



REALSMART

Newsletter

A QUARTERLY JOURNAL OF REALSMART IDEAS

WHAT IS A FIXER MIXER AND WHY SHOULD I CARE?

If you're reading this newsletter, then you've probably received a Fixer Mixer invitation before, either through email or by snail mail. And if you don't invest with us, you might have thought to yourself, "Why would I go to an event celebrating the completion of a project I had nothing to do with?". Or maybe you thought, "What the hell is a Fixer Mixer?", threw the invitation in the trash (or better, recycling) and never thought about it again. In any event, we hope to clear up those questions for you once and for all.

As many of you know, in addition to running a traditional real estate brokerage, RealSmart Group also manages an investment fund, which pools money from investors to buy, flip, and sell property. We started this branch of our business in 2010, and over the past 9 years have enjoyed forming successful partnerships with many of our clients and friends.

Typically about a month before we finish work on a property, we start sending out invitations to the Fixer Mixer, which is a party we host at the property to give our clients, friends and family the opportunity to see the work we do first hand. The event is fully catered with LOTS of food, beer and wine. In fact, the food is generally cooked fresh on site by our fantastic chef, Ismael, and the beer is brewed by our resident home brewer, Robert (also our marketing guy).

While the occasion for a Fixer Mixer is the completion of a flip, we highly encourage ALL friends and clients to attend, regardless of whether or not you

invested in the project. For us, it's a great opportunity to catch up with people we don't get to see on a regular basis. For you, it's a chance to chat with us about your own real estate endeavors, search for home renovation inspiration, learn more about the RealSmart Fund, or just to stop by and say hi! Did I mention the free food and drinks?

So, in summary, I can assure you it was no accident that you received an invite, and I encourage you to consider joining us at the next Fixer Mixer to see for yourself what they're all about. The next one will be at 2112 Hyde Street in the lovely Russian Hill neighborhood of San Francisco, where we are renovating 3 condominium units. We're targeting a mid-February date for the Fixer Mixer - keep your eyes out for the invite!



Bryan Jacobs

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REALSMART FUND UPDATE: HOWE SOLD, HYDE ON THE WAY!

At the time of our last RealSmart Fund Update, we were just wrapping up renovations at 740 Howe Street, a mid-century modern inspired 2BD/1BA in San Mateo's Shoreview neighborhood. We finished work in mid-October, hosted the Fixer Mixer and went into contract on the sale shortly after. For those of you who weren't able to see the home at our Oktoberfest themed Fixer Mixer - which featured brats, schnitzel sandwiches and fresh Oktoberfest brew - you can view photos of the home at www.740HoweSt.com. We remodeled the kitchen and bathroom, installed all new lighting, painted and landscaped. You'll notice the home has a very clean, modern finish, highlighted by the concrete countertops in the kitchen.

With Howe Street finished and sold, our focus has been on our 3 condominium units at 2112 Hyde Street, San Francisco. This is our first condominium project, and we're excited to share the work we've



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done with you at the Fixer Mixer, which will be sometime in February. We understand San Francisco is a bit farther of a drive for most of you, but we hope you can join us nonetheless. Keep an eye out for the invite in the coming weeks!

SAN JOSE APPROVES TINY HOMES FOR THE HOMELESS



After years of debate, the city of San Jose has officially approved 80 tiny homes to be built at two separate locations to serve as temporary shelters for the city's homeless. Development and construction of the two sites is expected to run \$4.3 million, which includes electrical, water, and sewage infrastructure.

Most of the homes will feature 80 square feet of living space, while some will be 120 square feet to accommodate people with disabilities. Each will have windows, a light and at least one power outlet, along with a smoke detector and lockable door. Residents will share bathrooms, showers, laundry facilities, kitchen space, and common areas with access to computers, internet, and job boards.

HomeFirst, the non-profit that will operate the communities, will also offer services to residents to help them get back on their feet and secure permanent housing.

San Jose won't be the first city to implement tiny home communities for the homeless. Los Angeles, Seattle, Detroit and Nashville are just a few of the growing number of cities across the U.S. that have turned to this minimalist housing trend to provide dignified shelter to people in need. Here in the Bay Area, the city of Oakland operates 3 "Tuff Shed" camps, but they don't offer electricity or the other amenities that will be provided in San Jose (they're essentially garden sheds). In San Francisco, Public Works recently introduced a plan for a community similar to San Jose's, though no site has been selected and nothing has been approved.

The first site in San Jose is set to open in June, and the second in August. With these 80 tiny homes, HomeFirst hopes to service 300-400 homeless residents over the next two years.

Want to Help the Local Homeless?

Please consider donating to Street Life Ministries. They do great work providing food, clothes and services to the homeless in San Mateo County. You can donate at:

www.streetlifeministries.org



HOME RENOVATION CORNER:

RealSmart's Top Design Trends of 2019



With the new year comes an endless stream of internet blogs predicting the next big design trends. This year, we thought we'd cherry pick some of our favorite predictions and share them with you. While it's entirely possible none of these will turn out to be trends in 2019, it's still a fun exercise to get the wheels turning on fresh new ideas for DIY projects. So without further ado, we present to you, RealSmart's Top Design Trend Picks of 2019:



Wood Vanities (Washington Post)

We're not sure that these ever went out of style, but unpainted wood vanities get a major thumbs up from RealSmart. Of course, a nice maple

or cherry cabinet will come with a heftier price tag than a standard painted vanity, but if you're ready to spend the extra money, the rich wood grain look can work beautifully against subtle/neutral tones. Take for example this gorgeous maple vanity one of our clients recently installed with a white quartz countertop (pictured to the left).

Bold Walls (Pinterest)

Evidently, searches for "mustard yellow" were up by 40% on Pinterest last year, signaling an embrace of bold accent walls among their users. I refuse to go on record advocating for mustard yellow, but a bold accent wall can certainly be a great way to freshen up a tired room. It also makes for a fun and easy DIY project (have the kids join in!). As for what color to use, try out Pantone's color of the year "Living Coral", or PPG Paint's pick "Night Watch Green". Or anything that catches your eye (except maybe mustard

yellow). You can always paint over it if it doesn't work out.



Concrete Accents (DecordAid)

If this prediction turns out to be true, you can officially go ahead and call RealSmart a trendsetting real estate company. We installed a concrete countertop at our last flip, and were very pleased with the way it turned out. Despite it being an inexpensive material, concrete is generally thought of as a premium finish, due to the skill and labor involved with installation. It doesn't work with everything, but it can impart a wonderfully clean and modern feel to the right home.

MORTGAGE UPDATE

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COULD A DIP IN MORTGAGE RATES JUMP START THE REAL ESTATE MARKET?

After increasing by nearly a full percent in 2018, average 30-year mortgage rates have been trending downwards for nearly two months now, due in part to volatility in the stock market. If these rates hold or continue to decrease, it could provide a boost to the Peninsula real estate market in early 2019.

It seemed that after years of rapid growth, home prices finally slowed down somewhat in the final quarter of 2018, while rising interest rates only served to compound affordability issues. Homes were sitting on the market for an average of 30-45 days in the final months of the year, instead of the 10-20 that we had grown accustomed to. As sellers were forced to temper their price expectations, price reductions became much more frequent. It is quite possible that we hit a bit of an "affordability

ceiling" here in the Peninsula, with rising interest rates playing a significant role. Lower rates could bring some buyers back into the fold, giving the market a jolt in 2019. Of course, if the stock market corrects itself, perhaps things will trend back in the other direction.

As of December 27th, Freddie Mac listed average 30-year fixed rates at 4.55%, which is down from 4.94% in early November. To discuss current rates, or to find out what type of mortgage you could qualify for, feel free to reach out to your mortgage team any time.



-George & Laurie



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FEATURED LISTING

165 GRANDVIEW DRIVE
WOODSIDE



ENCHANTING 5-ACRE PROPERTY

Nestled in the beautiful Redwood forests of the Woodside Hills, this custom mid-century modern home offers an enchanting escape from the hustle and bustle city life. 4 beds, 3.5 baths, a large deck with stunning views, and an expansive open living space. Only 10 minutes from shopping, dining & the freeway!