- Provide energy efficient green loans to \$5.5 Million.
- Increase the maximum business income allowable, so some larger businesses will qualify
- Increase the 7a guarantee to Banks to 90% of the loan amount.

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