

Success Spotlight – Meet Vidette Lobue

By Todd Viani

“I had a savings account from the time I could walk and talk. We’d go down to the bank and I’d turn in my little passbook and I thought it was so fabulous that I’d get five cents in interest on my little money and I didn’t have to work for it.”

Vidette Lobue’s Sicilian parents taught her about finances at an early age. Mr. Lobue moved his family from Italy to Hammond Louisiana and became a lending and foreclosure specialist for the government. “He just hated seeing these people get foreclosed on and he would carry their stories back home to my family. My dad’s thing was he didn’t want us to have to work as hard as he did, so he taught us to get our money to work for us.” Vidette explained that her father wanted the family to understand the value of a dollar and that later in life it would be difficult to work three jobs if hard times came and that she needed to start planning now. “As we get older we will work less and you have to have money in order to do that.”

The French Quarter

Vidette grew up in New Orleans, went to college and in three years earned her Bachelor’s degree in Physics from the University of New Orleans. Vidette explained that her real love was mutagenesis or mutations, which she says, became a huge thing, but that her advisor said there was no future in mutagenesis and that she should go into geology. With a laugh she said that, “Of course as soon as I graduated the bottom fell out of geology, so I had no choice but to go to work for the government.” Vidette began working as a geophysicist with the Department of Defense and at 20 traveled all around the world. “I was the only female scientist on the civilian side when I went to Africa and on my 21st birthday I was on a ship in the middle of a hurricane off the coast of Cape Canaveral Florida on my way to Abidjan.” During this time Vidette purchased her first piece of property.

AOA: Describe your first experiences with real estate for us.

Vidette: I was living with my parents and saving as much money as I could. The company I worked for was a bit of a commute and I wanted to live closer so I began reading books and articles on investing in real estate and I bought a condo. I was too cheap to pay mortgage insurance, so I put 20% down and also gambled on an adjustable rate mortgage and have never been burned by an ARM since. The downside was that I bought the condo as the economy in Louisiana began to tumble and although I thought I was getting a steal of a deal because I paid 15% less than the previous owner paid, the reality was that within a year it was worth 50 cents on the dollar and you couldn’t give it away. Fortunately, I was a cautious conservative person and had paid cash for everything else I owned. I bought a new car for cash because I didn’t want a car note and the only real bill I had was my house note.

Within about six months as the market continued to drop I rented the property out for more than the note and bought another condo on the coast with 20% down and an adjustable rate mortgage. Again the market continued to drop as a big oil and gas company left the area and with it went thousands of jobs. The areas economy took a huge hit.

AOA: What did you learn from these two purchases?

Vidette: The one thing I really learned was about investing in areas where there is a diversified economy so that if one type of industry goes under you are still okay. I guess in Los Angeles if the entertainment industry goes under we would take an economic hit, but I don’t think the chances are too great of that happening. Fortunately what I like about Los Angeles is that there are so many industries. Combining that with the great lifestyle, I think this is one of the safest areas in the country to invest in real estate.

AOA: What did you do next?

Vidette: Soon after I was married and we moved to North Carolina and bought a house. My husband and I were working as computer programmers. We kept the second condo and now had two income producing properties. Even though the condos both lost value after they were purchased, it was only a paper loss. I figured as long as the tenant could pay for the mortgage we would be okay. Of course in the long run the market would return and then we would really be in good shape. There were tax benefits to consider as well so it was not a hard decision for us.

I hated North Carolina. It was nothing like New Orleans. I was used to the fast paced lifestyle with lights, noises and a buzz all around. North Carolina was a bedroom community and I couldn't wait to get out. Three years later we sold our home and moved back to New Orleans.

This was the first time in my life that I experienced real growth in a real estate purchase. We bought the home for \$119,000 and sold it three years later for \$140,000. Considering we put 20% down or \$23,800 we were able to use leverage to almost double our investment and left the state with an additional \$21,000 in our pockets after the sale.

AOA: What did you do when you returned to New Orleans?

Vidette: We decided not to buy a home right away, so we rented an apartment and I'm glad we did rent, because I learned how much I hated contractors coming into my home and having no control over the decision making process. Also, if something goes wrong you are at the mercy of someone else to come and fix it. I think I got my compassion for the tenant there and as an owner. Now, when one of my tenants is put out by a contractor or a problem that arises at the complex, I understand how important it is for the problem to be fixed as soon as possible.

Back in New Orleans and still working as a programmer I decided that now was the time for me to live out one of my dreams. I had always wanted to renovate an old mansion in New Orleans. The city has many old buildings that if restored are landmark properties. I knew that there was something somewhere hiding in the city that no one knew about and I found it. It was this 150-year-old mansion hidden behind dirt and shrubs that had been cut up into 11 units. When I found it, I said that's it, that's my house. I called my husband and after seeing it, he said, "I have to have this house, we have to live here." For whatever reason we thought we needed this 7,000 square foot falling down mansion.

The time was before the turn of the century with the millennium craze and as programmers we were making more per hour than doctors and lawyers. We bought the house for \$230,000 with 20% down and we renovated the house from the studs. The previous owners had eliminated all but two of the tenants. After we bought the house we removed the remaining tenants and began the renovation.

Through research at the libraries I was able to find out about the house. The previous owner was a very infamous lady and she had the house built for her. Before we began the work, I found pictures of the home in the special collections section of the University of New Orleans library. This was a great find for me as I was now able to accurately restore the home to its original state. One of the biggest projects was replacing the 14 walkthrough windows to their original grandeur. It took us two years to complete the work.

AOA: Why did you come out to Los Angeles?

Vidette: After 2000 I voluntarily quit and my husband was laid off and got a job in Los Angeles. I came out to visit and never wanted to go back to New Orleans. Without going back to New Orleans, I wondered what was I going to do with my house so I advertised the house on a website as a short term rental and people came to the house and rented it for \$1,000 per night (big smile and laughter of amazement). It would normally rent for a week or two and a movie company rented it for two months at a reduced rate of around \$20,000 for the whole time. After a while I knew that I was not going to return to New Orleans so I sold the home for \$900,000. Whenever I visit I drive by and look at the house I built and feel great.

AOA: What are your real estate plans?

Vidette: I opened up a property management business called **Veritas Properties** and am managing a few properties here in LA. I still own the condos back in New Orleans and am looking to purchase the right building in Southern California.

AOA: Do you have any insight into what the future holds for the real estate market?

Vidette: I tend to agree with Bruce Norris and think that we will see a pull back in prices as affordability increases and rates rise. It is very difficult to find a good deal as a buyer right now, so my advice would be to go forward with caution. It is what I am doing. As I said earlier, I think this one of the safest cities in the country in which to buy real estate, so a long-term buyer should be okay if they can pay their mortgage with the rents.

The above article was written by Todd Viani. He has been with the Apartment Owners Association since 1989. He can be reached at (818) 988-9200.