

Commercial Real Estate

news and more

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Edward A. Collantes presents

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A "GOOD NEWS" NEWSLETTER FULL OF FUN AND INTERESTING FACTS FOR YOU

MARCH 2014

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Turning Inspiration Into Reality

Many people come up with big ideas at some point in their life, but oftentimes the dream never comes to fruition, stymied by a lack of confidence, credibility, and above all...capital. However, this is actually starting to change. Big ideas are starting to gain a better chance of becoming reality, thanks to the unique 21st century phenomenon known as online crowd-funding. It began as a mere handful of websites that promoted the pet projects of individuals, but it has now become hundreds of different platforms that serve as methods for fundraising. The current record for fundraising through online crowd-funding now stands at \$10.2 million. With this in mind, strategy and stamina are needed for crowd-funding to succeed, though sincerity can also play a big part. Most crucial, however, is that most simple yet simultaneously difficult of things – having the good idea. A bad idea will not take off regardless of the slickness of the presentation, but a good one now has a better chance of becoming reality...even if you're starting off with nothing else.



From the desk of

Edward A. Collantes, SIOR
BRE #00523983

San Bruno Cal Train Overpass – I have watched this \$155 million project evolve and I appreciate the engineering feat! Currently they are grading the new parking lot for 201 vehicles.

Industrial Vacancy Rates – In San Mateo County North, the vacancy rate for warehouse spaces fell nearly 37% from March 31, 2013 to December 31, 2013.

Forecast of Industrial Lease Rates – I see 2014 as a break out year for industrial / warehouse space in Brisbane and SSF. An industrial gross rate of \$1.00 for large spaces (over 75,000sf) will be viewed as favorable when compared to the institutional-owned spaces being marketed as NNN lease rates with net expenses north of \$0.20 psf.

Want to Buy a Warehouse? – Off market deals may be your best bet. Register your company with me and we will send you confidential offerings. Edward@crsfo.com

Have A Great Day!

Language Trivia

In society, changes to language occur over time, and to such an extent that an educated person would find it nearly impossible to understand or read words that were written in his native language five hundred years ago.



It is believed that there are around six thousand spoken languages in the world today.

In English, RSTLNE are the most commonly used English letters.

During the Second World War, there was a code that was used by the US Army that was never broken. Navajo soldiers, known as Codetalkers, came up with a radio code that was based upon their own native language.

With respect to utilizing spoken language, the average person speaks around four thousand and eight hundred words every single day!

Hello!

This issue of *Commercial Real Estate News* is being sent to you courtesy of

Edward A. Collantes, SIOR
BRE #00523983

It is my way of saying that you're important and that I truly value your business. Please feel free to pass this newsletter on to friends and business associates.

Off Market Deals

Family Trust Buyer of Warehouses

This buyer is netting over \$ 8 million on several property sales and is a warehouse buyer in SSF, Burlingame, etc. If you are an owner/user, you may consider a sale/leaseback or if you have an upcoming vacancy and don't want to upgrade your property, this is an excellent opportunity. Call me for details. (650) 876-0300 x 10 or Edward@crsfo.com

Clean Office Space, SSF – Owner is motivated to lease you this clean, light filled office space in SSF. Includes 10 parking spaces and your good credit will get you a super rent!

SSF Office Building Site – You can build a 5-story office building on this site. US 101 visibility is an added plus. Great for owner/user or built-to-suit developer.

Confidential Inquiries
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How Inflation Impacts Commercial Real Estate

Since 1971, when the United States went off of the gold standard, inflation has become a much bigger concern within our economy. Huge amounts of money have been added into the economy since then, causing rates of inflation that have been unprecedented within our country's history.



When it comes to the value of commercial properties, inflation will cause these values to rise over time. When more money is being added into the economy, and that money then begins circulating, people now have more money that they can spend. If the supply of commercial properties in an area remains relatively the same, people will be willing to pay more money for these properties because they now have more money to invest. This in turn can then drive cap rates down, at least in the short term. But over the long term, rents will then rise due to inflation, and the cost-of-living adjustments within leases will then help the overall lease rates to adjust to their current fair market values.

But what then happens when the Consumer Price Index, which has become the basis for rental adjustments within so many leases, no longer remains a good measure of inflation? In recent years landlords have scratched their heads, noticing big increases in the prices of food, gasoline, and energy, and wondering why the Consumer Price Index hasn't reflected this.

Under ideal circumstances, many of us would want to see the Consumer Price Index reflect true changes in the cost of living, on an "apples-to-apples" basis from one time period to another one. But this hasn't really been the case, as the weighted components utilized to measure the index have been changing over time. Information reported on the Web site ShadowStats.com, for example, shows us that if the Consumer Price Index were calculated today the exact same way that it was back in 1980, today's reported inflation rate would be much closer to 9% when compared to the 1½% inflation rate that's being reported to us.

When the housing market was on fire, and home prices were rising dramatically in many areas, the weighting for the price of housing within the index was reduced. Correspondingly, when housing prices began falling dramatically in many areas, the weighting for the price of housing within the index was then increased.

In terms of the price of energy, in which we've seen dramatic increases over the past twelve years or so, less weighting has now been given to the price of energy within the index.

So what we have then is not an "apples-to-apples" index that measures true changes in the inflation rate over time, but rather an index that tends to indicate that we have low inflation. This then holds cost-of-living adjustments in commercial real estate leases down, and it also helps to hold interest rates down...because lenders want to receive higher interest rates when inflation is higher. These lower interest rates in turn help to support and increase property values, as buyers will pay more money for properties when their monthly payments are going to be lower.

Inflation has a solid impact on property values, rent values, and on the cost-of-living adjustments within your leases. Knowing and understanding this along with the underlying methods now being utilized to calculate inflation rates, will help you to understand our economy even better.

How To Have A Successful Diet

Many people who set out to try to lose weight end up being unsuccessful, and this is because they have not been properly educated on the right methods for losing weight. People need to realize that commencing a new diet and eating well is not something that can happen overnight. Eating well is almost like a complete change of lifestyle and can come as something of a shock to the entire system when beginning a new diet. At the same time, dieting does not mean you have to entirely eliminate unhealthy but undeniably delicious foods.

All foods can fit into your diet so long as they do so in moderation. Mental strength is the key to diet, and people have to be able to resist urges. Having a plan is of great benefit to someone who wants to go on a diet, as marking and attaining measurable goals spurs on motivation for you to succeed.

One good tip is to watch your portion sizes. There is nothing wrong with indulging in your favorite foods, but just try and consume less of them. Again, moderation is the key.

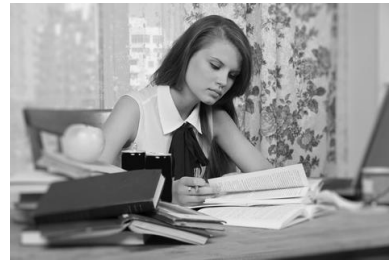
Hack Your Stuff

Many young people are afraid of technology, and are afraid of breaking things and failing to do other things properly. Along those lines experts say that technology education should concentrate on helping people to get over those fears. Many people seem to have forgotten how to experiment, and although items such as smartphones are ubiquitous in our society, very few people know how to fix them, how to take them apart, and in many cases, how to get maximum use out of them.

Even most teachers are unaware of how to hack their technological devices. This ignorance is often encouraged by manufacturers because, after all, they want people to buy a new one when their own item fails, not fix it themselves. With this in mind, experts on an open online forum that was held by the White House and included such names as Palmer Luckey, the founder of Oculus Rift, the Virtual Reality headset that has been making headlines and is the source of much anticipation, said that technology makers are just ordinary people like you and me, not elite geniuses, and that anyone can learn how to do it if they put their minds to it.

Preparing For An Exam

Making sure that you are properly prepared for an exam is something that passes through the minds of all students, and the good news is that there are plenty of good methods to make sure that you do so.



One method is to join a good quality coaching institute. Going to classes regularly and diligently at a reputable and credible coaching institute can go a long way towards meeting a student's needs.

It is natural to be anxious and tense prior to taking an exam, but you also need to be able to remain composed and calm...so as to be able to deliver your best performance.

If you are well prepared and yet are verging on panic when the exam comes, this is not a rational response, and it would be a very good idea for you to learn and practice a few easy meditation exercises on a regular basis.

This not only serves to help you to remain calm, but it can also boost your reasoning skills and your memory retention.

Tips To Help Your Business

In-person reputation management is relatively a minor concern in today's world. In the 21st century, to most people what you are is your online persona, and this includes prospective employers, potential romantic partners, and college admissions staff.



It makes sense, therefore, that online reputation is also the key to B2B success.

The internet might say different things about you than you realize. One good tip to find out how someone may perceive you online is to log out of all of your online accounts – Wordpress blogs, Facebook etc. – and then clear all caches, including cookies.

Since these cached files are taken into account by all major search engines when they aggregate data for display, you are likely to get a much more accurate picture of your online reputation if the internet does not realize that you are the one looking.

If you find something online that does not reflect well on you or your business, you should join all available reputable social networking sites and monitor and update your profiles to make sure your positive online reputation continues to prevail over the negative.

Negative information, particularly if it's in poor taste or is slanderous, may also be removed by certain sites if they're asked.

Staying Fit After 50

Many people of a certain age assume that they are too old or too tired or sick to be able to get proper exercise, and instead end up avoiding it entirely. But the reality is that not exercising is the real danger to your health.



Muscle strength can be increased, bone density preserved, and overall health and balance can be improved at any age.

Age has nothing to do with it – sensible exercise and regular exercise will do it.

As people get into their 50s and even older, it becomes more vital to include balance exercises and stretching into any routine. Bodies do not wind down or warm up as quickly as they get older, so adults over the age of fifty should warm up for a minimum of five minutes before commencing a full workout, so as to loosen tendons and increase the blood flow to muscles.

Many people have no idea how to devise a healthy diet, so it is not a bad idea to consult a registered dietitian who can get you on the right meal and nutrition plan for you...and help keep you motivated!

Healthy Eating On The Go

It can be a real challenge to eat on the go and stay healthy.

It can be tough to travel and meet nutritional needs at the same time, but there are some simple ways to make smart choices and eat healthily even when you're on the go.



Healthy snacks are of vital importance.

When we are tired and hungry it is easy to give into temptation and have that burger or that chocolate bar on the counter.

Instead of falling into this trap, make sure that you have stocked up on healthy foods in order to make sure that you don't reach this point.

Dried fruit and unsalted mixed nuts make a satisfying and healthy snack, as do raw vegetable sticks.

Staying hydrated is also crucial. This can be tough to accomplish while travelling, and dehydration often results in feelings of fatigue.

No matter what happens, always carry a water bottle and have a drink whenever you feel thirsty.

Finance Tips For College Grads



The job market is a difficult one today, and many parents are concerned for the financial future of their children who may just be ready to graduate from college and enter the workforce – or try to.

Knowing how to deal with finances is a key aspect of being an adult, and if you are concerned as a parent that your soon to be graduate is not knowledgeable enough on the subject, then it would not be a bad idea to buy them a book on personal finance, especially if it is specifically aimed at their demographic.

Even if they do not read the whole thing, just skimming through it once or twice is likely to give them food for thought; the fact that because they are in college they are already in “learning mode” means they are even more likely to actually take this information in.

It is also a good idea to get them to start penciling out a budget.

Even if they do not yet have a job lined up for after graduation, putting them into the mindset of knowing what they can expect in the future will pay dividends.