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Falling Retail Rents Mean More Store Openings: Major Retailers Planning to Take Advantage of More Favorable Pricing
商舖租金下降意味著更多的新店開張

By: Mark Heschmeyer (CoStar)

Following the decline in retail rents since the recession, a number of retailers are reporting that they plan to step up store openings in the next couple of years to take advantage of the more favorable pricing.

According to CoStar Group analysis, retailers have no shortage of availabilities in their choice of centers as retail vacancy rates remain in the high teens. And tenants are wielding their upper hand by playing one landlord against another to obtain favorable terms. Even centers that have avoided the growing rash of vacancies may be harvesting fewer dollars in rents, as more retail tenants press landlords for concessions and as more leases are rolling to lower market rates.

The trend is particularly true for malls and lifestyle centers. Per CoStar Group data, landlords have conceded the most ground at these beleaguered property types. Cumulative rent losses have run 13.6% and 12.1% for malls and lifestyle centers respectively through the third quarter of 2010.

As a result, department store chains such as Menomonee Falls, WI-based Kohl's are stepping up their new store activity. Kohl's opened 21 new stores this past quarter for a total of 30 stores this year and said it is looking to up that to 40 stores in 2011.

"I think the reason we increased to 40 was quite honestly mainly due to real estate cost favorability," Wes McDonald, CFO of Kohl's in the company's third quarter earnings conference call. "So deals got a lot better than we've been working for a while."

"Whether or not that continues is really going to be a function of the real estate costs remaining low," McDonald added. "If they start to remain high and our sales estimates were still sort of sluggish, you might see us going back to 30 but for now 40 for next year and we'll see how 2012 goes."

Of the 40 stores Kohl's expects to open next year, 12 are takeovers of vacated space some Mervyn's, some Wal-Marts and some Lowe's, McDonald said. Of its new openings next year, 10 stores are planned to open in the spring season and 30 in the fall.

hhgregg, a specialty retailer of consumer electronics and home appliances based in Indianapolis, has opened four stores in the past month and plans to step up new store activity in fiscal 2012.

"Due to our successful new market launches in the Mid-Atlantic market and the continued availability of quality real estate at reasonable rental rates, the company believes the time to expand aggressively remains intact," the company announced in its quarterly operating results. "As a result, the company expects to open 35 to 45 stores in fiscal 2012."

The company opened 12 new stores in the quarter ended Sept. 30 (the second of its 2011 fiscal year) and remains on track to open a total of 43 new stores in FY 2011.

The majority of its projected openings are expected to be in the Miami and Pittsburgh markets and a few other select markets. This month, hhgregg opened a new store in Erie, PA (north of Pittsburgh) and Manassas, VA, (in the Washington, DC, metro area). Late last month, new stores were opened in Naples and Ft. Myers, FL.

Dick's Sporting Goods Inc. based in Pittsburgh also said it is taking advantage of more favorable market conditions.

"We continue to work with our landlords on lease expirations and continue to try to renegotiate those in those locations where we want to continue to be," said Joseph H. Schmidt, president and COO. "We're also looking at this opportunity to potentially relocate some stores from existing real estate to maybe some a better location in the marketplace. We continue to find some opportunities to lower our lengths as we work through this."

It is not an across-the-board trend at this point, however. Retailers tied to the home improvement market continue to reduce costs as the housing markets continue to slide.

Carol Tomé, CFO and executive vice president, corporate services for Home Depot, reported that her company is continuing to drive productivity in its existing stores. It has opened only seven stores this year and will maybe open 10 next year.

Robert Niblock, chairman and CEO of Lowe's, said in his company's third quarter earnings conference call that, "we don’t expect consistent improvement in core demand until the fundamentals of the labor and housing markets improve. However, we are prepared to operate effectively in a slow growth environment, focusing on operational efficiency and prudent expense management. We are ready to respond if demand is better or worse than expected."

Global Prospects Improved for 2011, Yet Guarded
調查顯示 2011 年各國房地產投資者都認為前景稍為好轉

By: Paul Rosta (CP Executive)

Investors around the world like their chances of escaping a double-dip recession, but otherwise expectations for 2011 range all over the map, according to a new Colliers International report.
That impression emerges in the "Global Property Clock," a signature feature of the survey, which was conducted among 216 institutional and private investors representing $710 billion in assets. Asked to predict where market conditions in their regions would stand in 12 months, the largest group—22 percent—put the hands of the dial at 8 o'clock, indicating an early stage of expansion.

Another 18 percent of respondents placed the time at 9 o'clock, suggesting still more advanced growth. Slightly smaller groups offered a more guarded impression. Sixteen percent estimated that regional conditions 12 months from now will be at about 7 o'clock, translating into the market being off the mat. And 15 percent said that their "clocks" were tolling 6, meaning that conditions were still in the trough.

Portfolio expansion is in the cards for 60 percent of investors worldwide; nonetheless, the Colliers study reveals telling distinctions among regions, which encompass the United States; Canada; Latin America; Western Europe; Eastern Europe, Central Europe and Russia; the Middle East and Africa; Australia and New Zealand; and Asia. Ninety-one percent of investors in Asia said that they plan to invest in their own countries over the next six to 12 months—up 13 percent from the first quarter. Western European (81 percent), U.S. (80 percent) and Latin American (75 percent) investors are also keenly interested in domestic assets. By contrast, just 25 percent of investors in the Middle East and Africa region want to buy locally.

Instead, fully 63 percent of Middle East/Africa players are looking to buy product outside their homelands, a sentiment comparable to Western Europe (63 percent) and Asia (59 percent). Colliers singled out Western Europe for special notice; as recently as the first quarter this year, only 30 percent reported that they were looking for foreign product. U.S.-based investors, by contrast, do not share that interest; only 13 percent of those respondents said they planned to chase properties in foreign countries next year.

On the sell side, the U.S. is showing a striking spike; since the first quarter, the percentage of investors considering putting assets on the market has nearly tripled from 23 percent to 65 percent. Colliers speculates that more favorable pricing, better financing and price discovery is contributing to the surge. In Asia, too, the percentage of willing sellers has grown from 39 percent during the first quarter to 55 percent today. During the same period, Latin American interest has slipped about 10 percent to 56 percent.

Survey respondents also expect lenders to keep loosening their purse strings next year. Seventy-nine percent said that financing would be more accessible during the next six to 12 months. The cost of financing brings mixed results—only 19 percent of investors in Western Europe expect prices to slip next year, while two thirds of Asian investors and 75 percent in Latin America expect increases. In a sign of uncertainty among U.S. investors, the survey yielded no consensus about the direction of financing costs next year.

Retail Investment Sales Climate Firmed Up in Third Quarter
2010 年第三季度的購物商場投資量上漲

By: David Bodamer (Retail Traffic)

New data from Real Capital Analytics and CBRE Valuation & Advisory Services shows that the investment sales climate for retail properties began to firm up during the third quarter.
According to New York City-based Real Capital Analytics' (RCA) Retail Quarter in Review, the investment market for commercial real estate as a whole entered the fourth quarter in its strongest position since late 2007. Sales of significant assets(transactions greater than $5 million) surged to $5.5 billion in the third quarter of 2010, up 131 percent from the third quarter of 2009 and nearly double the figure in the second quarter. It was the second most active quarter since the downturn began, only outpaced by the fourth quarter of 2009.

Year-to-date, RCA has accounted for $11.9 billion in significant retail sales--$7.0 billion for strip centers and $4.9 billion for malls and other retail properties. The mall volume represents a 51 percent increase over the first nine months of 2009 while the strip center volume is up 103 percent. The overall retail figure is up 78 percent. In addition, 671 properties have changed hands—a figure virtually identical to the first nine months of 2009.

According to RCA, "By both measures, sales activity for strip center properties has significantly outpaced other retail assets this year and has recorded far more cap rate compression year-to-date. … Reflecting seller optimism on pricing and an eagerness to complete deals by year end, an additional $6.4 billion of new offerings came to market in Q3, almost twice the amount recorded in the same quarter last year. The good news is that these recent offerings appear to be priced to sell and asking cap rates have converged with closed cap rates for the first time in almost two years. For strip centers, average asking cap rates have actually surpassed closed cap rates."

The figures were bolstered, in part, by the closing of the $2.3 billion portfolio acquisition of Prime Outlet Centers by Simon Property Group. The deal helped boost the scene in markets where Prime Outlets were located where otherwise the picture may not have looked as bright. According to RCA, "Some markets received an additional boost if they included a Prime Outlet center. Austin, Nashville, Portland and Orlando all witnessed sales volume growth of 500% or more, albeit off a very low 2009 base. Eight other markets, mostly in California or the Northeast corridor, each recorded more than a 100 percent increase in sales volume."

Overall, RCA said that 43 U.S. markets recorded sales gains, signifying a recovery in transaction activity. Traded and nontraded REITs and institutional investors remained the most active buyers. The most active sellers include a greater variety of capital sectors, with institutional investors, foreign investors and banks. RCA said that more distressed sales are also occurring. Overall, about 16 percent of retail transactions by count involved distressed assets during the second and third quarters.

CBRE, meanwhile found that retail cap rates stabilized in the third quarter in comparison to the second quarter. The overall U.S. retail cap rate was 8.49 percent, up just one basis point from the revised 8.48

percent figure for the second quarter. The nationwide cap rate is down 52 basis points from a peak of 9.01 percent posted in the fourth quarter of 2009.

According to CBRE, “This data reinforces the notion that cap rate increases seen since early 2007 may be over for now. We are aware of multiple institutional class-A retail properties and portfolios in escrow at rates significantly lower than the average below. Low interest rates on purchase money are frequently credited for expected further cap rate declines into the fourth quarter.”

Design Without Borders
越來越多的美國購物商場建造商借鑒其他國家的建築創意來創造新穎的設計

By: Elaine Misonzhnik (Retail Traffic)

America may have brought the world the regional mall. But now innovative projects popping up overseas are taking that and other retail concepts into new and innovative directions, setting a lead that U.S. firms may increasingly want to follow.

There are several reasons why projects in markets as diverse as Morocco, the Philippines and United Kingdom are all worth looking at. For one, U.S. developers tend to be more conservative when it comes to design, leading to a more cookie-cutter approach even when owners venture into newer property types like lifestyle centers and mixed-use projects. Secondly, building codes in the U.S. tend to be more restrictive, limiting the variety of building types and materials that can be employed. Lastly, the retail market in the U.S. is more mature and there are very few new projects going up today, creating fewer opportunities for experimentation.

At the same time, business conditions at home are forcing firms that traditionally have focused on work in the U.S. to build or bolster their practices abroad. (For example, Seattle-based architecture firm Callison, which has been active in Asia for more than 20 years, recently entered into a joint venture with China-based HAYA Architects.)

So more U.S. architects than ever are participating in or being exposed to creative projects abroad, which translates into more of the examples being applied back in the U.S.

“The experimentation and the new ideas are now being implemented in Asia and elsewhere,” says Ro Shroff, a principal with Callison. “And we can bring in the newer sensibilities we are experimenting with back to the U.S. when things turn around.”

One quality overseas projects tend to have, which U.S. firms have sometimes struggled to emulate, is that they often fit into their surroundings and provide a cohesive sense of place. U.S. mixed-use and lifestyle projects often are criticized for being pretty, but generic—some are compared to the staged settings at Disney theme parks. All the elements of a classic downtown may be present, but the place feels plastic and like it could be anywhere. Likewise, U.S. malls are still trying to shake off their image as generic and boxy fortresses.

Retail architects in Europe, Asia and Africa, on the other hand, are better at integrating projects with existing histories and ecologies of the sites on which they are built. For example, the design scheme of the Morocco Mall in Casablanca was inspired by the local waterfront. Its layout is based on the shape of a sea shell. Water features are sprinkled throughout the property, and the mall includes a 1 million liter aquarium—the largest of its kind in the Northern Hemisphere.

Meanwhile, the Manila, Philippines-based Greenbelt 5, was sited within an existing urban park and incorporates an existing chapel into the mix. Because the chapel is a popular Sunday morning destination for many devout Christians, the developer, Ayala Land Inc., never had to worry about attracting enough traffic to the property, says Shroff, whose firm worked on the project. What's more, the open-air Greenbelt complex mimics the feel of an authentic downtown shopping district by placing its shops and restaurants on tiered terraces. The 524,000-square-foot lifestyle center was awarded an Urban Land Institute (ULI) Excellence Award in 2010.

Overseas projects often also benefit from traffic generated by sports and entertainment venues, says Dustin Watson, partner with Development Design Group, a Baltimore, Md.-based architecture firm. For example, bars and restaurants at the O2 in London get a boost from traffic generated by a 20,000-seat stadium/concert hall that hosts about 175 events per year. The project also includes an 11-screen cinema complex and a music club.

"A lot of retail projects are just that, retail projects," says NormaLynn Cutler, president of Cutler Enterprises, a marketing firm that specializes in real estate developments. "This is creating a whole new center of the city, where everything is larger than large."

International developers have also embraced the green building trend more quickly than their U.S. counterparts, giving architects another avenue for experimentation. For example, the Rouse Hill Town Centre in Sydney, Australia was constructed using 130,000 tons of recycled materials. It also recycles rainwater to cut down on water consumption and uses trees to provide shade in its outdoor areas during the summer and cut down on the need for air conditioning. In addition, the center boasts an integrated network of pedestrian and bicycle paths.

In recent years, even retail centers in the Middle East, where developers have historically not been concerned about energy consumption, have started incorporating sustainable features, says Jeff Gunning, Dallas-based vice president and retail sector leader with RTKL Associates, a global architecture firm. For example, RTKL-designed Mirdif City Centre, a 2.5-million-square-foot mall that recently opened in Dubai, is seeking Gold Leadership in Energy and Environmental Design (LEED) certification.

"It's not just about sourcing local materials, but looking at innovating lighting and mechanical systems to cut back on energy use," Gunning says. "It's becoming more and more of an expectation. I don't think there has been much emphasis on it in the U.S. because right around the beginning of the downturn in 2007 the sustainability conversation had just begun. I don't really know of large-scale projects in the U.S. that have enclosed retail that event attempted to take sustainability to the same extent as projects in other parts of the world."

Greenbelt 5

Described by Callison as “Times Square meets Central Park”, the Greenbelt retail complex attempts to recreate the filling of an authentic downtown with public spaces and open-air restaurants set on tiered terraces. Greenbelt 5 is a 523,000-square-foot upscale lifestyle center that marks the final phase of the five Greenbelt components.

When the developer started work on the site in Makati City, in the metro Manila area, it already served as a central destination for local residents. It contained an urban park and a chapel that attracted devout Christians for Sunday Mass on a weekly basis, according to Ro Shroff. Wishing to take advantage of the existing foot traffic and make the project complement its surroundings, Callison opted to preserve both the park and the chapel and build the retail center around it.

Only approximately 20 percent of Greenbelt’s space is located indoors. Most of the project uses open-air balconies and plazas to create the filling of a downtown entertainment district. Walkways connect Greenbelt 5 to earlier phases of the project, as well as to the local Ayala Museum, one of the most important cultural institutions in the Philippines. In spite of Manila’s tropical climate, shoppers love to take advantage of its largely open-air setting, says Shroff.

“It’s part of the philosophy we have as a firm that retail does not always need to be in a conditioned environment,” he notes. “It’s hot and humid and Greenbelt is kind of in the middle of it, but people love this place, they embrace it as an urban environment. It’s a microcosm of a city. And it has positive implications for retailers because there are fewer common area management (CAM) charges.”

Rouse Hill Town Centre

While many projects in Europe and Asia benefit from an existing sense of place, the Rouse Hill Towne Centre in the northwestern suburb of Sydney demonstrates that it's possible to create a compelling downtown-style environment from scratch.

The GPT Group and its design team used the traditional town square as inspiration and wanted to make certain Rouse Hill was not viewed as just another shopping center. To achieve that goal, they kept in mind that authentic downtowns include a mix of community venues, residential housing, businesses, restaurants and stores in a pedestrian-friendly setting. The Rouse Hill Town Centre houses 210 stores. But in addition, it features 104 apartments, 30,140 square feet of office space, a nine-screen movie theater, a community center and library and a medical center among its venues. There are child-friendly outdoor areas on site and a secret garden for visitors to explore.

To make the center easy to navigate, the architects separated it into four distinct areas, each with a themed set of stores and restaurants, which meet in the designated "town square." A color coded layout allows customers to quickly gauge which part of the center they are in.

"The central town square is a place for civic events where people can meet and relax," says Bill Williams, head of retail with the GPT Group. "With a fountain and public art, it is an active space by day and night. It is also the location of residential apartments and the Council Library and Community Centre."

The architects also incorporated pedestrian walkways and bike paths into the design, to give visitors the sense they were walking the streets of a downtown. Rouse Hill uses a combination of outdoor and indoor spaces, but there are no doors between the outside and inside sections to prevent the feeling of being stuck in a traditional mall fortress. Instead, the sections are divided by gates, allowing the landlord to close the apparel retail component in the evening while the restaurants and entertainment venues continue to work into the late hours, notes Williams.

And by using glass panels to let in the maximum amount of natural light into the center's enclosed areas, the design team made the transition from outdoor into indoor sections feel seamless, says John Fitzgerald, executive director for Asia with the ULI.

Given that the town center format has proven to be a tough one to pull off, "we were a little skeptical going in as to whether they would be able to deliver," says Fitzgerald. "But during our jury's ground site

visits and interviews with visitors, they were able to observe the activity in the place and it felt like a vibrant, lively center."
Given that the town center format has proven to be a tough one to pull off, "we were a little skeptical going in as to whether they would be able to deliver," says Fitzgerald. "But during our jury's ground site visits and interviews with visitors, they were able to observe the activity in the place and it felt like a vibrant, lively center."

The center features a 150,000 liter tank to collect storm water. It aims to use approximately 60 percent less water than the average retail center in the region. The developer has planted about 130,000 new trees on the site. And all of the center's retail tenants have to complete an "ecological footprint calculator form" to minimize energy and water consumption.

Morocco Mall

One of the projects generating the most buzz today is one that has not yet even opened. Set to be the largest retail center in North Africa, Morocco Mall has been designed to look like a natural extension of the surrounding environment.

The architects took inspiration from the mall's location on the Casablanca waterfront, to create a structure evocative of a sea shell, with oblong exterior lines made of white fabric and glass. A 140,000-square-foot Galleries Lafayette store has been designated as the pearl inside the shell.

The mall's connection to nature doesn't end with its shape. Design International incorporated skylights throughout the mall to provide as much natural light as possible and placed a 1 million liter aquarium inside the property to play off the sea motif. The mall's interior has been enhanced with palm trees and water features.

Design International also aimed at achieving environmental sustainability. It used sustainable materials in the construction process, gave the mall's façade a double skin to provide natural insulation, and incorporated both a roof glazing system that is expected to cut solar transmission to 8 percent and a water recycling system.

To make the Morocco Mall a true retail and entertainment destination, the firm included an ice rink and a kid's area into the center's design. It also installed more than 4,900 feet of LED screens on both the exterior and interior walls of the mall.

"The Morocco Mall is an incredibly ambitious project that promises to add a new dimension to the commercial market in northern Africa," says Sian Disson, news editor with World Architecture News. "Its vibrant displays, gently curving lines and expressive form are synonymous with Design International's bold style and it will be interesting to see how the realized form corresponds with the original plans."

ION Orchard

ION² is the largest sheltered event space on Orchard Road

In many ways, the ION Orchard in Singapore represents the best of the design aesthetic followed by Asian developers and architects in recent years. Because of the scarcity of land in many Asian cities, most projects in the region are vertical, rather than horizontal, and take advantage of existing links to major transportation terminals, says Brian E. Wolfe, senior principal with Perkowitz + Ruth Architects, a Long Beach, Calif.-based firm. That's certainly true in the case of the ION Orchard, an eight-level enclosed mall which serves as the base for a 54-story luxury residential tower.

The project benefits from its location on Orchard Road, a highly trafficked thoroughfare that, according to the developers, is passed by 200,000 people daily. It offers its visitors access to a major subway station on the basement level, as well as being connected to nearby buildings by a system of underground walkways. The walkways serve as home to small shops, mostly fast casual dining establishments and the like.

"We are seeing a lot of subterranean supermarkets and subterranean food courts in mixed-use projects in Asia because it allows for higher density," Wolfe notes. "It's a common, accepted practice." But while in the U.S. a high-density mixed-use project often ends up as a typical rectangular box or a collection of boxes, ION Orchard features striking design in addition to fulfilling the developers' practical considerations.

Benoy Ltd., the architecture firm behind the center, used the concept of a fruit hidden inside a skin as its inspiration. The "skin" on the ION Orchard is a three-dimensional curvilinear façade made of energy-efficient glass and metal. Benoy created interlocking curves and peaks to make the façade mimic the patterns found in nature. The architects also installed several high-resolution LED screens into the center's "skin" to allow the broadcast of public videos and advertisements.

In addition, to ensure steady visitor traffic, the center features a 32,000-square-foot public event space covered by a monocoque façade and canopy and a 5,600-square-foot modern art gallery.

"It's very innovative, especially in design," says ULI's Fitzgerald. "Singapore is an example of a country where they push the envelope, from the design standpoint to sustainability to linkages with transit."

The O2

While other projects might struggle with the challenge of creating a distinct sense of place on an empty lot, the O2 in London faced a different problem—erasing the stigma of failure.

The O2 is located inside the Millennium Dome, an exhibition venue built to celebrate the beginning of the 21st century. In spite of its unique design—the Millennium Dome is a large circular sphere made of glass fiber fabric and supported by 12 yellow 328-foot-high towers, each representing a month of the year—it never attracted as much traffic as the local government had hoped. As a result, it got massacred in the British press as an enormous failure and money drain. The Millennium Dome as exhibition space closed in December 2000.
Yet, the Richard Rogers-designed structure was striking enough visually to attract the attention of AEG, the developer behind the Staples Center in Los Angeles. NormaLynn Cutler, of Cutler Enterprises, describes the building, which is set on the Thames River, as “breathtaking.”

“The Millennium Dome itself had become one of the world’s most iconic buildings,” says Alistair Wood, executive director of real estate with AEG Europe. “But it was shadowed by some fairly negative PR. We initially had some reservations about it, but ultimately got comfortable with the site’s connectivity and our ability to build what we wanted to build inside.”

When AEG came into the possession of the dome, the firm opted to tear down all the semi-permanent exhibition buildings inside and leave intact only the dome’s exterior shell. It then went about creating an entertainment city within the dome. The centerpiece of the O2 is a 20,000-seat arena that can host both sporting events and concerts. In the next six months alone, the arena will be used for the National Television Awards, NBA Games and concerts by Lady Gaga, Shakira and Andrea Bocelli. The versatility of the venue ensures that the O2 sees high traffic counts on a daily basis, rather than just on the days of major sports events, notes Cutler.

Meanwhile, around the dome the architects placed a circular street called Entertainment Avenue, which is lined by artificial palm trees. Buildings along Entertainment Avenue house a collection of 25 bars, restaurants and shops, in addition to an 11-screen cinema complex, a music club that can double as a comedy club and a corporate event space and an exhibition hall. A piazza adjoining the main structure serves as setting for temporary amusements, which have included everything from an indoor beach to a dry ski slope. “We wanted to make this the world’s premier leisure attraction,” says Wood.

Unlike its predecessor, the O2 has become wildly successful in the wake of its opening in 2007, in part because of its skillful integration of entertainment venues with shops and restaurants.

“It’s not just dependent on big events,” says Cutler. “People go there for dinner and a movie.” The O2 is part of a larger master-planned development on the Greenwich Peninsula, which will eventually include 10,000 homes, more than 3 million square feet of office space and a four-star hotel (most of the residential and office components will be built by AEG’s partners, Meridian Delta Ltd., Quintain Estates and Development Plc and Lend Lease Europe Ltd.). There is also approximately 250,000 square feet of space left within the dome itself for which plans have not yet been finalized.

Retail Watch: Whole Foods and Others Green Light New Expansion Phases
有機超市 Whole Foods 放行擴展計劃

By: Mark Heschmeyer (CoStar)

Whole Foods Market, an Austin, TX-based natural foods supermarket chain, is prepping for a new round of expansion.

Last week, the company signed seven new U.S. leases averaging 33,000 square feet in Laguna Niguel, CA; Miami, FL; Minnetonka, MN; Charlotte, NC; Greensboro, NC; Concordville, PA; and Lynnwood, WA. In addition, the grocer is expanding internationally, signing deals in Glasgow, Scotland, and London, England.

"We have signed 20 new leases over the last 12 months and expect to open a higher number of new stores beginning in 2012," John Mackey, co-founder and co-CEO of Whole Foods Market said in the firm's fourth quarter earnings conference call.

James Sud, executive vice president of growth and development, added that the company has "a very good size pipeline of stores that are ready to go to committee, as well as a large backlog of stocks that are ready to be researched. So we are seeing a lot of opportunities. It still continues to be mostly in the second generation space area, although there is some limited new development opportunities that we're seeing."

Sud said he expects the number of stores to ramp up in 2012 probably to somewhere in 20 new stores per year range.

"We have the infrastructure, we have the cash, we have the cash flow, but we're not going to just sign stores to hit some kind of growth number or some kind of percentage or some kind of target," Sud said. "We're going to sign stores if we find good locations that we think are going to deliver good returns on capital for us. So certainly, we've got the green light on."

"We're still very proud of the fact that in our 30-plus year history, we've never had a store that we opened ourselves ever fail. So we're really determined to keep that track record alive," Sud added.

For its fiscal year 2010, the company reported sales of $9 billion and currently has 301 stores in the United States, Canada, and the United Kingdom.

Casey's Signs New Acquisition Deal, Ends Talks for Another

Just weeks after a deal to buy 19 stores in Illinois, Ankeny, IA-based Casey's General Stores Inc. signed another asset purchase agreement to acquire up to 44 Kabredlo's locations.

The 44 stores include 22 in Nebraska, 21 in Kansas and 1 in Oklahoma. All of the locations acquired will be converted to Casey's General Stores. For the twelve months ended June 30, 2010, these stores generated annual inside gross revenue of approximately $52 million and sold approximately 36 million gallons of fuel.

"The acquisition of the Kabredlo's locations is an excellent fit to our existing store base and will add to our presence in Nebraska and Kansas as well as allow us to penetrate a new state," said Robert Myers, Casey's president and CEO.

Separately, Casey's announced it has terminated discussions with 7-Eleven Inc. regarding a potential transaction after 7-Eleven submitted a revised proposal at a higher price.

Casey's issued a statement saying the revised proposal did not reflect the value of Casey's and its significant growth opportunities.

Last month, Casey's cut a deal to purchase up to 19 convenience stores in Illinois owned by Harper Oil Co. Inc.

Landry's Lays Claim to Claim Jumper Restaurants

Claim Jumper Restaurants in Irvine, CA, obtained bankruptcy court approval of the sale of substantially all of its assets to Landry's Restaurants Inc.

Two of its 45 eateries will be shut down and not included in the sale: 7407 Park Meadows Drive in Lone Tree, CO; and 781 N. Milwaukee Ave. in Wheeling, IL. Claim Jumper said the two locations performed "substantially worse" than its other restaurants. The Lone Tree store had sales of $2.9 million in 2009 and lost $135,769; Wheeling posted sales of $3.5 million and lost $259,662 last year.

In making its decision to close the restaurants, Claim Jumper was advised by Hilco Real Estate, which had advised them that the rents at the two locations were above market and the landlords had not agreed to rent reductions.

Landry's will pay $48.3 million in cash, assume $23 million of debt and assume up to $5 million in other obligations.

Claim Jumper Restaurants LLC, the operator of a restaurant chain in California and seven other states, sought bankruptcy protection with a plan to sell the business to one of its investors.

The Irvine, California-based company listed assets of as much as $100 million and debt of as much as $500 million in Chapter 11 documents filed in U.S. Bankruptcy Court in Wilmington, DE.

SuperValu Sells Bristol Farms Stores

SuperValu sold its Bristol Farms division (14 stores) to a company formed through a partnership with the Bristol Farms management team and Endeavour Capital, an investment firm experienced in grocery and retail businesses. Bristol Farms is a Los Angeles and Orange County, CA-based chain of grocery stores.

No price was disclosed. Under the terms of the sale, the stores will change continue to operate under the Bristol Farms name.

"SuperValu continuously evaluates its operations to identify opportunities to strengthen its overall business and, when necessary, makes decisions that involve the sale of some locations," said Brian Huff, SuperValu senior vice president, specialty retail. "This move will ultimately allow SuperValu to operate more efficiently and effectively and focus on improving the shopping experience throughout its entire network of owned and supplied stores."

Cole Completes Albertson's Buy

Cole Real Estate Investments (Cole), one of the nation's most active buyers of income-producing commercial real estate, acquired a portfolio of 32 Albertson's grocery store properties in an all-cash, sale-leaseback transaction for $266 million from Albertson's LLC.

The 32 grocery stores, totaling 1.9 million square feet, are in key markets in Arizona, New Mexico, Colorado, Texas and Louisiana. The properties are subject to recently signed 20-year individual NNN leases that also include renewal options.

Mark Manheimer, director of acquisitions, represented Cole. Chris Hoffmann of Eastdil Secured represented the seller.

Year-to-date, Cole has acquired more than $1.8 billion of high-quality commercial real estate, including retail, office and industrial properties across the United States.

A&P Sells, Leases Back Six More Stores

The Great Atlantic & Pacific Tea Company Inc. agreed to sell six of its retail locations to Winstanley Enterprises LLC for $89.8 million.

"This agreement is another step forward in our comprehensive turnaround strategy. We continue to analyze areas across the business to identify ways such as these to further strengthen our financial foundation and improve our performance," said Sam Martin, president and CEO of Montvale, NJ-based A&P.

Winstanley agreed to purchase six Pathmark retail properties comprising approximately 329,000 square feet, in New York, New Jersey, Pennsylvania and Delaware. The properties are 95% occupied and leased to A&P.

- 421 S. 29th Blvd., Upper Darby, PA

- 130 White Horse Pike, Lawnside, NJ
- 4055 Merrick Road, Seaford, NY
- 1764 Grand Ave., Baldwin, NY
- 9210 Grand Ave., Queens, NY
- 3901 Lancaster Pike, Wilmington, DE

Target Corporation 2011 New Store Development Expansion Plan Confirmed
2011 年 Target 計劃新開 20 家店

(Source: Target Q3 2010 Earnings Call Transcript)

In the third quarter, we opened 10 new stores completing our 2010 new store program. We also completed well over 100 remodels bringing our total for the year to 341, nearly four times the number we've completed in any other year in company history. Combining these projects with the PFresh stores we had in place at the beginning of the year we are now operating 462 general merchandise stores that incorporate the expanded food layout and in addition we have hundreds of locations reflecting our updated store designs in beauty, home, electronics, video games and shoes. While we expect to slowly ramp up new store growth in the next few years we don't plan to back off our ambitious program to update existing stores.

In 2011, we expect to set a new record by remodeling about 380 additional stores. Including approximately 20 new store projects, we expect to add about 400 additional locations that incorporate our precious thinking in store design, layout and presentation. And while we're very pleased with the execution of the 2010 remodel program we believe we can improve the process in 2011, meaningfully reducing the disruption experienced by our guests while helping our stores teams manage the process more efficiently.

As we look at our potential growth for beyond 2011, we're excited about the progress we've made in the development of a smaller format and we expect to have a few locations of this concept open in 2012. In addition, we're monitoring opportunities to open stores outside the 50 states focusing in the intermediate term on potential opportunities in Puerto Rico and Canada. And of course, we believe we have an opportunity to open hundreds of additional locations of our current formats in the United States. Conditions in the commercial real estate market have limited these opportunities in the short-term but we expect conditions to improve slowly in the next few years.

China Limits Property Purchases by Foreigners
中國大陸限制外國人購買房產

By: Esther Fung & Joy C. Shaw (The Wall Street Journal)

SHANGHAI—China announced new limits on the ability of foreigners to buy residential or commercial property on the mainland, in its latest effort to curb the inflows of speculative money into its economy and ease inflationary pressure.

Observers said the effect would likely be small, since foreigners make up a tiny proportion of China property sales. But the lack of details about the move could add another element of uncertainty to a real-estate market that already contends with volatility and sharp surges in values.

In a joint statement Monday with the Ministry of Housing and Urban-Rural Development, the State Administration of Foreign Exchange said on its website that foreign companies can purchase only commercial property that they plan to use themselves. It reinforced existing rules to limit foreign individuals to buying one residential unit per person for self-use.

Foreign investments accounted for 0.8% of property development in China last year, data from the National Bureau of Statistics showed.

The foreign-exchange administration, which regulates China's currency and is known as SAFE, didn't offer additional details or examples. Analysts said the restrictions on commercial properties probably pertain to companies that want to own and occupy buildings.

U.S.-based private-equity firms, which have taken increasing interest in Chinese real estate in recent years, are closely watching the government's moves. Morgan Stanley's real-estate funds unit as well as Tishman Speyer Properties and Houston-based property giant Hines all have made investments in Chinese real estate since 2007, according to research firm Real Capital Analytics.

Executives at U.S. firms that have been active investors in Chinese real estate said Monday it will take time to understand exactly what the new restrictions mean.

Equity International, a Chicago real-estate private-equity firm cofounded by property mogul Sam Zell, has invested in three Chinese real-estate companies but has grown wary because of the government's unpredictable policy moves, Chief Executive Gary Garrabrant said.

"Our enthusiasm has been tempered based on our actual experience," Mr. Garrabrant said of investing in China. "We learned that the government is challenging because of the uncertainty that's created by continual refinement of the regulatory framework, and this new law is an example of it." Equity International has focused more in recent years on Latin American countries, such as Brazil.

Still, some of those working with established players predicted that they wouldn't feel much impact, though investors seeking to enter China's market could face more obstacles.

More government approval will likely be necessary for investments, but the government may continue to be flexible enough to allow certain types of investments, these people said. For example, the government might prevent a foreign investor from paying a record price for an office building, but it could be more likely to approve the rehabilitation of a dilapidated building, they said.

Some U.S. investors welcomed the government action. "As an investor, it actually gives you comfort that the government is concerned about speculation," said Keith Barket, a partner at New York-based investment company Angelo, Gordon & Co., which has invested about $1 billion in about 25 projects in China, about half of them residential developments in second-tier cities.

Inflows of what is known as hot money have complicated the central government's efforts to tame inflation and lending in order to curb its strong growth rates and contain inflation. Hot money is speculative capital that evades regulators in China, which keeps tight controls on its currency.

SAFE last week announced measures to further crack down on hot-money inflows, with senior officials in the country expressing concern that the U.S.'s loose monetary policy might send excessive amounts of money into emerging markets.

China's consumer-price index rose 4.4% in October, accelerating from September's 3.6% rise to its highest level in two years.

Overall property prices in China, including residential and commercial, rose 0.2% in October from September, following a 0.5% increase in September. Prices rose 8.6% in October from a year earlier, down from September's 9.1% increase.

Though the year-on-year rise in October prices was the sixth straight month of falling growth, the slowdown may be too gradual for policy makers.

The new restrictions announced Monday are reminiscent of similar moves in 2006, when China announced measures restricting property purchases by foreigners. Officials then said that only foreigners who had lived in China for more than one year could buy property, with the purchase capped at one apartment for self-use. Both rules are repeated in the current statement, though the latter rule hasn't been effectively enforced.

Liu Li-Gang, head of China economics at Australia & New Zealand Banking Group, said the measures could damp some demand in China's property market, especially the commercial property sector. "Targeting foreign investors is the easiest administrative means for the Chinese government to undertake because they represent a very small interest group," Mr. Liu said. "But when it comes to curbing hot-money inflows, the measures won't be that effective."

Wang Tao, economist at UBS, also said most of China's capital inflows stem from Chinese companies' offshore units funneling money into China. "The latest measures is part of a basket of policies aiming to cool the property market," Ms. Wang said.

The joint statement also included a line saying that the authorities have room for interpretation of how the new rules could work, possibly allowing existing rules in the market to still apply.

It is still unclear whether foreign real-estate investment trusts or property developers will be hurt by the rules on commercial property, said UOB KayHian analyst Johnson Hu. "I don't think the government wants to kill off foreign direct investment in this segment, but is really trying to clamp down on illegitimate inflows into the property market," said Mr. Hu.

Xia Bin, a central bank adviser, last week called for the authorities to investigate hot-money inflows because some capital has been unlawfully channeled into the country's stock market and the property sector.

"Policy makers are trying to put on the brakes on capital inflows, similar to what had been announced back in 2006," said Remy Chan, managing director of CBD Commercial Investment Management. "How these rules are implemented is another matter, and if these rules are followed to the letter, there could possibly be no foreign investment in commercial property at all, but I have my doubts. The mature players will always find exceptions."

For their part, Chinese investors have been looking to invest in the U.S. Last week, Bank of China Ltd. closed an $800 million loan to Brookfield Office Properties of New York for an office tower in Manhattan—one of the biggest bank loans made for any U.S. property since the downturn hit. China Investment Corp., the $300 billion sovereign-wealth fund, has looked to put cash into U.S. real estate by investing with U.S. property-fund managers.

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	0.28	0.28	0.54	0.25	0.02	-4.75
Money market, annual yield	0.66	0.66	1.04	0.66	-0.38	-2.90
Five-year CD, annual yield	2.02	2.04	2.70	2.02	-0.61	-2.57
30-year mortgage, fixed	4.65	4.52	5.51	4.32	-0.50	-1.37
15-year mortgage, fixed	4.06	3.90	4.83	3.71	-0.58	-1.54
Jumbo mortgages, $417,000-plus	5.44	5.39	6.33	5.32	-0.69	-1.35
Five-year adj mortgage (ARM)	3.69	3.56	4.67	3.31	-0.42	-1.97
New-car loan, 48-month	5.64	5.67	6.85	5.62	-1.13	-1.25
Home-equity loan, $30,000	5.06	5.08	5.30	5.06	-0.21	-1.89