

## Battling Traffic Congestion Demands Short and Long Term Solutions

Traffic in LA is the worst in the nation. Toll roads and carpool lanes were made to help reduce traffic, but traffic has continued to worsen regardless. A study done by UCLA shows that we wasted \$13.3 billion in 2014 on time and gas. An approach that has been suggested to guarantee decongestion on our roads is charging people to drive on the freeway.

This approach is called decongestion pricing and has been suggested by UCLA distinguished professor, Martin Wach. Of course, not everyone wants to pay to use the roads in LA, so Wach has suggested only charging to drive in a few lanes and leave some free. Whoever is willing to pay to use the roads can travel a little faster to get to where they are going while clearing up some of the free lane congestion and therefore, clearing up traffic altogether.

A few short-term solutions would continue to be HOV lanes, ride-sharing, telecommuting, car-sharing, and transit. This will give drivers more options, but it doesn't necessarily reduce congestion. Building a new freeway or making freeway improvements will not reduce congestion.

A perfect example of this would be the 405 Sepulveda Pass Improvement. During this project, lanes were widened, a number of lanes were added, and traffic was smoothed. Unfortunately, this only opened the capacity of travelers the freeway could hold, which did not help reduce congestion.

### In This Issue

- Battling Traffic Congestion
- Housing shortages
- Just Listed- Monrovia Industrial

LA not only has major traffic issues, but it's also facing a severe shortage in housing. DTLA has a population of 65,000 but 500,000 people work there. Traffic issues and shortages in housing go hand and hand which is why the city is looking to tackle both problems at once. The Bloc is good example of tackling these problems together. It is allowing more space for retail, residency, parking, and easy access to and from LA on the metro. The goal behind this project is to reduce traffic, greenhouse gas emissions, and promote a healthier lifestyle.

Source: The National Association of Realtors Capital Markets

**Current SBA 504 Effective  
Rate for  
July 2017 is 4.76%**

## Interest Rate Boosts to be Postponed until December

The Federal Reserve had acquired \$4.5 trillion in bonds and securities after the Great depression in order to manage inflation and lower long-term interest rates. This is the eighth year of economic expansion and such an approach is no longer necessary. Furthermore, officials are looking to gradually raise interest rates and sell billions of dollars of assets. This may have some negative effects on

the commercial real estate industry because it could result in higher long-term borrowing rates, which means higher borrowing costs. Ten-year Treasury yields had remained at 2.33% as of Wednesday July 5<sup>th</sup>. In a Federal Reserve survey conducted on lending practices, banks have become increasingly cautious loaning money for commercial. This has led non-bank lenders to step in and fill the financial

Needs for commercial financing with mezzanine loans, bridge financing, and other debt. As of April, the study has shown that lenders have actually eased their standards due to aggressive competition and are succeeding in the economy in comparison to those who have tightened their standards.

Source: Bisnow Newsletter June 2017

## Just Listed- 100% HVAC Industrial Condo



1,867 SF industrial condo with 400 SF of front office space and one restroom.

100% HVAC with 14 foot clear height, one grade level loading door 12'x12'.

Bonus mezzanine area for additional office space or storage.

Direct access to the 210 and 605 freeways via Myrtle.

Call for more information and pricing!

172 W Pomona Ave Monrovia, CA 91016



*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)