



*It's Your Move*

## What These Recent Interest Rate Increases Mean for Commercial Real Estate

Doing the math on this one is pretty simple. When interest rates rise, your monthly payments will be higher whenever you're securing new financing...all other things being equal. So while many people have been happy with what has seemed like a better overall real estate market lately, what impact will rising interest rates now have on our overall market conditions?



In the housing market, for example, back in May of this year home buyers could get a \$450,000.00 loan for 30 years at 3.4% interest, and have monthly payments in the neighborhood of around \$2,000.00. But as interest rates began rising, home buyers then became more likely to experience rates in the 4.75% to 4.85% range, causing them to now only be able to finance a loan of about \$380,000.00, while keeping the same \$2,000.00 monthly payment.

When interest rates remain lower, the resulting lower monthly loan payments can increase the amount of money people will be willing to pay for a property. This can also increase the amount of money someone will pay for an investment property when they correlate it to their desired cash-on-cash return from the property. The cash-on-cash return equals the net income minus all of the loan payments, with the result then being divided by the down payment. So when interest rates remain lower, thereby reducing the total amount of the loan payments, the cash-on-cash return then remains higher.

Connect this now with a real estate market where, generally speaking, people have been gaining more confidence in it. The low interest rates we'd been experiencing were stimulating more activity, and now the interest rates have begun to rise. This will now lower the cash-on-cash return at the same purchase prices that were previously being considered. So some buyers may begin saying, "I need to get the property for less money now in order to still make it work", and some sellers may begin saying, "If you can't afford the price that I originally wanted, then I'm just not going to sell the property". Put

this together and we could now have a new scenario emerging in terms of discovering what is really today's true market value. In addition, in the midst of all of this, comparable sales data will still reflect the old sales prices for awhile until new sales are recorded involving these new, higher interest rates.

The good news is that owners who have buildings and available space to rent to businesses may see an increase in the demand for their rental properties. When the companies that were previously interested in buying a building for themselves see what has now happened to overall affordability as a direct result of these higher interest rates, they may decide just to rent instead.

So we're now right in the middle of what may be an adjustment period, and within the coming months we'll see how all of this may affect the real estate market. Since it took so long for interest rates to reverse their trend and finally begin rising again, they'll probably not be falling again in the near future. The likelier trend will be for them to remain within the same range for a while, or they may continue rising. With this in mind, it will be wise for borrowers to lock in their interest rates for financing as soon as they can, to ensure that they won't get caught paying higher rates.

In the midst of all of this, people in general are feeling better about the economy. With this in mind let's hope that people continue on feeling more positive about the economy, making it easier for everyone to do business together.



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## Funny Bone

### The biggest lie

A businessman walking down the street noticed three young girls arguing about a puppy they'd found. "What's going on here?" he asked.



"We found this lost puppy and we all want to take him home," one little girl said. "So we're having a contest," a second girl chimed in.

"Whoever tells the biggest lie gets to keep him!" the third girl said.

"What?" the businessman asked.

"Lying is a terrible thing, girls. Why, I'm over 50 and I've never told a lie in my entire life!"

The girls looked at each other with one of them finally saying, "OK, mister. We can't top that one!"

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## Healthy Advice For New Moms

It is vital for new mothers to have a healthy approach when it comes to nutrition. One of the best and simplest tips for new moms is just to eat on a regular basis. Five or six little meals per day is the best way, rather than just having the standard three, with supplies of fruit such as bananas, pears and apples kept on hand for the occasional quick fix.

New moms also need to make sure that every meal they consume includes a good proportion of protein, as this helps to balance and heal the body after childbirth as well as balance your blood sugar levels. The likes of beans, chicken, eggs, fish, lean meat and pulses can do wonders to keep you nourished, along with various sources of complex carbohydrates.

If you enjoy rice it is also a good idea to swap white rice for brown and wild rice, as they provide more long lasting energy thanks to the presence of lots of minerals and B vitamins.

## Keep It Simple In Project Management

Successful project management is not something that can happen overnight, but if you're able to master the skill then it will aid with the fostering of an effective work culture...and improve communication and decision making.



Studies have shown that when businesses show maturity in their project management, businesses then see a greater level of tangible benefits and intangible values.

One good tip is to streamline while keeping simplicity in mind. Make sure that you have a detailed breakdown of all of the elements that are involved in a project – such as data, services and products – to make certain that nothing is being overlooked.

Have every work package assigned to a particular person or organizational unit for completion, and then list the tasks that need to be finished in order for each work package to be completed.

Determine the cost estimates, resource requirements and identify all risks and potential needs for outside procurements.

Making sure that you have kept an eye on all of the details will assist you with remaining organized and fully in control of everything that must be done.

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## Help With Math

If you are worried that your child's math skills could be in need of improvement, then investing a little energy and time over the holidays can help a great deal. To be successful at math a child needs to spend time practicing their skills, which in turn gives them greater confidence and helps to establish a firm foundation for success. If there is a problem then perhaps talking to your child's teacher is a good idea in order to find out about getting additional help and learning what other resources may be

available at school.

Using technology can also help to engage today's youngsters better. 'How to' videos and math technology let students reach an understanding of the subject by virtue of their own skills of critical thinking, instead of just memorizing facts and figures.

A tried and true method of helping children with math is to keep relating to their everyday world, be it getting gas for the family car or slicing up a pizza. It is also crucial to praise a child's academic progress; the more confidence in their abilities they have the more they will enjoy the subject.

## Starting a Family

Starting a family is a pretty momentous decision – and not the easiest one for your finances! One of the top financial tips

for anyone set to become a parent is to know the difference between what you need and what you want.



You may want to have a luxury car, but you may not need one. A good used car on which you will not have to make monthly payments can be a much better bet. Once you understand the difference between needs and wants you are less likely to need any financial assistance.

Another good tip is to only buy what you can afford, and to do so in cash. Not only is it better to avoid paying for things via credit cards, but it is also an excellent example for you to set for your future children.

Once you have made the decision to start a family then you should also begin saving, first for the child's immediate and basic needs, and then for their education.

It is never too soon to start saving!

## Surviving a Road Trip

A road trip sounds like a good idea but it can often turn into an ordeal for the family, especially when the little

ones get bored. Fortunately there are ways to reduce the stress of a road trip and make it enjoyable for the entire family.



Keeping the kids busy is one of the most important tips for surviving a road trip. Load up a car caddy or small bin with activities that will enable the children to stay occupied during the trip.

You should bring along crayons, coloring books, markers, games and toys.

Keeping the car clean can also make the trip less of a strain. Wet wipes should be kept on hand at all times for use after meals or snacks.

If the family dog is coming on vacation with you as well then it is a good idea to bring a bath mat to make sure that the car seats don't get damaged by any muddy paws.

## How To Stay Inspired At Work

Even someone that loves their job and usually feels totally engaged while at work can suffer from slumps in motivation throughout the day.



The good news is there are a few simple steps that can be followed to keep inspired at work even when you are having one of those days.

One good tip is to stop accessing your emails for at least an hour. Most people access their emails between two and two-and-a-half hours every day, making it an enormous distraction for them.

Close your account for an hour or so every so often and then concentrate on the task at hand.

It is also important to try to remember what your end game is.

Keep in mind the reasons why you are doing the things you are doing, and even if your current project is not something you personally find very interesting, remember that it is just a stepping stone towards your even larger goals.

## Avoid Failure In Social Media Marketing

More than 90% of B2B decision makers make use of social media in their buying process and it can have a significant impact on brand search.



Thus social media is now a very important aspect of a buyer's research process as well as the marketing activity of suppliers, too.

Despite this fact, many B2B companies still find it hard to show results, and lack of knowledge is the reason, making the following tips of vital importance...

One good tip is to never use social media as a vehicle for direct response. The B2B sector is generally less price sensitive or impulsive than their consumer counterparts, so specials or deals don't tend to have the same effect.

Social media in B2B is about sharing knowledge and interacting, and hard selling will only have a negative impact on your reputation.

It takes time to build relationships on social media.

You need to consider precisely who it is you want to engage with and where they spend their time, as you will have to hang out there for awhile before anything will happen.

Understanding the social media landscape that surrounds your business is crucial before you can begin to start making inroads.

## Weird But True

There are a number of health tips which can sound quite strange and even unlikely, but nonetheless they appear to have a basis in real science. One such tip is that wearing high heels is actually good for you! Women who wear high heels appear to be less likely to have arthritic changes develop within their knee joints as they get older, with a study finding that exercising the leg muscles more allows those who wear high heels to build up a greater degree of support for their knees. Even more bizarre is the Italian urologist who claims that wearing high heels tones

legs and strengthens pelvic muscles, resulting in a better sex life! Strange but true advice for men is to shave off your moustache if you are prone to allergies. Whiskers can trap pollen and thus aggravate hay fever in men who are prone to that condition. Washing the moustache twice a day with liquid soap could also do the trick, but in the long run experts believe it would be less hassle to simply shave the thing off and be done with it!

## Flying With Children

If you are going to be flying with a baby, then depending on the amount of distance that you intend to travel, you should think about choosing a flight that's in sync with your child's already established nap time...as it means that they'll be much more likely to sleep through the experience.



If it is simply not possible to get a non-stop itinerary then it is a good idea to try and avoid short layovers. Nobody wants to have to make a run to the next gate while carrying a baby, so make sure that you have a lot of time in your schedule between connections.

If your baby weighs less than 40 pounds, then experts believe that the safest way to travel is by having them strapped into their car seat in their own airline seat.

If you cannot afford an extra seat, however, then another suggestion is to book an aisle seat, as this gets you easier access to the flight attendants, and it provides you with the option of going for a short walk at any time to calm the baby.