

The Birch Quarterly

B I R C H M A N A G E M E N T , I N C .

ITEMS IN THIS ISSUE

- The Dream
- Water
- Lead Based Paint
- Service Announcements
- Housing Profile
- Employment Growth
- Average Sales Price
- Total Transactions/
Days on Market

The Dream

We are pleased to have guest columnist Algenon Cash, Managing Director with Wharton, Gladden, and Company this month. This article was from a recent publication entitled "[The New American Dream: Renting?](#)". Enjoy the read.

The idea of owning a home has long been touted as the "American Dream". In fact, it was this concept that led many Americans down the dangerous path of buying homes at unsustainable values while utilizing mortgage loan products that were later considered "toxic". Public and private enterprises are equally responsible for encouraging homeownership as a "right" for all Americans. The burst in the housing bubble, a collapse in home values, and a tightening in consumer credit are combining to promote "The

New American Dream" ... renting.

The average gap between owning a home and renting was historically \$376, which means that it would have cost \$376 more to own a home instead of renting. The flood of vacant homes and condos on the market has closed this gap to \$70 in the current cycle. Many consumers are electing to become renters instead of owners. Of course, the large number of "shadow" rentals on the market is causing downward pressure on investment properties and bringing average rents down further. For example, less than a year ago, the average apartment vacancy in Greensboro was less than 10%, but today the vacancy is closer to 15%.

The recent boom in housing caused renting to fall out of favor with most consumers, but the continuing rise in unemployment creates uncertainty and that is not good for would be homeowners. Renting provides flexibility, so that if you need to move quickly, then you are not left with trying to liquidate your home. Specifically, the option to rent is a good utility for young consumers that are fresh out of college or still new to their careers.

In the past, consumers preferred the idea of owning over renting because of the common myth that homeownership is the same as investing. Misinformation about homeownership left many consumers feeling the value of their homes could never fall. These myths and many more are now becoming more evident as consumers recognize that home values do fall and owning a home should not be treated as a short-term investment or a piggybank that can be cracked open anytime. Despite the late-night infomer-

cial, owning a home is not a required step to achieve financial independence.

The burst in the housing bubble ravaged families and businesses across our country. Undoubtedly, consumers are becoming wiser when they shop for a home by paying attention to market values, cost of credit, and job security. People are returning to the age-old axiom of "living within your means". Whether you choose to own or rent a home ... **d e p e n d s o n y o u r "means"**. Learning how to make good choices that are based on your individual situation is the key to mastering your money and creating long-term wealth, which is "The Real American Dream".

Water\$??\$

In a surprise move at the Greensboro City Council meeting on October 20, 2009 the Council voted 7-1 to eliminate the ability for the City of Greensboro Water Department to place liens on tenant occupied property. This is great news in an era of increased governmental control.

What this means is that effective July 1, 2010 landlords will no longer be responsible for unpaid water bills by tenants. Until that time we will continue to make every effort to clear water bills prior to disposing of the security deposits.

According to Council member Robbie Perkins, "Lee Porter (one of our principals) was absolutely responsible for offering the input that led to this ordinance change". This just shows another way in which we are working for our clients.

Lead Paint

The Environmental Protection Agency has passed sweeping reform to the Lead Based Paint Rules and Regulations that will become effective on April 1, 2010. A presentation of these new regulations is featured in the news section of our website.

While each state is responsible for the passage of state specific legislation, the state regulations must be at least as restrictive as the federal legislation. That being said, we would strongly encourage those clients with units containing lead based paint to consider any potential deferred maintenance items and perform those repairs prior to April 1, 2010. Compliance with the new regulations will add considerable cost to almost any repair.

Welcome

We are pleased to welcome two new staff members to our team this month.

Jennifer Weaver has taken the role of leasing agent and comes to us from a lifelong involvement in property management.

Bryan Clemmons has assumed the role as Operations Manager and comes to us with extensive experience in commercial and residential construction.

Pictures and additional descriptions can be found in the meet our staff section of our website. We are very pleased to have these new team members and we hope everyone will enjoy working with them.



BIRCH MANAGEMENT

BIRCH
MANAGEMENT, INC

1118 Greccade St.
Greensboro, NC
27408

Phone: 336-288-6997
Fax: 336-272-2575

Web: www.thebirchcompanies.com

Our mission is to offer personalized and professional service to both our clients and customers by building strong relationships, utilizing the latest technology, implementing effective marketing strategies, following consistent systems all with honesty and integrity throughout every facet of our business

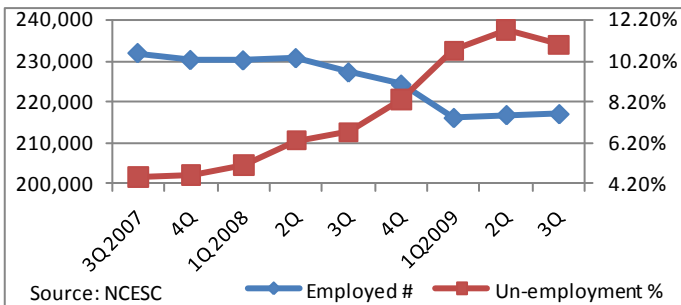
SERVICE ANNOUNCEMENTS

- **Post Office Closing:** Please note that the post office where our post office box is located has appeared on a list of potential closings for next year. As a result, we have begun the process of shifting all of our postal mail to our physical location. We will continue to monitor the post office box on a daily basis until some point next year before closing it down. Please make note of our new mailing address and begin using it at your convenience.
- **Prospect Listing Reports:** We now have the ability to produce a report detailing web site views for each of our properties that we are currently marketing on our website. These reports will be included with your monthly prospect listing reports that we provide when marketing a property. This is yet another report that we provide to our clients that set us apart from the competition. Look for these reports within the first 2 weeks of each month.
- **Survey:** Thank you to those clients who took the time to fill out our recent survey. The information will allow us to address items that we need to improve on. We will send out the results of the survey once we have thoroughly reviewed them and developed an action plan to address the positive changes we need to make.

TRIAD REAL ESTATE MARKET INDICATORS

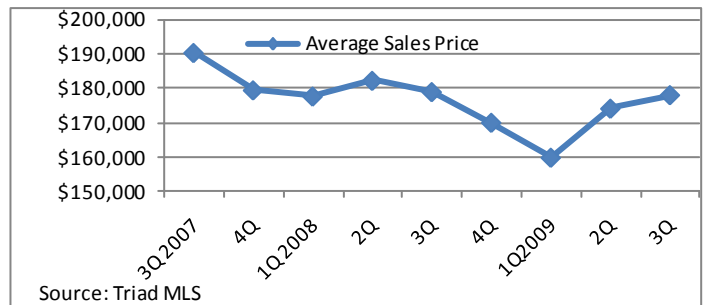
ECONOMIC INDICATORS

EMPLOYMENT STATISTICS

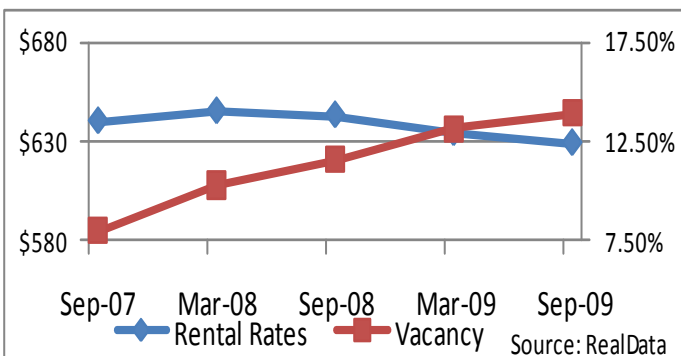


RESIDENTIAL SALES

AVERAGE SALES PRICE



APARTMENT VAC. / RENT



TRANSACTIONS / DOM

