

## 5 Legislative Issues Affecting Commercial Real Estate

### EB 5 Funding Continued

The EB-5 Program was created in 1990 to spur investment and job creation in the US. It allows the government issues special visas to foreigners who invest \$500k to \$1M in the country and employ 10 or more people here. Real estate projects across the country have relied on EB-5 to finance construction throughout the country.

The bill was signed by the President to extend this program only one day before it was set to expire. There are reforms expected to the program to prevent fraud and reducing security risks.

### Freddie and Fannie Mac

Freddie and Fannie Mac have been under government control since the financial crisis when the government nationalized them. Congress would like to see real estate lenders outside of the government's conservatorship. Therefore, they proposed the Choice Act. However, this would have to get approved by both houses and the President.

### Commercial Mortgage Backed Securities

CMBS have been black-labeled since the financial crisis. New laws will require that five percent of each CMBS deal will be held for five years. This will cause the issuers of these securities to have more skin in the game and the result is hopefully less bad deals will be marketed to the public.

### In This Issue

- **5 Legislative Issues Affecting Commercial Real Estate**
- **Commercial Developments in Monrovia**
- **Featured Property: \$75K Price Reduction**

### SEC Crowdfunding Rules

Crowdfunding has been a source for lending since the recession. Congress would like to use crowdfunding to expand the size of loans that can be made under this program under the ACTIII and Jobs Act.

### PATH Act

The Protect Americans from Tax Hikes Act was signed into law in December of 2015. It was intended to streamline tax reporting and filing. The purpose was to make it easier for foreign investors to bring money into the US. REIT's have been a huge beneficiary of this because it eliminates a crucial roadblock in the FIRPTA ACT requirements.

**Current SBA 504 Effective  
Rate for  
October 2016 is 3.98%**

Source: Bisnow October 20, 2016

## Commercial Developments in Monrovia

T.P. Heritage Inn of Monrovia, LLC has entered into a purchase agreement with the city of Monrovia to purchase the SW corner of Myrtle and Huntington. Their plans are to develop a 113 room TownePlace Suites by Marriott branded hotel. They are purchasing the site for \$2.85M and plan an anticipated opening in the first quarter of 2018.

The 4<sup>th</sup> Dimension recently closed escrow located at 324-326 S. Myrtle Avenue in Monrovia. The private buyer is from Glendale. The plans are for the buyer to open a 5,000 SF restaurant on the ground floor facing Myrtle and the remaining 22K SF for creative office purposes. Cacique which is a large dairy manufacturer leased 28K SF of

Office space at 800 Royal Oaks Drive. The long vacant Albertsons in Monrovia was sold to Warner Pacific Properties. They plan to subdivide the 91K SF property for three different users. The plans were approved on the rehabilitation of the Historic Santa Fe Depot building. It is estimated to be completed in the first Quarter of 2017.

Source: City of Monrovia web site and Monrovia Now

## Featured Property: \$75K Price Reduction



**227 W. Maple Ave Monrovia**

An approximate 4,160 SF industrial/flex building situated on 7,948 SF of land. Rear fenced yard with alley access.

Nicely appointed front office space with approx 1,100 SF including 3 private offices, conference room and reception area.

400 AMP 240/277 Volt 3 Phase Power

One block north of Huntington Drive. Walking distance to Old Town.

Call for more information & price.



**Linda Vidov-Elkaim** (CA Broker Lic. #1715788)

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.

## Top Commercial Realty

100 W. Lemon Ave Suite 101 Monrovia, CA 91016  
O: 626.358.8287 C: 626.399.3715 F: 626.605.5003  
E-Mail: [Linda@TopComRealty.com](mailto:Linda@TopComRealty.com) • [www.TopComRealty.com](http://www.TopComRealty.com)