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It's my pleasure to feature Odell Lamartiniere. Odell is a high energy, extremely motivated entrepreneur with a broad portfolio of business enterprises. Odell's story in quite an interesting one, you will enjoy the read!

Also in this issue, view the photos from the AHBA Doug Ashy Sr. Golf Tournament. A great time was had by all who participated!

Enjoy!
April Becquet

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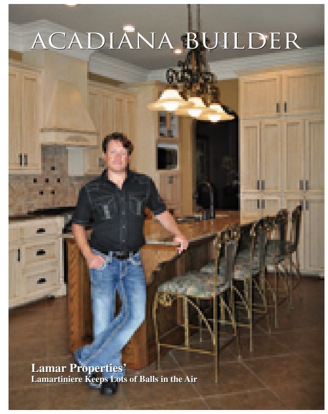

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Lamar Properties

Lamartiniere Keeps Lots of Balls in the Air

By Kathy Bowen Stolz

Odell Lamartiniere should include juggler on his resume because he's one busy guy. Lamartiniere, an admitted early bird, starts his workday at 4:30 a.m., sometimes after spending the night in his office, so he can keep all of the balls in the air as he juggles the responsibilities of five companies, eight employees, three children and one wife.

His primary company is Lamar Properties, which rents or leases-to-own about 80 houses in a $10-million portfolio of single family homes that he owns. These homes, which range from $125,000 to $250,000, are located in the Lafayette area. Almost all were built recently, and about 90 percent of them are lease-to-own, an unusual business model for a Louisiana homebuilder.

He also manages another $6 million in rental/lease properties for other investors. One of those investors is his first employee, Adam Broussard, who started by opening the mail six years ago and was with Lamar Properties through the explosive growth years. Now Broussard owns nearly $2 million of his own property and oversees daily operations.

Lamartiniere reckons he has one of the largest companies of single-family rental/leased residential properties in the area, providing housing for a lot of people who don't qualify for traditional financing. Not all have credit challenges. Some are self-employed, some are divorced and some are struggling because medical bills crippled their credit ratings.

"People go through struggles, but they still want to buy a house. They pay a little higher rate with us, but we don't have as many fees [as traditional financing]. We offer ease of operation because we don't concentrate on credit scores," Odell said. "They apply directly through our web site, www.lamarproperties.net, and we make a common-sense decision on whether they qualify. We don't have a mold. Everybody gets consideration."

While two of Lamartiniere's employees concentrate on sales, another focuses on marketing the properties. "We advertise in local publications and also put signage on our properties. We get some repeat business, too. We get three or four applications a day."

After the economy sank in 2008, Lamar Properties grew from a portfolio of $900,000 in homes to one of $10 million in a five-year period. "We did that during the slow time when loans were hard to get. The banks and finance companies weren't cooperating. However, the need didn't disappear. We filled a need. Others stopped, but we built more houses. We said 'this is an opportunity.'

"Now the challenge is growth. The better the economy, the harder it is to grow our lease-to-own business because traditional financing is more available now. But if we sell 10 houses

Continued on Page 12

Photos by Chimaera Photography

Private Works Act

By Randy Olson

The Private Works Act LSA-R.S. 9:4801 et. seq. ("PWA") is probably the most important set of laws for contractors to assure payment on a job. However, it has been my experience that contractors, generally, do not understand the law or what is required in order to protect their interest. It is my hope in this short article to provide a synopsis of the PWA and to give direction to contractors and other providers of services and materials as to how to protect their interests.

In most instances where the PWA would apply, a general contractor enters into a building contract with the owner of a tract of land or a lot to build a residence or commercial structure. The first question a general contractor should ask is "How am I guaranteed to get paid on the job?". Obviously, the contract gives the general contractor the right to pursue the owner for payment under its terms. But beyond that, how is the general contractor protected? That is where the PWA comes in. If done properly, the general contractor has lien rights and the ability to enforce those lien rights on the real estate where the project is located.

For a general contractor to be entitled to the lien rights provided under the PWA, he must first file the construction contract or a summary of the construction contract in the mortgage records of the parish where the property is located. Failure to file this contract or "Notice of Contract" precludes the general contractor from having any right to a lien on the project. Let me repeat that, if the general contractor does not file the contract or the Notice of Contract, he loses his ability to file a lien on the project property. This is probably the most common error made by general contractors that I find in my practice. Very few of the home builders file their contracts.

There are rules in the PWA regarding when the contract is to be filed. First, the contract must be recorded before work commences. "Work" is defined in the PWA, but I find there are many questions asked about when "work" commenced. I can write a whole separate article on that topic. Second, the contract should be recording after the owner's mortgage is recorded (assuming the owner is financing construction). The reason for this requirement is that if the contract is recorded prior to the mortgage, the general contractor's lien rights would be superior in ranking to the lender's mortgage. If that takes place, the lender should and probably will require that the contract be cancelled and then re-recorded after the mortgage is recorded.

Filing the contract does not complete the general contractor's responsibilities to protect their lien rights provided in the PWA. The right to this lien can only be maintained if an actual lien document is filed in the mortgage records. This is not usually done by most general contractors unless there is some concern regarding the payment for goods or services. On many occasions, It has been my experience that general contractors fail to timely file their liens, and therefore, lose their right to file a lien under the PWA.

The general contractor has 60 days from (1) the filing of a notice of termination of the work, or (2) the substantial completion or abandonment of the work, if a notice of termination is not filed. One of the many grey areas of the PWA is knowing what constitutes “substantial completion”. The best practice for a general contractor is to file his lien well before this deadline so that there is no issue about whether it was filed timely.

The filing of the lien puts third parties on notice that the general contractor is owed money and that in the event of any sale or mortgage of the property, the amount owed to the general contractor must be paid in order to get the lien cancelled. Many times, these liens are the only way a general contractor is going to get paid on a project.

Filing of the contract and lien as described above does not complete the steps needed to be taken by the general contractor to protect his lien rights provided in the PWA. The PWA requires that, once a lien is filed, you have one (1) year after the filing of the lien to file a lawsuit to enforce it. If you file the lien but do not file the lawsuit, the lien automatically terminates after the one (1) year period. The PWA does provide that the general contractor is entitled to be reimbursed the cost and expenses associated with filing the lien.

Another little known part of the PWA is something called the “Residential Truth In Construction Act”. In short, it requires the general contractor to deliver to the owner of the property a document putting the owner on notice of the lien rights available through the PWA. If the general contractor fails to get this signed by the owner at the time of signing the contract or before, the general contractor could be liable for damages to the owner should liens be perfected on the property. I truly believe many of the home builders in this state are not aware of this Act and do not comply with its requirements.

The PWA is a very complex set of laws and is not understood very well in the industry. I am hoping that, from this summary, you have a better understanding of the PWA and at the very least know that in order to protect his interest; a general contractor must file the contract and the lien timely. For more information contact Prime Title at (337) 235-0047.

Single-Family Production Poised to Take Off in 2015

NAHB
National Association of Home Builders

A growing economy, rising household formations, low mortgage rates and pent-up demand will help single-family housing production to rev up in 2015 while a growth in renters will keep the multifamily market at cruising altitude or higher, according to economists who participated in yesterday's National Association of Home Builders (NAHB) 2014 Fall Construction Forecast Webinar.

"Single-family builders are feeling good. They are not overly confident, but confident enough to keep moving forward," said NAHB Chief Economist David Crowe.

He added that the single-family sector will finish out the year much stronger than it began and set the stage for a robust 2015.

"This is mostly due to significant pent-up demand and steady job and economic growth that will allow trade-up buyers who have delayed home purchases due to job insecurity to enter the marketplace," said Crowe.

A Bright Outlook

NAHB is forecasting 991,000 total housing starts in 2014, up 6.6 percent from 930,000 units last year.

Single-family production is expected to rise 2.5 percent this year to 637,000 units, increase an additional 26 percent next year to 802,000 and reach 1.1 million in 2016.

Setting the 2000-2003 period as a benchmark for normal housing activity when single-family production averaged 1.3 million units annually, single-family starts are expected to steadily rise from 48 percent of what is considered a typical market in the third quarter of 2014 to 90 percent of normal by the fourth quarter of 2016.

Multifamily starts, which Crowe said are now at a normal level of production, are projected to increase 15 percent in 2014 to 356,000 units and hold steady next year.

Meanwhile, the NAHB Remodeling Market Index, which averages ratings of current remodeling activity with indicators of future activity, matched its all-time high of 57 in the third quarter of 2014 and has been above 50 for six consecutive quarters. A reading above 50 indicates that more remodelers report market activity is higher (compared to the prior quarter) than report it is lower.

NAHB is forecasting that residential remodeling will post a 3.4 percent decline in 2014 over last year, due in large part to slow activity in the first quarter caused by an unusual harsh winter throughout much of the nation. Residential remodeling activity is expected to rise 2.7 percent in 2015 and an additional 1.3 percent in 2016.

Housing Will Soon Be Undersupplied

Taking an even more bullish outlook, Mark Zandi, chief economist at Moody's Analytics, said that prospects are good for continued gains in overall economic and housing activity.

"The reason is that job growth is quite strong," said Zandi. "Currently, we are creating about 225,000 jobs per month, or 2.75 million per year. That is double the pace necessary to reduce unemployment and under employment, which augers very, very well for housing demand and the housing market more broadly."

With the current supply of housing running just over 1 million units on annualized basis, Zandi said that this figure is well below what is needed for the longer run.

In the aftermath of the Great Recession, new household formations were depressed as the number of Millennials living with their parents or doubling or tripling up in apartments soared to about 3 to 4 million above normal, according to Zandi. As the economy continues to improve and these 18-to-34 year-olds begin to form their own households, this will boost overall demand for new housing construction.

"In a normal year, there should be demand for 1.7 million units," he said, adding that each single-family home generates about 3.5 jobs over the course of a year and every multifamily unit produces 1.5 jobs over the same period.

Taking this one step further, Zandi said that increasing the housing stock by 700,000 units to meet this unmet demand would create 2.1 million jobs, which "would reduce unemployment by 1.5 percentage points."

By the end of 2017, Zandi expects mortgage rates to rise from their current rate of about 4 percent back to their "equilibrium" of 6 percent, which he noted would be very consistent with a solid job market and solid housing market.

"The housing market will be fine because of better employment, higher wages and solid economic growth, which will trump the effect of higher mortgage rates," he said.

He added that single-family starts could be closing in on 1 million units by the end of 2015 and multifamily production could go as high as 500,000 units.

Housing and Jobs Go Hand-in-Hand

Delving beneath the national numbers, Robert Denk, NAHB's assistant vice president for forecasting and analysis, noted the housing recovery will vary by state and region.

"We are getting back to the point where economic conditions are dictating the strength of local housing markets," said Denk. "It is very clear that those states with higher levels of payroll employment or labor market recovery are associated with healthier housing markets."

Energy-producing states—North Dakota, Texas, Louisiana, Montana and Wyoming—where job growth is strong are also at the forefront of the housing recovery while Iowa and other farm belt states supported by agricultural commodities are also running above the nationwide average.

Meanwhile, states such as Nevada, Arizona, New Mexico, Alabama, Rhode Island and New Jersey that are coping with weak labor markets are also struggling to get their housing activity back on track.

Housing nationwide bottomed out at an average of 27 percent of normal production in early 2009 and the gradual and steady housing recovery now underway across the land will bring nationwide single-family housing starts to 68 percent of normal by the fourth quarter of 2015 and 90 percent of normal by the end of 2016.

In another way of looking at the long road back to normal, by the end of 2016 the top 40 percent of states will be back to normal production levels, compared to the bottom 20 percent, which will still be below 75 percent.

NAHB
National Association of Home Builders

Continued from Page 7
out of our portfolio, we need to build 20 more," Odell said.

Lamartiniere's construction company, OEL Inc., develops land, including Simon Estates in Breaux Bridge and Rosewood in North Sunset. The first offers homes in the $160,000 range, and the second offers larger brick homes in the $275,000 range. He also developed Cajun Oaks in Breaux Bridge.

He's completed two homes in the $500,000 range and sees a need in the Lafayette area for that higher price in the lease-to-buy market. "We are now able to serve that clientele," he noted.

OEL also handles occasional remodeling projects and builds 10-15 houses each year. Typically only one is a custom home; for the others he reuses popular building plans that fit into the price point of his lease-to-buy options. "Every house is a candidate for sale, lease or rent, whatever comes first."

But the 42 year old is most excited about expanding his luxury properties. Currently he leases his family's two-story, five-bedroom "camp" with "the joys of a sportsman's paradise," as he put it. The home is surrounded by beautiful cypress trees and is located on Bayou Long in Stephensville. Another unique property he leases is a golf course condo in St. Francisville.

And if that weren't enough, Odell also owns a construction waste company, Roll-offs and More, that provides dumpsters. His wife Tammy recently left her career as a dietitian

"We filled a need. Others stopped, but we built more houses....."

Photos by Chimaera Photography

to help manage the construction waste company, among many other responsibilities.

"My wife is my secret ingredient for the future. She's very smart. My company has become so complex that having her here will allow me to grow at a faster pace. We should have made this change 10 years ago! With her there's nothing we can't achieve! She's good at everything she does and is a great partner."

Natives of Marksville, the Lamartinieres married soon after high school before moving to Lafayette 21 years ago. While he and Tammy kept going to college, Odell became an assistant store manager for Walmart. He didn't like "corporate America" and dreamed of becoming self-employed.

At first he set up a handyman

Photos by Chimaera Photography

operation out of a van, doing small repairs for realtors, among other clients. Then he would change into a suit in the evenings to sell life insurance for the Knights of Columbus. He got his builder's license 10 years ago, focusing on remodeling projects and then custom homes.

But before those ventures Odell had purchased his first rental property at age 19, following the advice of his father-in-law, who worked for a finance company and knew something about real estate and the rental business. In 1996 he bought six houses as rental properties.

He credits the lessons learned from his own dad as being quite valuable, for his dad taught him math. His late father was a second-generation self-employed grocery/convenience store merchant and knew the practicality of good math skills. "My father-in-law gave me the idea, but I never could have succeeded without what Daddy taught me. Math was Daddy's deal."

Although Odell didn't follow in his father's footsteps, Odell thinks one of his children may follow in his own. "I've got three kids, ages 16, 15 and 11. They work here as much as I can make them, considering their school activities. I know not all three will want to work here, but I'm hoping one will. The oldest at age 16 is very interested in the business. He asks a lot of questions. He understands the concepts and details like an adult."

During the next five years Odell Lamartiniere expects to keep all of the balls in the air but finding the juggling a little easier. With his son and his wife as part of his business, he thinks "we could go to the moon!" And he probably won't drop a ball on the trip!

You may contact Lamar Properties by mail at 210 Cadillac St., Lafayette, LA 70501 or by phone at 337-849-8233 or by e-mail at odell@lamarproperties.net. You may also visit the company's website at www.lamarproperties.net. For information on Lamartiniere's vacation home, visit www.bayoufever.com.

Photo courtesy of Lamar Properties

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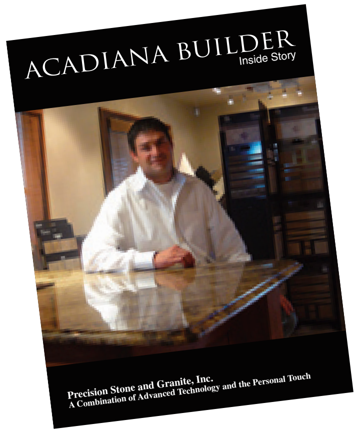

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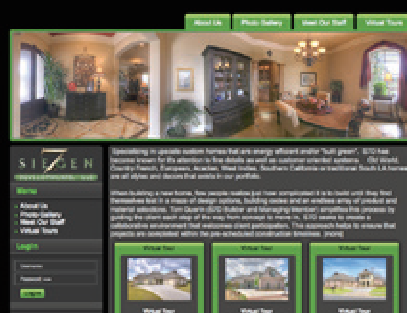

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