**Hiring And Housing: How The Cost Of Living In Long Beach Affects Employee Recruitment**

**By SAMANTHA MEHLINGER**

As rental rates and home prices continue to rise in Long Beach and much of Southern California, some local employers are facing concerns from prospective employees about the cost of living. While employees relocating from higher-priced beach cities or the expensive Bay Area are quite happy with housing affordability in Long Beach, for those coming from rural areas or out of state, or who are just entering the labor market, it’s a different story, executives told the Business Journal. With a national labor shortage, employers are taking note and acting to assist workers.

About 30% of employees at Long Beach-based software company Laserfiche live in Long Beach, according to Laura Victoria, director of human resources for the firm. “It’s a (Please Continue To Page 28)

**Strong Demand To Live, Work In Long Beach**

**Prices Increase Across Real Estate Markets**

**By SAMANTHA MEHLINGER**

Sales and lease prices in all real estate sectors in Long Beach are continuing to increase due to strong demand to live and work in the city, according to economists and real estate executives. In general, trends in the Long Beach markets are reflecting those throughout Southern California, although some are experiencing more dramatic activity than in other regions.

As in most of the state’s populous cities, Long Beach’s single-family market has been (Please Continue To Page 18)

**Parcel Tax**

**County Places Measure On November Ballot**

**By BRANDON RICHARDSON**

Commercial and residential property owners could get dinged with a new parcel tax that will appear on the November ballot.

During its July 17 meeting, the Los Angeles County Board of Supervisors voted 4-1 to place the Safe, Clean Water Program funding measure on the ballot. The measure would “impose a special tax upon parcels lo-

(Please Continue To Page 8)

**Mark Your Calendar . . . Development Forum August 28**

Mayor Robert Garcia and the Long Beach Business Journal are once again teaming up to present a Building A Better Long Beach forum, 11 a.m., Tuesday, August 28, Beverly O’Neill Theater, Long Beach Convention Center. Mayor Garcia is providing an overview of the projects underway and planned throughout the city. The event is free, as is the parking. RSVP required. Go to: bit.ly/2K1QOGd to register.

(Please Continue To Page 7)
In The News

PortSide Keeping Up With The Port Of Long Beach

Port of Long Beach Government Relations Analyst Nina Turner came to the port with a background in the entertainment industry. After working in a temporary assignment in the government relations division, she applied for a role as the division’s secretary, a position she held for about seven years. In her current role as a government relations analyst, Turner keeps abreast of port projects to update different agencies. “Whether it's environmental, engineering, transportation or planning-related, or in communications, I have to know a lot about different things at the same time,” Turner said. According to Turner, a typical day involves keeping current with local news headlines, checking city council agendas and attending meetings within different divisions of the port. She also meets with agencies such as L.A. Metro, the South Coast Air Quality Management District and the Southern California Association of Governments. “I like to help people. A lot of my job is advising them, educating them on the port, and being a partner between their agency and the port.” Turner has found that her previous experience in entertainment is useful for her current position. “I dealt with a lot of VIPs and celebrity-level clients,” she explained. “Moving that knowledge and expertise to the political field was easy. It’s almost the same thing in the way that you have to communicate, and take care of certain situations in [terms of] confidentiality.” Turner described her time at the port as “amazing,” in part due to the team of four “dynamic” women she works with in her division.

– Article and Photograph by Staff Writer Anne Artley

The Conservation Corps of Long Beach received a $1 million grant from The California Department of Forestry and Fire Protection to form a partnership with the city, West Coast Arborists and the conservation corps. The corps is a nonprofit that aims to develop opportunities for at-risk youth. The grant will establish an urban forestry program that provides this population with apprenticeships. The initiative plans to focus on salvaging lumber as well as removing dead and diseased trees. In addition, the conservation corps has committed to planting 2,000 trees in underserved neighborhoods. “This grant will allow the CCLB to bring needed resources to Long Beach, nurture our partnership with the city, and partner with private industry to help train and place our participants in living wage jobs,” Conservation Corps Executive Director Dan Knapp said. He added that, as another benefit, recycling the trees leads to a reduction in greenhouse gases. Knapp, center, is pictured with the corps crewmembers. (Photograph by the Business Journal’s Pat Flynn)

New President And CEO Named For Nautilus International Holding Corp. – Robert R. Owens is succeeding James R. Callahan as president and CEO of Long Beach-based Nautilus International Holding Corp., a maritime services firm. Callahan remains chairman. Owens is responsible for overseeing the company’s subsidiaries, which include Metro Ports, Metro Cruise Services, Metro Shore Services, Metro Events, Terminal Security Solutions and others. He holds a bachelor in economics from California State University, Long Beach.

Egoscue To Lead Harbor Commission Board – The five-member Long Beach Board of Harbor Commissioners elected Tracy Egoscue as president, Bonnie Lowenthal as vice president and Frank Colonna as secretary. Egoscue, an attorney, founded Long Beach-based environmental firm the Egoscue Law Group Inc. She also served as a state deputy attorney general. Lowenthal is a former assemblymember and Long Beach councilmember. Colonna is a local business owner and former local councilmember. The harbor commissioners are responsible for setting port policy and providing guidance to the executive director.

Community College Board Elects New Leadership – The five-member Long Beach Community College District Board of Trustees elected Sunny Zia as president and Vivian Malauulu as vice president. Both are entering their second terms on the board. Zia is a first-generation immigrant and the first woman to earn a bachelor in civil engineering from the University of Tehran. She holds a master’s degree in the same subject from the University of California, Irvine. Malauulu holds a bachelor’s degree in journalism, a master’s degree in educational administration and four K-14 bilingual teaching credentials.

Keeping Up With The Port Of Long Beach

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Regular Office Hours
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Subscriptions
12 issues – $70.00
Standard Bulk Rate: $30.00
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Councilmember Lena Gonzalez 1st District

By Samantha Mehlinger, Editor

LBBJ: Do you feel business owners in your council district are happy with the direction the city is going?

Gonzalez: I would say yes, they are. We have created this really awesome ecosystem for business and residents to thrive, especially here in downtown. The tourism industry has been hitting record numbers, with over 7,000,000 tourists that have come through. And then we have the Port of Long Beach and all those business tenants and the port tenants on the Westside. Record cargo numbers. Then here [Pine Avenue], we’ve done a great job of creating an awesome ambiance. We have amazing business owners, and they have done a great job. I think all of it, combined with infrastructure projects through Measure A, is a huge upswing for the city, and the council district particularly.

LBBJ: In your four years on the city council, how have you worked to build relationships with businesses in your district?

Gonzalez: We have worked in the realm of people, policy and projects. We are very familiar with our business community. Any time we have any major business impact, we meet with all of our business stakeholders. We go around to each business improvement district with myself personally and my chief of staff to make sure they understand what the policies are in front of them and how we can help fold in some of their ideas. I am at every Small Business Saturday. We localize everything from my engagement ring that I got just at Mark Schneider, to the furniture in my office [from] Caravana. All of our events are localized. We don’t use any outside vendors. We have created a lot of policies to really create that infrastructure for them to feel supported.

LBBJ: Would you give an example of such a policy?

Gonzalez: Yes. The very first one, which we’re still working through but it’s super exciting, is the Long Beach Business First Program. . . . [which will offer] preference points for local businesses to bid on contracts. Through the process, financial management is retooling our purchasing [and] our procurement technology service. . . . In addition, we have co-authored the economic inclusion items that were done recently. And we’re working on a digital inclusion roundtable that will be coming up in August that will include both large and small businesses to really understand what businesses are off the grid, and also what we can do to create more technology platforms to make it easier for them. . . .

We’re also activating the street like crazy. Pine Avenue businesses, for example, want more people on the streets. Next week we are doing a bicycle drive-in and then a movie on the street. We also have the largest event now in downtown: the Day of the Dead brought forward about 8,000 people. That allowed these businesses to see a return of about 200% on their investment for that Saturday, which is really great. And I love that: to be able to provide more opportunities for business.

LBBJ: What are businesses in your district telling you are their biggest challenges?

Gonzalez: Here in downtown, they want activation. They want more housing opportunities so there is more consumerism down here. They want more events. . . . So we are really ramping that up. Then, on the westside, they are evolving. Pier B [a rail expansion project] is coming down the pike in a decade or so. You have marijuana dispensaries opening up out there, you have homeless service providers out there, so it’s a very changing dynamic on the westside. Businesses have been there for 60 or 70 years. That’s a whole different sort of arena. They don’t care about events. They just want to know that they’ll continue to exist and that the city actually has their back, because they have felt neglected for so long. We go to every single WestPAC [Westside Project Area Council] meeting every month to make sure that they’re heard. . . . Then the central area of my district is Anaheim and PCH.

LBBJ: Do you feel your district has a need for? Do you have a plan to attract such businesses?

Gonzalez: There are a few things. I think in Downtown, it’s always great to have more competition. . . . like a Gaslamp [district] — a lot of restaurants and bars. Downtown residents want more opportunities for that. Downtown also needs a supermarket. I know we have talked in the past about Trader Joe’s coming. . . . [but] we didn’t have the education level. They wanted us to have bachelor’s degrees and higher. Now we’re at that point where about 52% of our residents have bachelor’s degrees, which is good. So [maybe] Trader Joe’s. Now we’re entertaining Whole Foods. Those are opportunities for us. As a downtown resident myself, I have to drive to go get groceries, and it’s hard.

Another kind of fun thing that downtown residents really want is a barcade. Everyone talks about it. There was a DLBA [Downtown Long Beach Alliance] study that [showed] it was one of the first things people wanted. Who cares about the groceries? They want a barcade! Again, creating retail that is also creating an ambiance, not just a passthrough but really an experience for downtown. I think that is what people really want.

LBBJ: Is there anything else you would like to add?

Gonzalez: As the representative for the majority of downtown, it has been an awesome opportunity to see the district evolve. I am looking for it to continue. We have the best businesses that have made us who we are. We’ll continue to focus on the Westside and make sure they know that they are near and dear to our heart. We will always support them. Our next move is to ensure that Central Long Beach, which needs help, sees a real pick-me-up . . . collaborating with our colleagues to be able to see that area thrive.
Thailand, before deciding to emigrate to the United States. After losing money on the stock market, she wanted to make a fresh start. “When I came to America, the restaurant business was the only way I could go,” she said. “I couldn’t work in any other business.” Thairatanakul was working in a restaurant kitchen in Oxnard when an opportunity came up to become a server in a Thai restaurant in Los Angeles. From there, Thairatanakul went on to work at Hollywood Park Casino. “I wanted to learn everything,” she said. “If you want to be successful in life, don’t ever think, ‘I don’t want to do that.’ Learn as much as you can.” When Thairatanakul discovered that Aki Sushi Bar & Bai Plu Thai Restaurant, located 1626 E. 7th St., was for sale, she purchased the business. “I closed for a month to remodel everything,” she said. “The first day I was open, a lot of the old customers were lined up outside.” Ten years ago, Thairatanakul opened a second location in Los Altos. Both restaurants offer a selection of Japanese and Thai food, including sushi, soups, noodles and rice dishes. “My sushi is fresh, my Thai food is fresh,” Thairatanakul said. “When you order it, I make it.” Bai-Plu Thai Cuisine & Sushi Bar is located at 2119 N. Bellflower Blvd. For more information, call 562/343-2651 or visit baipluhai.com.

Bai-Plu Thai Cuisine & Sushi Bar

Bai-Plu Thai Cuisine & Sushi Bar owner Tara Thairatanakul owned a tofu factory in Chai Nat, Thailand, before deciding to emigrate to the United States. After losing money on the stock market, she wanted to make a fresh start. “When I came to America, the restaurant business was the only way I could go,” she said. “I couldn’t work in any other business.” Thairatanakul was working in a restaurant kitchen in Oxnard when an opportunity came up to become a server in a Thai restaurant in Los Angeles. From there, Thairatanakul went on to work at Hollywood Park Casino. “I wanted to learn everything,” she said. “If you want to be successful in life, don’t ever think, ‘I don’t want to do that.’ Learn as much as you can.” When Thairatanakul discovered that Aki Sushi Bar & Bai Plu Thai Restaurant, located 1626 E. 7th St., was for sale, she purchased the business. “I closed for a month to remodel everything,” she said. “The first day I was open, a lot of the old customers were lined up outside.” Ten years ago, Thairatanakul opened a second location in Los Altos. Both restaurants offer a selection of Japanese and Thai food, including sushi, soups, noodles and rice dishes. “My sushi is fresh, my Thai food is fresh,” Thairatanakul said. “When you order it, I make it.” Bai-Plu Thai Cuisine & Sushi Bar is located at 2119 N. Bellflower Blvd. For more information, call 562/343-2651 or visit baipluhai.com.

The Bagelry & Bistro

Miraé Lee, who owns The Bagelry & Bistro with her husband Jung Ho, has worked in the restaurant industry since emigrating to the United States from Seoul, South Korea. After earning her bachelor’s degree in her native country, she moved to California with her family to join her brother. “My parents wanted us in our native country,” she said. In addition to the bistro, Lee also owns Saladish, a healthy eatery in Rancho Palos Verdes. She also previously owned a Popeye’s franchise in Carson, which she gave up five years ago. The Lees took over The Bagelry & Bistro in 2004. “My son wanted to go to private college, so I wanted extra income,” Lee said. She was attracted to the location’s outdoor patio, which students from the nearby California State University, Long Beach use to host meetings. In addition to bagels made from scratch, the bistro offers a selection of soups, sandwiches, smoothies and coffee drinks. One of her bestsellers is the “Palm Springs,” an open-faced bagel with cream cheese, tomatoes, onions and avocado topped with lemon pepper. The Californian, a sandwich with lettuce, tomatoes, onions, turkey, avocado and sprouts, is another popular choice. “It makes me happy when people enjoy the food,” Lee said. The Bagelry & Bistro is located at 5514 E. Britton Dr. For more information, call 562/430-6924 or visit bagelandbistro.com.

Support Local Small Businesses

MOBÜL: the mobility store

Wayne Slavitt, founder and CEO of MOBÜL: the mobility store, was inspired to start his own business while shopping for his mother and mother-in-law. “I felt like I was imposing on the staff. I asked a couple of questions and was handed a brochure and told to go home and read it,” he said. “I got to thinking that there had to be a better way. There should be a nicer experience, better product selection and a staff that’s more interested in helping.” MOBÜL offers a range of mobility aids and home medical equipment such as walkers, wheelchairs, scooters and handrails for the shower. Slavitt said he enjoys giving customers a positive experience amid their pain and frustration. “Every day we’re thanked for being so kind and for offering really great advice,” he explained. “We are a gift to help people. Most people who come into our store don’t want to be here. They come in because someone broke a hip, someone had a stroke, or has Alzheimer’s or Parkinson’s disease. . . . Our job is to make them feel wanted and that we care about them, because we truly do.” Slavitt said the generation that is now aging into his shop has different demands than those of the past. “They’re much more active and they want fashion and style,” he remarked. MOBÜL: the mobility store is located at 2153 N. Bellflower Blvd. For more information, call 562/343-7333 or visit mobulstore.com.
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30-year-old women who have known each other since age 12, you’ve seen each other through a lot: several breakups, bad fashion experiments, multiple body weight fluctuations. You also listen to each other.

We were chowing down on vegan food, not because either of us were vegan, but because we were experimenting, as Millennial foodies do. (We did not, however, Instagram our meals, so perhaps we lost some Millennial cred there.) I lamented, upon polishing off my “sausage” linguini, that I had finished it all. Frowning at my stomach, she said, “I need to lose three pounds,” realizing as soon as I said it how obnoxious I sounded. At that moment, you could have plopped me right into a scene out of Mean Girls or Clueless, and no one would have batted an eye.

My friend was incredulous. “Samantha,” she said, my full name a sure sign I was to be scolded, “Do you have a scale?”

“...Yes.”

“Use it of it.”

Well, I couldn’t throw away a gift, after all, I told myself as I stared at it when I went home. But I did stop using it.

This past weekend, some girl friends and I went on a trip to kick off my 30th. We talked about it all manner of things women talk about when they aren’t surrounded by men – among them, our bodies. Namely, how we’ve been obsessing over what to change about them.

But the conversation did not go as it had gone so many times before, in that familiar ritual that began as soon as we were young enough to recognize that everyone compares themselves to one another in an endless benchmark battle that nobody ever seems to win. Someone else is always better, something else always needs to change.

As we unloaded a truly massive picnic, someone made a comment about the amount of food we were about to consume. But this time, as comments of self-scrutiny began to bubble up, the conversation turned to the concept of body positivity.

A phrase that wasn’t around when we were our painfully pubescent teenage years, body positivity is a concept that essentially means you are working to embrace your body as it is, and to focus on the things you like about it, rather than on aesthetic reasons? Have you a friend who laments her skin condition like vitiligo. It is a smorgasbord of representation.

As someone whose first job was working for a major mall-based lingerie chain made famous for its super models, I bought into it. So, apparently, did a lot of other Millennials and Gen Z-ers. In the first quarter of 2016, Aerie’s sales growth increased 25%, according to a news release on Business Wire. In the first quarter of 2017, sales grew another 38%.

I will never forget turning away women who just wanted to feel pretty in their most intimate moments because we could not accommodate their size. Sometimes, they yelled at me. And frankly, while it wasn’t my fault, I didn’t blame them. I hated those moments, not because of how it felt to be yelled at in the middle of a store by customers, but because of how I made women, in their willingly vulnerable act of going to a public place to purchase undergarments, feel humiliated by my brand’s inability to recognize their bodies.

I can only guess Aerie’s rapid growth is a response to its body positive advertising. For Millennials, it’s a radical change. We are a generation that grew up before Barbies came in all different sizes. Before actress Lena Dunham paraded her radically normal body type in the nude every chance she could get in her hit series “Girls.” Our early style and body icons were people like Britney Spears or the members of Destiny’s Child. Preppy, skinny girls pranced across our TV screens in all manner of shows, from “Saved By The Bell” to “Dawson’s Creek.” Even when the girls were cool and nerdy, like in “Buffy the Vampire Slayer,” they were still quite petite. Most of them, I should note, were also white.

The problem, by the way, extends to men too. I cannot tell you how many guys I knew in high school who wouldn’t take their T-shirts off at pool parties for fear of judgment. And who could blame them? When the girls you’re into are drooling over celebrities who look like Brad Pitt and Taye Diggs, what would you do?

So, when you grow up not seeing yourself represented in the mass media that the, well, masses, consume every day, what happens?

Do you have a friend who laments her “rolls?” Do you know anyone who has had elective plastic surgery for purely aesthetic reasons? Have you a friend who wishes his or her skin was lighter? Do you know a guy on a never-ending quest for any semblance of abs?

It’s not like body image is a new problem in American society. Since the days of yore when all we had to get the news of the day was newspapers (P.S., for the sake of my career longevity, why don’t we return to that?), people have been vying to live up to society’s expectations, as depicted by the elite few given the most amount of attention in the media. But what is new is the widespread movement to counteract the problem.

As we stuffed our faces with cheese and crackers and wine and prosciutto, only to do it all over again two wineries down the road, my friends and I did not talk about our stomachs, our love handles, or our thighs. Instead, we shared summer dating war stories, and recent successes. Imagine if all your conversations with yourself could go like that.
Vice Mayor Dee Andrews Intends To Get Down To Business

The most senior member of the city council, now serving his 11th year as councilmember for the 6th District, Dee Andrews has been elected by his colleagues to serve as vice mayor. The former star athlete and world record holder in the 330 intermediate hurdles says jobs continue to be his number one priority for the district and city.

Andrews said, “I just wish we would really respect the people who came there to the council meeting not to listen to us – I think our job is to listen to them, and after that try to get something done about what they’re speaking about.” Andrews said he will continue to try to move meetings along and get down to business, particularly when leading them.

When it comes to citywide issues, the priority for the council moving forward should be addressing homelessness, Andrews said. Although he believes the city is making progress, “None of us have the solution or the answer to homelessness,” he said. “But somehow, I think, we have to quit talking and get busy about getting things done. We have to start building. That’s our priority number one. And we can’t do that by just talking.”

Andrews’ top priority remains the 6th District, which encompasses much of Central Long Beach. “I have to put all my emphasis towards making sure that we get things done that we need to have done in the 6th District,” he said. Creating more jobs for residents by supporting businesses that want to move to Long Beach has been a major focus for Andrews, and will continue to be, he indicated. “My famous slogan is, ‘a job can stop a bullet,’” he said.
properties would be exempt from the tax, including churches and Long Beach’s more than 90 schools. The proposed measure also includes numerous credits and incentives, such as a credit for owners who make qualifying improvements to their properties.

Approximately $30 million would be distributed to the district for the implementation and administration of projects; $120 million would be allocated to the cities, including unincorporated areas; and the remaining $150 million would be allocated to the county’s nine watershed areas. Funds would be distributed to cities and watershed areas proportionally to the amount of parcel tax dollars each generates. Estimated at $4.86 million by L.A. public works, Long Beach would receive the second-most funding, behind the City of Los Angeles, which would receive $37.99 million. The county’s unincorporated areas would receive $12.55 million combined.

Fourth District Supervisor Janice Hahn, who represents Long Beach, voted in favor of the measure. In a July 20 e-mail, Hahn told the Business Journal she supported the measure because it is “critically important” to the county’s 88 cities, due to the fact that water management poses a “huge” problem for the future of the county. She explained that each city is required by law to build projects to capture and clean storm water but often lack the monies in their general funds.

“The truth of the matter is, if this measure ultimately fails, we could see our cities pursue their own tax increases because they need to find this funding somehow,” Hahn said. “If it were to rain today most of the rainwater wouldn’t replenish our underground aquifers nor would it be captured and turned into tap water. Instead, it would flow into a storm drain, down a channel, and make its way to the Pacific Ocean – picking up tons of trash and pollutants and growing more toxic by the mile.”

Beach cities such as Long Beach are “bearing the brunt of outdated water infrastructure,” often having to close beaches after a big storm due to unhealthy levels of contaminants, Hahn said. The projects funded by the new tax would keep beaches clean and safe, while also replenishing the county’s water supply, she added.

Fifth District Supervisor Kathryn Barger, who represents cities in the San Gabriel, San Fernando, Crescenta, Santa Clarita and Antelope valleys, was the lone dissenting vote. In a prepared statement following the vote, Barger said the Flood Control District already does a “remarkable job” with stormwater, capturing 90% of runoff from waterways in the Upper San Gabriel Valley watershed.

“While clean water and recycling/capturing efforts are important, the county needs to step back and reevaluate funding priorities, especially considering a recent increase in public health fees, a new business registration fee, the County Library’s structural deficit – as well as a potential ballot measure requested by the Fire Department to address its structural deficit,” Barger’s statement reads. “The proposed initiative far exceeds the requirements of the MS4 permit, which governs pollutant levels in local waterways. The permit is based on assumptions that are antiquated and require updating before we go to the taxpayers for more money.”

Long Beach Commercial Real Estate Council President Adam Carrillo told the Business Journal that the council opposes the measure. He noted that, since it will be placed on the ballot, the council hopes sunset and audit clauses are added. A sunset clause would establish a date on which the tax would either end or be reduced, while an audit clause would assure taxpayers that the funds are being used appropriately, he explained.

“It would be a safe assumption that, if there are increased property tax fees, those fees will be passed down to the business owners and small business owners,” Carrillo said. “We oppose it as it’s currently drafted and I think there’s a lot of room for additional conversation. Our members and commercial property owners want to be active in this discussion as it moves forward.”
The Port of Long Beach and Long Beach City College (LBCC) have formed a partnership to develop a Maritime Center of Excellence at the college’s campus. The goal is to impart skills needed to fill in-demand occupations at the port and provide a pipeline for students into the workforce.

The Long Beach Board of Harbor Commissioners approved $60,000 to develop a pilot program. Although details of the curriculum have not yet been worked out, the program will establish six training workshops for seven occupations: supply chain and logistics manager, warehouse and distribution supervisor, transportation supervisor, logistics and supply chain specialist, order processor, shipping and receiving clerk, and scheduler and operations coordinator. The workshops are slated to begin in the spring.

“Our goals are both short- and long-term,” Reagan Romali, the superintendent and president of the Long Beach Community College District, said. “The mayor has an agenda to put people to work in Long Beach, and this really assists him in that goal. It puts people to work short-term and gets them quick opportunities for employment in great-paying jobs. It also presents them with a long-term plan. In both cases, it provides immediate opportunities for economic prosperity for families.”

Stacey Toda, the associate director of the office of communications & community engagement at Long Beach City College, noted that the partnership also highlights the fact that well-paying jobs are available that don’t require a four-year degree. However, the training sessions will prepare students to continue their education at California State University, Long Beach if they choose to do so.

The Maritime Center of Excellence also plans to provide a summer boot camp for students in the Academy of Global Logistics, a partnership between the Port of Long Beach and Cabrillo High School. The academy introduces students to the field of trade and logistics, while also providing externships for faculty members. Harbor Commission President Lou Ann Bynum said the boot camp may take place for a week in the summer or over winter break.

“There’s no port on this globe that provides such comprehensive support for education,” Bynum said. “Ultimately, it’s all about jobs. We have students who can see the cranes at Middle Harbor and they don’t know what’s going on there,” she said. “They don’t know that they can get high-paying jobs related to the Port of Long Beach and be able to support a family. . . . We do a great job of educating our students here in Long Beach, but too often we export them to other communities to work. We want them to learn, work and play here.”

GDP Shoots Up 4.1%; Economist Chris Thornberg Weighs In

Gross domestic product (GDP) accelerated at a rate of 4.1% in the second quarter, nearly double the first quarter’s growth rate.
of 2.2%. The growth spurt was due in large part to increases in personal consumer expenditures and in exports, according to the United States Bureau of Economic Analysis (BEA). The quarterly increase was the highest in nearly four years.

“Candidly, from my perspective, consumer spending and household finances are about as solid as I have seen since I started doing this a couple of decades ago,” Christopher Thornberg, founder of Los Angeles-based Beacon Economics, told the Business Journal. “We have a great economy. The fundamental problem is we live in a political world which is running around pretending we have a terrible economy when we have a great economy.” He added, “And, you know, if you’re running around trying to fix problems that don’t exist, you’re going to cause different problems.”

Thornberg pointed out that the BEA has revised its estimates for consumer savings and personal income. “The folks at the BEA do the best they can. They are constantly revising their numbers when more data comes in,” he said. “Every two years they revise numbers. Over the last year and a half, one of the disturbing numbers was the fact that it looked like consumer savings rates were dropping.”

Recently, the BEA revised its personal income and savings estimates, showing stronger growth rates. For example, personal income in 2017 was revised up $401.9 billion, 2.4% higher than the original estimate. Revised personal savings estimates also showed growth, erasing Thornberg’s concern about the unrevised statistics. The personal savings rate in 2017 was revised up from 3.4% to 6.7%.

Exports increased by 13.3% in the second quarter, playing a key role in GDP growth. Whether the U.S. sees similar increases in coming quarters is a question for President Trump, Thornberg said. “He seems quite motivated to create trade disruption,” he commented. “Obviously it was getting ugly, particularly with the European Union. One bit of good news lately is it looks like we have settled some of our issues with the European Union and we’re going to sit down and start negotiating with them. We don’t have any specifics . . . but you know, it’s a positive development, there is no doubt about that,” he said.

“Growth is the default mode of the economy,” Thornberg said. “We’re in a good position because there are people out there working to get ahead. There are business people out there building their companies. . . . We are doing well because we are in equilibrium.”

Thornberg had been expecting a GDP increase of about 4.5% for the second quarter. “The surprise in the data was a bigger runoff in inventories than anticipated,” he said, referring to a higher inventory-to-sales ratio of goods. Residential fixed investment decreased by about 1.1%, according to the BEA. Residential fixed investment includes sales and construction of single-family homes and multi-family homes, as well as construction of institutional dwellings such...
The housing market is basically where it needs to be,” he said, referring to the national housing market. “We are building 1.2 million or 1.3 million units per year, which is about what we need relative to our very slow population growth and household formation.” He added, “It’s not indicative of a bad housing market.”

Economic growth in the second quarter was driven by the fiscal stimulus put in place by Congress at the end of 2017, according to Thornberg. “That acceleration in [consumer and business] spending is all being driven by the fact that we have a good core economy and on top of that core economy we have plopped fiscal stimulus,” he said. The fiscal stimulus is “basically driven by government borrowing,” Thornberg said. “We live in a full employment economy already. We didn’t need stimulus,” he said. “The net result of all that is we have a situation where we’re borrowing from the future, and the issue here is there is no need to.”

Thornberg continued, “Things were perfectly fine. But perfectly fine wasn’t good enough. So we accelerated the economy by borrowing against the future. And at some point in time over the next couple of years, we will pay for this. At some point in time, there is going to be a letdown. At some point in time, the government is going to have to get their balance sheet back in balance, and that is going to mean higher taxes and less spending. And that’s going to cause the economy to slow down.”
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Apartment Market

(Continued From Page 1)

impacts of the rent control issue, Bogoyevac explained. Listings spent more days on the market, and closings were long and drawn out, he added. However, despite interest rates, once rent control was removed from the table, Bogoyevac said previously dormant buyers began making offers on multiple properties.

So far this year, the apartment market has a sales volume of over $527 million across 110 transactions, according to Robert Stepp, president of Stepp Commercial. The average price per unit is $234,476, and the average price per square foot is approximately $318, Stepp said. Cities across Los Angeles County are experiencing similar trends, with high volumes of sales within walkable, urban locations, he added.

With rent control removed from the equation, supply and demand will continue to determine asking rents, according to Stepp. “Currently, as the supply is tight, rents are increasing,” Stepp said. “However, as a number of new developments are delivered over the next few years and supply increases, rents will likely rise at a slower pace.”

Rents grew by double digits in 2015 and 2016, Stepp said, with the pace slowing in 2017 to around 5% or 6%. Over the last 12 months, average rent has increased about 3%, according to CoStar Group, a commercial real estate information company. Average asking rents vary greatly throughout the city depending on the neighborhood, according to commercial real estate data and analytics firm REIS.

Prior to the Great Recession, Eric Christopher, senior adviser and director at Centennial Advisers, said Long Beach had a “heck of a run-up” in terms of increasing demand and asking prices beginning in 2000. The recession technically ended in June 2009, but it was not until around 2012 that prices began to slowly increase, Christopher explained. “People were still licking their wounds,” he said. Then, between 2013 and 2014, the current run-up in apartment activity began with new construction and increasing sales and rental prices, he added.

Even with creeping increases in rent over the last six or seven years, Christopher said many renters are not paying market value for their units. Mom and pop property owners do not want to deal with or risk vacancies, which causes them to leave their rents stagnant or increase them by small amounts, he explained. This gap between actual rents and market rate makes these properties desirable for investors and flippers, Christopher explained. Investors are able to purchase these buildings, make improvements to them and significantly increase rents – sometimes up to 40%.

At about 5.5%, vacancy rates are the lowest since the first quarter of 2016 and are expected to decrease to 5.2% by the end of the year, Stepp said. Despite thousands of units expected to come online in the next several years, some realtors do not believe the Long Beach market can ever catch up to demand. “They stopped building 10 years ago. So you have a pent-up demand that’s not going to go away,” George Bustamante, vice president at Coldwell Banker Commercial BLAIR WESTMAC (CBCBW), said. “The projects that are coming online are servicing higher rents – an average rate of about $2,600 a month. Demand for the lower end is not being met.”

Christopher said workforce housing is one of the biggest needs in the city, adding that the abolition of the redevelopment agency in 2011 was a major setback for that market. The redevelopment agency would have provided the low- to moderate-income housing the city needs, he explained. Current issues with zoning and the number of units approved for certain lots is another hurdle that Christopher said the city needs to address if it is going to solve the housing crisis.

Christopher recently sold a 10,500-square-foot property that consists of a fourplex and a triplex on the back third of a two-parcel lot. The buyer had hoped to develop the remaining land but was told by the city that each parcel had been zoned for only two units each, meaning if the fourplex and triplex were demolished, only two units could replace the seven.

“If a developer could work with the city and demo that whole parcel without even challenging density requirements or setbacks, they could probably fit 15 units on that property,” Christopher said. “A city
THE LEADING MULTIFAMILY BROKERAGE IN LONG BEACH

CURRENT LISTINGS

ON MARKET

910 FREEMAN AVENUE / 36 UNITS / $12,000,000

ON MARKET

1751 LOMA AVENUE / 24 UNITS / $8,000,000

ON MARKET

1071-1075 JUNIPERO AVENUE / 16 UNITS / $4,720,000

ON MARKET

1086 STANLEY AVENUE / 9 UNITS / $2,650,000

ON MARKET

1128 STANLEY AVENUE / 9 UNITS / $2,650,000

ON MARKET

1750 NEWPORT AVENUE / 8 UNITS / $2,225,000

ON MARKET

138 ELM AVENUE / 24 UNITS / $5,700,000

ON MARKET

2135 ELM AVENUE / 16 UNITS / $3,700,000

ON MARKET

1748 E. 2ND STREET / 6 UNITS / $2,350,000

ON MARKET

2164 OHIO AVENUE / 4 UNITS / $1,995,000

2018 SOLD PROPERTIES

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<th>UNITS</th>
<th>SALE PRICE</th>
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<tr>
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</tr>
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</table>

$220.9 MILLION CLOSED THIS YEAR / 44% MARKET SHARE

SOURCE: COSTAR COMPS, 5-100 UNIT TRANSACTIONS, 2011-2017

STEPPCOMMERCIAL.COM
that really wants to create housing would figure out a way to make that happen because there are probably hundreds of examples of that going on. If we had more forward thinking at city hall, we could make a dent in this problem."

Recent high-end developments, such as The Current and The Edison, are performing well and have occupancy rates in the mid to high 90% range, according to Stepp. He noted the recent sale of The Gallery 421 for more than $123 million as a sign of the demand for high-end properties. In addition to building amenities and onsite retail, The Gallery 421 has 291 one- and two-bedroom units that are listed for rents between $2,000 and $3,200, according to the complex's website.

Steve Warshauer, also a vice president at CB CBW, noted that creating high-end housing does alleviate some pressure from low- and moderate-income housing stock by allowing individuals who can afford to do so to move into the new, more expensive developments. This upward mobility allows for residents of lower socioeconomic status to take up lower-rent units as they become available.

Warshauer and Bustamante said that Long Beach is in need of housing of all types — from extremely low income to moderate to luxury. Bustamante explained that companies such as Mercedes-Benz USA, Virgin Orbit and nearby SpaceX are bringing new residents to the city that can afford rental rates in the newest developments and in those coming online over the next several years. But current and planned developments are still not enough.

"Most of the builders I talk to say they would love to build more units, but the process to build anything in Long Beach or in California is expensive," Bustamante said. "From the city to the county to the state, the fees have gone up tenfold."

"Unless government really cuts loose all the red tape and makes it easier to build, it's going to be a major problem for quite a while," Warshauer added.

On top of the current red tape and cost, Warshauer said some increased parcel taxes could be on the horizon for property owners. Earlier this month, the Los Angeles County Board of Supervisors voted to place a parcel tax on the November ballot that would fund the proposed Safe, Clean Water Program. If approved by voters, all nonpermeable commercial and residential property — areas such as roofs, driveways and patios where water does not enter the earth and creates runoff — would have an annual tax of 2.5 cents per square foot.

"Parcel taxes coming down the pipeline aren’t going to have positive impacts on the market," Warshauer said. "Every time somebody needs some more money because they wasted what they already had, they say, ‘Oh, let’s tax everybody who owns a piece of property.’ It’s an easy target. Unfortunately, it’s been hit so many times."

Despite high costs and red tape, Long Beach has more than 30 multi-family projects under construction or planned by private investors — not to mention six single-family developments, including detached homes and townhomes. Bogoyevac explained that developers and investors are drawn to Long Beach because it has been overlooked for so long and is a great value compared to surrounding areas. Also, being centrally located between Los Angeles and Orange Counties, the city is ideal for employees in either market who desire cheaper rents.

Christopher likened the market to a Monopoly board, where investors are sitting on one side where expensive properties are located — Santa Monica, Newport Beach and the like — and see Long Beach on the other side. He said investors are realizing they can get more units for their buck in Long Beach.

The price disparity within Long Beach itself is causing a shift within the market, Bustamante explained. He said the number of transactions in the high-end areas, such as downtown, have slowed, while North Long Beach and the Westside are more robust because of the higher return they offer investors.

Warshauer has lived in Long Beach since 1969, and noted that the current "explosion" of residential activity is like nothing he has ever seen. All the agents agreed that it is impossible to tell how long the city’s apartment boom will continue, but each noted it is unlikely the market will change any time soon — save unforeseen governmental interference or an economic downturn.

"We are already seeing the downtown construction boom move into other parts of Long Beach — perhaps not at the same rate, but there are a number of new projects in the pipeline in East, Midtown and North Long Beach," Stepp said. "Given the strong economic factors within the city, its location relative to Los Angeles and Orange County, its non-rent control status, and its growth projections over the next 10 to 15 years, Long Beach is poised to perform very well over the long-term."
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**AVAILABLE**

**730 MAGNOLIA AVE**
LONG BEACH  
Units: 25  
List Price: $4,700,000  
Market CAP: 5.97%

**1088 ALAMITOS AVE**
LONG BEACH  
Units: 22  
List Price: $4,700,000  
Market CAP: 5.46%

**1000 E NEW YORK ST**
LONG BEACH  
Live/Work Development  
List Price: $6,000,000  
Market CAP: 5.79%

**1725 E BROADWAY**
LONG BEACH  
Units: 6  
List Price: $1,495,000  
Market CAP: 5.58%

**AVAILABLE**

**1912 E 2ND ST**
LONG BEACH  
Units: 19  
List Price: $4,050,000  
Market CAP: 5.69%

**1540 STANLEY AVE**
LONG BEACH  
Units: 4  
List Price: $889,000  
Market CAP: 5.83%

**STEVE “BOGIE” BOGOYEVAC**  
Senior Managing Director Investments  
Senior Director, National Multi Housing Group  
License: CA 01332755

**SHANE YOUNG**  
Senior Associate  
Member, National Multi Housing Group  
License: CA 01963090

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Long Beach In Demand
(Continued From Page 1)
characterized in recent years by high demand and low supply, factors that continue to drive up sales prices. According to Robert Kleinhenz, economist and executive director of economic research for Beacon Economics, the median sales price of single-family homes in Long Beach increased by 13.8% in May compared to the same month in 2018. By comparison, the median price of homes within Los Angeles County increased 8.1%. It is possible that the median price increased sharply in Long Beach because more higher-end homes have sold recently, he noted.

Even so, Kleinhenz cited the lack of homes for sale in Long Beach and the greater region as the main cause behind price increases. Kleinhenz noted that the inventory of available homes is low for two reasons. One is that existing homeowners have been slow to put their homes on the market. “They are probably still trying to recover lost equity or are trying to get farther ahead before they sell,” Kleinhenz said, explaining that home values dipped by as much as one-third in Long Beach during the Great Recession. Homeowners who wish to trade up into a more expensive home must gain additional equity in their property beyond that lost in the recession, he explained.

The other issue is that Long Beach, like most California cities, is not building enough new residences to meet demand. “The city has been falling quite a bit short of housing requirements that were specified by the regional housing needs assessment process,” he noted, referring to a process undertaken by the Southern California Association of Governments. Most housing being built in Long Beach is in the form of apartment buildings in downtown, which does not alleviate the supply problem in the single-family market, he noted.

Rental rates for Long Beach apartments continue to increase, according to real estate professionals from firms such as Marcus & Millichap, Centennial Advisers and Stepp Commercial. Sales volume of existing multi-family properties is at a high. “Multi-family continues to be one of the most sought-after asset classes. Transactional velocity remains very high in Long Beach,” Damon Wyler, regional manager of the Long Beach and South Bay offices of Marcus & Millichap, said.

“We are seeing Long Beach become more of a regional or even national attraction as far as new capital,” Wyler said, referring to investments in the city’s multi-family properties. “The cat’s definitely out of the bag as far as the long-term, underlying value of Long Beach real estate. It’s one of the last coastal locations to experience rapid rental growth and gentrification.”

Petra Durnin, director of research and analytics for Southern California real estate firm CBRE, said that Long Beach is attractive to multi-family developers because of its proximity to transit, its character as a live-work-play community, and its unique vibe. “You don’t feel like you’re in a sterile pre-planned community in Long Beach,” she said. “It has got a little bit of grit, it has got a little bit of edge to it. And that’s what people are really looking for. They want something unique.”

Long Beach’s commercial markets are also experiencing dynamic activity. Wyler said that demand for office space in Long Beach continues to steadily increase. “It was the last product type to benefit from this last real estate cycle. However, with the economy having performed as well as it has, [coupled] with limited new supply, we have seen vacancy rates close to all-time lows,” he said.

Changes in office layouts are playing into market dynamics, according to Wyler. “We’re definitely seeing changes in the way office space is configured and the types of office space that are in demand,” he said. “You’re seeing slower demand for [Class] B and C office. Class A office remains in high demand, as does medical office. And we’re also seeing new products where they are conversions from old industrial space.”

Industrial space in Long Beach remains in high demand, with little product available. According to Kleinhenz, the overall vacancy rate for industrial space in the South Bay, which includes Long Beach, has remained below 1% since the 3rd quarter of 2015. The strong demand for industrial space is largely driven by activity at the ports and supporting logistics industries, he explained. The San Pedro Bay ports are on track to break their all-time records by year’s end. Through the first half of the year, job counts in transportation and warehousing in L.A. County increased 2.6%, equating to about 4,600 jobs, he added.

Long Beach continues to see investment in its retail sector through the development of the Long Beach Exchange retail center at Douglas Park and the 2nd & PCH project in Southeast Long Beach. “The City of Long Beach probably has more retail than the marketplace can sustain, so you have businesses that are new and on the rise. They take their crack at the market, and if they outperform their competition, they have some staying power,” Kleinhenz said.

“While there are new retail centers opening up, we’re not seeing any sort of a boost in retail employment,” he added.

In general, retail is in a state of transition, Durnin said. “Retail is made up of what we call the five Fs: fitness, furniture, fashion, food and fun. They are all intricately linked. So retail has recognized that shoppers want more than just a store with product and sales,” she said. “They want an experience that encompasses more choices, some flexibility, more related offerings, which is why the five Fs come into play.”

She added, “You want more things tied into your retail experience. And I think retailers are responding to that.”
Local Experience.

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Home Prices Continue To Rise In Long Beach

By Samantha Mehlinger

Although more single-family homes hit the market in Long Beach in July, the overall inventory of homes for sale is still well below what is needed to meet demand, according to Jones. “In the last couple of weeks we have seen more inventory,” he observed, noting that he has seen more listings added to group home tours for prospective buyers in recent weeks. The number of days homes are staying on the market has been identical in July as compared to June, indicating that the added inventory still isn’t enough to meet demand, he explained. “I think the listings coming on the market will be absorbed really quickly because of demand being so pent up,” he said.

According to Geoff McIntosh, owner of Main Street Realtors, the median price of a single-family home in Long Beach was $619,000 in June of 2017. This June, the median price hit $670,000. “People can’t afford what they could have a year ago at this time,” he said, noting that rising interest rates are compounding the issue. Rates for home mortgages have been on the rise due to the Federal Reserve’s actions to raise the federal funds rate, which dictates interest rates. Rate increases have remained modest, with a bump of one-quarter of 1% in June. The Fed has announced it intends to do so again twice this year. Mortgage rates are also closely tied to the 10-year treasury bill yield, which, as Jones pointed out, has been fairly stable in recent months, oscillating between about 2.8% and 3%.

McIntosh does not expect rising interest rates to have much of a slowing effect on the single-family market in Long Beach because demand remains high. “The fact of the matter is we don’t have enough housing to supply the number of residents that we have in the area,” he said. “And as long as we have that disparity between supply and demand, it’s going to keep putting upward pressure on prices and it’s going to keep inventory low.”

Jones agreed that home prices would continue to increase, including within the condo market in Long Beach. “Pending sales are down 56% in the condo market, and inventory is down 16% compared to last June,” he said. The median price of Long Beach condos has increased about 9% over the last year, he noted. McIntosh cited the median price as $379,000 as of June.

Both McIntosh and Jones emphasized that low inventory and high demand would continue to drive up prices unless more housing is built to accommodate need. “I think the reason we’ll see prices continuing to rise is because California has such a housing crisis,” Jones said.

“We have needed to build 180,000 new units a year to keep up with the population growth. And we have been building less than 80,000 because of overregulation. The California Environmental Quality Act needs reforms — there are abuses of it that are slowing down building. We are just not a very builder-friendly state right now.” The California Environmental Quality Act requires detailed analysis of the potential environmental impacts of new real estate developments before approvals are given.

McIntosh pointed to NIMBYism – the “Not In My Backyard” philosophy – as a roadblock to creating new housing. “In Long Beach particularly, I think that the NIMBYism is the biggest problem. Everybody agrees that we need more housing, they just don’t want it in their neighborhood,” McIntosh said. “And, as local politicians look at these things, they tend to be influenced by the concern of being reelected. And, if their constituents are saying, ‘I don’t want this built in my neighborhood even if at a macro level it’s better for the residents of Long Beach,’ the politicians will vote against it.”

Another potential threat to the housing market is Proposition 10, a November ballot initiative that could repeal the Costa-Hawkins Rental Housing Act, which exempts single-family homes and condos from rent control, Jones pointed out. “It would take away so many of the protections against rent control, and rent control isn’t the answer. It just exacerbates the problem. Builders shy away from coming in,” he said. A recent attempt to put a rent control initiative on the ballot in Long Beach has been shelved, but Jones said the attempt put off potential homebuyers and investors. “People were shying away from Long Beach because of the rent control possibility,” he said.
Rents Continue To Increase For All Commercial Real Estate Markets

By Brandon Richardson
Senior Writer

Strong demand for all types of commercial real estate in Long Beach continues to put upward pressure on rental rates. Rents increased for office, retail and industrial space during the second quarter, according to reports by leading firms.

Office

“We’re definitely seeing pricing continue to increase in terms of asking rents and signed-deal rents,” David Smith, senior vice president at CBRE, said. “We’re not looking at dramatic increases, but we have seen steady increases over the last couple of quarters and I would expect that to continue for all products.”

With few large blocks of office space available, Smith said leasing activity by small businesses has been stronger than among larger tenants in both the downtown and suburban markets of Long Beach. This activity is prevalent in buildings that have been renovated into a more creative work environment such as The Hubb at 100 W. Broadway, and 211 Ocean, Smith explained.

Continued conversion of office space into residential units and hotels will reduce vacancies twofold, Smith said. When an office building is converted into another use, that space is taken off the market, thereby reducing vacancy. Additionally, displaced businesses that desire to stay in Long Beach would take up occupancy in other buildings, which reduces the vacancy rate further, he explained. With several office buildings such as The Edison having already been converted into residential units and with other projects underway, including a former Verizon office building at 200 W. Ocean Blvd., Smith said lower vacancies could mean quicker rent increases.

During the second quarter, asking lease rates increased 1% downtown and 2% in the suburban market, according to a Cushman & Wakefield report. Absorption of available space was down nearly 16,600 square feet downtown, while the suburban market was up almost 5,200 square feet.

The report shows overall vacancy in downtown at 18.3%, with the suburban market vacancy at 9.2%. Combined, office vacancy in Long Beach was 15.4%, down slightly from 15.8% the previous quarter.

“Building owners are seeing the effects of higher minimum wage and price increases impacting their costs to deliver services in the building, which is part of the rental rate increases,” Robert Garey, senior director at Cushman & Wakefield, said.

“One of the major question marks for the office market is due to decisions to be made by Molina Healthcare,” Garey said. The health care company occupies a lot of office space in the city, but Garey said it is unclear how much they will continue to fill in the future. He explained that a lease is coming up at 1500 Hughes Way.
Moffatt & Nichol Purchases Building At The Terminal For New Headquarters

Long Beach-based engineering consultant firm Moffatt & Nichol, which was founded in the city in 1945 and currently operates 36 offices in seven countries, closed on the purchase of a 25,000-square-foot building at The Terminal at Douglas Park on July 27. The building is part of phase two of the development, which consists of a pair of two-story, 25,000-square-foot buildings and should be completed within the week, according to Lee & Associates Principal Jeff Coburn. The ground floor of the second building is currently in escrow with an undisclosed company. Once the buildings are completed, Moffatt & Nichol and other owners may begin the interior build-out of their respective spaces. (Photograph by the Business Journal’s Brandon Richardson)

(Continued From Page 21)

and the company has not decided whether or not to renew.

Of all the downtown office space, the World Trade Center building is struggling the most, according to Toliver Morris, president of William Morris Commercial. He explained that the building has almost 250,000 square feet of vacant office space, due in large part to Molina and the Federal Bureau of Investigation leaving the building. The building’s high vacancy rate is bringing down overall market numbers, he added.

“The World Trade Center has a location that is not central. Everyone wants to be close to amenities and wants to be in the heart of a bustling urban metropolis,” Morris said. “The World Trade Center is off in the wings and has its challenges as it relates to amenities.”

Aside from the World Trade Center, Morris said Class A buildings in the downtown area such as Long Beach Square and Shoreline Square are over 90% leased. Landmark Square is leasing the area in terms of rental rates, achieving more than $3 per square foot, he added. The average rent for Class A space in the downtown is $2.90 per square foot, Morris said. Creative space is hitting the $2.75 per-square-foot mark, while the rest of the Class B market is closer to $2.30 per square foot, he explained.

Long Beach office space is seen as a good value compared to surrounding cities, Morris said. Because of this, companies in El Segundo and other coastal cities to the north that are more expensive have been showing greater interest in Long Beach, he explained.

In terms of office building sales, Patrick O’Healy, president of O’Healy Commercial Real Estate Services, said the suburban Long Beach and Signal Hill markets are very tight. However, he said many small businesses are opting to purchase office space rather than rent. With a United States Small Business Administration loan, a business owner can purchase a small office space and have a lower after-tax cost than if they were to lease, he explained.

O’Healy owns the Signal Hill Technology Park on the corner of 29th Street and Orange Avenue, which includes office and warehouse space. He said he had been having trouble leasing space at the center until he made significant improvements, including exposed steel ductwork and installing LED lighting and skylights. Once the improvements were made to vacant spaces, it was leased quickly, he said. The park currently has an 11% vacancy and the unleased space is being renovated, with companies already showing interest, O’Healy added.

“My biggest problem working in the marketplace is a lack of inventory,” O’Healy said of the overall office market. “I don’t compete with national and international companies for high-rise or mid-rise office – that’s never been my jam. I’ve tended to focus more on things that are for sale, although at Signal Hill Technology Park we’ve got a high degree of leasing and the response to our space has been astounding.”

Industrial

The regional industrial market continues to have record-low vacancy rates, with demand outstripping supply, Lance Ryan, senior vice president of marketing and leasing for Watson Land Company, said. In the South Bay area and the region as a whole, developable land is hard to come by, he explained. Land that is available often requires remediation and lengthy approval processes, which means relief is unlikely for the long-term, Ryan said.

Record port cargo numbers and increasing e-commerce sales are the main driving force behind the strong demand for industrial space in the South Bay, Ryan said. He attributes the strong economy to consumers’ willingness to spend, which is keeping online sales up and making distribution centers a major industrial space occupier.

“There’s no doubt that Long Beach and the South Bay – coastal markets where the population are always going to remain very tight in terms of availability,” Ryan said. “The market, of course, is cyclical, so the expectation is that we will enter a period where demand will back off a little bit and supply and demand will become a little bit more in balance.”

Realty Views

When Urban Goes Suburban

If Southern California real estate is famous for anything, it’s the term “Suburban Sprawl!” and the post-World War II trend of development away from city centers to outlying communities that offered more land, larger homes and more affordable prices, helping define a key lifestyle and housing trend of the second half of the 20th century.

Four key elements helped push this trend along, including the post-war baby boom that created the demand for larger family homes, the proliferation of automobile ownership to encourage longer drives between home and work; a growing middle class with more working women, and significant highway and other transportation improvements. Government investment in mortgage programs also helped move the home ownership rate from 45% to 65% during the post-war period.

According to the John Burns Real Estate Consulting firm in Irvine, a national leader in identifying and documenting housing trends and consumer shifts for many of the nation’s leading developers, this tendency has changed, and we are now experiencing a blending of the urban and suburban lifestyle – into something that they have called surban™.

A little more history is involved in explaining how this new trend emerged. When suburban living began to thrive in the 1950 and 60s, people drove for everything and homes became isolated family units – walled off by fences and gated communities. As the 20th century ended and into the new millennium, things started to change again. Cities began to clean up their urban core and invest in safer, more vibrant downtown areas that people would want to live, play and, of course, work in.

New technologies such as social media changed the way people – especially younger ones – saw themselves and what they wanted to do with their time and money. The so-called “experience economy” emerged and people looked to do more and be entertained; and being able to walk and easily shift between venues – such as in a downtown pedestrian center – became more appealing.

When the Great Recession hit a decade ago, family formation was reduced as was new home ownership – and many gravitated to suburban and surban living. There are many communities – and redevelopment opportunities – for those who have the vision and the resources to meet this new need for the homebuyer of today.

In its annual polling of new home shoppers, Burns found that 49% of all new home shoppers want a surban™ location (defined as a suburban location with an urban feel), which was far greater than any of the other four options presented. The concept is already successful across the country from communities such as Brea, California to Alpharetta, Georgia – and Burns believes this could be a game changer.

“The suburbs altered the American landscape – literally, socially, and economically. Now, surban™ areas will do the same. As a higher premium on experiences and activities increases the appeal of urban areas, and life stage and price concerns pull people to the suburbs, people will continue to desire the perks of urban living in suburban environments,” noted Burns in his study, Big Shifts Ahead.

In Southern California particularly, there are many communities – and redevelopment opportunities – for those who have the vision and the resources to meet this new need for the homebuyer of today. (Terry Ross, the broker-owner of TR Properties and Realty Views, welcomes questions about today’s real estate market. E-mail questions to Realty Views at terryyross1120@gmail.com or call 949/457-4922.)
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The industrial market has had year-over-
year increases in rental rates, and continued
demand coupled with 1% vacancy will en-
sure upward pressure on pricing even fur-
ther, Ryan said.

According to a second quarter market
report by Lee & Associates, average rents
are 97 cents per square foot, up from 92
cents in the first quarter. Brandon Carrillo,
a principal at Lee & Associates’ Long Beach office, explained that, once fees are included, rents are well above the $1 mark at a Class A industrial property.

Average sales prices are up to $178 per
square foot, from $169.02 in the first quarter. Sales transactions during the sec-
ond quarter were up to more than $281
million, the report indicated.

Second Quarter 2018 Commercial Real Estate Transactions

<table>
<thead>
<tr>
<th>Name of Business</th>
<th>Address</th>
<th>Square Footage</th>
<th>Transaction Type</th>
<th>Property Type</th>
<th>Agency</th>
<th>Agent Name, Title</th>
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<td>4,675</td>
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<td>John Eddy, Executive Vice President</td>
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<td>Throckmorton Partners, LLC</td>
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<td>Sale</td>
<td>Office Building</td>
<td>Coldwell Banker Commercial Blair Westmac</td>
<td>Becky Blair, President; George Bustamante, Vice President; Steve Warshauer, Vice President; Cameron Jaquies</td>
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<tr>
<td>Yonatan F. Salazar</td>
<td>408 E. 1st St., Suite 210 Long Beach</td>
<td>250</td>
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<td>Office Building</td>
<td>Coldwell Banker Commercial Blair Westmac</td>
<td>Becky Blair, President; Shava Hosseinzadeh, Associate Vice President</td>
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<td>Jerry and Elaine Esten</td>
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<td>Coldwell Banker Commercial Blair Westmac</td>
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<td>Brian Iwami; Carlos Chavez</td>
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<td>Amalia Murguercia</td>
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<td>450</td>
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<td>Office Building</td>
<td>Coldwell Banker Commercial Blair Westmac</td>
<td>Shava Hosseinzadeh, Associate Vice President; Becky Blair, President; Shava Hosseinzadeh, Associate Vice President</td>
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<td>Scott Brown</td>
<td>235 E. Broadway, Suite 51 Long Beach</td>
<td>499</td>
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<td>Robert Uranga</td>
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<td>Ron Baker</td>
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<td>Fernando &amp; Edward Texis dba Tex Auto Marine Upholstery</td>
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<td>Vacant Land</td>
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<td>Jason Price/Jerry Ristrom</td>
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<td>Ed Whittemore, Jay Jasaitis</td>
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<td>Flex</td>
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<td>Office Building</td>
<td>Lee &amp; Associates</td>
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could have a negative impact on industrial space. However, he noted that the lack of available space is likely to ensure the Long Beach and South Bay markets remain strong, regardless. Even with the effects of rising interest rates, Long Beach and the South Bay will continue as one of the strongest industrial markets in the country, he added. Townsend noted that, if interest rates continue to rise, sales price increases could begin to stall.

Ever since Long Beach voters approved the cultivation and sale of medical marijuana in the city in November, cannabis businesses have been very active in the industrial areas. Townsend noted. “We’re getting calls daily on the properties we have listed in the green zone for cannabis buyers,” he said. “It’s not at the peak it was last summer but there are still plenty of buyers looking at these properties.”

Cannabis business owners are offering much higher prices than traditional industrial businesses, sometimes up to 40% per square foot more, Townsend said. Because of this trend, he explained that traditional industrial businesses are looking outside of the green zones where marijuana businesses are allowed to be located.

Retail

“From an investment perspective, we’ve continued to see a lot of interest [from] capital investors that are non-traditional Long Beach investors but who are excited and drawn to the area by what the city has been doing,” Justin White, managing partner for Centennial Advisers, said. “They’re seeing opportunity and they want to be a part of what’s going on in Long Beach.”

Retailers are still combating e-commerce and the Amazon effect, so many new businesses are providing experience- and service-driven models, White explained. Businesses that offer customers something they can’t receive with the click of a mouse are filling in spaces of those that have closed up shop. Talks about the “death of retail” are inaccurate, White said, adding that the industry is simply transforming.

Retail space vacancy rates in Downtown Long Beach are at 4.3%, while the suburban market is 5.4%, according to a second quarter report by Lee & Associates’ Principals Noel Aguirre and Sean Lieppman. Average rental rates are up, with quoted rates in downtown at $2.09 and suburban rates at $2.03. The report shows that, in the past year, average sales price per square foot is up to $296 and sales volume reached $24 million, whereas the five-year average is $5.3 million.

The inclusion of many mixed-use projects in Long Beach’s current downtown development boom is a large factor in much of the retail interest, according to Becky Blair, president of Coldwell Banker Commercial BLAIR WESTMAC. However, Blair noted that the amount of space that will come online in the next several years could pose a challenge in being filled.

“What’s good about the trend that’s happening now is that retailers in the past would look at demographics in these urban areas like Long Beach that were two or three years behind,” Blair said. “Today, a lot of developers are using transitional data, showing area pedestrian counts and new developments that are surrounding the area to give a more predictable measure of future housing growth that will spur on demand for retail.”

New downtown retail amenities for current and future renters are attracting the interest of people outside of Long Beach who are looking to relocate, Blair said. Both mixed-use and standalone retail stores are of great value to residents, whether they rent or own their homes, which is why the residential development boom is keeping retail demand strong and why lease rates continue to creep up.

“The Streets, formerly known as City Place, recently celebrated the openings of contemporary restaurant Table 301, Mediterranean eatery Ammatoli, Poki Cat and Loose Leaf Boba Company. Soul food joint Georgia’s Restaurant, Panini Kabob Grill, Tastee, hand-rolled sushi spot Temakira, SpaVie day spa and SchoolsFirst Federal Credit Union are all recently announced tenants for Burnham-Ward Properties’ Long Beach Exchange retail center at Douglas Park. The 2nd & PCH retail center construction is well underway and anticipated to open mid to late next year. Aside from anchor tenant Whole Foods, no announcements have been made regarding tenants for the project.

“When we look long term and we look at all the things the city is doing and just the positive vibe that Long Beach has overall, I think the outlook is really strong,” White said. “For the most part we’re going to continue to see a strong appetite for owning buildings in Long Beach.”
Construction of the public sector portions of the new Long Beach Civic Center are moving ahead smoothly and may be completed before the June 1, 2019, deadline, according to Craig Beck, director of Long Beach Public Works Department. Buildings under construction include a new city hall, Port of Long Beach administration offices and main branch library, followed soon after with a new Lincoln Park adjacent to the library.

“I think the [structures] will all be done concurrently. We’re still hearing from Clark Construction that they should finish in April and then we would start the final equipment installation,” Beck said. “We would probably move in around May or June . . . and my guess is we would look for a grand opening in either June or July of 2019.”

Physically transitioning operations from the current city hall to the new building will take approximately five weeks once construction is completed, Beck said. Moving the library’s various collections will take closer to eight weeks following the new facility’s completion. Once the current main branch library building is cleared, it will be demolished and work will begin on the new Lincoln Park. The new park will likely be completed 12 to 18 months after the new library opens, Beck added.

Current work on the city hall and port buildings includes installing the buildings’ raised floors, framing offices and conference rooms, and, on some floors, beginning to drywall and paint. The floors of the building are raised 18 to 20 inches above concrete plates to allow for the installation of the heating, ventilation and air conditioning (HVAC) system. Beck noted that this type of HVAC system is more energy efficient than pushing air down from the ceiling.

Within the next 30 days, the permanent interior service elevators are being certified for use, which allows construction crews to remove the temporary service elevators that currently run up the sides of the city hall and port buildings. Once these elevators are removed, crews can “close the zipper,” which means completing the final installations of the buildings’ exteriors.

For the city hall building, numerous elements of technology are being examined to determine whether or not they need to be replaced and upgraded, Beck said. As for individual employee computers, Beck said the city is on about a four-year replacement cycle. Therefore, only employees who are due for a computer replacement will get one for their new work space.

“We’re doing a different cubicle system and it’s a much more open office style,” Beck said. “[The current city hall] has some very old floors that have what I call cubicle mazes. The new office will be much more open – and you’ll have a lot of natural light across the floor plan – for ergonomics things like that.”
The new city hall building will have 948 workstations, 10% of which are enclosed, private offices, Beck explained. The private offices come in three sizes – approximately 10 feet by 10 feet, 10 feet by 15 feet and 15 feet by 15 feet – which are “much smaller” than private offices in the current city hall, he added. The new office layout will provide a different work environment than the current city hall, so the city is working with employees to prepare them for the transition, Beck said.

The port building is going to have 442 workstations, with 125 being enclosed, private offices, according to Lee Peterson, media relations manager for the port. Of the 125 private offices, 109 are interior offices, meaning they are near the center of the building, with windows that look out onto the workfloor. The remaining 16 private offices will have window views of the city. The open workstations will be separated by low-rise partitions that do not have a cubicle feel, Peterson said. These workstations will be closer to the exterior windows than most of the private offices, he added.

The new city council chambers have taken shape near the corner of Ocean Boulevard and Magnolia Avenue. The chambers are attached to the new city hall building but are not contained within it. Beck said the new chambers have 250 seats for the public, which is several more than the current council chambers. The new chambers will also have better accessibility for disabled residents, especially those in wheelchairs.

“The current chambers have stadium-style seating, and if you’re in a wheelchair you either can go up to the very top or you have to take the elevator down to come in through the bottom,” Beck said. “In new council chambers, everyone will use the same access point, as all of the floor is sloped 2% or less to meet Americans With Disabilities Act (ADA) requirements. There’s just more access for people.

Due to the nature of the public-private partnership between developer Plenary-Edgemoor Civic Partners and the City of Long Beach, Beck said the city is not actively tracking whether or not the project is on budget. This phase of the civic center development – city hall, port offices, library and Lincoln Park – was budgeted around $520 million and was financed by Plenary-Edgemoor Civic Partners, not the city or port. Beck said the city is making lease payments to Plenary-Edgemoor not to exceed $12.6 million annually for 40 years, which is not subject to change if project costs exceed initial estimates. However, the city’s payments are adjusted based on the Consumer Price Index. After the 40-year term, the city will own the buildings “free and clear,” Beck added. The port has its own deal with Plenary-Edgemoor to pay for its new headquarters in which the port will take out a loan when it moves into the building.

Once the current developments are completed, Plenary-Edgemoor can move forward with the demolition of the current city hall to make way for its private development, which includes residential units and a marketplace. The private project’s estimated cost is about $380 million. The total civic center project cost is estimated at $900 million.
Hiring And Housing
(Continued From Page 1)

selling point for us that employees are able to live close to work,” she said. “But, with the increase in the cost of housing, particularly over the last two or three years . . . it’s taking its toll.”

Victoria observed that it is common for one-bedroom apartments in Long Beach to rent for $1,700 a month, a rate she called “shocking.” “I have another employee who is renting an apartment in Belmont Shore who is paying $2,000 a month for an 800-square-foot, one-bedroom apartment,” Victoria said. “Another employee had to move recently when her one-year lease came up and the property management company jacked up her rent $500. She moved out of Long Beach, unfortunately. And that’s what we would like to avoid as an employer,” she said.

“We want to see employees . . . be able to live nearby and have a reasonable commute to work,” Victoria said. “So we have a very vested interest in seeing what we can do to help with the shortage of housing in Long Beach.”

The vacancy rate of all apartment units in the city is about 5%, according to multi-family real estate firm Stepp Commercial. The inventory of homes for sale is also quite low, with all listed on the market expected to sell within about 2.7 months, given current demand, according to Long Beach-based Main Street Realtors.

Laserviche has invested in company-owned housing to provide new employees with a place to stay while they are navigating the local real estate market. “Especially when employees are coming from out of the area, we will let them stay there for several weeks or a couple of months while they kind of get on their feet and look for a place to live in Long Beach,” Victoria said. She noted that the City of Long Beach should consider all types of new residential developments to help alleviate the housing shortage.

Kevin Peterson, CEO of Long Beach-based engineering firm P2S Inc., said that the issue of housing affordability often comes up during his firm’s hiring process. “The cost of living always affects us hiring from outside the area,” he said. “One thing that we have done is try to assist them with housing in terms of [suggesting] areas to look at where other employees have had success. When onboarding someone who is coming in from out of state, our HR department spends a lot of time assisting them on how to get a place nearby and try to look at things that we have that are available,” he added. While employees coming out of state aren’t wrong about the higher cost of living here, Peterson noted, “it’s obvious that there is a real need for low-density housing as well. ‘I would also like to see Cal State Long Beach do more housing for their students,’ he said.

“Long Beach City College could do the same thing – look at building some housing projects for students that are affordable. That would help the overall demand in the city for people who aren’t students, because students tend to be more active in the Long Beach community, perhaps because they have more free time since they do not have to commute, he speculated.

Asked if any locally based employees had expressed concerns about the rising cost of living, Peterson said, “I do hear it indirectly. It’s not causing any of my employees to get kicked out of their housing or anything like that. But it’s obvious to me that we need to increase the number of housing units in the local area. That’s my opinion as an employer.”

High-density housing in a suitable area such as downtown would be one solution to creating more housing, Peterson said. He also thinks there is a need for low-density housing as well. “I would also like to see Cal State Long Beach do more housing for their students,” he said.

“Long Beach City College could do the same thing – look at building some housing projects for students that are affordable. That would help the overall demand in the city for people who aren’t students, because students tend to be more active in the Long Beach community, perhaps because they have more free time since they do not have to commute, he speculated.

Almost any employer has an appreciation for the importance of affordable workforce housing. “It is more of a challenge for us to recruit talent from outside of California, because we know that California is just more expensive than other states – in particular, other states that don’t have state income tax,” he said. “As the situation arises, we look at a number of different ways that we can address cost of living and relocation needs. We do offer relocation benefits and packages. Sometimes, we evaluate the relevance of sign-on bonuses if that helps to place an individual,” he said. He added that the human resources department also evaluates increases in the cost of housing as they reassess salaries and wages for existing employees.

When hiring, the hospitals typically focus on Los Angeles and Orange Counties in part because the cost of living is similar, Mmeje noted. However, some positions, particularly those within a medical specialty, require casting a wider net, he explained.

Mmeje moved to Southern California from the Central Valley in August of 2017. Although he and his family have

City of Long Beach Bid Opportunities

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<tr>
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<td>Lake Water Quality Management</td>
<td>RFP PR1-113</td>
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<td>Overhead Electric Door &amp; Rolling Gate Maintenance</td>
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**Some of the listed projects have scheduled mandatory pre-bid meetings which may have already occurred due to publication lead times**

Bidder Registration
To receive notifications of bid opportunities, register with the City of Long Beach at www.longbeach.gov/finance/business-info/purchasing-division/purchasing-division/. Additional details on upcoming bids and how to register can be found on the website.
been looking for a home ever since, it wasn’t until this July that they succeeded in finding a home to purchase in Long Beach. “We partnered up with local resources, but there wasn’t a great abundance of supply for what we were looking for. And prices, we noticed, have been on the higher side,” he said. “That was something that we had to grapple with – the cost of living difference between a rural area to a larger population base.”

Mmeje said MemorialCare supports more housing in Long Beach – particularly affordable housing for working professionals. “We invite any way that we can introduce more affordable housing options for our team members.”

For some employers, the cost of living in Long Beach is a selling point when hiring new employees. Vince Passanisi, president of Marisa Foods and owner of Santa Fe Importers in the Westside, said that he hears a lot of positive things about Long Beach, both from friends looking to move into the city and prospective new workers.

“I have recently hired some key employees for key positions, and they are just dynamite people. . . . They have moved to Long Beach because for them it was a little more affordable than other parts of L.A.” Passanisi said, noting that these were management and bookkeeping positions. “I am happy; they’re happy. I mean, geez, wouldn’t you love to have a five-minute drive to work?”

Mitchell Redden, who oversees mortgage lending for Wells Fargo’s region running from Long Beach to La Jolla, noted the company is hiring quite a bit in the Long Beach area as it expands in the market. While he observed that housing affordability and availability is a challenge in Southern California, he pointed out that in Long Beach there are more opportunities, due to the variety of neighborhoods and price points.

Redden noted that, while single-family home prices have been escalating quickly in Long Beach, the rate of escalation is beginning to taper off. “Inventory is about the same because new homebuilding is so slow. But what we’re seeing is the lift of pricing, house over house, has slowed,” he said. He clarified, “Prices are still increasing, but the pace of increase has slowed.”
In the midst of what some have called a renaissance, Long Beach has seen a mass uptick in the number of residential developments breaking ground. Countless companies are behind projects that will bring thousands of new units to the city. Ensemble Real Estate Solutions & Investments, based in the city, is leading this resurgence. It has two residential projects under construction, another already approved and a fourth in the pre-development stages – for a total of approximately 718 units.

"Ensemble has been committed to Long Beach, and specifically Downtown Long Beach, for over 20 years," Tyson Sayles, principal of the multi-family and mixed-use properties group for Ensemble, said. "We’re big believers in Downtown Long Beach, not just in the short term but in the long term because it’s an amazing, diverse city that has fantastic pedestrian, bicycle and public transportation amenities, as well as civic and cultural amenities."

The company is not new to Long Beach. Founded in Los Angeles in 1990, Ensemble opened its Long Beach headquarters in 1996. Though its current residential projects represent its first foray into residential development in the city, Ensemble has made significant investments in Long Beach over the years, such as the ground-up development of Residence Inn in downtown, and the purchase and renovation of the World Trade Center, the property now known as the Hotel Maya, and the 444 W. Ocean high-rise office building, where the company’s headquarters is located.

Sayles said the company saw the potential in residential development because the city, particularly in the downtown area, offers a “great” quality of life for residents seeking an urban, pedestrian-friendly home. Sayles noted that Long Beach is still affordable compared to cities in Los Angeles and Orange counties, especially those near the beach.

Ensemble leadership believed these characteristics presented an opportunity, and the company brought Sayles on board four years ago to launch the residential division. The company’s first residential development at 442 W. Ocean Blvd., dubbed 442 Residences (previously known as Serenade Modern Flats), broke ground last year. Soon after, the company’s second Long Beach development, Sonata Flats, broke ground at 207 Seaside Way.

“Over the last five years in Long Beach, [Ensemble] has seen a level of energy and momentum that has exceeded anything that’s happened in previous [real estate] cycles,” Sayles said. “That comes from a combination of the public officials and our mayor’s office, as well as from significant private investments.”

Prior to joining the Ensemble team, Sayles worked for investment management and development firm Cityview and was involved with the renovation of historic buildings in Downtown L.A. He explained that L.A. went through a shift about 10 years ago that saw developers seeking “authentic” neighborhoods with “character” rather than those typical “manufactured stucco boxes.” Long Beach is currently undergoing a similar transition. Sayles said, noting the city’s home-grown creative community and plethora of old and historic buildings.
Way, which is the paseo between the buildings and the connection in the area soon, and hopes to take the project before the Long Beach Civic Center and other office buildings. The project is expected to open early next year.

The Sonata Flats development includes 112 units directly across the street from the Long Beach Convention & Entertainment Center and will provide the same boutique hotel vibe as 442, Sayles explained. The project is a mix of studio, one- and two-bedroom units, a rooftop sky lounge with a club and a pool, and a café and retail space.

To increase the area’s bikeability and connectivity, Ensemble plans to widen the sidewalk adjacent to the Rainbow Bridge pedestrian walkway.

“It’s going to be completed next spring, and we’re really excited about this building,” Sayles said. “It’s going to be a real unique space for comments to integrate with the bridge because the café and the amenities space open out onto the bridge and create a wider pedestrian promenade.”

Currently in the plan check stage with the city and not yet under construction, Ensemble’s Magnolia And Broadway Residences development is named for its location. The project includes a mix of 142 studio, one- and two-bedroom units at 500 W. Broadway. Sayles said that, according to the Downtown Long Beach Alliance, the intersection of Broadway and Magnolia is one of the highest pedestrian traffic areas in the city during the week. Due to the foot traffic, the location could better serve the community as a mixed-use development rather than its current use as additional parking for the courthouse, Sayles explained. The plans feature 4,100 square feet of ground floor retail.

To increase the area’s bikeability and connectivity, Ensemble plans to widen the sidewalk adjacent to the Magnolia and Broadway project. The company hopes to break ground on the development early next year, with an estimated build-out of 24 months.

Ensemble’s largest project is Third & Pacific, which is also named for its location at 3rd Street and Pacific Avenue. In the pre-development phase, project plans currently consist of two buildings – a 21-story high rise and a seven-story structure – for a combined total of 370 units. Sayles said Ensemble plans to get feedback from residents of the area soon, and hopes to take the project before the Long Beach Planning Commission for approval later this year. If this timeframe is met, the project could break ground late next year, with an anticipated build-out of about 24 months.

“What’s most exciting to me about Third & Pacific is West Roble Way, which is the paseo between the buildings and the connection through to Pine Avenue that will have landscaping, string lights, improved paving and the concept of a gourmet alley,” Sayles said. “I think those found spaces, those kind of aha moments when you’re walking as a pedestrian in this city and all of a sudden you come upon this beautiful, unexpected courtyard is really kind of a fun thing that makes a space feel great.”

Each of the company’s four projects has its own identity and market positioning, Sayles said. However, overall, he explained that Ensemble’s goal is to provide high-quality housing with a luxurious, urban lifestyle at an attainable price point. For this reason, while each de-
Women In Real Estate: Long Beach Realtors Speak To Growth In Industry And City

By Anne Artley
Staff Writer

The residential real estate industry in general – and Long Beach in particular – have undergone huge changes over the past few decades. The Business Journal is profiling five women realtors who, as some of the longest-practicing agents in town, can attest to these changes. This edition features Q&As with Pam Luckey and Loree Scarborough of Coldwell Banker Coastal Alliance, Maggie Shapiro of Keller Williams Coastal Properties, Judy Sharp of Keller Williams Pacific Estates and Pam Weston of Main Street Realtors.

Throughout their time in real estate, these women have experienced many changes in the industry and have witnessed the City of Long Beach evolve. The rise of technology has led to increased visibility of homes online, significantly changing the house-hunting process and the relationship between realtors and prospective buyers. These five women entered into real estate on the advice of a friend, or happened upon the career by accident. Each expressed pride in the city where they have chosen to establish their careers and help others find homes. And, although Long Beach has grown and evolved over the years, several reported that the city still maintains the charm of a small town by the sea.

Pam Luckey, REALTOR®, Broker/Agent
Coldwell Banker Coastal Alliance
Pam Luckey, who has been in the real estate industry for almost 40 years, said she fell into it by circumstance. “A girl-friend of mine was taking some real estate classes and she wanted someone to go with her,” she explained. “I had small children, so I said, ‘Ok, I’ll go, my husband’s home in the evenings.’ So, I got my license and started working. I had no plan, it was really an accident.” Luckey had spent her childhood primarily in Lancaster, California, and Ohio before attending California State University, Long Beach (CSULB). “My dad was with McDonnell Douglas, so we were transferred a lot,” she said. CSULB was Luckey’s introduction to the city that would later become her home. “They used to have The Pike downtown where all the sailors were and they had the wooden roller coaster,” she recollected.

How has real estate changed since you entered the business?
It’s changed drastically. When I first got into the business, we had books with pictures of houses for sale that came out every two weeks. It was hard to get appointments. Now, social media and computers allow for transparency. We’re able to talk to people about real estate and they know what’s going on. It’s really become a better business, for both the buyers and sellers.

Many times, when you have an open house, buyers will come in who have already been “through it” on the computer. They already know what it looks like, and they’ll say, “Oh, this room looks bigger than it does on the Internet.” They do their shopping prior to even coming to see the house. It’s probably good for the elimination of properties that they’re not interested in. Now, they have the possibility of just seeing the ones they really want to buy. People are looking at property in a completely different way than ever before.
How has Long Beach changed?

It’s really been cleaned up. The neighborhoods are so diverse and cute. There’s a neighborhood for everyone no matter what you like to do. It has the feel of a small town. You can go anywhere, and you’ll meet someone from Long Beach. You’ll see someone wearing a Cal State Long Beach jacket. It’s a friendly community. I just showed some people from New York a property this weekend. They said, “Everybody’s so friendly in Long Beach.” They were shocked.

Do you have any memorable stories selling homes?

You learn to knock loudly on doors to make sure nobody is there. You never know how you might catch somebody. I walked into one house that I was showing, and a little boy outside said, “If you go in and find my snake, I’ll be really happy. It’s loose in the house.” I’m not a snake lover! Is there anything else you’d like to add?

The best thing I’ve gotten out of [real estate] is that it’s become my life, because I’ve grown up with it. I’ve made so many dear friends. I have acquaintances all over town and in other cities too. It’s become all-encompassing, and I love it. How else would I have met so many other people?

Business is good. The people we meet are always really nice. Very seldom does a bad situation happen. There’s good people out there, especially in Long Beach.

Loree Scarborough, REALTOR®
Coldwell Banker Coastal Alliance

Before Loree Scarborough entered the real estate industry about 23 years ago, she owned a line of three high-end clothing stores called G.Nonn. When she sold them, her friends and family who worked in real estate thought real estate would be a good fit for her because she loved to talk to people. The transition stuck and Scarborough said she loves the creative aspect of selling homes.

How has real estate changed since you entered the business?

When I started out in the business, I was on the tail end of having to go through notebooks to locate properties. Then technology took over, and everything was at everyone’s fingertips. That was the biggest change of all. Because of that transition, I think everyone involved in the sales transaction is so much more knowledgeable, both the buyers and the sellers. We as agents have to be sure that we work your way up. Usually, your third home is the one you should’ve been buying condominiums. Normally, you work your way up. Usually, your third home is the one you really want. Now, I’m seeing people being more conservative. They can afford more and they’re not pushing it to the extreme, which I think is how it should be. I think a lot more people are realizing that Long Beach is a wonderful area to live in. We have Naples on the water, we have Belmont Shore. We have lovely neighborhoods with big trees. We’ve always been the least expensive beach area.

Maggie Shapiro, REALTOR®
Keller Williams Coastal Properties

How has Long Beach changed?

I’ve lived in Long Beach for most of my life. When I got into real estate, what I noticed about the city that I hadn’t before is how eclectic and diverse it was. And now that’s even more the case with new neighborhoods forming. We’ve got so many neighborhoods in Long Beach, and they’ve become more gentrified. There are more shops and restaurants in each and every neighborhood. It’s been a wonderful transition to witness. The people in Long Beach are so great. We’re still known as “Iowa by the Sea.” There’s still an Iowa Picnic in Recreation Park every year because so many Iowans came to live in Long Beach. When I’m telling people about how great our city is, I always say that everyone can walk down the street and say hello to one another. It doesn’t matter how old, how young, how rich or how poor you are, everyone is friendly. That part hasn’t changed, it’s just that the neighborhoods have formed a little bit more and the whole city has really grown up.

Do you have any memorable stories selling homes?

I was selling a condo in Huntington Beach to a client who was pretty straight-laced. We had an appointment scheduled at the house. We walked in and it was dark. We were walking through the rooms when we came to a bedroom. The door was closed and when we opened it there was a very big, hairy man in bed without his clothes on. Another time I walked into the wrong house. I asked the son who lived there if we should come back later because his parents weren’t there. He said, ‘I didn’t know the house was for sale.’ We didn’t even realize until later that the house that was actually for sale was across the street. I also sold a house that Snoop Dogg lived in. He had to move because his neighbors complained that he was too loud, even though he had soundproofed one of the rooms to use as a recording studio.

Is there anything else you’d like to add?

I take real estate very, very seriously. It’s a 24/7 job for me and I love it. I treat it like a challenge. I love the negotiation part. It’s the best thing for me to see clients happy in their new home or to sell their home for the best price. It’s not for everyone because it’s stressful sometimes – but it’s very rewarding in the end.

Maggie Shapiro, REALTOR®
Keller Williams Coastal Properties

The best thing I’ve gotten out of [real estate] is that it’s become my life, because I’ve grown up with it. I’ve made so many dear friends. I have acquaintances all over town and in other cities too. It’s become all-encompassing, and I love it. How else would I have met so many other people?

Business is good. The people we meet are always really nice. Very seldom does a bad situation happen. There’s good people out there, especially in Long Beach.

How has Long Beach changed?

Because of all the new units being built, we certainly have a lot more people. Our streets definitely need more work. But Long Beach is such a wonderful area. It’s a great mix of people. We have lovely, tree-lined neighborhoods. We have a nice suburban area, and a downtown, which still could use some vitality. We need more nightlife down there. The biggest change is affordability. When the market was crazy and you could get a half-million-dollar loan if you could fog a mirror, people were buying houses when they should’ve been buying condominiums. Normally, you work your way up. Usually, your third home is the one you really want. Now, I’m seeing people being more conservative. They can afford more and they’re not pushing it to the extreme, which I think is how it should be. I think a lot more people are realizing that Long Beach is a wonderful area to live in. We have Naples on the water, we have Belmont Shore. We have lovely neighborhoods with big trees. We’ve always been the least expensive beach area.

Do you have any memorable stories selling homes?

A realtor friend of mine went into a house to sell it and a large pet parrot hooked onto her head. She’s very prim and proper and also afraid of dogs. She went into another house and jumped on her client’s back because there was a dog there. I’m not very dramatic so I usually don’t have a lot of things like that happen to me.
Is there anything else you’d like to add?

I think Long Beach is a wonderful area and I feel very blessed to do my job because I’ve met so many people who have become friends. Some of them I’ve now sold three or four properties to. Maybe they were just married when I met them, and now they’ve got children, so it’s fun to watch their families grow.

Judy Sharp, REALTOR®
Productivity Coach/Broker
Keller Williams Pacific Estates

Before she began her real estate career in 1982, broker Judy Sharp worked in what she called a “heavy” industry, recycling metals for factory production. “The opportunities for women were not as plentiful as they are today,” she said. “I knew if I didn’t get out of the business I was in, I would be stuck. I saw an ad for a real estate license for $99 and decided to try it. I liked it much better than I ever dreamed I would.” Sharp was drawn to Long Beach from Norfolk, Virginia, because of its waterfront location and affordability. From her years working in the city, she recounts how it has changed, as well as the developments in the real estate industry.

How has real estate changed since you entered the business?

I’ve been in the business for such a long time. When I got in in 1982, there was no technology of any kind, not even fax machines. Technology and the Internet have changed our business and it’s changing faster than it ever has. The pace has really quickened. Now it’s possible to purchase a house when you’re in another country, sign the contract and pay for the house without ever meeting all of the people.

How has Long Beach changed?

When I got my license and came to work in Long Beach, they were in the process of closing up a lot of businesses downtown. It was really suffering. We didn’t have very high hopes for it at that time. But thankfully, the people just kept right on working to build it. The downtown has changed the most. All the change is really good. It’s now become the place to live when there was a time when people were headed to Orange County. Now, I hear about the O.C. people heading back.

As brokers, we want to have agents who speak multiple languages because of our diverse population. There’s so much happening here that we have to always stay on top, reading all the publications to keep up with developments and the new businesses. We’re proud of our city; we want to make sure we let everyone know about all the benefits of living here. As a realtor, I would encourage other realtors to be active in the communities they serve and pay attention to what’s going on at city hall. I think Long Beach is one of the best-kept secrets.

Pam Weston, REALTOR®
Main Street Realtors

Before Pam Weston entered the real estate world 32 years ago, she owned an art business that specialized in screen printing and design for T-shirt companies. “I got into real estate through my husband,” Weston said. “He thought it would be more enjoyable. We don’t partner in real estate; that’s how we’ve stayed married so long.

How has real estate changed since you entered the business?

It’s changed tremendously. We have the Internet, social media, and more consumer protection. We also have different ways that we communicate with our clients. Before, it was always in person; you met them at an open house. I’ve been really lucky since a lot of mine are repeat and referral business. I do have stuff on the Internet, and social media is very, very strong. A lot of times, people will go online and pick an agent. But people don’t understand what you get when you hire a realtor, the level of expertise. How someone like me can guide you through a process and make it fun and easy. People go online and they think they’re going to get their lender that way. They come to you and they already have their lender. Nobody’s talked to them about finding an accountant or about planning their finances ahead of time before buying. The way you market has also changed. I have professional photos, videos and flyers. You have one chance to make a first impression on the Internet.

How has Long Beach changed?

It’s still the same, friendly open community it’s always been. We haven’t had a lot of new construction, but we’ve gotten some new rules. For example, in certain areas when you sell a property, you have to get a garage inspection. The city doesn’t want it turned into a rental. Now, on Ocean Boulevard, [the city] is turning over some of the public parking lots for locals to park. They just need to get their cars out by morning so the beachgoers can park. Before, parking wasn’t an issue. It just comes with the change in times.

Do you have any memorable stories selling homes?

There was one, a young couple. She was pregnant and they wanted to buy a house before she had the baby. We had been looking for about a year. They picked one that they kind of liked. I always say you shouldn’t have to look too hard. You’re either in love, or you’re making yourself love it. They were coming in to write an offer, and a new listing came out. I said, “Before you come in, let’s go look at this.” They walked in, and the husband said, “Now I know what you’re talking about.” That was 26 years ago. Sometimes, real estate isn’t just about making a sale, it’s about making sure that the property is right for your client. I tell that story to new clients to show them that it’s just not a number on a paper, it’s a feeling that you have. It’s like when you met the love of your life when you bought the first car that you wanted. You have to have an emotional connection.

Is there anything else you’d like to add?

I would recommend finding an agent that you’re comfortable with and who you trust. Make sure they’re not just interested in their next meal but are in it for the long haul. I tell my clients, “If you hear a horror story, before you freak out, call me.” Their friends will all tell them all of their worst nightmares. I usually say, “Well, they weren’t working with me.”
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