

BALLOU DIGEST

[Q2 2015]



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REAL ESTATE TOPICS

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TAKEAWAYS

[2nd Quarter 2015 in Chico]

COMMERCIAL LEASING

Overall, the Commercial Leasing market for Chico was fairly strong in the 2nd Quarter of 2015. Office lease rates were at \$1.06 per square foot, Retail at \$1.08 per square foot, and Industrial at \$0.49 per square foot and have increased for both Retail and Industrial since the previous quarter. The amount of New Leases Signed increased by 24% from the previous quarter, and most of the activity that took place was in the Office sector. The inventory has decreased this quarter and there are only 87 Office, Retail, and Industrial listings currently active on the MLS. With increased activity and lower inventory, it will be interesting to see if lease rates increase further next quarter.

COMMERCIAL SALES

According to the MLS, there were zero commercial properties sold in the 2nd Quarter... ZERO! There were 7 commercial properties sold last quarter, and a few of those sales were very large. There are currently a total of 26 active commercial listings (between Office, Retail, and Industrial), and this number has increased by 3 since last quarter.

RESIDENTIAL INCOME SALES

With an average price per unit up 31% from the previous quarter and almost double the amount of sales, I think it's safe to say that the residential income market remains strong. Not only this, but the average days to sell a residential income property decreased to 29 days... that means the average residential income property in Chico sold in less than a month! The average price per unit was a whopping \$157,119 in the 2nd quarter which is great, yet I think this number was skewed slightly due to 2 houses that were sold and included in the MLS as residential income properties. The average cap rate came in at 5.87% (this is based off of Gross Income taken from the MLS and a 35% expense ratio across the board). Inventory increased and there are currently 28 active residential income listings on the MLS.

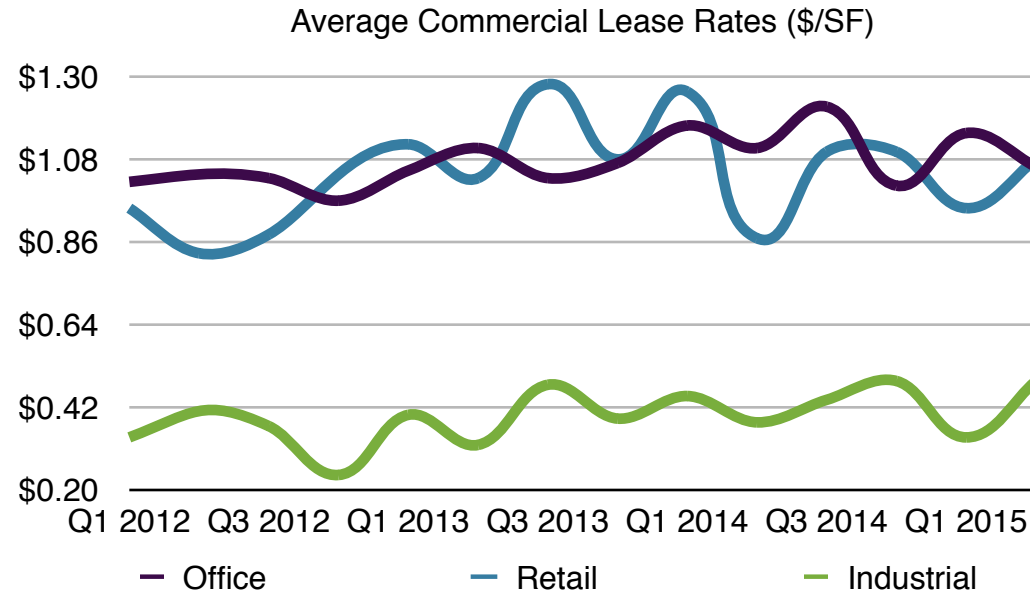
RESIDENTIAL SALES

The residential market has redeemed itself. In the last newsletter, I mentioned that it appeared to be on a small and steady decline. This quarter, however, the average sale price for single family homes increased to \$324,515 which is a 9% increase quarter-to-quarter and an all-time high since I started tracking the market over 3 years ago. The average Days to Sell decreased to 58 days (under 2 months) and the total number of sales for the 2nd quarter amounted to 349 transactions! There were 130 more homes sold this quarter, compared to last quarter! There are currently 242 active homes for sale on the market. The residential market is **HOT!**

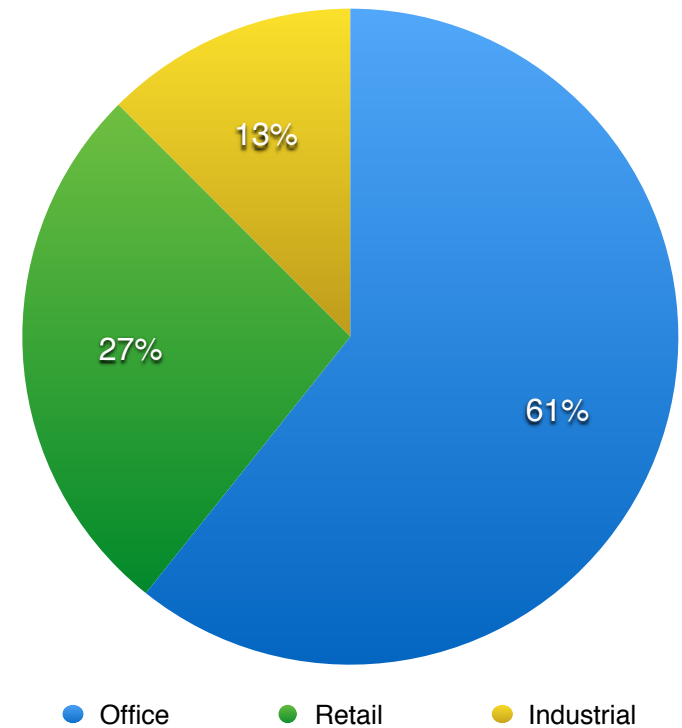
COMMERCIAL LEASING ACTIVITY

Chico, California

COMMERCIAL LEASE DATA			
	Average Lease Rates (\$/SF)	# of New Leases Signed	# of Active Listings
Office	1.06	22	53
Retail	1.08	3	19
Industrial	0.49	6	15



YEAR-TO-DATE: NEW LEASES SIGNED



Source: CRMLS

Lease Rates represent newly signed leases entered into the MLS 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. This search only factors in those properties listed as Office, Retail, and Industrial properties on the MLS.

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By Tara Anderson BRE: 01860993 On 07/07/2015 1:31:pm.

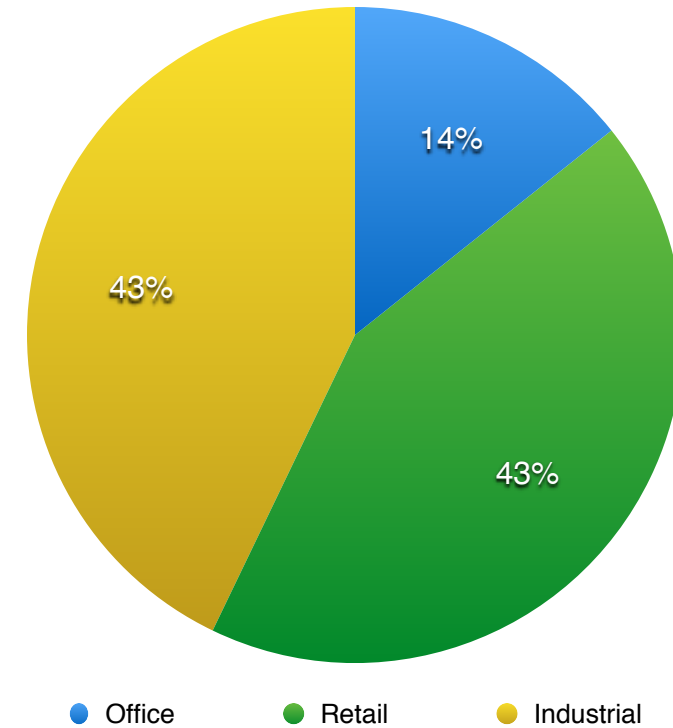
COMMERCIAL SALES ACTIVITY

Chico, California

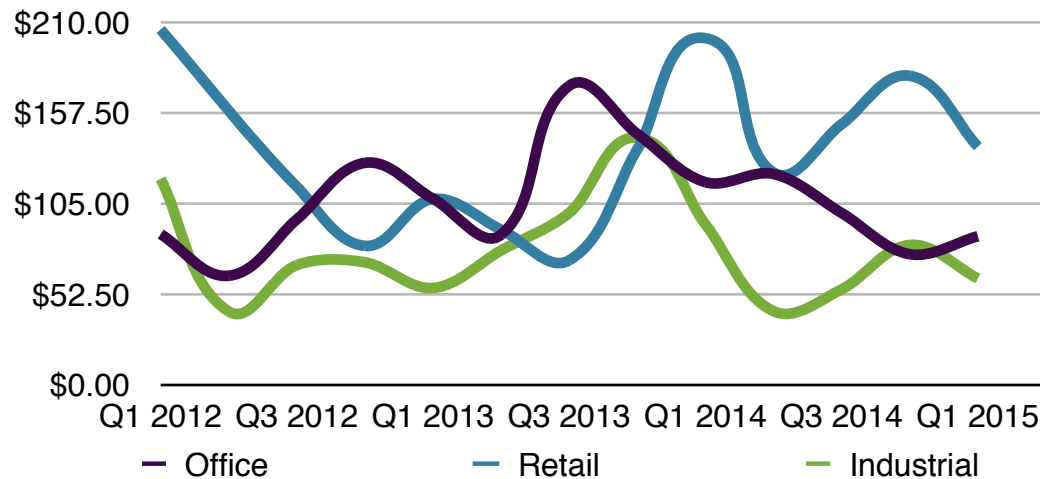
COMMERCIAL SALES DATA

	Average Sale Price (\$)	Average Sale Price (\$/SF)	Average Days on Market	# of New Sales	# of Active Listings
Office	-	-	-	0	13
Retail	-	-	-	0	1
Industrial	-	-	-	0	12

YEAR-TO-DATE: PERCENTAGE OF SALES



Average Commercial Sales Price (\$/SF)



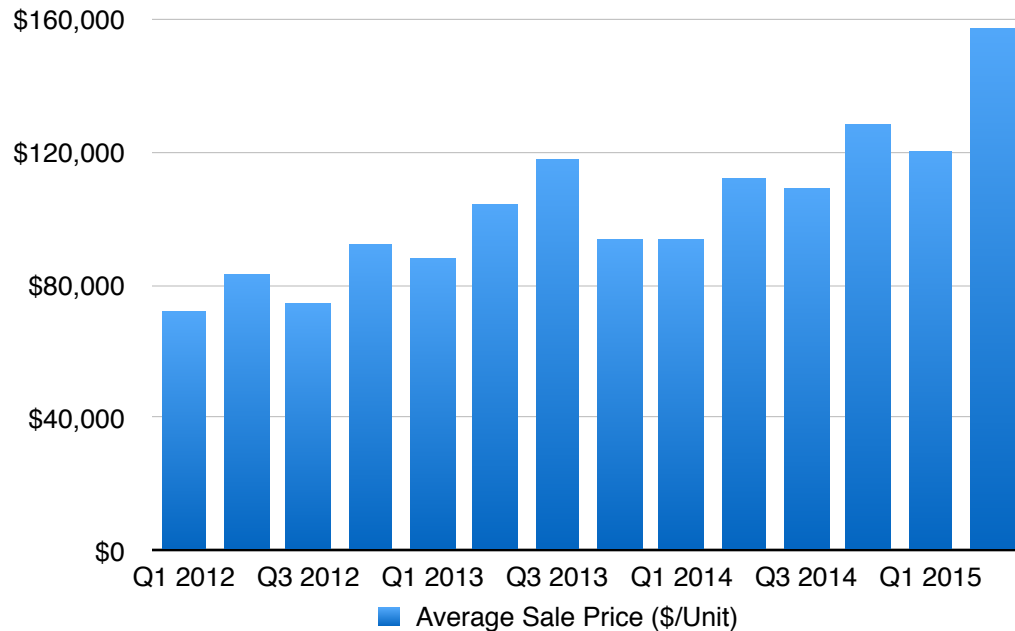
Source: CRMLS

Data may not always represent the market, especially if there were not enough transactions to give fair estimates. This search only factors in those properties listed as Office, Retail, and Industrial properties on the MLS. © 2015 CRMLS. Information is believed to be accurate, but shall not be relied upon without verification. Accuracy of square footage, lot size and other information is not guaranteed. By Tara Anderson BRE: 01860993 On 07/07/2015 4:11pm

RESIDENTIAL INCOME ACTIVITY

Chico, California

RESIDENTIAL INCOME DATA							
	Average Sale Price (\$)	Average Sale Price (\$/Unit)	% Change in Average Sale Price (\$/Unit) from Previous Quarter	Average Days to Sell	# of Sales	# of Active Listings	Average Cap Rate
Residential Income	\$377,655	\$157,119	+ 31%	29	20	28	5.87%



VACANCY REPORT			
	1/15/15	4/15/15	7/15/15
Houses	3.3%	4.3%	
Apartments	2.0%	1.7%	

Source: CRMLS. The Vacancy Report was taken from North Valley Property Owner's Association (NVPOA). Data may not always represent the market, especially if there was not enough data to give honest estimates.

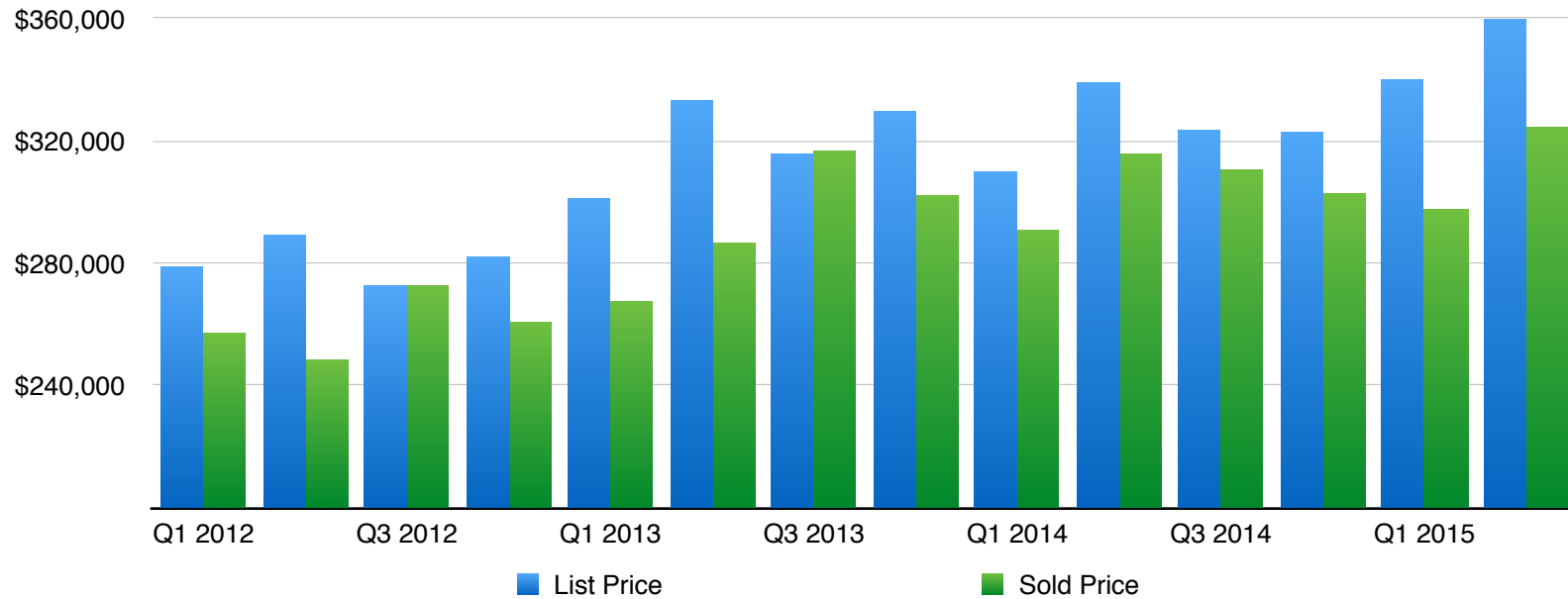
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By Tara Anderson BRE: 01860993 On 07/07/2015 at 4:54pm

RESIDENTIAL SALES ACTIVITY

Chico, California

RESIDENTIAL MARKET DATA					
	Average Sale Price	% Change in Average Sale Price from previous quarter	Average Days To Sell	# of Sales	# of Active Listings
Single Family Residence	\$324,515	+ 9.05%	58	349	242



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 Anderson BRE: 01860993 On 07/07/2015 5:26pm

A LITTLE ABOUT TARA

Tara Anderson, Real Estate Broker



Tara Anderson was born and raised in Chico, California. She graduated from UC Irvine with a degree in Business Economics with Cum Laude Honors and Phi Beta Kappa Honors. Tara has extensive real estate investment knowledge and experience. She helped manage her father's real estate investments growing up. After college she worked at some of the top commercial real estate investment firms in Orange County selling non-traded REITs, TIC's, and Private Placements in just about every real estate asset class. She became a Real Estate Broker and shortly thereafter, she moved back to Chico and formed Ballou Company, where she manages commercial real estate. In 2013, Tara joined The Group Real Estate Brokers, where she performs sales and leasing transactions.

In addition to her real estate career, Tara has competed at the top levels of the equestrian sport and is very involved within the horse community. She volunteers much of her time by organizing equestrian competitions to help support Camelot Equestrian Park Foundation, a 501(c)(3) nonprofit organization in Butte Valley, California.

She is happily married to her wonderful husband, Andy. They have two dogs and a cat that they rescued, as well as two horses.

Experienced In:

- Real Estate Investments
- Residential Income Properties
- Commercial Property Sales
- Commercial Leasing
- Property Management
- Equestrian Estates
- Farm and Ranch Sales
- Vacant Land Sales
- Residential Sales

FEATURED LISTINGS

by Tara Anderson



CLARK ROAD, BUTTE VALLEY

[Aerial Video](#)

47.47 acres asking \$579,000. Vacant Land - Residential, Horse Property. Only 3 miles from Camelot Equestrian Park.



1776 DARYL PORTER, OROVILLE

A 14-unit apartment complex. 100% occupied with a pool and two coin operated laundry rooms. Gross rent: \$93,460. Asking \$774,000.



OLIVE HWY & EXECUTIVE PKWY OROVILLE

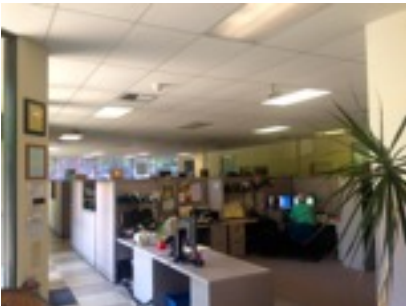
[Aerial Video](#)

Olive Hwy- 5.76 acres for \$299k. Zone C2.
Olive Hwy- 18.32 acres for \$599k. Zone C2.
Executive Pkwy- 6.35 acres for \$499k. Zone RP.



191&197 PINEDALE AVENUE

Two houses on one lot with a detached garage. 1.93 acres. Gross rent: \$22,800. Asking \$270,000.



1350 E 9TH STREET, CHICO

Commercial Lease: \$11,375/month for 9100 square feet of office space.



996 E 1ST AVE, CHICO

0.77 Acres
Land Lease: \$1500
Build to Suit: Negotiable

WANTS AND NEEDS

from my clients

I have many clients who are looking for a particular type of real estate and aren't satisfied with what's currently on the market. If you have a piece of property that you're interested in selling (or leasing) please let me know!

- *Residential Income properties in all price ranges throughout California*
- *Commercial lot zoned for retail center on the south side of Chico*
- *Retail space on a busy corner in Chico with plenty of parking*
- *Vacant land with 1+ acre in Chico, Durham, or Butte Valley under \$200k zoned for residential use*
- *House with .75+ acres in Chico, Durham, Nord, or Butte Valley under \$400k*
- *Equestrian properties throughout California*
- *A house on property with a shop in the Diamond Avenue area of Chico*
- *2 houses on 1 lot (or duplex) in Chico for under \$280k*
- *Horse property with house in or around Butte Valley for \$350k or less*
- *Class A Office and Retail properties to purchase throughout Butte County*
- *Storage facilities for sale in Chico and surrounding areas*
- *Mobile Home parks for sale throughout California under \$900k*
- *School facility to lease or purchase*
- *Gas stations in Butte County*
- *Warehouse space for lease or sale*

CHICO BUSINESS TALK

Butte Environmental Council

Butte Environmental Council (BEC) is a non-profit organization based in Chico, California. Their mission is to protect and defend the land, air, and water of Butte County and the surrounding region through action, advocacy, and education. BEC was formed in 1975 and throughout its 40 years, BEC has had a significant voice in shaping the environment and policies of Butte County and beyond.

This growing nonprofit was bursting at the seams, and with a growing staff and board, they needed to expand into new office space. They just expanded their office into one of my listings located at 116 W 2nd Street Suite 6. This is such a charming office space overlooking downtown Chico and I am very excited for them at this new location. I have really enjoyed working with Robyn DiFalco and Butte Environmental Council.

A Little About BEC

BEC launched its Recycling and Rubbish Education program in 2013, where they teach children all about recycling. In 2014, they started a watershed program that educates the local community on many issues related to the health of our local creeks and offers hands-on workshops on water conservation and water policy issues. These workshops cover everything from low-water landscapes to gray water usage, and they have planted 200 oak trees in less than a year. In addition to all of this, they have also cleaned up our local community. BEC dedicates one day each year to clean Bidwell Park, and they have been doing this since 1986. Last year, they had 400 volunteers who picked up 60,000 pounds of garbage in the park!

We are very fortunate to have such an environmentally-conscious program in our community. Thanks BEC!



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By Tara Anderson BRE: 01860993