

Protect Your Business and Property from a \$9 Billion Tax

In the State Legislature Senator Holly Mitchell (D-Los Angeles) and Senator Loni Hancock (D-Oakland) proposed a Senate Constitutional Amendment (SCA 5) that if passed with a two-thirds vote of the Legislature, would create regular ongoing reassessments of commercial and industrial property, starting with the 2018-19 fiscal year. However, in a clever move to try to keep some business oriented groups from opposing the measure, SCA 5 retains tax caps for certain revenue generating residential property and agricultural property.

Proponents have also included an exemption for property taxes under \$500,000 of tangible personal property used for business purposes, in order to claim that the new tax scheme would not harm small businesses. We absolutely disagree since this threshold is so low, it will only filter out the tiniest of properties - while at the same time enacting a \$9 billion tax increase that will hit any small business renting space in just about every commercial property in the state.

In order for SCA 5 to be approved, two-thirds of the Legislature must vote yes. The Governor's signature is not required. The measure would then be placed on the November 2016 ballot. The main reason split roll proponents are pushing this Legislative route -- even though its success seems very unlikely -- is that it would allow the measure to get on the ballot without having to spend time and money gathering signatures.

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I recommend that you research into this proposed new tax that could potentially cost your business a great deal of expense and possibly affect the value of your commercial property. We can voice our opinion to our local officials on what unpredictable taxes on your properties will do to your ability to remain viable and keep tenants.

How much would a split roll impact your portfolio?

For more information please go to the following website:

<http://stophigherpropertytaxes.org>

Source: AIR Commercial Real Estate Association

**Current SBA 504 Effective
Rate for
October 2015 is 5.00%**

San Gabriel Valley Second Quarter Commercial Market Update

During the second quarter, the San Gabriel Valley saw completion of eight buildings totaling over 913K SF. There is currently just over 1.2 Million square feet under construction. The current vacancy rate is estimated at 2.77%. The average weighted lease rate for industrial buildings was

\$0.57 PSF. Lease rates are expected to continue to increase to 2016 for the industrial market by five to eight percent.

The vacancy rate for office space in the SGV increased slightly in the second quarter to 14.5%. The average lease rate for office space was \$2.09

FSG. However, this is the sixth straight quarter that leasing activity has been in excess of 110,000 SF. The overall office market for LA County decreased the vacancy rate and increased lease rates. The office market is expected to continue to improve throughout the remainder of 2015.

Source: CoStar

Featured Properties: JUST REDUCED!



501-509 W. Foothill Blvd. Monrovia
[501-509 W Foothill Blvd. Monrovia Brochure.pdf](#)

Approximate 5,800 SF two story multi-tenant commercial building situated on 6,816 SF of land.

Divided into multiple units with most tenants leasing month-to-month basis. Long term lease with dry cleaners.

Possible to occupy a portion and lease out the remaining units. Units 505-509 could all be combined for an owner/user.

Located at the signalized Intersection of Foothill & Mayflower. Minutes from Old Town with close freeway access.



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Linda specializes in commercial and industrial sales and leasing throughout the San Gabriel Valley. She has extensive knowledge in 1031 exchange transactions, investment opportunities, and market analysis. Feel free to contact Linda with any questions or requests for information.

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