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U.S. GDP Meager, But No Double Dip
美國國內生產總值在第三季度增長 2%，二次衰退的可能性降低

By: Dees Stribling (CP Executive)

U.S. GDP might have grown only 2 percent during 3Q10, but at least that damps down talk of a double-dip recession, which was all the rage among prognosticators over the summer. The final revised figure for growth during 2Q10 was 1.7 percent, so the third quarter eked out a gain (maybe; revisions lie ahead).

The Bureau of Economic Analysis noted that the increase in GDP during the quarter was driven by "personal consumption expenditures" (people shopping, in other words), private inventory investment, nonresidential fixed investment, federal government spending, and exports. A "negative contribution" was made by "residential fixed investment" (the housing market still stinks, in other words). Imports, which are a subtraction in the calculation of GDP, increased.

Whatever growth the economy saw in 2Q10 isn't doing much for consumer confidence, however. The latest Reuter's/University of Michigan's Consumer Sentiment expectations index slipped fell 2.7 points from mid-month to a weak 59.2 for the last two weeks of the month. A 50 reading or worse indicates a recession state of mind for consumers, so the latest numbers aren't quite as bad as they could be, but not the kind of confidence retailers especially want to see as the buildup to the holiday sales season gets under way.

QE2 Ready to Set Sail

For some time now, those same economic prognosticators have been talking about QE2–the shorthand for the second quantitative easing, the Federal Reserve's planned stimulus through buying debt. This week the Federal Open Market Committee will meet to kick QE2 into motion. The goal of QE2 is to lower yields on long-term Treasuries, which in theory lower mortgage rates and corporate bond yields.

Currently, the Fed has about $1.7 trillion of agency debt and mortgage-backed securities on its balance sheet, most of which it bought back in the grim days of late 2008 and early 2009. By comparison, the entire GDP for the United States in 2009 was a bit more than $14.1 trillion, according to IMF estimates. QE2 is expected to involve $500 billion worth of asset purchases over six months, or roughly the pace of the federal budget deficit.

Depending which commentator one readers, that will either help lift the economy, precipitate the complete collapse of the economy that didn't happen in 2008, or something less dramatic all together–namely, that it won't really hurt things, but also won't put any hustle in the muscle of the economy.

Ohio AG Takes Wells Fargo to Task

Ohio Attorney General Richard Cordray has focused his office's attention on a particular robo-signer that he said he's identified, one who works for Wells Fargo Bank in Ohio. On Friday, Cordray sent a letter to 133 Ohio judges asking them to send him copies of the affidavits she supposedly inked on the fly.

Separately, the Ohio AG said in a letter to Wells Fargo itself, offering to take the bank to the woodshed, in as much as a state AG can do that. "It is not acceptable for a party who believes they submitted false court documents to merely replace those documents. Wells Fargo and any other banks are not simply allowed a 'do-over,' " the letter said.

Pre-Halloween trading proved to be not particularly scary for Wall Street on Friday, with the exchanges ending up virtually even (though the size and scope of QE2 might get stocks moving for better or worse soon). The Dow Jones Industrial Average gained 4.54 points, or 0.04 percent, while the S&P 500 lost 0.04 percent. The Nasdaq didn't budge at all.

Retail Leasing, Absorption Improves Amid Mixed Economic Signals
經濟前景雖然不明朗，但購物商場租賃情況好轉

By: Randyl Drummer

Retail leasing and occupancy continued to improve across the country in the third quarter and should strengthen over the next two to three years as growth in jobs and consumer spending lead to greater sales and profits for retailers and renewed demand for store space in malls and shopping centers.

If recovery continues in the broader economy and the amount of new supply delivered remains low, retail vacancy rates should continue to decline through mid-2013. Absorption of retail space, which has been positive for five straight quarters, should continue through at least mid 2012, CoStar Group forecast in its Third Quarter 2010 Retail Review and Outlook this week.

The positive indicators in the retail leasing market in the third quarter follow similar recovery stories in the nation’s office and industrial markets.

"If you look at where vacancy rates are headed, we’re expecting a pretty bullish recovery," said Real Estate Strategist Suzanne Mulvee, who co-presented the report with Director of Analytics Jay Spivey. "We see the recovery playing out. Not only are consumers spending more, we’re seeing it translate into positive absorption in the space market."

Rents are still declining but at a slower rate, but falling vacancies and shrinking supply will gradually lift retail rental rates and sale prices.

The national retail vacancy rate edged down slightly from 7.4% at midyear to 7.3% in the third quarter, although the availability rate -- space that's being marketed but is not yet vacant -- is still hovering around its peak of around 10%.

While it pales compared with the peak years of the mid-2000s, the 12.9 million square feet absorbed in the 62 largest U.S. retail markets in the third quarter marks the fifth consecutive quarter of positive absorption since the nation recorded 26.7 million in negative absorption in first half of 2009. While 12 of the top 20 retail markets posted negative absorption in 2009, only three recorded net loss of occupancy in the third quarter, including Phoenix (-749,000 square feet), Atlanta (-408,000 SF) and Chicago (-313,000 SF).

As usual, energy rich Houston, largely sheltered from the effects of the housing downturn, absorbed the most space at 3.02 million square feet. Supply constrained markets in the northeast and Mid-Atlantic rounded out the top five markets with positive absorption: Long Island, 2 million square feet; Washington, D.C. 1.83 million SF; Boston, 1.78 million SF and Northern New Jersey, 1.76 million SF.

Markets in Texas, where the housing crisis did not hurt the economy as deeply, have fared better in retail leasing and occupancy than residential bust markets like California, Florida, Nevada and Arizona. Markets with a retail space overhangs like Phoenix, Denver and Atlanta may take a bit longer to turn the corner into recovery.

Year-to-date leasing statistics show that discount retailers like Dollar Tree continue to dominate leasing activity, both in the number of locations and the square footage leased. Service providers like Verizon Wireless are very active in leasing new, albeit smaller, spaces.

The number of retail centers with very high vacancies is also declining. According to a CoStar analysis, the number of properties that fell below 80% occupancy, a sign of severe distress, declined in the third quarter compared with fourth-quarter 2009, which marked the market trough. With mom-and-pop retailers still hurting, the number of community shopping centers with occupancies of less than 80% is still increasing somewhat, as is the number of regional malls with high vacancies. However, the number of power, lifestyle and strip centers with sub-80% occupancies has declined since late 2009.

Overall retail investment sales remain among the lowest of the major property types as measured by square feet sold as a percentage of total market size. Sales volume is well below historical levels, and the percentage of sales involving distressed properties has risen steadily for five quarters, Spivey said. That said, retail properties didn't see the dramatic sales spikes -- and steep declines -- experienced in the office and multifamily markets during the 2004-07 boom era and the subsequent recession.

There are some positive signs for retail owners. The average number of days that properties are on the market prior to being sold is leveling off at around seven months. Buyers and sellers appear to be coming closer to agreeing on prices. The final sale price as a percentage of asking price in transactions rose higher in the third quarter. Unsold space withdrawn from the market by sellers is also leveling off.

Almost 33% of sales volume was comprised of portfolios in the most recent quarter, even higher than the 28.2% at the height of the market in 2007, Spivey said. Buyers are also going for more conservative investments. Triple-net investment sales, a traditional flight to safety for investors, are higher this year and well above long-term averages as a percentage of total sales volume.

Several of the top retail sales in the third quarter were portfolios, and most of them involved REITs as a buyer or seller. They include the following.

Simon Properties bought a portfolio of 20 shopping centers in 15 states from Prime Retail on Aug. 30 for $2.3 billion, or $293 per square foot, at an 8% capitalization rate.

Cedar Shopping Centers bought five shopping centers in Pennsylvania and New Jersey from Pennsylvania REIT on Sept. 29 for $135 million, or $110 per square foot, at a 6% cap rate.

LaSalle Investment Management bought San Jose Market Center in San Jose, CA from Cousins Properties on July 8 for $85 million, or $236 per square foot, at an 8.22% cap.

Cole Credit Property Trust bought Whittwood Town Center in Los Angeles from Morgan Stanley on Aug. 27 for $83.5 million, $123 per square foot, at a 6.5 cap rate.

Foreclosures Going Strong in 3Q
法拍屋在第三季度的勢頭仍然強勁

By: Dees Stribling (CP Executive)

Foreclosure slowdown? What foreclosure slowdown? That's the takeaway from Thursday's third quarter 2010 Metropolitan Foreclosure Market Report by foreclosure specialist RealtyTrac. Among the 206 metro areas tracked by the report, 133 of them—65 percent—experienced year-over-year increases in foreclosure activity during 3Q10, which includes everything from notices of default to foreclosure auctions.

The same states are still in the top ten in terms of foreclosures, as they have been with tiring regularity for some time now: Arizona, California, Florida and Nevada. Still, some other places outside these states are seeing rapid increases in foreclosures, as unemployment doggedly persists: Seattle-Tacoma-Bellevue suffered a 71 percent increase in foreclosure activity compared with 3Q09, followed by Chicago-Naperville-Joliet with a 35 percent increase over the same period; Houston-Sugar Land-Baytown with a 26 percent increase; Detroit-Warren-Livonia with a nearly 23 percent increase; and Atlanta-Sandy Springs-Marietta with a 20 percent increase.

"The underlying problems that are causing homeowners to miss their mortgage payments—high unemployment, underemployment, toxic loans and negative equity—are continuing to plague most local housing markets," James J. Saccacio, CEO of RealtyTrac, said in a statement. "These historically high foreclosure rates will continue until those problems are resolved."

High-Priced Vegas Homes Still Sell

Las Vegas, poster child for foreclosure, still has a "luxury" housing market—that is, homes that fetch more than $1 million—according to a new report by Luxury Homes of Las Vegas, a high-priced home specialist. But even in that realm, things aren't quite what they used to be.

The rate of Vegas luxury homes selling at or above $1 million dollars were down by 14 percent during the third quarter of this year compared with the same period last year. All together there have been 101 residential properties over $1 million sold in the market year-to-date through the third quarter of 2010. The number of luxury homes selling at or above $3 million dollars, on the other hand, was up by 7 percent from 3Q09. The highest luxury home sale thus far in 2010 was for $7 million in late January, for a property in the Ridges.

Those numbers point to an active, if not stellar, higher-end housing market in Las Vegas. But one other statistic tells another story: In September, about 10 percent of the luxury home sales over $1 million dollars were REOs, a low percentage compared to the general market, but indicative of troubles even for some upper-end borrowers.

Business Travel Perks Up

In what ought to be good news for the U.S. hospitality industry, business travel has picked up, and the momentum is there for an even better year next year. According to the first-ever quarterly business travel forecast, "Business Travel Quarterly Outlook–United States," by the NBTA Foundation (an arm of the National Business Travel Association), U.S.-originated business travel spending is expected to grow 3.8 percent this year compared to 2009.

The report further noted that total number of U.S. business trips saw a sharp decline of 15.6 percent because of the Great Recession, from 511 million trips in 2007 to 431 million in 2010. The decline was driven in large part by the drop in transient business travel, which comprises 60 percent of the total, as a result of tighter travel management, shortening trips, and some use of technological travel alternatives. However, the NBTA Foundation predicts, through 2012 transient travel is expected to advance 31 percent as the economy continues to recover and travel restrictions are lifted.

The recovery won't be overly speedy. "It's clear that companies are taking their time in shifting from the current cost-containment culture, and recovery will continue to ramp up slowly," Michael W. McCormick, NBTA Executive Director and COO, noted in a statement. "We're looking forward to the end of 2012, when the industry should see a return to peak levels."

Wall Street had an unexciting day on Thursday, with the Dow Jones Industrial Average ending down 12.33 points, or 0.11 percent. The S&P 500 and Nasdaq were up 0.11 percent and 0.16 percent, respectively.

Recovery in Building is Forecast for 2011
建築業預計明年開始緩慢復蘇

By: A.D. Pruitt (The Wall Street Journal)

The nation's construction industry, virtually on life support during the economic downturn, will begin a slow recovery next year, according to a forecast set to be released Friday.

Next year, the value of new projects that start construction is expected to climb to $445.5 billion, an 8% rise from this year when that figure hit a post-recession low, according to the closely watched McGraw-Hill Construction forecast.

New development of single-family houses, apartment buildings and commercial properties is expected to increase. But there will be less building of new highways, bridges and other public works as federal stimulus money dries up, according to the forecast.

Even with an increase next year, construction activity will still be far off the boom-year peak it hit in 2006 when there were $689.3 billion in construction starts, according to McGraw-Hill.

McGraw-Hill last year initially forecasted a gain of 11% for 2010, but that projection proved to be overly optimistic. Construction starts are estimated to decline 2% from 2009 as a recovery in the housing industry stalled in the middle of the year, credit remained sparse and municipal budget deficits widened.

"State and local governments saw their fiscal health erode to a greater extent than previously thought," said Robert Murray, vice president of economic affairs at McGraw-Hill Construction, part of New York-based McGraw-Hill Cos.

McGraw-Hill expects the U.S. economy will grow 2.5% in 2011. "The economy will continue to struggle in 2011 although avoid another recession," Mr. Murray said.

Among specific sectors, single-family housing should see the strongest rebound in 2011, with $126.7 billion in construction starts, a 27% boost, according to the forecast. But that projection assumes mortgage rates remain low, job growth improves and a resolution is found to the foreclosure documentation mess. The single-family estimate is 60% below the peak in 2005, underscoring how far builders have curtailed construction following the housing boom.

New construction of multifamily housing is expected to rise 24% to $23.6 billion next year, extending gains from 2010 as a growing number of renters enter the market amid the housing crisis. A 1% decline is expected for public-works construction, which should come in at $122.3 billion as a lack of federal stimulus money and budget woes of state and local governments put a lid on new projects.

Meantime, commercial buildings—which includes offices, stores, hotels and warehouses—will improve with a 16% gain to $44.9 billion. But that comes after falling 17% in 2010 and 43% in 2009. In 2010, construction starts hit a 50-year low.

McGraw-Hill projects that construction starts of manufacturing buildings will increase 9% as the drop in value of the U.S. dollar increases demand for U.S. goods.

Mall Developers Look to Outlet Centers as New Avenue for Growth
大型購物商場建築商從傳統商場轉向工程直銷商場的建造

By: Elaine Misonzhnik (Retail Traffic)

As opportunities for new retail development have dwindled in recent years, REITs that have traditionally specialized in building regional malls started to look into building outlet centers.

The latest firm to move into the sector is CBL & Associates Properties Inc., a Chattanooga, Tenn.-based regional mall operator, which last week announced it had entered into a joint venture with Horizon Group Properties to build an outlet center in Oklahoma City, Okla.

The outlet sector has outperformed other retail property types during the downturn because of consumers' focus on value. And with only 60 million square feet of outlet center space currently available in the U.S. market, there is opportunity for new construction, industry sources say.

CBL & Associates enters the outlet arena with the joint venture development of the Outlet Shoppes at Oklahoma City.

"It turns out that everybody is looking at developing outlet centers," says Rich Moore, a REIT analyst with RBC Capital Markets. "It is the hottest sector in retail by far and the tenants are very interested in adding space [in that category]. The whole value concept is resonating right now."

CBL, which was approached about participating in the Outlet Shoppes at Oklahoma City by the Horizon Group after the latter already secured the site, will look out for similar opportunities in the future, on a project by project basis, according to Lebovitz. The Outlet Shoppes at Oklahoma City will contain 350,000 square feet of space and feature tenants including Saks Fifth Avenue Off 5th, J. Crew, Brooks Brothers and Coach. The property will be the only outlet center in the state of Oklahoma. CBL owns 75 percent of the project, while Horizon, a Norton Shores, Mich.-based outlet center developer, owns 25 percent.

CBL is not alone in its newfound interest in outlet centers. Taubman Centers Inc., a Bloomfield Hills, Mich.-based regional mall REIT, recently redeveloped its Great Lakes Crossing mall in Auburn Hills, Mich. into Great Lakes Crossing Outlets. The center now houses Polo Ralph Lauren Factory Store, Wilson's Leather Outlet and aerie Outlet by American Eagle, among other outlet tenants. Macerich Co., a Santa Monica, Calif.-based regional mall REIT also talked about exploring outlet center development during an ICSC conference earlier this year.

Simon Property Group, the largest regional mall owner in the U.S., has operated an outlet division under the Chelsea Premium Outlets brand for some time and recently closed on its acquisition of Prime Outlets Acquisition Co.

The focus on outlet centers as the next avenue for growth makes sense, given consumers' continued preference for value retail, says Moore. In addition, while retailers remain extremely cautious about opening new regional mall stores, many are launching new outlet concepts this year. These include Bloomingdales, Jos. A. Bank and Famous Footwear, among others.

Today there are only 216 outlet centers in the U.S., totaling 60 million square feet of space, according to Value Retail News, an industry publication. ICSC estimates that outlet centers make up just 1 percent of the total U.S. shopping center GLA, compared to the 16.9 percent figure for regional malls. That leaves room for several dozen more outlet center developments, according to Lisa Quier Wagner, president of Quier Target Marking Inc., an affiliate of EWB Development LLC, an outlet center specialist.

"There are certainly enormous expanses of this country that have not even been touched by outlet center space," Wagner says. "The outlet industry is absolutely booming right now."

Wagner cautions, however, that regional mall developers might not realize that the outlet center sector is not an easy one to break into. Even though regional mall REITs boast existing relationships with most national retailers, the retail executives responsible for outlet center leasing are not the same ones who look for regional mall sites, she says.

And because retail chains have to make sure that their outlet distribution channels don't compete directly with their wholesale operations, signing a lease on an outlet store takes a lot longer than signing a regional mall store—often, up to a year's worth of negotiations.

What's more, regional mall operators are used to building centers that rely on a five- to 10-mile radius for the bulk of their shoppers. Outlet centers need to draw people from a radius of up to 90 miles, Wagner says.

"These tenants have many, many options on places they can locate," she notes. "They are analyzing every opportunity and doing site visits. And now there are numerous hierarchies that a tenant rep has to take prospective deals through—it could be several committees, maybe a board decision. The outlet industry is not a business for the impatient."

The fact that outlet center leases normally feature multiple kick-out and co-tenancy clauses might also make new projects harder to finance, says Gary E. Mozer, principal of George Smith Partners Inc., a Los Angeles-based real estate investment banking firm. If a substantial portion of the center is pre-leased to good credit tenants and the leases are not beset with kick-out clauses it's possible to secure construction financing. But the REITs that are undertaking these projects today are likely relying on equity and existing lines of credit to get them built, Mozer notes.

CBL & Associates secured a $48.9 million construction loan from U.S. Bank for the Outlet Shoppes at Oklahoma City. The loan is for a three-year term with two one-year extension options. The company has not disclosed, however, what the total cost of the project will be.

Hot Sauce Maker Adds Zip to 23-Acre Site in L.A. County
滙豐食品公司在 Irwindale23 英畝的土地上建造四千萬的公司總部

By: Randyl Drummer (CoStar)

Seventh Street Development has broken ground on a $40 million corporate headquarters, manufacturing, and warehouse facility in Irwindale, CA, for Asian hot sauce maker Huy Fong Foods, Inc. It's one of the largest commercial real estate projects started during an otherwise bland year for new development in Los Angeles County.

Huy Fong, best known for its Sriracha Hot Chili Sauce, will consolidate operations now in two separate locations in nearby Rosemead totaling 232,000 square feet into the new 655,000-square-foot build to suit on 23 acres at Azusa Canyon Road and Cypress Street. The project is scheduled for delivery in 12 months.

The developer will add 26,000 square feet of office space to the California Mission-style building, 150,000 square feet of manufacturing and 480,000 square feet of warehouse under one roof. The redevelopment project is expected to create 190 new jobs and provide $1.5 million annually to the city over the next 10 years in taxes, fees and other payments.

In 2008, Irwindale tapped privately held Seventh Street Development, based in Long Beach, CA, to develop the long-blighted spot, vacant for more than 12 years. Huy Fong was attracted to Irwindale because of its business climate and the availability of a site large enough to accommodate growth, according to Seventh Street Principal Craig Furniss.

David Tran, a refugee who named his company after the ship that carried him and his family to freedom following the collapse of South Vietnam, founded Huy Fong in 1980. The company sells more than 20 million bottles of its popular Sriracha chili sauce a year and plans on tripling its employee base and growing its manufacturing capacity tenfold by 2016 to meet demand, Furniss said. The company has been based in the San Gabriel Valley since 1987.

KPRS Construction Services based in Brea, CA will serve as general contractor. RKZ Architects and Walden & Associates Civil Engineers leads the design team.

Bank Credit Freeze Shows Signs of Thawing
銀行貸款凍結顯示解凍的跡象

By: CoStar

Maybe it is time we start taking bankers at their word that commercial real estate wasn't and isn't a catastrophe waiting to happen. Maybe, just maybe, as they've been telling us for the last four consecutive quarters, there are serious risks but they are manageable and are being dealt with and disposed of. Why, now?

Because third quarter commercial bank earnings reports released in the last week seem to back up that talk. Individually, there are definitely still banks in trouble. But collectively banks seem to be on the tail end of their commercial real estate troubles. Distressed loan levels have stabilized, the amount of new delinquencies is decreasing and more banks are beginning to push troubled assets back into the marketplace.

CRE has been a source of concern for a lot of observers, said James Abbott, senior vice president, investor relations and external communications for Zions Bancorporation, but "so far that is not playing out in our portfolio and has been reasonably benign around the industry.

There are lots of indications the commercial real estate market is stabilizing and even strengthening, Abbott said. "If you look at CMBS spreads and some other indicia of this, it's appearing that maybe we're not going to see the kind of storm some had predicted," he said. "But I think it's going to take another two or three quarters perhaps before it's really clear that there aren't substantial losses around the industry in that product type."

And, believe it or not, some banks even reported in their quarterly earnings conference calls that they are gearing up for increasing their commercial real estate lending activity or seeing renewed interest in borrowing. Such banks are still the exception, not the norm, but we haven't heard this kind of chatter since 2007.

"I would say that we've continued to be very judicious in the commercial real estate area," said Jerry Plush, senior executive vice president, CFO and chief risk officer of Webster Financial Corp.

"[We] continue to look for opportunities that make sense for us, and we're continuing to see that there is definitely some build-up in the pipeline there that we could see in the coming quarters," Plush added. "We're not saying that there is going to be substantial growth, It would be either at to maintain balances or slightly above, but soon you will start to see the emergence of those small business and middle-market numbers rising in the commercial category."

Rene Jones, chief financial officer of M&T Bank Corp., said her bank is seeing customers paying down debt and repositioning themselves for future expansion.

"We've seen in the commercial real estate space a number of pretty well healed commercial real estate folks actually just looking at the liquidity and their portfolio, maybe selling down some projects to improve the overall liquidity position," Jones said. "But overall, our commitments aren't up, so I think people are just on hold. The rates are low, they're trying to lock in some credit today but they're not necessarily using it because they're not yet investing."

Beth Mooney, vice chairman of KeyCorp, said they are definitely starting to see stability in commercial real estate, particularly the middle market loan book.

"We have obviously seen that client base de-lever over the last seven to eight quarters, but if you look into the trends from the first, to the second, to third quarter, we had the lowest level of decline in this quarter that we've seen through the cycle and we are actually starting to see, particularly in our Great Lakes and Northeastern regions, signs of increased new business activity and modest glimmers of loan growth," Mooney said. "However, on net you still see pressures in the Western markets. They were late into the cycle, but we do see some pickup in business activity and clearly signs of stability in the middle market book, as well as in the core leasing portfolio, which intersects with a lot of that same client base of renewed activity."

Bank executives chatter on their third quarter earnings conference call also highlighted more willingness and success in disposing of troubled assets.

"We're very pleased with the overall results of our problem assets disposition strategy, and the momentum we are building toward this effort," said Clarke Starnes, chief risk officer and senior executive vice president at BB&T Corp. "In the third quarter, we actually assembled a team of about 12 sales specialists, together with some significant operational and marketing support to begin a sales program for about $1.3 billion in commercial nonperforming loans that were transferred to the held for sale category."

"Our effort consists of a four pronged strategy. It's in this priority, it's short sells to the borrowers; third-party direct; third-0party bulk, and then some option," Starnes added. "We get our best pricing execution when we're dealing more directly to the borrowers, but it takes a longer time to do that, so at auctions you can do it much quicker, but you've got to do your discounts. So what we're really trying to do is blend these various liquidation alternatives to achieve the best execution that we can, while balancing the time to liquidate."

Bob Kaminski, COO, executive vice president at Mercantile Bank Corp., said: "I think our staff has done a good job of working with borrowers on properties that were even in foreclosure to try to affect sales of those properties so that they may be never make it into the ORE bucket. Loans that do make it into foreclosure due to foreclosure process, many times have buyers that are waiting at the end of the redemption period to complete those sale."

"So it's really page by page basis," Kaminski added. "You have some properties that are little bit hard to sell, may be spending little bit of longer time in the ORE buckets and others that are more attractive from a purchasing standpoint tending to spend a lot less time in those categories."

Mary Tuuk, chief risk officer, of Fifth Third Bancorp, said they have been very focused on higher risk portfolios such as non-owner occupied real estate.

"We've worked hard over time to achieve the best solutions possible on troubled credits," Tuuk said. "As part of that process, [the special assets group] continually identifies the loans most likely to result in a successful workout given enough time and which loans are less likely to result in an acceptable outcome. For that latter group of loans, our options include a long-term workout strategy or a shorter-term solution, one of which is the possibility of selling a loan and the redeploying the resources that would be devoted to a longer-term solution."

"We are marketing these loans in several pools targeted at particular (buyer basis). Land loans in one pool, vertical CRE in another, syndicated loans in another and a final pool that we intend to sell to investors, loan-by-loan," Tuuk said. "These loans, particularly the nonperforming ones, would generally represent the more troubled parts of our commercial portfolio with a high content of commercial real estate in general, particularly land and construction."

Consumer Money Rates (Mortgage Rate, Prime Rate, etc.)
消費者市場利率：房貸、基本利率、等等

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Consumer Money Rates

	Yield/Rate (%)		52-Week		Change in PCT. PTS	
Interest Rate	Last	Wk Ago	High	Low	52-week	3-yr
Federal-Funds rate target	0-0.25	0.00	0.00	0.00	-	-4.50
Prime rate*	3.25	3.25	3.25	3.25	-	-4.25
Libor, 3-month	0.29	0.29	0.54	0.25	0.01	-4.59
Money market, annual yield	0.68	0.69	1.06	0.68	-0.38	-2.93
Five-year CD, annual yield	2.08	2.11	2.70	2.08	-0.61	-2.64
30-year mortgage, fixed	4.49	4.44	5.51	4.32	-0.82	-1.52
15-year mortgage, fixed	3.89	3.86	4.83	3.74	-0.75	-1.76
Jumbo mortgages, $417,000-plus	5.38	5.44	6.37	5.38	-0.98	-1.26
Five-year adj mortgage (ARM)	3.55	3.50	4.67	3.31	-0.74	-2.24
New-car loan, 48-month	5.89	5.88	7.12	5.87	-1.23	-0.99
Home-equity loan, $30,000	5.07	5.08	5.33	5.07	-0.26	-2.05