

SUMMER NEWSLETTER

AMERICA'S PREMIER EXPERTS DEBUT BROADCAST IN AUGUST 2011



Thom Garlock was recently chosen to appear in the upcoming television program *America's Premier Experts* to be aired on major commercial networks. Thom takes the audience step by step through the process of *Holding Real Estate in your IRA*, highlighting what can be done and how to do it in plain English. For information on TV schedules, follow our Facebook page - IRA Assets, or connect with Thom on Linked In.



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DON'T FORGET THESE GREAT SUMMER EVENTS

July

WYDAHO Mountain Bike Race
Widespread Panic 3 Day Concert
7th Annual Targhee Music Fest

August

24th Annual Bluegrass Festival
Pierre's Hole 50/100 Bike Race

September

Grand Teton Trail Running Races
LOTOJA Bike Race
Jackson Hole Marathon

FLAT REAL ESTATE MARKET = GREAT OPPORTUNITIES FOR INVESTORS

In my June 2nd blog post, I wrote about the positive aspects of the slower than expected economic growth. For those of you who know me well, this level of optimism will not come as a surprise. Fortunately, the positive aspects I see in the current market are not simply based on blind optimism; there is some very compelling data out there to support it.

Mortgage interest rates continue to rest at or around all time low levels, at 4.55% (July 2nd), best in 50 years. This is a situation we saw arise around 2 years ago, then rates grew a little, now they're back, reflecting the slow rate of recovery.

Non-foreclosure home prices are showing signs of stabilization with the key variable continuing to be foreclosures or should I say 'dump-sales' when the lender 'dumps' the home on the market and we all live with the consequences in loss of comparable value. We will inevitably continue to bump along the bottom of the market until we see any meaningful absorption of foreclosed homes. (Contd. p3)



What on Earth is going on in the Market?

Ask that question to 10 Market Mavens and you'll most likely get 10 different answers.

In my reality, we're experiencing change in the form of a generational shift. In the past, many of these generational shifts have occurred in a passive manner as supply and demand forces gently adjust to new consumer preferences and habits.

Cast your mind back to how things were in the 'good old days', that magical time 20-30-40 years ago. Much of the change that has occurred since this time has been gradual, assimilating slowly into our daily lives. Now accelerate your mind forward to present times and we all immediately feel the pain and pinch of more recent economic changes that have been as subtle as jumping out of an airplane without a parachute.

Generational shifts are not new. If you look back just a few years, the 50's, 60's and 70's were a time of single income families, a 'savings' culture, retirement pensions, and no credit cards. The 80's, 90's and 2000's saw the generational shift into double income families, a 'debt' culture, credit cards and a need to save to finance your own retirement.

The current generational shift is still evolving. It is this evolutionary process that is causing widespread anxiety. Our current culture of TV, Internet, Smart Phones, Facebook, Video Chat, Live Streaming etc. appease our appetite for instant gratification of al-

most any imaginable need. Our economy doesn't quite work in the same way - it takes time. As we watch fluctuations in the stock market, retirement accounts and real estate, we react almost at a frame-by-frame pace. Economics was never meant to be studied at such micro-millimeter level, at least not by everyday folks.

The economy is a big machine much like a Cargo Ship. It takes extraordinary time and energy to gain momentum, an equal amount to decelerate (think over 1 mile), and whilst in motion, it sends ripples through the market in response to other elements like wind and tides.

The problem is this: as we analyze the cargo ship in a frame-by-frame manner, we flinch and jerk in an utterly reactionary manner to ordinary events such as waves generated by the momentum of our forward progress. Our reactions are driven by our 24/7 appetite for information, or more specifically, an overwhelming inability to be patient.



Back to what on earth is going on with the market? The present generational shift is steering us back to the themes of the past. Stronger emphasis on savings, lower acceptance of debt, a continued need for dual income families and a growing need for retirement savings – driven by the instability in social security and healthcare. In short, save, save, save some more.

In the bigger picture, the broad return to stability in the markets require the collective effort of government and big business to quit flinching and jerking, and instead to take a strategic long-term pro-active role in leading our Country and the World economy. Until this happens, we will continue to see big players (both private and public) fighting for marbles in the sand as the tide comes in.

(Continued from page 1) The number of foreclosed homes on the market is causing two key ripples in the real estate world. Firstly, it has flooded supply, driving down prices and bringing most residential construction to a stop. Secondly, it has pressured demand for rental housing, increasing prices and stifling supply. The Jackson Hole market, like many others, is seeing a shortage of properties for rent. Rents are also rising in many markets giving higher yields to those willing to be a landlord.

Herein lies the opportunity for Investors. As always, cash is king. Cash can also be spread quite thin these days in the form of a down payment across a number of properties, generating great rental returns. Leverage the market to your benefit. Look for deals on homes that provide you with an opportunity to achieve at least 12% ROI per year. 12% = after all expenses. Make allowances for vacancies, repairs, insurance and most importantly interest payments. Principal payments should sit outside of the 12%. Do the math and don't settle until you find the right deal. Once it's done, rinse and repeat. This is a great time for an astute investor to build a real estate portfolio of income producing investments at a 30% discount.



THE TRAIL CREEK COLLECTION

We are maintaining our focus on key projects including the Trail Creek Collection while we pursue the remaining financing, design and marketing tasks.

The Trail Creek Collection is comprised of three separate developments. Trail Creek Crossing is our mixed-use commercial property master-planned to incorporate up to 140,000 square feet of retail, office and residential space. There are two phases proposed in this project, phase 1 has full entitlements and has recently passed through the Mayor's office to receive its annual permit renewal. Trail Creek West is our traditional neighborhood project featuring a mixture of smaller home sizes and styles arranged in a grid pattern with the homes facing the street, garages facing the rear alley - a tribute to building strong communities with less automobile dependence. Trail Creek Springs is our luxury townhome development featuring customizable 2,000 square foot homes with a single garage in a warm and inviting neighborhood.



TRAILS = CASH

The Jackson Hole Trails Project Economic Impact Study was released recently. The University of Wyoming study concluded that the Teton County trail system generated approximately \$18,070,123 in economic activity in 2010 alone. Over \$16 million was generated by non-local trail users, with the rest coming from local trail users. Employment and wages relating to the trail system in Teton County WY totaled \$3.6 million in 2010

The study was commissioned by Friends of Pathways, a local nonprofit that works closely with the Forest Service, the Town of Jackson and Teton County governments, businesses, and other nonprofits to promote a complete pathways system, safer streets and great trails for Jackson Hole.



JACKSON HOLE MARATHON

Jackson Hole will host the inaugural running of the Jackson Hole Marathon on Saturday, September 24th, 2011. The Marathon course will begin in the center of historic Jackson Hole, finishing at Teton Village where the post-race festivities will continue throughout the afternoon including a performance by local recording artists, the Miller Sisters. (If you're like me, take a pass on the marathon and come out to hear the Miller Sisters – they're great!)

By late September, the Teton foliage will be in its finest autumn brilliance, the temperatures will be cooler and ideal for running.

Out of respect for the breathtaking, natural environment, the Jackson Hole Marathon will employ "cup-free" racing to eliminate waste along the route. "HydraPour" cups will be offered for sale prior to the event, allowing athletes to clip the cup on their clothing, refill and re-use at designated stations along the route. These cups are also designed to distort into a spout allowing the athlete to consume the water, rather than have it spill all over while they run.



WYDAHO BIKE FESTIVAL

If rolling is more your style, the WYDAHO Mountain Bike Festival is a must. Held on July 22-24 at Grand Targhee Resort and throughout Teton Valley Idaho, the event features cross-country and downhill mountain biking races, together with skills clinics and parties with live music.

For more information go to:

<http://www.tetonmountainbikefest.tvtap.org/>



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