

BALLOU DIGEST

[Q3 2013]



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REAL ESTATE TOPICS

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LOCAL CHICO BUSINESS

What's Going on at Beatniks?

Beatniks Coffee House is one of my favorite places to eat breakfast and lunch, and their coffee is fantastic! They are located at 1387 E 8th Street. They have expanded and recently opened their doors to their new banquet room next door. The new banquet room has stained concrete flooring, chandelier light fixtures, and an oversized barn door separating the restaurant from the banquet room. They hope to set up a wine bar in the near future. If you are looking for a quaint, classy venue with excellent service for your group, I highly recommend calling Beatniks!
www.chicobeatniks.com.

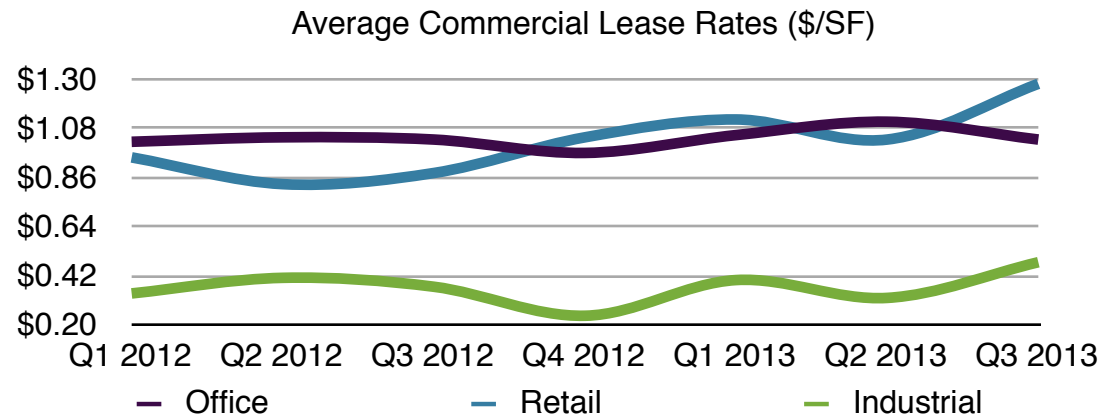


COMMERCIAL LEASING ACTIVITY

Chico, California

This quarter, lease rates averaged at **\$1.03 for Office, \$1.28 for Retail, and \$.48 for Industrial**. Retail and Industrial lease rates increased quite a bit, with Retail up 24% and Industrial up 50% from last quarter. The great news is that lease rates appear to be increasing steadily, with Retail and Industrial lease rates at much higher levels than last year. Office seemed to struggle a bit this quarter, but it could be due to the fact that there wasn't much data to choose from (only 13 new office leases signed this quarter compared to 24 last quarter).

COMMERCIAL LEASE DATA: Q2 2013			
	Average Lease Rates (\$/SF)	Average Days on Market	# of New Leases Signed
Office	1.03	346	13
Retail	1.28	346	6
Industrial	0.48	692	7



Source: CARETS Commercial MLS

Lease Rates represent newly signed leases entered into CARETS Commercial within that particular time period and they may not represent rates for existing leases. Data may not always represent the market, especially if there were not enough transactions to give fair estimates.

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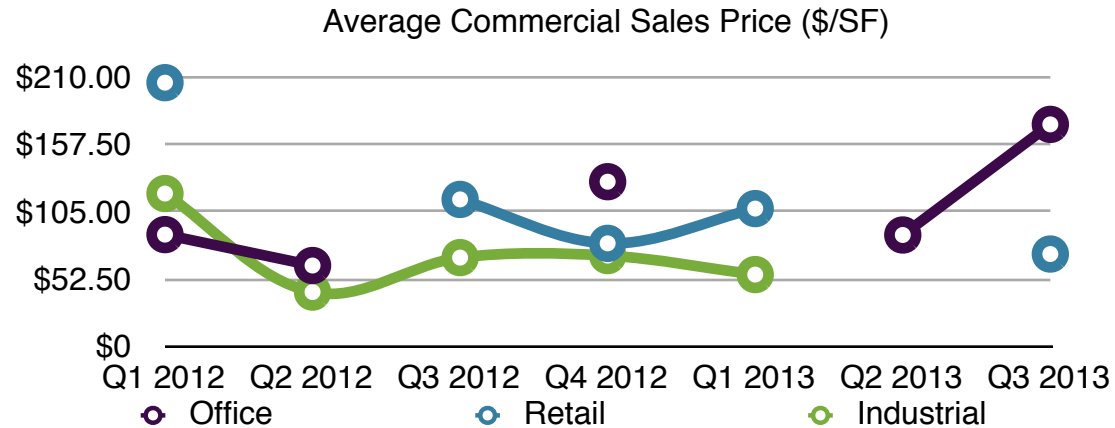
By Tara Davis DRE: 01860993 On 10/17/2013 9:35:00pm.

COMMERCIAL SALES ACTIVITY

Chico, California

There were only four commercial sales in Chico this quarter. Office gained momentum with an average sale price of \$735,000 and average price per square foot of \$173.31.

COMMERCIAL SALES DATA: Q2 2013					
	Average Total Sale Price (\$)	Average Sale Price (\$/SF)	Average Days on Market	# of New Sales	Cap Rates*
Office	\$735,000.00	\$173.31	527	3	-
Retail	\$130,000.00	\$72.22	31	1	-
Industrial	-	-	-	-	-



*Cap Rates are seldom entered into the MLS, which is why many spaces are blank.

Source: CARETS Commercial MLS

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By Tara Davis DRE: 01860993 On 10/15/2013 9:14:13am

RESIDENTIAL SALES ACTIVITY

Chico, California

The housing market is STILL sizzling hot! Prices increased 10.5% for Single Family, 4.5% for Residential Income, and 9.9% for Condos in the 3rd Quarter of 2013. Prices just keep going up! In fact, prices have gone up 16% since the 3rd quarter of 2012 for single family homes. This is a great seller's market, and interest rates are still very favorable for buyers as well.

RESIDENTIAL MARKET DATA: Q2 2013					
	Average Listing Price	Average Sale Price	% Change in Average Sale Price from previous quarter	Average Days on Market	# of New Sales
SFR*	\$319,550.00	\$316,710.00	↑ 10.5%	77	277
Residential Income	\$392,511.00	\$344,034.00	↑ 4.5%	37	16
Condo	\$143,455.00	\$129,710.00	↑ 9.9%	42	21



*SFR: Single Family Residence

Source: CRMLS. Data may not always represent the market, especially if there were not enough transactions to give fair estimates.

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By Tara Davis DRE: 01860993 On 10/17/2013 9:33:39am

RESIDENTIAL INVESTMENT DETAILS

Chico, California

There were sixteen residential income properties sold this quarter, and the average price per unit increased by about 12.8% compared to last quarter. Vacancy rates in July were a bit higher for houses and a slightly lower for Apartments.

RESIDENTIAL INCOME MARKET DATA: Q2 2013		
	Average Sales (\$/Unit)	% Change in Average Sale Price from previous quarter
Residential Income	\$117,756.00	↑ 12.8%

VACANCY RATES	
	7/15/13
Houses	4.8%
Apartments	2.8%

Sources: CRMLS and NVPOA

Data may not always represent the market, especially if there was not enough data to give honest estimates.

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By Tara Davis DRE: 01860993 On 10/17/2013 10:00:39am

FUN FACTS ABOUT REAL ESTATE

DID YOU KNOW...

- ➔ The medium length of time that people own a residence is 9 years, according to the National Association of Realtors.
- ➔ First time home buyers expect to own their home for 10 years before selling.
- ➔ Repeat home buyers expect to own their home for 15 years before selling.
- ➔ America's homeownership rate has dipped to 65%, which is an 18-year low, according to the U.S. Census Bureau. This is partially due to foreclosure, forcing households to rent.
- ➔ America's homeownership rate was at its highest in 2004, at 69%.
- ➔ According to NAA Industry Insider, the annual effective rent growth is 3.2% nationwide. Although the rent growth is slowing, it is still much higher than the long-term average of 2.1%.

Sources: National Association of Realtors, U.S. Census Bureau, and NAA Industry Insider.

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By Tara Davis DRE: 01860993

