



SPRING 2020

REALSMART

Newsletter

A QUARTERLY JOURNAL OF REALSMART IDEAS

SPLIT ROLL PROPERTY TAX INITIATIVE TO HIT 2020 CA BALLOTS

In 1978, California voters passed Proposition 13, which reduced property taxes by pinning them to the price a property was purchased for rather than its market value. Previously, home values were seeing considerable growth, and since assessors would visit every year to reassess your tax base, so were property tax bills. As a result, homeowners began to worry that they wouldn't be able to keep up with the ever increasing cost to stay in their homes. Then Prop 13 came along and addressed these concerns, allowing homeowners to age comfortably in their homes without the fear of taxes rising above their means. It also protected commercial and industrial properties in the same way, preventing small business owners from seeing rent hikes every year when the property taxes adjusted. And so it went for the next 40 plus years...

Fast forward to the present day - CA lawmakers are proposing "California Schools and Local Communities Funding Act", which would, again, require commercial and industrial property to be taxed on their current market value, with some exceptions for small businesses and agricultural properties. Residential properties would maintain their protections under Prop 13 as well. This method of taxation, under which commercial and industrial properties are taxed at a higher rate than residential properties is called a "split roll".

Despite the initiative's agreeable name, less than half of the revenue generated would actually go to local schools. The lion's share would be doled out to local and state governments with little accountability for how it is spent. An additional portion will be used to cover the administrative costs of implementing the new tax.

But here's the real problem - even with exemptions for some small businesses, a split roll tax will substantially hamstring our ability to attract and retain new busi-

nesses, something that has increasingly become a concern in California as commercial rents have skyrocketed over the years. This would also put increased pressure on companies struggling to make ends meet that don't fit the ballot initiative's narrow definition of a small business. The combined result could mean mass office and retail vacancies, which would be particularly disastrous here in the Bay Area where we have so much brand new office space, and even more in the pipeline.

Another major concern is that a split roll property tax would be the first step towards a total repeal of Prop 13, which has protected homeowners in crazy markets like the Bay Area since 1978. Just think - from 2010 to present day, home values in San Mateo County have increased by nearly \$1 million. Without Prop 13 in place, that would have equated to a nearly \$1,000/month increase in tax payments over that time - a burden that many long time residents on fixed incomes would not be able to shoulder.

So please, think twice before voting yes on this initiative in November. There are other, more effective ways to raise money for our schools and communities that wouldn't have such a devastating impact on our residential and commercial real estate markets.

Bryan Jacobs

RealSmart co-founder
bryan@realsmartgroup.com



IN
THIS
ISSUE

SPLIT ROLL TAX	P. 1
NEW HOME HIGHLIGHT	P. 2
REALSMART FUND UPDATE	P. 3
MORTGAGE UPDATE	P. 3
FEATURED LISTING	P. 4

(650) 363-2808
REALSMARTGROUP.COM



INTRODUCING: EXCLUSIVE ACCESS TO BRAND NEW HOMES WITH REALSMART

Over the course of our 30 years working in the Bay Area real estate industry, we've been able to cultivate great relationships and partnerships with some truly amazing home builders. These are hyper-local, skilled craftsmen who specialize in building gorgeous new homes to the taste of the modern Bay Area home buyer. As a result of these partnerships, we are able to provide our clients with exclusive access to dozens of new homes across San Mateo and Santa Clara Counties before they are even built. This behind-the-scenes access empowers our clients to not only find the home of their dreams, but to have it custom finished to their liking, with zero competition from other buyers.

Currently, we have a list of about 70 homes which are either under construction or in the permitting process. We curate this list in-office, and are constantly updating it as new homes enter the pipeline. Styles range from Modern to Craftsman, Farmhouse to Spanish, with the common denominator being impeccable quality and tasteful design. Our builders each have extensive portfolios, which have earned them sterling reputations among the local real estate community.

This access to competition-free, new homes built

Our list gives you insider knowledge of homes months before they are ever advertised online.

by experts is an invaluable resource if you are looking to buy a newly constructed home. Our list gives you insider knowledge of homes months before they are ever advertised online. For more information, call our office and ask to speak with one of our new construction experts:
(650) 363-2808

We are also in the process of launching a new page on our website which will host information about some upcoming new home opportunities and the neighborhoods in which they will be available. This page will be live very soon at:
www.realsmartgroup.com/newconstruction

Camilo Perez
Realtor
camilo@realsmartgroup.com





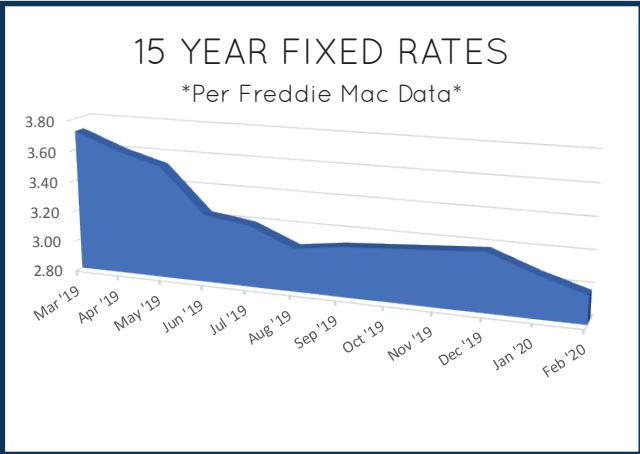
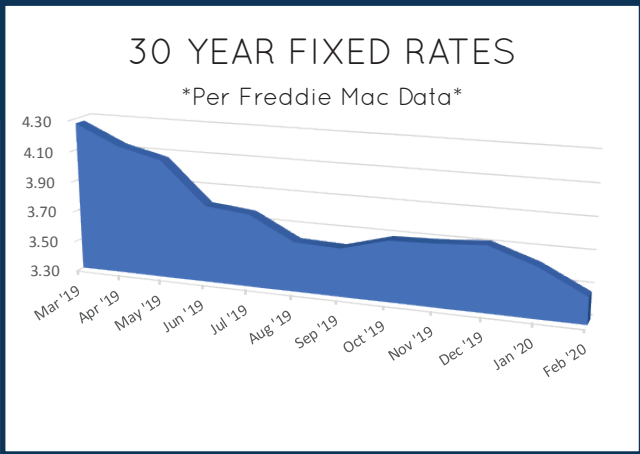
RealSmart Fund Update

The new year got off to a quick start for the RealSmart Fund. After pausing showings of our condos at 2112 Hyde Street for the holidays, we picked up where we left off and have been able to make amazing progress. All of our remaining remodeled units in this gorgeous Russian Hill building are now either sold or in contract, with closings scheduled for March.

Hyde Street was an exciting project for us, as it gave us an opportunity to work in one of San Francisco's most iconic neighborhoods, outside of our usual suburban mid-peninsula territory. Now, with Hyde Street all but wrapped up, it's back down the peninsula we go!

Our current project is on Kansas Street, located in Redwood City's Woodside Plaza neighborhood. Built in the early 1950's, the home's main living space was very segmented when we bought it, as is typical of post-WWII rancher homes. In order to make it feel a little less like 1950 and more like 2020, we've taken the liberty of removing 3 main walls to open up the living space. In addition, we're doing an extensive interior remodel including the kitchen and bathrooms. Keep an eye out for Kansas to hit the market this spring!

Karen Vega
RealSmart Co-Founder
karen@realsmartgroup.com



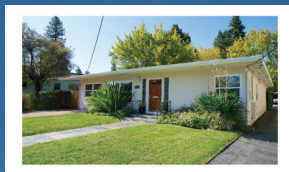
MORTGAGE UPDATE

In 2019, a series of Federal Reserve rate cuts coupled with a cloud of economic uncertainty led to a significant drop in mortgage rates - something very few economists had foreseen at the beginning of the year. In 2020 so far, with the Federal Reserve standing pat, and most of 2019's economic concerns around the volatility of key trade relationships still swirling overhead, mortgage rates have continued their downward trend toward historic lows.

As a result of persistently low mortgage rates, we have seen a surge in refinance activity in the early part of the year. According to Bankrate.com, the average homeowner is still paying 4.4% on their mortgages. With current rates dropping to below 3.5% in recent weeks, this has created a fantastic opportunity for many homeowners to save big on their monthly payments. Of course, low rates bode well for hopeful home buyers as well, helping to ease the affordability issues we continue to face in the Bay Area.

If you would like more information on current rates, refinancing options, or anything else mortgage related, give us a call and we will refer you to one of our trusted loan advisers:
(650) 363-2808

THE REALSMART TEAM



BRYAN JACOBS - REALSMART CO-FOUNDER
BRE # 01129660

KAREN VEGA - REALSMART CO-FOUNDER
BRE # 00930844

CAMILO PEREZ - REALTOR & CONTRACTOR
BRE # 01875711

DENNIS VORRISSES- REALTOR
BRE #01406502

TODD WEIDMER - REALTOR
BRE # 01320934

RUTH KRUMBHAAR - REALTOR
BRE # 02013157

SHELLY NORMOYLE - TRANSACTION COORDINATOR & INTERIOR DESIGNER
BRE # 01332984

ROBERT TRALLER - MARKETING COORDINATOR
BRE # 02022266

(650) 363-2808

www.realsmartgroup.com



REALSMART

REALSMART GROUP
50 EDGEWOOD ROAD,
REDWOOD CITY, CA 94062
(650) 363-2808

FEATURED LISTING

AVONDALE AVE.
REDWOOD CITY



NEW CONSTRUCTION IN REDWOOD CITY

When completed, this gorgeous newly built home will feature 5 bedrooms, 4.5 bathrooms, a home office, a huge open living space, top of the line gourmet chef's kitchen, stunning architectural details and much more. Situated in Redwood City's Edgewood Park neighborhood, it offers easy access to both downtown Redwood City and San Carlos. Call the number at the top of the page for additional information.