

RAVENSWOOD HIGH SCHOOL
DEVELOPMENT EVALUATION AND MARKETING STUDY

Prepared For:
Sequoia Union High School District

Project No. 1181

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Section II
SUMMARY AND CONCLUSIONS

SITE ANALYSIS

1. The Ravenswood High School site encompasses 31.3 acres of land zoned for single-family dwellings (R-1).
2. The site has good freeway access. Approximately 50 minutes driving time from San Francisco and 20 to 25 minutes from San Jose.
3. The area surrounding the site is predominately developed with residential dwellings.
4. Visibility to the site is limited by apartment buildings and trees along the Bayshore Freeway.

ECONOMIC OVERVIEW

1. Growth in San Mateo County has averaged less than one percent per year over the last seven years. East Palo Alto's population has declined slightly over the same period.
2. The number of households in East Palo Alto is increasing, despite the population decline, because of a large increase in multiple unit dwellings on the west side of the Bayshore Freeway and a reduction in average household size.
3. The unemployment rate for East Palo Alto dropped from 11.7 percent in July, 1976 to 9.3 percent in July, 1977. The area has been susceptible to cyclical changes in employment.

4. East Palo Alto has the lowest median family income and per capita income in San Mateo County.
5. San Mateo County and East Palo Alto have a shortage of undeveloped residential land which will inhibit future growth.

INDUSTRIAL MARKET ANALYSIS

1. The Mid-Peninsula industrial market is dominated by large owner-users. Approximately 31 percent of the tenants occupy 73 percent of the total occupied industrial space.
2. The Ravenswood Industrial Park is the closest and most competitive site to the Ravenswood High School in terms of industrial development. Low land prices and rental rates characterize the Ravenswood Industrial Park.
3. The largest single obstacle to industrial development at the high school site is the residential nature of the surrounding land uses. Due to the residential housing surrounding the site, obtaining the required zoning changes would be extremely difficult.
4. The current level of land absorption would indicate a 10-year absorption period for an industrial development. Therefore, a major anchor tenant would have to be secured before financing and absorption would become feasible.

OFFICE MARKET ANALYSIS

1. The East Palo Alto area is not an office space market. Competitive office space developments are primarily located in Palo Alto. The total office space inventory within the unincorporated limits of East Palo Alto is only 50,000 square feet. Approximately 50 percent of this space is currently vacant.

2. Existing office space within East Palo Alto is intermingled with retail locations, contrasting with the traditional office or industrial park setting. The largest users of office space within this market are real estate offices.
3. Without the availability of large anchor tenants, an office space development at the subject site would be of a speculative nature. Under such circumstances institutional financing is extremely difficult to procure.
4. The review of office trends and locational factors indicate a "no go" recommendation for speculative office space development at the Ravenswood High School site.

RETAIL MARKET ANALYSIS

1. Existing retail facilities are more centrally located and better positioned to draw community residents than the Ravenswood High School site.
2. Historically, East Palo Alto residents have done much of their shopping outside their community and, as a result of physical and psychological barriers, there has been no influx of retail sales dollars into East Palo Alto.
3. The retail shopping areas in East Palo Alto are fragmented with many small freestanding stores. Among the retail facilities surveyed there is an overall vacancy rate of 28.2 percent.
4. A "no go" recommendation for retail development on the site is based primarily on (a) high level of retail vacancy, and (b) low sales volume potential for the site.

HOUSING MARKET ANALYSIS

1. East Palo Alto's housing market primarily consists of single-family dwellings, particularly on the east side of the Bayshore

Freeway. The apartment market is characterized by poorly maintained developments with low rental prices and high vacancy rates.

2. A "no go" recommendation is indicated for apartment development at the subject site due to low rental income, high vacancy rates, current apartment renovations, and slow absorption potential.
3. East Palo Alto has a strong demand for single-family housing which has not been fulfilled due to the shortage of undeveloped land. This demand is reflected by the increase in average price of single-family homes in East Palo Alto. The average price has increased by approximately 72 percent between 1970 and 1977.
4. Coldwell Banker has made preliminary contact with developers in the San Francisco Bay area in regard to the Ravenswood High School property, and found the greatest interest on the part of single-family home developers.
5. The most compatible use for the high school property, in relation to surrounding land uses, is single-family home development.