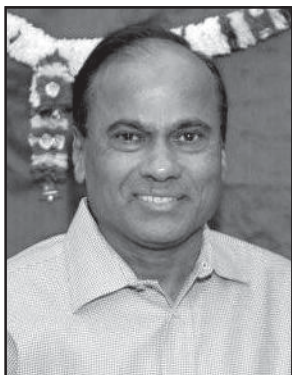


When The Housing Bubble Burst

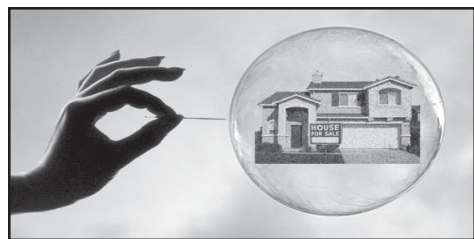


BY NARENDER G. REDDY
Associate Broker
Better Homes & Gardens Real Estate/ Metro Brokers

With foreclosed homes flooding the market, the sales of new homes and re sales plummeted. Instances of homes selling at 50% less than the original values were not un-common.

It is fair to say 2006 was the beginning of end of the golden era for the Atlanta real estate market. Atlanta housing market has been on rise for a long time as if there was no end in sight. However, of course, the end was in sight and it came with the onset of the economic recession that triggered the bursting in the nation's housing bubble. By far, Metro Atlanta was one of the hardest hit upon the advent of the nationwide economic recession precipitated by the collapse of the sub prime mortgage crisis. Once the bubble popped, the Atlanta real estate market took a nosedive. New houses in metro counties and high-rise condo projects in mid-town & down town were literally abandoned mid-construction as demand dropped precipitously, indicating the lack of disposable income for the residents and a declining job market.

With foreclosed homes flooding the market, the sales of new homes and re sales plummeted. Instances of homes selling at 50% less than the original values were not un-common. Builders were handing over the inventory of new homes that were listed for sale for a long time to their lenders or drastically reducing the price. According to a recent



AJC report, Atlanta home prices are down by 32.7% percent since middle of the year 2006.

Too much supply and too little demand caused the price of single-family homes to drop significantly. However, experts are of the opinion that homes are significantly undervalued here because Atlanta never developed a price bubble during the housing boom.

Atlanta: Then And Now

As NRI Pulse reaches the four-year milestone, we ask community leaders in areas of real estate, hospitality and technology to talk about how events since 2006 have affected their respective fields, and their forecasts for the near future....

They strongly believe home prices could rise appreciably once the unsold inventory normalizes and your home might appreciate significantly faster than inflation. That should happen once job growth resumes and credit is more widely available.

It's the middle of 2010 and we are already getting some positive news for the upcoming year. Well, it's positive for real estate professionals, but not exactly great news for buyers. Since all indications are that the market has bottomed out at the end of first quarter of this year, the predictions are for home prices to increase by Fall 2010. There are many fantastic deals currently available in the Atlanta real estate market. Prices have never been lower and builders are willing to offer additional incentives. Added to that, mortgage interest rates are also at all-time low levels.

As you begin to look seriously for a home an informed buyer and knowing what is on the market is key. Also, know what your budget is and stick to it - don't be afraid to negotiate with the seller. If you are seriously contemplating moving in the next couple of years, right now is the best time to buy.

Hotel Owners Struggle To Emerge From Recession



BY CHANDRAKANT "CK" PATEL
AAHOA Chairman

We have established a number of initiatives for AAHOA members that are designed to help them continue to navigate these tough economic times.

Many things have changed in four years, especially in the Atlanta area. Our region, much like the rest of the country - if not the world - has dealt with the severe economic effects of the latest recession. Despite the recent signs that things have begun to rebound, the ongoing credit crisis, sinking property values and scarce consumer spending have taken their toll on many businesses and homes. For hotel owners, these hardships may have even more impact.

Since early 2005, the unemployment rate has more than doubled from 5.3 percent to 10.7

percent, where it stands today. With so many Americans out of work and tightening their budgets just to make ends meet, the tourism and travel industries were some of the first industries to see significant revenue losses. As a result of fewer people traveling, occupancy rates for our hotels also plummeted. Companies, which once boasted multi-million dollar travel budgets, were also cutting back to save expenses. This meant fewer business travelers and fewer conventions, conferences and business meetings.



All of this seemed to really bottom out last year. According to the Atlanta-based firm PKF Hospitality Research, which supplies valuable market statistics and information, occupancy rates tumbled from around 65 percent in 2007 to near-record lows of 55 percent in 2009. Atlanta hotel owners, much like the rest of the country, were struggling to find ways to deal with these losses.

As we transition to today, and as I begin my term as Asian American Hotel Owners Association (AAHOA) Chairman, we have established a number of initiatives for AAHOA members that are designed to help them continue to navigate these tough economic times.. First, with the number of issues surrounding Online Travel Companies (OTCs), AAHOA will look to create our own OTC. If companies like Expedia and Priceline can control so much inventory, then why can't AAHOA? Our members own more than 20,000 hotels throughout the country, which is more than 40 percent of all of the hotels in the United States.

Next, AAHOA will look to implement a purchasing cooperative that will ensure we have a thorough and accurate account of how much our members are purchasing from vendors who support our association. This is very important so we make sure our members support our valued Founding and Allied members. Third, AAHOA will continue to be at the forefront of fair franchising efforts for franchisees. Fair franchising is the lifeblood of AAHOA, and it is our duty to advocate on behalf of franchisees and see to it that the franchisee-franchisor relationship is mutually beneficial while promoting the interests of both sides.

Political advocacy will also remain a primary initiative of AAHOA. Speaking out and increasing our presence as hoteliers and small business owners at the federal state and local levels of government is extremely important to promote economically responsible legislation and regulation by the government. Finally, professional development, most notably from the AAHOA Certified Hotel Owner (CHO) program will continue to be an area that we will aggressively promote as we move forward.

While a lot has happened to our industry in the Atlanta area over the past four years, AAHOA remains dedicated and committed to serving the needs of all of our members, as our industry and community struggle to emerge from this historic recession.

The Tech World: Coming of Age



BY NARSI NARASIMHAN, PH.D.
Chairman (2009), GIACC
CEO, Paalam, Inc.

We are now entering an era where technology is not for geeks alone.

Over the past four years, four major trends have transformed the technology world. We have witnessed the convergence of computing and telephony, increased mobility, tremendous collaboration and social networking, and better ease of use. We are now entering an era where technology is not for geeks alone. The society at large is embracing it as part of its daily life. These devices are not put in pedestals, but treated like consumables and fashion accessories. This shift in mindset is a sort of coming of age for the tech sector.

I remember removing my shoes to get into an air-conditioned room to work on a third generation mainframe computer during my undergrad days in India. Your Blackberry or iPhone today has more computing power than that mainframe, but you toss your smartphone into your purse or pocket along with currency, coins, credit cards and combs!



WiFi, Wimax and Hotspot cover most metro areas these days. Wireless internet access, coupled with gadgets like iPad or Kindle, put the wealth of the Internet at your finger tip wherever you go! Mobility is the mantra these days. If you add intuitive interface and ease of use, like Apple did with iPhone and iPad, consumers adopt them rapidly - three million iPads sold within three months of its launch! These mobile devices open up endless possibilities for Location Based Services (LBS).

Hard to believe that most of us did not know about Facebook and LinkedIn when NRI Pulse was launched four years back! In addition to eliminating the chore of maintaining an address book, these powerful tools, with their advanced data mining algorithms, know more about us than we do! Scary, uh? But, they do help us get the right information from the right source.

Collaboration has truly gone global. Skype and video conferencing have brought together family members or business associates across multiple continents.

If I have a question, I "google" first, or search on LinkedIn to figure out whom to ask.

In spite of the doom and gloom economic conditions, the tech industry continues to innovate. Like an optimistic youth, it will help us march forward.