

# N e w s l e t t e r

March 2008

Newsletter for  
Clients and Friends  
of SUMMiT Properties

## REVITALIZATION OF OLDER COMMERCIAL PROPERTIES CAN INCREASE RETURNS

By *Mary Ann Rollison,  
Commercial Property Specialist*

Two of Vacaville's oldest neighborhood shopping centers are on the verge of new economic life. Alamo Plaza, at the corner of Merchant and Alamo is poised to get a long overdue face lift beginning this year; and Country Square Market is due to open its doors at the Peabody Shopping Center in April 2008. Whereas numerous new commercial real estate developments have popped up in Solano County communities over the last several years, the revitalization of older projects is just as important, if not essential to the overall health of any commercial real estate market. Commercial and residential real estate values alike are strengthened in those neighborhoods where redevelopment occurs.

Whether your investment property is a large multi-tenant property, or a small single tenant building, present day construction costs necessitate owners of new product to demand higher lease rates, creating a sizable gap between the lease rates for new product vs. that required for owners of existing project. On the flip side of that equation, higher lease rates can be achieved by Owners of existing product by updating building facades and vacant spaces with new finishes, or by simply addressing deferred maintenance items such as painting, re-roofing, parking lot slurry, etc. While interest rates are still at all time lows, it remains an excellent time to reinvest in your commercial property in order to maximize and sustain its economic potential.



## TREE CARE

By *Rhett Richardson, Owner,  
Solano Shade*

Providing a preventative care program for your landscape plants is like putting money in the bank. Trees provide beauty, shade, privacy, and with proper selection and maintenance, trees can enhance and function on one property without infringing on the rights and privileges of neighbors.

Solano Shade, local arborists, has the knowledge and proper equipment needed to prune, spray, fertilize and otherwise maintain your trees. Arborists can provide a variety of services to assist in performing the job safely and reducing the risk of personal injury and damage to the property. They are also able to determine which type of pruning is necessary to maintain or improve the health, appearance and safety of your trees. With proper maintenance, trees are attractive and can add considerable value to your property. On the other hand, poorly maintained trees can be a significant liability. Please be aware that an investment is required for your trees to provide the wonderful benefits you deserve.

## PROPERTY TAX ALERT

The April property taxes will be paid in March. Please check your March Profit/Loss Statement to verify that a current month tax payment is shown. If SUMMiT Properties should have made the tax payment and there is NO payment shown for the current month please call Bookkeeper Tina Buxa at 448-8906, Ext. 13 as soon as possible.

## PAST PRESIDENT THANKS SUMMIT FOR OUTSTANDING SERVICE

SUMMiT Properties was very pleased to receive the following message from the Village at Hiddenbrooke Association past President Bob Sampayan: *"I just wanted to take a moment to say THANK YOU for the OUTSTANDING service you provided residents of the Village. I found you folks to be knowledgeable, professional and sensitive to the needs of our community."* We really appreciate his kind words.

## LOCAL NEWS

By Theresa C. Hite, BROKER, CERTIFIED  
PROPERTY MANAGER

- In their annual apartment survey the City of Fairfield recently found that median rents for studio, one-bedroom and two-bedroom apartments in Fairfield, Suisun and Vacaville declined slightly from the year before while rents for 3-bedroom units increased. Median rents ranged from \$705 for a studio to \$1,375 for a 3 bedroom unit. The average time that apartments remained vacant between tenancies increased from 14 to 21 days.
- The median price of homes and condos in Solano County fell from \$430,000 in January 2007 to \$347,500 in January 2008, 19.2% decline. Meanwhile sales were down over 47% in Solano County over this same period. For the 9 county Bay Area, median prices fell 8.5% while sales were down by almost 42%. Of those Solano County homes that sold in January, 43% had been in foreclosure in 2007, the highest percentage in the Bay Area.
- The City of Vallejo, facing an immediate \$10 million cash shortfall is poised to be the first city in California to declare bankruptcy. The city began the year with a \$4 million surplus, but was particularly affected by significant declines in sales tax and property tax revenues.
- Construction of 17 miles of carpool lanes on Interstate 80 from Red Top Road to Air Base Parkway is scheduled to begin this summer. Once completed, the project is estimated to save an estimated 10,000 daily vehicle hours of delay.
- A petition to establish a growth boundary around the City of Vacaville has been presented to the City Council. The petition was signed by 10,500 residents, over 3 times the number needed to qualify it for the ballot. If the City Council chooses not to adopt the suggested growth boundary, it is expected be presented to voters in the November election.

## DEATH, DYING AND SPECIAL ASSESSMENTS

(Reprinted from the Davis-Stirling.com Newsletter published by Adams Kessler)

**Question:** The board recently informed everyone that we are facing a large special assessment to reroof and waterproof our buildings. I don't believe them. What can I do to stop the assessment?

**Answer:** In her 1969 book, *On Death and Dying*, Swiss-born psychiatrist Elizabeth Kubler-Ross outlined the five stages of grief of someone who is dying. Over the years I've witnessed owners go through the same stages when they face large special assessments.

Following are the stages:

- **Denial.** "They don't know what they're talking about." "The contractor is just looking for work." "The repairs are not necessary." "The board must be getting a kickback." "Let's recall the board."
- **Anger.** "Who can we sue for this disaster?" "Management was incompetent." "Let's recall the board and sue somebody."
- **Bargaining.** "Can we defer the repairs?" "Can't we just patch the roof (until I sell my unit)?" "Are there cheaper alternatives?" "Will insurance pay for the repairs?" "The board is being unreasonable; let's circulate a recall petition."
- **Depression.** "I can't bear the costs." "This will force me to sell my unit." "I can't put my family through this." "How do we recall the board?"
- **Acceptance.** "I'm ready, I don't want to struggle anymore."

**Recalls.** Unfortunately, some associations don't make it to "Acceptance." Instead, a small group of owners will lead a charge to recall the board and stop the repairs. Sitting directors will often throw up their hands and resign or be recalled. The new board then shuts down all work and fires everyone in sight. This usually leads to litigation from owners who are suffering from water intrusion and mold. Finally, after costly litigation, the association is forced to make the repairs originally proposed; only now they have legal fees and the repairs are more expensive.

**Recommendation:** Make the repairs. It's cheaper in the long run.