

Heard on the Street- Real estate news from Ito Ripsteen (Fall 2014 Edition)



Above: Urban renewal - How can we make our communities *Better*?

HEARD ON THE STREET

Friends and colleagues,

Welcome to the fall edition of my "Heard on the Street" series, bringing you updates on what is going on in our local commercial real estate community.

It is election season, which has led me to think long and hard about local politics. What changes would I like to see? What do I want my community to look like and how do we get there? We have a long way to go, but it occurs to me we do not need drastic change. On the other hand, it seems we cannot simply stay the course and let positive inertia

take its course.

Here is what I see:

The November ballot contains many important issues that affect our communities.

In **San Francisco**, for example, Measure G is a controversial issue. If it were to pass, Measure G allows for an extremely onerous transfer tax on property sales. It is meant as a measure to protect San Francisco renters in what is being called a housing affordability “crisis.” The Measure has so many holes in it and would hinder property owners so much that it would have an adverse effect on not only the local economy but on the folks it is trying to protect. This seems like a misguided effort. If I lived in SF, I’d vote “No.”

In **Oakland**, voters are faced with a long menu of Mayoral candidates, and many people I’ve spoken with at dinner parties or over a cocktail are chanting the “anyone but Quan” mantra. I’d tend to agree that a change is needed, and it seems there are a top two or three candidates that could take Oakland’s brimming potential to the next step.

Berkeley has Measure R on the ballot, which would basically limit the housing growth in the Downtown. Recently, voters approved a measure to allow greater density in the Downtown, with the idea that people want to see more housing close to transit corridors. The Bay Area needs more housing, but not the sprawling mass of new homes creeping over the Livermore hills type of housing- we need housing near transit options and near vibrant cultural centers. I am voting NO on Measure R.

The local real estate market remains very active- both the housing market and the commercial sector. I was getting off the Bay Bridge the other day, and I literally could not turn my head in any one direction without seeing a construction crane. We are experiencing unprecedented housing growth, seeing a number of new shops, grocery stores and restaurants opening in neighborhoods, and folks are out on the town spending money locally. All great news. But I want more for our communities. Is this growth we are seeing enough? They say "a rising tide lifts all boats" but it is still not enough. I think it will take a much larger collective effort to ***make our communities better.***

Back to my main question: how do we get there (and what is **better**)? My thoughts:

- **Clean and safe streets.** Work with local merchants, property owners, city officials, business improvement districts, and local law enforcement to help with aggressive street behavior. Report crime and vandalism. We all need to be proud of our communities.
- **More businesses locating in town.** We need an influx of both office and retail tenants to come to town, fill any remaining vacancies and fill up the new space being built or in the pipeline. To attract these businesses, we need to make them feel welcome- from the zoning permits, to the business license taxes, to the ease of operating within the city limits. Whether it is a new law firm, a non-profit, or a new gelato shop, we ought to thank them for joining our communities.
- **More housing.** To get to clean and safe streets and to attract more businesses, we need more residents, ones that spend their dollars in town, take pride in their streets, and put eyes on the streets. Urban infill needs to occur at the transit hubs.
- **Embrace the strengths in your city. For instance:** San Francisco should pat itself on the back for landing and keeping such big office tenants such as Salesforce and Uber, but should not stop with those success stories. How can SF lure in more of the tech industry that might otherwise locate in Texas or Nevada? Oakland should be building upon its success of the Uptown District, and should be pressing on to expand the district into the sleepy no man's land beyond it. Oakland can make strategic moves to connect the dots between some of its thriving, hip districts. Berkeley has a world class university that I feel sometimes gets under-appreciated and taken for granted. There has always existed a strained town-gown relationship. The City government should collaborate with Cal to make the relationship the best one possible.
- **Creative renewal.** I recently put together a group of investors to purchase a small retail building on Telegraph Avenue in Berkeley, a building that needs TLC after 99 years under the same ownership. (read here): http://www.contracostatimes.com/west-county-times/ci_26643944/berkeley-property-partner-sees-bright-future-telegraph . We need constant renewal and energy infused into our communities, whether it is fixing up an old building, or coming up with the next "WhatsApp" in your basement, or writing the next novel to rival Michael Lewis

or Amy Tan- we need new young leaders invested in our community to take the torch and bring us to the next level: **Better.**

This is a crucial time to get out and vote and lend your opinion to how you want your city to look and feel in the future. Go find your local polling station!

I am happy to discuss anything real estate, including investment opportunities and consulting. And, I have funds for real estate loans geared to the entrepreneur. Call me anytime.

My best regards,

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