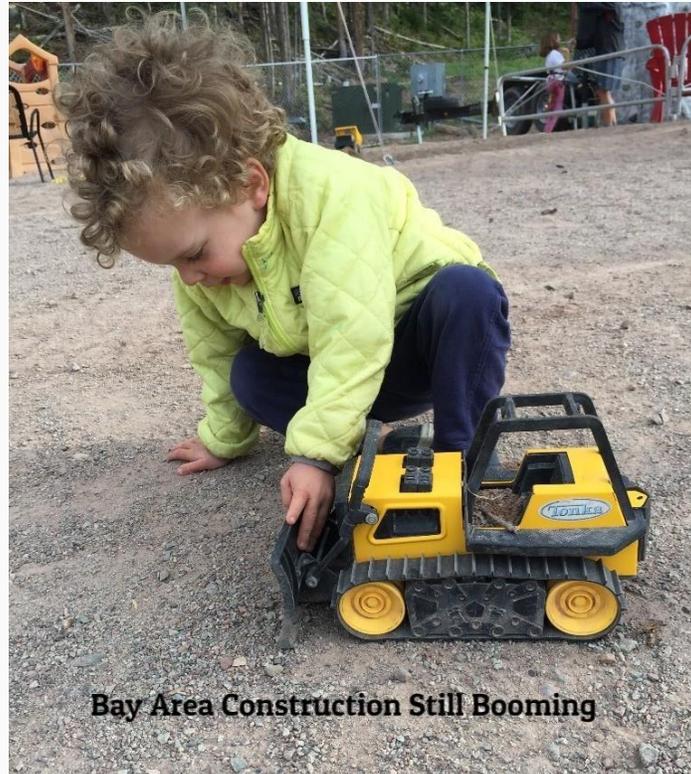


Heard on the Street - Real Estate News from Ito Ripsteen



Bay Area Construction Still Booming

Heard on the Street, Fall 2017 Edition

Friends and colleagues,

Welcome to the Fall edition of “Heard on the Street.” Looking at the various current events affecting us, here are my thoughts:

Trump and North Korea: I am worn out worrying about the current administration and what will happen next. Senator

Corker's recent remarks to the media that the we could be stumbling into a nuclear war and that the White House is trying every day to control the President, are alarming. My answer is to keep my head down and use my sphere of influence to better my own local community. Using my real estate tool belt, I turn my attention to creating and funding game changing projects that will bring people together and improve the local economy.

Wildfires: My thoughts as a property owner focus on my fire insurance policies and whether I have them up to snuff. Sure, no one likes to spend money on insurance, but fires DO happen and it is wise to have adequate coverage. I also recommend code upgrade insurance as an add-on. If you want to keep your premium low, take a bigger deductible. My grandfather once told me, "insure for the big risks you cannot afford."

Other happenings in my sphere: A few weeks ago, I attended the "Oakland Rising" event, featuring a panel of local developers and a Q&A with Mayor Libby Schaff addressing the state of Oakland's real estate development climate. The take-aways:

- While it seems clear enough to all observers, it must be noted: Oakland is no longer a "spill-over" market from San Francisco. The Uber buzz was just one of the catalysts that propelled Oakland as a reborn real estate darling. Even though Uber is no longer going to be planting their flag in Uptown, it is rumored that

no less than thirty-five developers are vying to purchase their building.

- Market rents have risen just enough to be at the cusp of justifying spec office construction. Recent large office leases are bolstering developer confidence. (The same holds true for San Francisco: Facebook, 436,000 sq ft, Dropbox, 736,000 sq ft).
- Mayor Schaff, while openly bitter at the Raiders for planning to leave town, is optimistic about the potential for the land surrounding the Coliseum BART station. With one hundred and thirty-five acres at a BART station with direct access to Oakland International Airport, the site has all kinds of potential for a mix of housing, office and retail. The Mayor made it no secret that she is wooing Amazon to the site for an Oakland headquarters. It is still to be seen whether the A's in fact will relocate to the Peralta College site near Laney College.
- The Mayor exclaimed, "I love tall buildings." She cited that for every eight jobs created in the region, only one new housing unit has been created. She wants government to be part of the solution to help developers bring new housing to the market.

So what to learn from all of this information: Oakland will continue to be a good place to invest in real estate, across the spectrum, as will the Bay Area in general. Thankfully our local economy continues to grow and is strong. The demand for housing and commercial space will still exceed supply, in my opinion. With that in mind I continue to look for opportunities close to home.

What is keeping me busy these days:

I have been having a lot of fun from all angles of different real

estate projects! A quick sample and summary of recent happenings through photos:

Construction:



Tenant Openings:



Financing:



Brokerage:



As always, I invite you to get in touch with me to discuss all things real estate. I can offer financing, industry news, or simply be a sounding board for your questions.

I am always happy to get together over coffee or lunch.

All the best,

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