On behalf of the ACRE Board, I am pleased to share that 2016 is shaping into another successful year for our organization. The events and luncheons have been a huge success with sell out attendance. Our membership continues to rise drawing more broker and owner/developer along with Associate and Affiliate participation. I encourage you to stay active and recruit others to participate in our major activities to network and stay in tune with the success of your peers and associates.

The 24th Annual Broker of the Year Awards (BOYA) returned to the Hyatt Regency in March and once again SOLD OUT. A special thanks to our BOYA Emcees and Event Chairs, Alexis Garrett (JLL) and Cindy Condos (Boutin Jones Inc.), and committee for all their hard work and commitment that resulted in huge success for this year’s event. Thank you all for your compliments on this year’s event. The BOYA charity recipient this year was River Oak Center for Children. A special thanks to all of our BOYA sponsors and guests. Your generosity helped our BOYA charity reach over $421,000 in total donations. This donation will go directly to helping River Oak Center for Children to serve our regional children and youth experiencing behavioral health challenges. Special thanks to our long-standing, committed BOYA stage presenting companies: Trainor Fairbrook (Chuck Trainor / Candy Harper), Downey Brand LLP (TonyArostegui), GALLINA CPA’s LLP (Steve Burnett), and the Sacramento Business Journal (David Lichtman). We also recognize our returning pre-party sponsor, Turton Commercial Real Estate (Ken Turton) and post-party sponsor, JLL (Jason Goff). We appreciate the hundreds of companies that sponsor and support this charitable awards event. Your continued support is what makes this event such a great success. And finally, thanks to each of you who also donated and contributed to the success of this event. Congratulations to all the BOYA nominees, finalists and winners!

At our February luncheon, our speaker, Kevin Nagle, President and sole owner of The Nagle Company and owner of the Sacramento Kings, shared his update and experience in development of the Sacramento region to a SOLD OUT audience. A special thanks to our Programs Director, Bruce Hohenhaus, Cushman & Wakefield and Mike Metzger, Westcore Properties, for lining up great luncheon speakers this year. ACRE golf tournament will take place on Monday, May 16th at Whitney Oaks Golf Club. For those of you who are signed up, you can expect an active and fun event with our “Around the World in 18 Holes” theme. A special thanks to our returning 1st right of refusal returning golf sponsors: Westcore Properties (Event sponsor), Buzz Oates (Tee Prize sponsor, Cushman & Wakefield (Putting Green sponsor), Wells Fargo (Dinner sponsor) and Ainor Signs (Signage sponsor) along with our many tournament golf sponsors.

Please mark your calendar for our Giants Game trip on June 15th and our Brokers Mid-Year Update luncheon featuring our BOYA finalists on Thursday, July 28th at the Doubletree Hotel. Please make sure you are receiving the ACRE event e-notices which also provide registration for our events. If not, contact Executive Director, Debbie Uhrenholt, at info@acre.org.

Thanks for your continued involvement and see you at the next ACRE event!
ACRE 24th Annual Broker of the Year Awards

March 17, 2016 | Hyatt, 5pm - 11pm
SOLD OUT EVENT!
A Charity Event to Benefit: River Oak Center for Children

PLATINUM SPONSORS:

PRE-PARTY SPONSOR:

BOYA SILVER SPONSORS:

BOYA BRONZE SPONSORS:

HUMANITARIAN AWARD:

BROKER OF THE YEAR:

Marc Ross - CBRE

OFFICE

Amy DeAngelis - CBRE

Todd Sanfilippo - CBRE

INDUSTRIAL

MULTI-FAMILY

INVESTMENTS

LAND

RETAIL

ROOKIE OF THE YEAR

BROKERS’ CHOICE

Jason K. Gallelli - Gallelli Real Estate

John Mudgett - Turton Commercial

Tom Tyler - Colliers International

Sacramento Bank of Commerce

Asset Preservation, Inc. 1031 Exchange

Sierra Vista Bank

Buzz Oates

The Edwards Company

Gallelli Real Estate

Community 1st Bank

TRI Commercial Real Estate Services

John Troughton - Kennedy Wilson

Deutsche Asset Management

Tri Counties Bank

Indoor Environmental Services (IES)

United Corporate Furnishings

Lionakis

US Bank

Mark IV Capital

Weichert, Realtors®-Galster Group

McClellan Business Park / LDK Ventures

Weintraub Tobin

Panattoni Development / Alston Construction

Wells Fargo

RMR Real Estate Services

Westcore Properties
On March 17, 2016, ACRE members and guests gathered for the 24th annual Broker of the Year Awards (BOYA) ceremony. Falling on St. Patrick’s Day, it was a festive Irish-themed celebration, highlighting the top brokers in the Sacramento commercial real estate industry as well as an opportunity to raise money for this year’s BOYA charitable recipient, River Oak Center for Children. BOYA has evolved into a powerful philanthropic event and thanks to the outpouring of generosity from the BOYA attendees and matching donors in the business community, this year was no exception. River Oak raised a whopping $422,000, which brings the total amount raised at BOYA to nearly $4.5 million. The funds raised through this year’s event will help fund River Oaks Family Endowment Fund, which is used to provide essential child and family support for basics needed by River Oaks clients and their families, such as bus passes for trips to psychiatric appointments, money for utility bills, or first month’s rent to assist families moving into healthier environments.

Being an annual event, BOYA provides an opportunity to take a look at market changes and growth from year to year. Sacramento’s commercial real estate market has, by all accounts, entered a steady growth phase. The long-awaited revitalization of Sacramento’s urban core is well underway with strong interest among investors, developers and users of all product types, and a renewed focus on the properties that surround the Golden 1 Center and Downtown Commons. Property valuations, occupancy levels and lease rates are rising as a result. Class A office vacancy rates in downtown are expected to approach 8% in the coming year and rental rates have risen for 9 consecutive quarters. Recent sales include 501 J Street, a 195,500 square foot building that Kaiser will convert to a medical office building; 630 K Street, an 85,000 square foot mixed use building purchased by Swift Real Estate Partners out of San Francisco; and The Senator, a 151,000 historic office building at 1121 L Street, also acquired by Swift.

Beyond the surge of interest in downtown, other submarkets and product types were similarly robust. Notably, the industrial market remains increasingly tight due to limited supply of Class A properties: with exception to the submarkets of Auburn/Lincoln and South Sacramento (with vacancy rates of 24%) total vacancy has reached 5.8%. Based on gross commissions submitted by BOYA candidates, all categories showed an increase over 2014. The Multi-Family and Retail categories were very strong, with increases of 48% and 11% respectively, for the top ten brokers in those categories, as compared to the 2014 totals. Finally, Land sales saw a huge increase over 2014, with gross commission of the top 5 brokers in that category increasing by a whopping 125% over the previous year.

Solid employment gains are expected to continue through 2016 and Sacramento commercial real estate is poised to continue this growth trajectory. Sacramento is coming into its own and is evolving into a city that will attract and maintain a new workforce generation - a critical component to a vibrant region.
ACRE 24th Annual Broker of the Year Awards

A Sold Out Charity Event to Benefit: River Oak Center for Children
Thank You to Our Sponsors!

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GALLINA LLC
SACRAMENTO BUSINESS JOURNAL

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Indoor Environmental Services (IES)
Lonaks
Mark IV Capital
McClaran Business Park / LDC Ventures
Panattara Development / Alston Construction
River Oak Center for Children
RMR Real Estate Services
Sacramento Bank of Commerce
SAFE Credit Union
Sierra Vista Bank
The Edwards Company
TRI Commercial Real Estate Services
Tri Counties Bank
United Corporate Furnishings
US Bank
Weintraub Tobin
Wells Fargo
Westcore Properties

PRE-PARTY SPONSOR:
TURTON COMMERCIAL REAL ESTATE

POST-PARTY SPONSOR:
JLL

HUMANITARIAN AWARD:
TRAINOR FAIRBROOK ATTORNEYS AT LAW

BOYA SILVER SPONSORS:

AROUND THE WORLD IN 18 HOLES

EVENT SPONSOR
WESTCORE PROPERTIES

ACRE GOLF TOURNAMENT – SOLD OUT – THANK YOU!
MONDAY, MAY 16, 2016 • WHITNEY OAKS GC
8:30 AM – 9:45 AM / Registration, Tee Prize pick-up, Breakfast & Bloody Mary’s @ Putting Green
10:00 AM / Shotgun start
4:00 – 5:15 PM / Dinner, Awards & Raffle Prizes

SPECIAL THANKS TO OUR RETURNING FIRST RIGHT OF REFUSAL SPONSORS...
GETTING BETTER, CHEAPER RESULTS FROM YOUR LAWYER IN REAL ESTATE TRANSACTIONS
(OR, WHY HIRE A SMART LAWYER AND BE A DUMB CLIENT?)

Lawyers are expensive, and good lawyers are very expensive. That information comes as no surprise to you, but did you know that there are techniques a client can use to reduce legal costs in commercial real estate transactions? Clients often focus on a given lawyer’s hourly rate when considering the ultimate cost of legal services, which is understandable and appropriate, but the hourly rate is only one factor – there are lots of strategies that a savvy client can employ to keep costs down while at the same time increasing the likelihood of a faster, better deal outcome.

The lawyers in our firm have a combined experience of more than 70 years in handling commercial real estate and business transactions, and what follows is some of our hard-earned wisdom about how to work with lawyers for an optimal result:

1. HIRE THE RIGHT LAWYER. No lawyer can be an expert in all areas of the law; there’s simply too much law for any one lawyer to know these days. While a purported “general practice” attorney who handles all sorts of matters might charge a lower rate than a lawyer with lots of experience in commercial real estate transactions, it’s a false economy. A lawyer with proven, relevant experience knows which issues to focus on and which to ignore, and what the customary compromises are, whereas an inexperienced one will often obsess over the wrong issues. So, using an experienced attorney could result not only in saving hours of legal time, it will likely yield an outcome whereby the issues on which the experienced practitioner focused have positive economic consequences in the future.

2. CLEARLY (AND CONSISTENTLY) EXPRESS YOUR PRIORITIES IN THE TRANSACTION TO YOUR LAWYER. Are you interested in being highly protected, or do you just want a quick review? What are the critical issues for you? Clients often say “Don’t kill the deal—but I want to be protected!” That sort of statement does not give meaningful direction to the attorney. A better approach is to identify the issues that are really critical – e.g., a financing contingency in a purchase and sale agreement or a specific “drop dead date” for delivery in a lease.

3. DON’T GET BOXED IN BY THE LETTER OF INTENT. Since letters of intent are typically non-binding, clients often gloss over the finer points of such documents, with the expectation that they can always renegotiate the unfavorable provisions later. Our experience is that such an approach is risky, and often leads to acrimony; no one likes to be re-traded on deal points, and re-trading can undermine the trust that is essential to making transactions go smoothly. We think a better approach is to either
insist that the provision be written in a manner that is acceptable to the client, or, at minimum, add language that allows some wiggle room. For example, if the tenant in a lease negotiation insists on attaching to the letter of intent a list of exclusions from operating expenses, the landlord should either take the time to surgically modify the list of exclusions, or add equivocating language such as “the attached list of exclusions remains subject to Landlord’s review” or “subject to review by Landlord’s counsel.”

4. GIVE THE LAWYER THE NECESSARY BACKGROUND INFORMATION. It’s surprising how often clients are stingy with background information and deal terms. The best course of action is to anticipate what the lawyer will need, and provide it at the outset. An obvious and common example is amendments to leases and purchase and sale agreements. The lawyer can’t prepare the amendment unless provided with the existing documents. If the deal involves a letter of intent, or other correspondence, provide those documents to the lawyer. If you are asking the lawyer to document a deal for which there is no letter of intent, it is a good practice to take the time to think through all the business terms and provide the lawyer with a comprehensive, written outline. The alternative is that you can pay a lawyer to ask a long list of strictly factual questions such as “Who, precisely, is the Tenant?” “Are you charging a Security Deposit?” “Is there a Guarantor?” “Is it Landlord-controlled build-out, or a Tenant-controlled build-out?” No matter how smart your lawyer is, she is probably not a mind-reader, so it’s most cost-effective to anticipate what facts she will need to do the best job for you.

5. BE REALISTIC ABOUT THE LIKELY ULTIMATE OUTCOME. Sophisticated clients generally know how much leverage they have in a transaction at the outset, and have a good sense of how a given issue is typically resolved. Occasionally, however, we see clients who might be inclined to stake out a position that, in our view, is overly aggressive. In that circumstance, we generally counsel them to moderate their position to bring it in line with what we would view as a customary outcome. In our experience, it’s simply more cost effective to reach a fair resolution early in the deal. For example, it’s not generally reasonable for a tenant under a long-term lease to have an early termination option. Because it would be rare landlord who would grant such an option without compensation, the most efficient approach is to offer the landlord a fair buy-out payment in consideration for the option (typically, the unamortized balance of the tenant improvements, commissions and other landlord costs, plus interest and some additional compensation, such as several months of rent).

Using the above tips likely will both reduce your legal fees and ensure a smoother transaction, resulting in a successful result for all parties.

DISCLAIMER: This article does not constitute legal advice. Readers should consult with their own legal counsel for the most current information and to obtain professional advice before acting on any of the information presented.

BIOGRAPHIES:
Tom Stewart is a partner of Stewart Ward & Josephson LLP, and has more than 30 years of experience in handling commercial real estate transactions. tstewart@swjllp.com; 916-569-8121.

Winnie Ward is a partner of Stewart Ward & Josephson LLP. She specializes in office, retail and industrial commercial leasing, as well as real property acquisition and divestment. Ms. Ward currently serves as a Director at Large on the Board of Directors for the Association of Commercial Real Estate. wward@swjllp.com; 916-569-8161.

Gregg Josephson is a partner of Stewart Ward & Josephson LLP, and specializes in corporate and finance matters, representing numerous financial institutions, borrowers, corporations and developers. gjosephson@swjllp.com; 916-569-8131.
24th Annual Broker of the Year Awards (BOYA)
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Erika Springer
LRS...Architecture

What was your first job?
My first job was working maintenance at Gold River Racquet Club cleaning the women’s locker rooms on the weekends.

What do you like to do for fun?
I love to do anything outside enjoying our beautiful region: hiking, stand up paddleboarding, boating, skiing, the list goes on.

Who would you most like to have dinner with?
I would love to have dinner with Kelly Rippa from Live with Kelly and Michael. I just think she and I would be fast friends!

What would your friends be surprised to find out about you?
If we are not friends on facebook, you would be surprised to know that I recently won the Mrs. California pageant and get to spend the next year speaking up for women’s equality and sharing my faith with an international audience!

Richard Caldwell
Revere Capital

What was your first job?
My career started at BankAmercia Corporation (6 years) when the bank was headquartered in San Francisco. I began as a Senior Financial Analyst, then joined the Global Financial Institutions Group, followed by a two year assignment as Corporate Account Officer in the bank’s Munich, Germany office. During my employment at the bank I completed credit training in the top of my class. After BankAmerica I joined the firm that ultimately became Buchanan Street Partners (10 years), where I was Regional Manager and Partner. This position was followed by 5 years as Chief Lending Officer of Pacific National Bank, and now SVP Revere Capital in charge of western U.S. real estate lending.

What do you like to do for fun?
I enjoy skiing, trail running, biking, travel and the arts.

Who would you most like to have dinner with?
The Dali Lama

What would your friends be surprised to find out about you?
Many people don’t know I lived in Europe 5 years, and speak German and basic French.
Charles Metzinger  
AEI Consultants  
What was your first job?  
I don’t think I was even in high school yet, but I was a ballpark vendor for a minor league baseball team (not the River Cats) selling hotdogs, peanuts and soda…..“HOT DOGS!, GET YOUR HOT DOGS HERE”

What do you like to do for fun?  
Golf, tennis and ski…..not always in that order!  

Who would you most like to have dinner with?  
Pope Francis.

What would your friends be surprised to find out about you?  
I’ve been a part-time professional ski instructor for 18 years at Diamond Peak Ski Resort.

We would like to welcome our new members to the Association of Commercial Real Estate!
ACRE 2016 CALENDAR

JANUARY
No event – Happy New Years!

FEBRUARY
Luncheon Event, 2/16/16
11:30 – 1:00 pm
DoubleTree Hotel

MARCH
Broker of the Year Awards (BOYA) Charity Event, 3/17/16
5:00 – 11:00 pm
Hyatt Regency Grand Ballroom
Broker Form Deadline: January 22nd @ 5 pm

APRIL
No event

MAY
Golf Tournament, 5/16/16
8:30 – 5:00 pm
Whitney Oaks Golf Club

JUNE
Special Networking Event
Giants Game Trip, 6/15/16
9:30 – 5:30 pm

JULY
Luncheon: Broker’s Mid-Year Update
7/28/16 11:30 – 1:15 pm  DoubleTree Hotel

AUGUST
No event in August – Happy End of Summer!

SEPTEMBER
NEW! Networking Social Event
Date: TBD
Location: TBD

OCTOBER
No event

NOVEMBER
Developer Showcase Tradeshow, 11/10/16
5:30 – 8:30 pm
Hyatt Regency Grand Ballroom

DECEMBER
ACRE Board Retreat
The ACRE Board wishes you a Happy Holidays!

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ACRE works to promote high standards in the field of commercial real estate brokerage and affiliated business by fostering knowledge, ethical, profitable and efficient activities by the membership.

For more information, please contact Norma Farr, Editor, at nfarr@firstam.com

REMINDER: If you have made any changes to your contact information please be sure to provide ACRE with those updates on our website to ensure that our on-line membership directory is kept current and accurate. Thanks!