



# REALSMART

# Newsletter

A QUARTERLY JOURNAL OF REALSMART IDEAS

## GOING GREEN: ECO-FRIENDLY HOME IMPROVEMENT OPTIONS

The last RealSmart Fund Fixer Mixer was a special “50 Shades of Green” event, to which we invited a few of our trusted vendors to provide information on eco-friendly home improvement options. From solar panels to fireplace inserts, there are many ways to upgrade your home’s energy efficiency, at various levels of affordability. Below is an overview of our vendors and the green home improvement options they offer. If you’d like details on options not listed, feel free to give us a call and we will point you in the right direction.

### Mr. Roofing - Green Roof Options

This family owned and operated business based in South San Francisco has fully embraced green roofing practices. They can install building-integrated and conventional photovoltaic solar systems (solar paneled roofs), solar tunnel skylights, green live roofs, and more. Mr. Roofing is a Diamond Certified company, and having used their services many times ourselves we can attest to the quality and reliability of their work.

If you’d like to explore green roofing options for your home, give Mr. Roofing a call, ask for Carlos, and tell him RealSmart sent you.

(650) 605-3927  
Ask for: Carlos Rodriguez  
info@mrrroofing.net  
www.mrrroofing.net

### SDI Insulation - Energy Efficient Insulation Upgrades

While most people overlook the quality of insulation when buying a home, it does play a key role in how much energy you use when running the heater or A/C. If your insulation is old or of poor quality, chances are you are spending more on your monthly energy bill than needed. The team at SDI Insulation will test your home’s energy efficiency, identify area’s of weakness, and upgrade them in order to decrease your monthly energy usage. If you’d

like to test your home’s energy efficiency and explore your options for upgrading, we highly recommend you call the experts at SDI Insulation for a free estimate:

(650) 685-5500  
Ask for: Joran Stromberg  
info@sdi-insulation.com  
www.sdi-insulation.com

### Carpeteria - Green Flooring Options

Our friends at Carpeteria offer a number of fantastic environmentally conscious flooring options. Among them are Mohawk carpets, some of which are made with up to 100% recycled material. Mohawk recycles around 3 billion plastic bottles annually for use in over 500 of their products. They even recycle old carpet fibers for use in other industries.

Carpeteria also carries Shaw’s Epic engineered hardwood floors, which are made from 50% less newly harvested wood than conventional engineered wood flooring. Their Scuffresist Platinum coating also makes them remarkably durable.

For more information call:  
(650) 965-9600  
Ask for: Vick Balian  
vick@carpeteria.com



**Bryan Jacobs**  
RealSmart co-founder  
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# RealSmart Fund Update

Karen Vega  
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2112 Hyde Street, SF

The latest RealSmart Fund purchase brought us out of San Mateo County and into San Francisco proper. We were presented with a fantastic opportunity to purchase 3 condos in a 6 unit building located in the lovely Russian Hill neighborhood, and we took it. We'll be doing kitchen and bathroom remodels, as well as new paint and flooring in all three units. The facade of the building will be getting some attention as well. The pictures above show the current street view, vs. a conceptual rendering of the work we plan to do.



Madison, RWC



Howe, San Mateo

Back on the mid-Peninsula, there are two other active RealSmart Fund projects. Madison, a 3BD/1BA in Redwood City, and Howe in the Shoreview neighborhood of San Mateo, a cute but outdated 2BD/1BA with some nice backyard space to work with. Both of these projects will be getting new kitchens, bathrooms, paint, flooring, and landscaping.

**Call RealSmart for more information on our Fund projects and how to invest: (650) 363-2808**

## WHAT DOES LEGAL MARIJUANA MEAN FOR CA REAL ESTATE?



Thanks to a yes vote on Prop 64 in 2016, recreational marijuana became legal on January 1 of this year. While local governments grapple with how to regulate the once illicit industry, and community leaders struggle to reconcile their disdain for the devil's lettuce with its status as a revenue generating crop... some real estate investors are licking their chops at the opportunity they feel is headed their way.

Luckily for investors in California, the precedent for legalization has already been set. Colorado voted for legalization 4 years ahead of us, and since that time the real estate market has been thriving. The most obvious growth has been in industrial real estate, where growers look for

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warehouses to set up shop. According to DCT Industrial Trust, a company specializing in industrial real estate investment, marijuana legalization drove up the cost of warehouse space in the Denver Area by 60% in 2015, and lease renewal rates by 25%. Of course, here in the Bay Area where industrial space already comes at such a premium, growth will not likely be as dramatic. Less impacted markets just outside the Bay Area might offer more alluring opportunities.

The residential market stands to benefit as well, though in a less quantifiable way. The job growth created by legalization in warehouses and dispensaries, but also in auxiliary industries like HVAC and security, can increase the demand for housing. It's much like how the tech boom in the Bay Area led to dramatic growth in trades like plumbing, electrical, and carpentry. This isn't to say a weed boom could impact the market to the same degree the tech boom has, but it could have similar effects on a much smaller scale. However, investors need to be aware of local regulations around the industry, as they vary from city to city, and could limit or even prohibit the use of land for cultivation or sale of marijuana.

# SHELLY'S TOP GREEN(ISH) PAINT COLORS

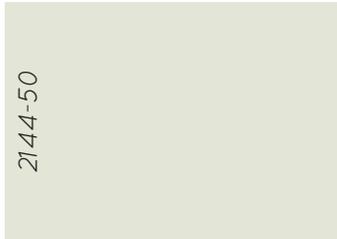
Mellowed Ivory

Cloud Nine



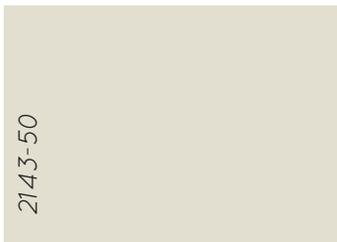
Silken Pine

White Marigold



Old Prairie

Camouflage



In keeping with the theme of “going green”, our resident interior designer, Shelly, has selected 6 of her favorite shades of green paint colors (all from Benjamin Moore’s selection). Admittedly, these colors are only vaguely green (the subtle green hues don’t show well in print), but if you’re going to paint part of your home green, you’re better off going with an earthy understated tone rather than full on shamrock green. But hey! It’s your home, and if you feel like celebrating St. Patrick’s Day year-round then that’s your prerogative.

With Spring officially upon us, now is as good a time as any for a new look in your home. If you think any of these colors would look good in one of your bedrooms, as an accent wall in the living room, or anywhere else, stop by the RealSmart office and pick up a sample! We have plenty of each of the 6 colors shown.

To see examples of these colors used in a home, head to [www.realsmartgroup.com/gogreen](http://www.realsmartgroup.com/gogreen)

## MORTGAGE UPDATE

Your Mortgage Team:

George McFaden - [george.mcfaden@supremelending.com](mailto:george.mcfaden@supremelending.com) - NMLS#344084

Laurie Musielak - [laurie.musielak@supremelending.com](mailto:laurie.musielak@supremelending.com) - NMLS#253971

### Fed Raises Interest Rates Again - What This Means for Your Loans

On Wednesday, March 21st, the Federal Reserve Bank raised their interest rate by a quarter percent, which was quickly reflected in the prime rate (the rate banks charge their most credit-worthy customers). For people with a traditional 30-year fixed loan, this has no effect on their loan. But it could affect those who have ARM loans that are adjusting, equity lines of credit and credit cards. Those loans are tied to the prime rate, and will see the actual increase show up within 60 days.

Items such as mortgages and credit cards are benchmarked against the prime rate, which banks adjust based on changes in the Federal Reserve rate (which represents their own cost to borrow). Higher rates have already begun hitting the housing market, and

though still low by historical standards, mortgage rates are on the rise at a time when inventory of affordable houses is low.

You may see an increase in your monthly payments if you have an adjustable-rate mortgage that is maturing, a home equity loan, or balances on credit cards. With 2-3 more Fed rate increases forecasted for 2018, payments on these loans may climb further by year end. For more information, feel free to reach out to your loan team any time!

-George & Laurie

Changes in Prime Rate Since 2008	
3/22/18	4.75%
12/14/17	4.50%
6/15/17	4.25%
3/16/17	4.00%
12/15/16	3.75%
12/17/15	3.50%
12/16/08	3.25%
10/29/08	4.00%
10/8/08	4.50%
4/30/08	5.00%
3/18/08	5.25%
1/30/08	6.00%
1/22/08	6.50%



## THE REALSMART TEAM



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## FEATURED LISTING

1225-1245 OAK AVENUE  
REDWOOD CITY



### BRIGHT & SPACIOUS DUPLEX

Expansive Redwood City duplex offering a 3BD/2.5BA unit with attached 2-car garage, and a 2BD/1.5BA unit with attached 1-car garage. Both units enjoy bright open floorplans and private patios/yards, and both are two stories with a townhome look and feel.