

Reflections on Real Estate

A Quarterly Publication from Souza Realty & Development

Spring 2006

A New Building for Tracy Interfaith Ministries

By Victoria Caldeira

On Friday, February 24th, a ground breaking ceremony attended by over 140 donors and volunteers took place for the new Tracy Interfaith Ministries building.

Tracy Interfaith Ministries (TIM) provides assistance to low-income people who live within the Tracy Unified School District with donations of food, clothing, and other basic necessities. The main focus of the organization is to dress and feed those in need in Tracy.

TIM began in 1988 with twelve area churches joining together to expand what had previously been a valiant attempt to help those in need, but had little structure and often duplicated

efforts. That first year they provided food for 1,396 adults and 1,825 children. In 2003, they provided food for 24,037 adults and 20,767 children with an all-volunteer staff of sixty-five men and women.

TIM is currently operating out of a

Building Committee which has raised \$250,000 over the past two years through direct contributions, crab feeds, dances and a host of other events that were spurred on by local service organizations and church groups. In addition, Tony Souza, President of Souza Realty

& Development and Eleni Tsakopoulos, President of AKT Development each pledged \$100,000 towards the building



The new Tracy Interfaith Ministries building

dated, cinderblock building on Holly Drive that is without heating and air conditioning. The new 10,000 SF building (shown above) will be constructed on Parker Avenue near Grant Line Road and will feature all the newest amenities.

Part of the funding for the project came through the efforts of the TIM

fund. The City of Tracy also donated the parcel on which the new building will sit.

At the ground breaking ceremony, there was an overwhelming feeling of accomplishment and support for the organization that has helped and united so many in the Tracy community.

Easements by Prescription

An easement is often described as the right to use the land of another for a special purpose. One of the many easements encountered in real estate is the easement by prescription. Easements by prescription, also called prescriptive easements, give the easement holder a right to use another person's property provided that the easement holder has used the property

for a certain period of time. Prescriptive easements are found many times in remote areas where deeded access from a public road to a property doesn't exist. In other words, the property would be landlocked except for the prescriptive easement. The only way for the owner to access his or her property is by crossing over one or more adjoining properties and thereby initiating the

terms necessary to create a prescriptive easement.

Prescriptive easements are a type of implied easement, in that they arise even though they are not expressly created or recorded. Unlike other implied easements, however, prescriptive easements are *hostile* (i.e., without the consent of

see Easement page 2

Easement continued

the true property owner). Prescriptive easements do not convey the title to the property in question, only the right to utilize the property for a particular purpose.

Once they become legally binding, easements by prescription hold the same legal weight as written or implied easements. Before they become binding, they hold no legal weight and are broken if the true property owner acts to defend his ownership rights. Easement by prescription is typically found in legal systems based on common law, although other legal systems may also allow easement by prescription.

The use by the easement holder must be *open* (i.e. obvious to anyone), *actual*, *continuous* (i.e., uninterrupted for the entire required time period), and *adverse* to the rights of the true property owner. The use also must be *hostile*, *notorious* (i.e., known to others), and *exclusive* (i.e., although use is not necessarily by one person only, it is such to indicate to the landowner that a private right is being asserted).

The period of continuous use for a prescriptive easement to become binding is five years in the State of California. Generally, if the true property owner acts to defend his property rights at any time during the required time period the hostile use will end, claims on adverse possession

rights are voided, and the continuous use time period resets to zero.

In some jurisdictions, if the use is not hostile but given actual or implied consent by the legal property owner, the prescriptive easement may become a regular or implied easement rather than a prescriptive easement and immediately becomes binding. In other jurisdictions, such permission immediately converts the easement into a terminable license, or restarts the time for obtaining a prescriptive easement.

Government owned property held for common use is generally immune from prescriptive easement in most cases, but some other types of government owned property may be subject to prescription in certain instances.

Prescription may also be used to end an existing legal easement. For example, if a servient tenement holder were to erect a fence blocking a legally deeded right-of-way easement, the dominant tenement holder would have to act to defend his easement rights during the statutory period or the easement might cease to have legal force, even though it would remain a deeded document.

A right-of-way for access is among the most common type of easement by prescription.

"easement." Wikipedia. Wikipedia, 2005. Answers.com 16 Mar. 2006. <http://www.answers.com/topic/easement>



Reflections on Real Estate is published quarterly by Souza Realty & Development. SR&D is a family-run real estate firm specializing in development, development consulting, land and commercial brokerage, and land valuation.

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Recent Land & Ranch Sales

Below are a sampling of land sales that have occurred since our last newsletter. Note that this information has been extracted from the Multiple Listing Service and public records and has not been verified for accuracy. If you have any questions regarding these sales, please contact our office.

CONTRA COSTA COUNTY			TRACY AREA		
ACRES	PRICE		ACRES	PRICE	
7667 Camino Tassajara	5.00	300,000	Banta Rd.	9.73	562,500
26475 Marsh Creek Rd., Byron	5.01	550,000	Banta Rd.	9.73	565,000
101 Blaine Ln., Knightsen	9.00	675,000	279 E. Homestead Rd.	11.00	515,000
Bradford Island, Oakley	15.00	250,000	1700 E. Pescadero Ave.	19.46	2,967,000
9615 Deer Valley Rd., Brentwood	40.00	795,000	34701 S. Welty Rd.	36.90	1,000,000
			31300 S. Koster Rd.	58.91	950,000
ALAMEDA COUNTY			SANTA CLARA COUNTY		
ACRES	PRICE		ACRES	PRICE	
Eden Canyon Rd., Castro Valley	6.58	330,000	San Antonio Valley Rd.	320.00	352,000
21484 Mines Rd., Livermore	10.00	110,000			
10680 Crow Cyn Rd., Castro Valley	12.13	1,500,000			
Mine Rd., Livermore	20.00	196,000			
10200 Mines Rd., Livermore	83.80	1,897,000			

Since 2003, California employers have added more than 400,000 jobs. The state's unemployment rate has fallen from 6.7% to the low 5% range—rates not seen since before the September 11, 2001, terrorist attacks. The number of unemployed persons has fallen below 1 million for the first time in nearly four years. Total personal income is growing at more than a 6% annual rate today, compared with a 4.5% annual rate in November 2003.

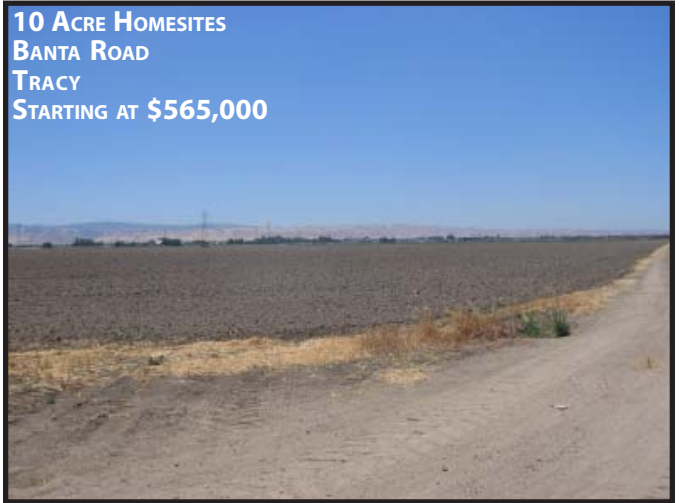
U. S. Chamber of Commerce website (uschamber.com)

Properties For Sale

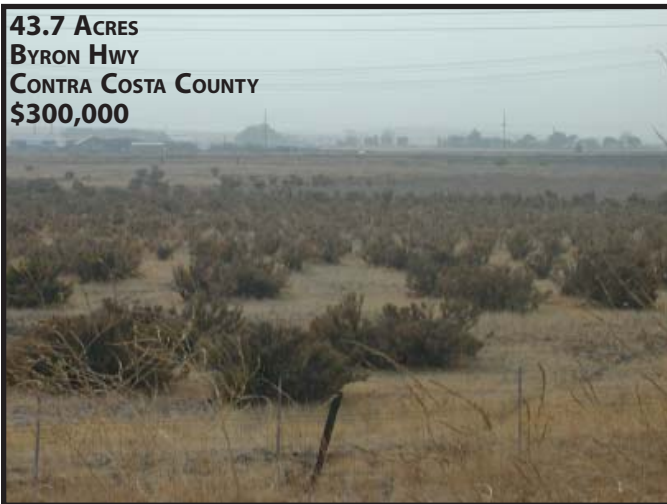
±1,368 ACRES
SUNOL RIDGE
ALAMEDA COUNTY
\$9,300,000



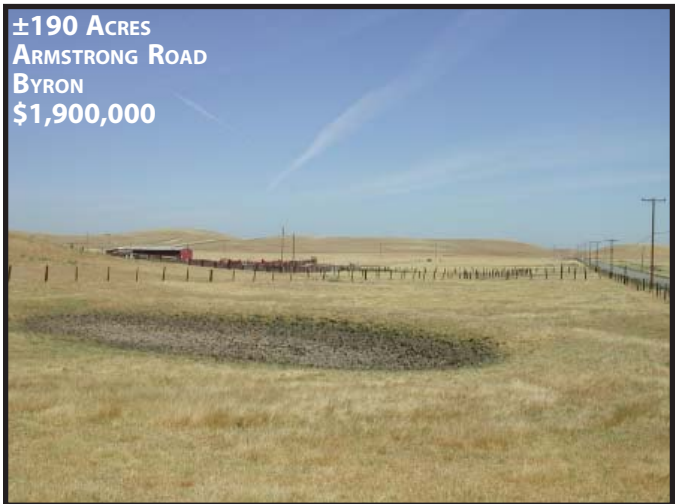
10 ACRE HOMESITES
BANTA ROAD
TRACY
STARTING AT \$565,000



43.7 ACRES
BYRON HWY
CONTRA COSTA COUNTY
\$300,000



±190 ACRES
ARMSTRONG ROAD
BYRON
\$1,900,000



Property For Lease

ICE HOUSE INDUSTRIAL PARK
2450 S. MACARTHUR DRIVE
TRACY



A PROJECT BY SOUZA REALTY & DEVELOPMENT

3,650-7,600 SF INDUSTRIAL SUITES FEATURING:

- **200 Amps, 277/480 Volts, 3 Phase**
- **Concrete Tilt-Up Construction**
- **Office Space Build-to-Suit**
- **Zoned I-L (San Joaquin County)**
- **One Grade Level Door per Suite**
- **Shared Dock Facility**
- **Paved Loading & Parking Area**
- **Yard Space Available**
- **Close Proximity to I-5 & I-205**
- **Lease Rate: \$0.65/sf IG**

RETURN SERVICE REQUESTED

Interest Rates

By Rich Davidson

As you can see, virtually all of the interest rate indexes have continued to increase. The Federal Reserve continues to increase its short term federal funds target rate, the rate member banks are charged on overnight borrowings between banks. This makes short term borrowing, such as construction financing, more expensive. The Fed has now raised the Federal Funds rate by a quarter percent at each of its past fourteen policy meetings from June 2004 when the rate was a 46 year low of

one percent.

Longer term rates have risen as well. The yield on ten year treasuries is close to the sixteen month high of 4.67% set in early November 2005. Bond investors are pushing long term rates higher, in part, reflecting their belief that foreign central banks will keep raising rates as the world economy continues to

improve. This impacts the U.S. treasury market because the low rates in Europe and Japan have caused investors to turn to the U.S. for higher yields. With these foreign banks moving or poised to

start raising rates and moving away from an easy money policy, this money that was invested in the U.S. could move overseas. This in turn would cause rates

to increase further as this source of funding for U.S. bonds diminishes.

The Conference Board's consumer-confidence index increased to 106.8 in January then fell in February to 101.7 indicating that consumers are growing concerned about the economy and job prospects. However, consumers' outlook is slightly higher than it was when compared to our last newsletter in November. We are seeing quite an up and down pattern in this index.

RECENT LOAN CLOSINGS

1. \$13,000,000 construction loan for residential condominium development in San Francisco.
2. \$3,000,000 equity investment in to be built San Francisco condominium development.

If I can be of any assistance with your real estate financing needs, please do not hesitate to call me at (650) 579-3995. My email address is rdavidson@redcofinance.com.

KEY INTEREST RATES & INDICES			
March 2, 2006			
INDEX	CURRENT RATE	CHANGE FROM 12/13/05	NOTES
Bank Prime	7.50%	+0.25%	Last change: 1/31/06
1 Yr. Treasury	4.74%	+0.35%	
5 Yr. Treasury	4.67%	+0.24%	
10 Yr. Treasury	4.64%	+0.11%	
30 Yr. Treasury	4.62%	-0.11%	
LIBOR (1 Mo.)	4.66%	+0.29%	
LIBOR (6 Mo.)	4.99%	+0.32%	
LIBOR (1 Yr.)	5.14%	+0.28%	
6-Month CD	4.93%	+0.30%	
Freddie Mac 60 day	6.12%	+0.04%	30 year fixed rate
12 Month Treasury Average	3.751%	+0.273%	T average
11 th District Cost of Funds	3.347%	+0.273%	Fund Cost
Consumer Price Index	198.3 (Jan.)		Up 4.0% from year ago
Federal Funds Rate	4.50%	+0.25%	Last change: 1/31/06
Dow Jones Industrial Avg.	11025.51	10823.72	Up 2.87% YTD
Consumer Confidence Index	101.7 (Feb.)		Up from 98.9 in Nov.