

# THE ORANGE REPORT

YOUR SOURCE FOR KANSAS CITY COMMERCIAL PROPERTY INFORMATION

FEBRUARY 2012

## Why Social Media Matters

There were 800 million active users on Facebook at the end of 2011, the majority of which were between the ages of 26 and 64. In 2011, the number of people aged 55 and older who visited social networking sites on their mobile phone more than doubled from 2010.

The sheer popularity of social media may or may not be enough to convince you that this applies to you and the future of your business. But, an important shift is happening in the business world, as well as the consumer world. As more people are engaging in social media, the business world is seizing the opportunity. This trend is especially important in an industry where you are constantly 'interviewing,' constantly proving yourself to your next client. This couldn't be more relevant for those seeking to represent large retailers or corporations.

Last month venture capital firm, Union Square Venture posted a job listing. In lieu of resumes, the company asked for a short video and links representing applicants' 'web presence.' This wasn't a job posting for a marketing specialist or a designer, but an investment analyst position, one seemingly perfectly suited to the traditional resume.

The reason for this type of vetting process is simple; it gives them information about the candidate that couldn't be learned in even a series of interviews, either for legal or practical reasons. You can bet that the way corporations vet their future employees will transfer over into how they vet their next potential real estate agent. Companies are utilizing these social media tools more and more to determine your credibility. It's no longer supplementary information.

From a marketing perspective, any marketing effort should include a social media component simply because it reaches so many people. But, what if your strategy isn't to advertise to as many people as possible? In our industry, personal relationships close deals, not advertising slogans. Far-reaching marketing campaigns are suited for consumer-oriented industries, not the business-to-business world that commercial real estate lives in.

Until recently, you've had the option to opt out of the trend altogether. And in traditional industries, like real estate, it probably went unnoticed. But, into 2012, things have changed. If a potential new client 'Googles' you- and finds nothing- to some, you might as well not exist. Social media creates a form of transparency that once established, quickly becomes expected.

*Continued on the next page.*

Sources: <sup>1</sup>www.hubspot.com. <sup>2</sup>State of the Media: The Social Media Report Q3 2011 (Neilson/NM Incite).

Sources: <sup>1</sup>Kansas City Regional Association of Realtors. Average sales price of new & existing homes. <sup>2</sup>U.S. Census Bureau: Estimated monthly, new privately-owned units. <sup>3</sup>Kansas City Regional Association of Realtors. <sup>4</sup>Kansas City Regional Association of Realtors. Total new & existing inventory per quarter. Supply is a monthly average for the quarter. 5-6 months supply represents a balanced market. <sup>5</sup>U.S. Bureau of Labor Statistics, State and Metro Area Employment. Data not seasonally adjusted.

## Kansas City Housing

Average Home Price <sup>1</sup>			
County	Q4-10	Q4-11	% Chg
Cass County, MO	\$166,328	\$147,006	-11.62%
Clay County, MO	\$138,041	\$132,844	-3.76%
Jackson County, MO	\$114,625	\$110,736	-3.39%
Platte County, MO	\$207,756	\$178,384	-14.14%
Johnson County, KS	\$234,032	\$222,140	-5.08%
Leavenworth County, KS	\$142,307	\$170,286	19.66%
Miami County, KS	\$129,133	\$158,227	22.53%
Wyandotte County, KS	\$75,723	\$66,149	-12.64%
<b>Kansas City Region</b>	<b>\$158,120</b>	<b>\$140,454</b>	<b>-11.17%</b>

Residential Building Permits <sup>2</sup>			
County	Q4-10	Q4-11	% Chg
Cass County, MO	29	43	32.56%
Clay County, MO	33	31	-6.45%
Jackson County, MO	142	215	33.95%
Platte County, MO	23	38	39.47%
Johnson County, KS	200	216	7.41%
Leavenworth County, KS	37	19	-94.74%
Miami County, KS	10	10	0.00%
Wyandotte County, KS	74	14	-428.57%
<b>Kansas City Region</b>	<b>548</b>	<b>586</b>	<b>6.48%</b>

KC MSA Home Sales <sup>3</sup>			KC MSA Housing Inventory <sup>4</sup>		
	New	Existing		# Homes	Supply
Q4-11	147	1,686	Q4-11	12,811	6.7
Q4-10	126	1,588	Q4-10	15,238	8
% Chg	17%	6%	% Chg	-16%	-16%

KC MSA Employment by Industry (Job counts in 1,000s) <sup>5</sup>		
2011	Dec	12 Mo % Ch
Manufacturing	76.4	4.7%
Education and Health Services	133.6	2.0%
Trade, Transportation, and Utilities	194.9	1.0%
Government	155.8	1.0%
Professional and Business Services	141.2	0.9%
Civilian Labor Force (Non Farm)	968.1	0.0%
Financial Activities	68.8	-3.1%
Leisure and Hospitality	88.3	-3.9%
Mining, Logging, & Construction	37.0	-4.9%
Information	29.2	-7.3%

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## Why Social Media Matters (continued)

The last few years have seen more and more anecdotes of people losing their job because of an ill-advised facebook rant about their boss (that was subsequently seen by their boss), or of the job applicant who lost the job offer after spilling the details on twitter (which, of course, was monitored by the company vetting the applicant). This article isn't necessarily about how to use social media; this article is about why it's important for brokers and real estate professionals in general to be engaged in this cultural phenomenon. The answer is simple; the internet, and your presence on it, is your new resume.

It's always hard to change how business is done, but the inclusion of social media doesn't have to be a difficult change. It's not all bad news. Transparency does not have to equal familiarity. It doesn't mean you have to start using LOL, or even better, ROFL (rolling on the floor laughing). In fact, many say you probably shouldn't. There is no need to let the world in on every detail of your life. Your business, however, may be a different story.

Social media provides an opportunity to establish yourself in a way that you couldn't before. Your 'web presence' is your ultimate referral, your ultimate recommendation, and it's available 24/7, 365 days a year. Used thoughtfully, these tools are the future of your business.

*Lauren Rollheiser, Research & Marketing Manager*

## Giving Back

LANE4 enjoyed the opportunity to volunteer with Harvesters in December. The entire office turned out to roll up their sleeves in the Harvesters warehouse for the annual LANE4 volunteer event. In addition to Harvesters, LANE4 has been privileged to support multiple organizations throughout 2011 including, Children's Mercy, Higher M-Pact, Women's Employment Network, The Children's Place, MOCSA, Heartstrings Community Foundation, the LANE4 Boys & Girls Club Track Team, Bike MS, the Kevin Nunnink Memorial Golf Tournament, the MS Dinner of Champions, Goodwill, ReDiscover the Holidays, and the Paige Winters Golf Tournament.

## LANE4 Property Group

LANE4 Property Group specializes in tenant representation, project leasing, property management, incentive services, receivership, development, project management and investment sales throughout the Midwest. Visit our website for up-to-date information on our current projects and services.

[www.lane4group.com](http://www.lane4group.com)

*Sources:* <sup>6</sup>CoStar: Total existing space, including direct and sub-lease. Change for Average Vacancy Rate represents the difference between 2010 & 2011 percentages. <sup>7</sup>U.S. Census Bureau. Data not seasonally adjusted. <sup>8</sup>U.S. Census Bureau. Data seasonally adjusted. <sup>9</sup>Creighton Economic Forecasting Group. Survey ranges from 0-100 with a score of 50 considered growth neutral. Under 50 indicates a contracting economy for the next three to six months. Mid-America survey states are Kansas, Missouri, Arkansas, Iowa, Minnesota, Nebraska, North Dakota, Oklahoma and South Dakota. <sup>10</sup>U.S. Bureau of Labor Statistics. Unemployment rates seasonally adjusted. CPI for all urban consumers, not seasonally adjusted. <sup>11</sup>U.S. Bureau of Labor Statistics. Total nonfarm employment. Data not seasonally adjusted.

## Kansas City Leasing Data

KC MSA Shopping Center Retail <sup>6</sup>			
	Q4-10	Q4-11	% Chg
Total GLA	41,438,679	41,505,613	0.16%
Avg Lease Rate	\$12.14	\$11.95	-1.57%
Avg Occupancy Rate	77.7%	75.0%	-3.47%

KC MSA Office <sup>6</sup>			
	Q4-10	Q4-11	% Chg
Total GLA	54,011,572	54,200,693	0.35%
Avg Lease Rate	\$17.94	\$16.93	-5.63%
Avg Occupancy Rate	75.6%	74.0%	-2.12%

## National & Regional Trends

Housing Starts & Completions (1,000s) <sup>7</sup>			
	Q4-10	Q4-11	% Chg
<b>Housing Starts</b>			
U.S.	119.8	146.9	22.62%
Midwest	21.1	20.2	-4.27%
<b>Completions</b>			
U.S.	158.1	159.5	0.89%
Midwest	30.4	27.8	-8.55%

U.S. Food & Retail Sales <sup>8</sup>		Business Conditions Index <sup>9</sup>			
Period	In Billions	2011	Oct	Nov	Dec
Q4-08	\$1,030.1	Missouri	47.3	47.3	49.0
Q4-09	\$1,041.6	Kansas	47.9	50.9	50.1
Q4-10	\$1,121.9	Mid-America	49.9	52.6	50.0
Q4-11	\$1,199.5				

Unemployment Rate <sup>10</sup>			Consumer Price Index <sup>10</sup>			
Dec	'10	'11	2011	Oct	Nov	Dec
Midwest	8.7%	7.9%	Midwest	215.7	215.6	215.2
U.S.	9.4%	8.5%	U.S. City Avg	226.4	226.2	225.7

Job Openings & Turnover <sup>11</sup>			
Midwest (1,000s)	Q4-10	Q4-11	% Chg
New Hires	879	988	11.03%
Job Openings	634	742	14.56%
Total Separations	890	816	-9.07%
U.S. (1,000s)	Q4-10	Q4-11	% Chg
New Hires	3,943	4,149	4.97%
Job Openings	2,966	3,161	6.17%
Total Separations	3,869	3,995	3.15%

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