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  蒙特利公園豪宅

**Building Performance and Occupant Satisfaction Tied to Green Investment**
**環保樓房不僅能提供更好的工作/生活環境，還能提高業主的投資回報率**

By: Lisa Benston (Global Viewpoints)

At its core, a green building is a better performing building. It uses fewer resources and offers a better place to work through improved energy and water efficiency, better air quality, and access to natural daylight—but do green buildings make dollars and sense for investors? The Business Benefits of Green Buildings SmartMarket Report, released today by McGraw-Hill Construction, CB Richard Ellis (CBRE) and the University of San Diego's (USD) Burnham-Moores Center for Real Estate during the U.S. Green Building Council's (USGBC) Greenbuild Expo in Chicago, says yes.

As the second phase of an ongoing study initiated in 2009 by CBRE and USD, the report offers a comprehensive look at how commercial building owners, managers, tenant firms and occupants perceive the benefits of green buildings and reveals bottom-line and human factor (health and well-being) benefits that are driving green building growth in the U.S. The findings show that sustainable buildings generate stronger investment fundamentals than their traditionally managed competitors.

"The value of green is undeniable—and delivering during a recession," said Harvey M. Bernstein, vice president, Global Thought Leadership and Business Development, McGraw-Hill Construction. "Owners of green buildings consistently report financial benefits, such as 5% building value increase and 4% ROI, as leading motivators for building green. We also found that people care about the health features of green buildings, driven by access to daylight and better indoor environmental quality."

From a financial perspective, owners of sustainably managed buildings anticipate a 4% higher return on investment; 5% increases in building value and occupancy; 8% drops in operating costs; and 1% rise in rental income. Roughly 79% of owners surveyed believe that green helps them attract and retain tenants, a distinct competitive advantage in a difficult economy. Furthermore, over 70% of surveyed office building owners are already engaged in greening a significant percentage of their portfolio.

"This study underscores the viability of sustainable buildings as smart investments," said Dave Pogue, national director of Sustainability, Institutional and Corporate Services, CBRE. "In addition to the higher occupancy and rental rates we've seen throughout the study's two-year history, the study demonstrates that sustainable practices yield measurably better investment fundamentals. CBRE is proud to work with McGraw-Hill Construction and USD to support greater change within the industry and promote the positive future green building provides."

Greater productivity, satisfaction, health and well-being are also supporting green building growth. 10% of green building tenants have seen improvement in worker productivity, and none reported decreases. Tenant satisfaction increases after green upgrades, with 94% of managers seeing higher satisfaction levels after green projects. But most of all, people care about the health impact of green buildings, including access to daylight and better indoor air quality; 83% of tenants believe they have a healthier indoor environment as a result of green efforts.

"The impact of green on human health and productivity is the holy grail of green building results," Bernstein added. "While this study measures significant benefits perceived today, further measurement is needed to fully capture it. We look forward to continuing to work with CB Richard Ellis and the University of San Diego to track these buildings over time in the pursuit of even more answers."

The largest and longest running study of its kind, this ongoing analysis benchmarks and measures green building benefits and economic outcomes as a framework of investment criteria for retrofit activity. A full update to the 2009 report, Do Green Buildings Make Dollars and Sense?, should be released later this year.

**Morgan Stanley Sets its Sights Lower**
**投資銀行 Morgan Stanley 最近集中投資問題地產如全空的 Glendale 辦公樓**

By: Anton Troianovski (The Wall Street Journal)

During the boom years, Morgan Stanley's vaunted real-estate investing unit bought trophy office buildings in San Francisco, a Boston development project, and glittering lodging properties like Hawaii's Grand Wailea resort.

These days, the Wall Street giant is scouring the fringes of the property market in the hunt for high returns. One of its recent deals: a half-empty 60,000-square-foot shopping center in California's Inland Empire that houses a Fresh & Easy Neighborhood Market.

That contrast tells the story of a real-estate investment powerhouse cautiously trying to rebuild its reputation after two years of recording some of the worst losses in the history of the business. As one of Wall Street's biggest commercial-real-estate investors during the boom, the bank raised billions of dollars from pension funds and other big investors and went on a global buying binge. The recession stuck Morgan Stanley with severe losses—such as an $8.8 billion fund that about a year ago was projected to lose $5.4 billion—although some market improvements have led to write-ups in the firm's real-estate portfolio.

Morgan Stanley's most recent U.S. activity sheds light on how it is again searching for high-return opportunities.

In the U.S., Morgan Stanley's unit that seeks out "opportunistic," high-return real-estate investments has been driven toward overlooked and more volatile markets, buying, for example high-vacancy office buildings in Phoenix and Southern California. Instead of relying on borrowed money to boost returns, the firm is hoping to increase value by bringing deeply distressed properties back to health, a risky bet in an uncertain economy and one that is hard to execute in bite-size chunks on a multibillion-dollar scale.

Gregory Fleming, Morgan Stanley's president of investment management, said at a conference last month that the real-estate group was focused both on maximizing investor returns in existing funds as well as "putting the money to work that we have in the new vehicles in an environment where we think we can find attractive returns—always on a disciplined basis."

The firm's latest flagship opportunity fund, the $4.7 billion Morgan Stanley Real Estate Fund VII Global, or Msref VII, recently partnered with Lincoln Property Co. to pay $23 million in cash for a new, empty office building in the Los Angeles suburb of Glendale. That is less than half what the building cost to build, according to Lincoln executive David Binswanger, who voiced confidence he would be able to fill the building as local tenants move out of lower-quality office space nearby. But Glendale is one of Southern California's trickiest markets, with about one-fourth of the area's high-end office space sitting vacant.

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Msref VII also participated in a deal for $155 million in real-estate loans acquired at a discount from Hawaii-based Central Pacific Bank. "Together, we're looking at more distressed portfolios," Jeffrey Dritley, managing partner of Msref's partner in the deal, Kearny Real Estate Co., said of Morgan Stanley.

The Central Pacific Bank portfolio included Margarita Center, the 60,000-square-foot shopping center in Murrieta, Calif.

The fund has also done deals overseas, including 23 retail properties in Germany and four office buildings in Japan. Msref's joint venture in Germany says it plans to invest several hundred million euros in German retail real estate.

But in the U.S., Msref's recent deals have mostly been far smaller, seeking out markets avoided by the legions of real-estate investors who have been willing to pay top dollar for property in more stable markets like Washington, D.C.

"Contrary to conventional wisdom, we think the less-favorable, less-core markets can outperform in recoveries," Lauren Hochfelder Silverman, a Morgan Stanley executive director, said at a recent real-estate conference.

To avoid repeating past mistakes, Morgan Stanley has instituted new safeguards, including more internal procedures that have to be followed before investments are approved and chief financial officers assigned to each fund, people close to the firm's real-estate group say. Industry veterans John Klopp and Olivier de Poulpiquet were appointed to co-head the real-estate group in September.

But Morgan Stanley's more patient approach raises questions of its own—including whether the firm will be able to invest all the cash it has raised from investors. So far, Morgan Stanley has spent only about 20% of the $4.7 billion in commitments to Msref VII, a person familiar with the matter said. The firm is more than halfway through the fund's four-year "investment period" and faces a mid-2012 deadline after which it will no longer be able to call additional commitments. The slow start is frustrating some investors eager to see their cash deployed.

"That kind of makes us feel like we're sitting on the sidelines and our hands are tied," says Joaquin Lujan, real-estate portfolio manager for the New Mexico Public Employees Retirement Association, an investor in the Morgan Stanley fund.

Morgan Stanley has reason to be cautious. In the last two years, its investments in many real-estate deals—from stakes in U.S. developers to European hotels—have been wiped out. A disastrous $6.5 billion buyout of Crescent Real Estate Equities Co. led to $951 million in write-downs and other losses for the firm. The California State Teachers' Retirement System reported losses of more than 80% in Morgan Stanley's $8.8 billion international real-estate fund as of March 31—but an increase of about 10% in the first quarter of this year, according to the most recent data reported by Calstrs. The low-key approach shows up in other ways, too.

In 2007 alone, Morgan Stanley's real-estate unit published at least 30 press releases, many of them announcing big new acquisitions from St. Petersburg to Tokyo. Since March 12, 2008, the firm's Web real-estate website lists just one, a January 2010 announcement of a management change.

**After Three Years on the Brink, Retail Real Estate is Set to Recover in 2011**
**2011 年購物商場的前景被看好**

By: Elaine Misonzhnik (Retail Traffic)

If you need a sense of how the retail real estate market has changed over the past 12 months, all you have to do is take a close look at a deal that Faris Lee Investments, an Irvine, Calif.-based retail investment brokerage firm, closed this fall. The sale involved a recently completed project in Corona, Calif. The center is anchored by a Van's supermarket, but most of the shop space has never been filled. The center is located in a growth area, and Rich Walter, president of Faris Lee, estimates that it will likely take from two to three years to lease the vacant shops. Yet the buyer was happy enough to get a property with a grocery anchor to close the deal at a 6.5 percent cap rate on the current income stream.

"It's a risky transaction because you are trying to forecast when the rental market will come back in a market where you don't see it," Walter says. "It's not that it's not going to be leased at some point. The question is when. But they are happy enough with the return to be willing to sit on it over time."

Back in 2009, this kind of logic would be unfathomable to most industry insiders. But as a result of the record low interest rates and increasing liquidity in the market, real estate investors can suddenly afford to gamble. When debt is priced at 5 percent, it's possible to accept cap rates in the 6 percent to 7 percent range, notes Dan E. Gorczycki, managing director in the New York City office of Savills LLC, a real estate services provider.

Granted, in 2010, most investors have been trying to play it safe by chasing grocery-anchored strips in primary markets like New York, Washington, D.C. and San Francisco. But the supply of those centers is limited and the capital that has been amassed in the past few years has to be deployed. Low interest rates are adding fuel to the fire. That's why in 2011, investment sales brokers expect an increased level of activity on class-B and some class-C assets.

Investors the world over are looking for yield and commercial real estate presents an attractive opportunity. Rents and occupancies have been stabilizing and showing signs of improvement, albeit slowly, making retail properties more attractive as acquisition targets. The credit markets have also loosened up over the past 12 months, making it easier to finance transactions. And with cap rates either flat or trending down, sellers that were previously reluctant to bring properties to market are beginning to jump into action.

"The availability of funds will cause the market to have more transactions," says Walter. "Financing availability has caused cap rates to compress on the core properties. The cash on cash return is better and people can get into properties without having to pay a lot of cash. In 2011, this will eventually drift down to lesser quality assets."

Dan Fasulo, managing director and head of global research with Real Capital Analytics (RCA), a New York City-based research firm, forecasts that next year retail investment sales volume will reach anywhere between $30 and $40 billion, a level of activity last seen in 2004. It would be double the total projected

retail sales activity in 2010, which Fasulo thinks will end up coming in at between $18 billion and $20 billion.

"The market is changing very rapidly," Fasulo notes. "The lack of supply is really encouraging more and more healthy owners to put properties [up] for sale.… Prices may continue to bounce along the bottom in certain markets, but they will continue to escalate in the primary markets and the top tier secondary markets."

In other words, the sector might return to a normal level of activity sooner than most investors had anticipated.

Where we are

Fundamentals in the retail sector have gotten better throughout 2010. Leasing indicators finally began to improve in the third quarter, which marked the first time since 2007 that vacancy rates either remained flat or declined. At the end of third quarter, the vacancy rate for community and neighborhood shopping centers stood at 10.9 percent, the same as the quarter prior, according to Reis Inc., a New York City-based research firm. The vacancy rate for regional malls fell 20 basis points, to 8.8 percent.

There are still some concerns that vacancies may rise during the first six months of 2011 before finding firmer footing. But with limited amount of new space in the pipeline, if consumer spending remains stable, retail vacancies should continue to shrink, says Chris Macke, senior real estate strategist with the CoStar Group, a Bethesda, Md.-based research firm.

At any rate, even the appearance of improving leasing fundamentals serves to calm investors' fears. There is a feeling in the marketplace that the retailers that escaped the Great Recession are, as a group, in better financial shape than they were pre-2007, says Alan L. Pontius, senior vice president and head of the national retail group with Marcus & Millichap Real Estate Investment Services. And the lack of new development is an added bonus, according to Christopher J. Decoufle, Atlanta-based senior vice president, capital markets, with CB Richard Ellis' national retail investment group.

"The fact that there is no new competition is very important for anyone on the acquisition side because it removes a lot of ambiguity from your underwriting," Decoufle notes.

At the same time as the leasing outlook began to improve, the third quarter of 2010 marked a turning point for investment sales activity. The quarter was the strongest for investment sales since the downturn began in the fall of 2007, according to RCA. Retail volume reached $5.5 billion, an increase of 131 percent over the same quarter a year ago and almost double the figure recorded in the second quarter.

Year-to-date, retail investment sales volume has totaled $13.4 billion, overtaking the $13 billion recorded in all of 2009, according to Fasulo. A lot of the activity is currently focused on grocery-anchored shopping centers in primary markets. In fact, cap rates for such properties have registered a 115 basis point drop from the third quarter of last year, to 7.8 percent.

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But with everyone "tripping over themselves" to get to the core product, there might be limited opportunity left in that space, says David J. Lynn, managing director with ING Clarion Partners and author of "Emerging Market Real Estate Investment." Today, every class-A deal gets 20 to 30 offers, notes Rich Walter, and every month these deals close at a lower cap rate than the month before.

"Everybody always says 'Never again will I pursue B and C assets,'" says Lynn. "But the competition is so great I think it's inevitable that in search of yield the money will go to secondary and even tertiary markets. But I think it will still be about income, durability and quality assets that have rooftops around them. Vacancy in secondary and tertiary markets will still be viewed as a very bad thing."

Liquid gold

Part of the reason grocery anchors have been in demand this year is because they are necessity-based and perform well regardless of the economic environment. It's also easier to line up financing for grocery-anchored centers, notes Decoufle. Today, virtually any lender, including banks, life insurance companies and conduit lenders will provide loans for grocery-anchored strips in primary markets. With a loan-to-value (LTV) ratio under 60 percent, the interest rates on such properties can start at 4 percent on five-year fixed-rate loans.

On some assets, it's even become possible to get interest-only loans, says Matthew Donnelly, senior vice president of structured finance with Cole Real Estate Investments, a Phoenix, Ariz.-based real estate investment and management firm. In recent months, Cole has been able to secure 10-year, 4 percent, fixed-rate, interest-only financing on well-leased, multi-tenant centers with anchors like Walmart. This has been partially due to the quality of the assets, but also Cole's conservative LTV ratios—the firm normally keeps leverage down at 50 percent, Donnelly says.

In 2010, Cole has been among the most active investors in U.S. retail properties. By the end of the year, the company plans to close at least $2.5 billion in acquisitions, with a strong focus on power centers, grocery-anchored centers and single-tenant net-leased properties. In contrast, last year, Cole purchased $900 million in assets.

But while there is plenty of liquidity available for the kinds of acquisitions Cole targets, unanchored strip centers and class-B malls remain virtually un-financeable, according to Gorczycki. Today, financing that kind of property requires putting in additional equity or taking on mezzanine debt. Choosing to add more debt could result in a blended interest rate ending up near 8 percent.

Next year, however, the recovery will be further propelled by the reappearance of CMBS lending. As of October, U.S. CMBS issuance totaled $11.6 billion, according to Commercial Mortgage Alert, an industry newsletter. Next year, that figure might double, says Pontius.

What's been significant about the more recent CMBS pools is that they have included some less than stellar assets, notes Gorczycki. By the end of the year, CBRE's national retail investment group hopes to close a conduit loan on a portfolio of class-C+ centers, says Decoufle. Meanwhile, the largest loan in the

$856.6 million issue currently being put together by Deutsche Bank is on the Fashion Outlets of Niagara Falls, a 525,663-square-foot outlet center in Buffalo, N.Y.

Outlet centers have been outperforming most other retail properties recently, but Buffalo can hardly be considered a top tier market, Gorczycki points out. In search of returns, the conduit lenders have been trying to throw in the lesser quality properties with the class-A ones. They have started putting together multi-borrower deals with a greater variety of assets. In the first half of 2010, CMBS lenders stuck to single-borrower issues and concentrated on only the most stable properties.

Learning to deal

The improvement in market conditions might also create an incentive for lenders to finally get rid of some of the distressed debt on their books. For most of 2009, lenders opted to “extend and pretend.” In 2010, they began to deal with distressed properties more actively—in the second and third quarters, 13 percent of all retail transactions involved distressed centers, according to RCA. In the third quarter, approximately $200 million in assets were removed from the pool of distressed retail real estate. Many of those properties have been put on auction and sold for all cash, brokers say.

In 2011, lenders will still be holding on to quality centers with good credit borrowers in the expectation that the valuation on those assets will continue to improve, notes Gorczycki. But after shoring up their balance sheets in 2010, they will likely begin to get rid of everything under $20 million.
“Just from the administrative standpoint, lenders are overwhelmed, so you’ll see a lot of small deals come to market,” Gorczycki notes. “And at the beginning, there will be no shortage of buyers. But at some point, there will be some product that doesn’t sell and it could have a chain reaction.”

Money makes the world go round

It’s important to note that the recent recovery in the investment sales market might have less to do with the improvement in fundamentals than with the global hunger for yield, says Fasulo. In the third quarter of 2010, 19 private equity funds worldwide raised a total of $8.8 billion for real estate acquisitions, according to Preqin, a London-based research provider on the alternative assets industry. The figure represents a 20 percent increase over the second quarter. Year-to-date, the total figure for private equity funds raised for real estate acquisitions comes to $25.9 billion.

In addition to private equity players, public and private REITs, life insurance companies, pension funds and foreign buyers have all been allocating more money to real estate acquisitions in recent months, Fasulo notes. For example, U.S.-based REITs will likely complete $16 billion in acquisitions by the end of the year, representing a 300 percent increase from the $4 billion in transactions recorded in 2009, according to a recent report from KeyBanc Capital Markets Inc.

Meanwhile, ING Clarion projects that in 2010 pension funds and other large institutions will invest a total of $34 billion in U.S. private equity real estate funds and direct real estate acquisitions, up from $18 billion in 2009. (The figure excludes investments in real estate debt and in REITs). Approximately $12.5 billion of that will be allocated for core product. But another $6 billion will go toward value-added

properties, with $7 billion and $8.8 billion, respectively, allocated for opportunistic investments and "other."

If this trend continues unabated through next year, it will become easier to secure financing for class-B and some class-C product, says Decoufle. That will likely cause an uptick in pricing for those centers and push owners that have been reluctant to sell at huge discounts to finally close some deals.

Year-to-date in 2010, Decoufle's group had closed $500 million in deals, representing a tenfold increase over the same period in 2009. In 2011, he expects transaction volume to "easily" increase by 25 percent. On the national stage, Pontius projects that transaction count will also increase by about 25 percent next year. And the increase in dollar volume will be even greater—anywhere from 30 percent to 35 percent.
"This is a classic, cyclical pattern and we are all reverting to that pattern," Pontius says. "The capital has come back in and the stability has returned."

**New Store Development Expansion Plans Confirmed for Wal-Mart, Staples, Ross, Kohls. Hot Topic to Close 50 Stores**
**2011 年擴展計劃：Wal-Mart, Staples, Ross, Kohls. Hot Topic 預備關閉近 50 家店**

(Various Sources)

**Bill Simon, President & CEO of Wal-Mart U.S.**
“Next year, we expected to open between 155 and 165 supercenters, with 45 to 50 being new units, the remainder conversions. Wal-Mart is also planning on opening 30 to 40 medium to small format stores”

**Ron Sargent, Chairman & CEO of Staples:**
“We remain on track to open about 40 new stores in North-America for the full year (2010). And looking out to next year, we are planning to open about the same number of stores as this year.”

**Michael O’Sullivan, President & COO of Ross**
“I think we’ve announced previously that in 2011 we’ll probably have around 6-7% unit growth for stores. And I would say about 1-2% of that would be in new markets, and hopefully that’s the product in terms of where we use cash using cash to fuel growth.”

**Wes McDonald, CEO of Kohl’s Corporation**
“We currently plan to open approximately 40 stores in 2011, with a split of 10 stores in the spring season and 30 stores in the fall season.”

**Hot Topic to Close up to 50 Stores**
Hot Topic Inc. approved a cost reduction plan that, beginning in fiscal 2011, is expected to result in an estimated annual pre-tax income improvement of approximately $13 million.

The cost reduction plan will involve closing approximately 40 to 50 underperforming stores by the end of the first quarter of fiscal 2011. These closures will occur as a result of natural lease expirations, exercising lease kick out clauses and other negotiations. The cost reduction plan also includes reducing planned capital expenditures in fiscal 2011 to approximately $20 million from approximately $30 million to $32 million in fiscal 2010.

In addition, the company expects to reduce approximately 14% of its home office and field management positions in fiscal 2010 and implement other non-payroll overhead expense reduction initiatives as part of the cost reduction plan.

Hot Topic reported net income in the third quarter of fiscal 2010 (13 weeks ended Oct. 30, 2010) of $400,000 compared to $5.8 million in the same quarter a year ago.

**Commercial Delinquencies Are on the Rise Again**
商業地產的拖欠率再次上漲

Source: The Wall Street Journal

The delinquency rate for commercial mortgages bundled into bonds jumped again in November after seeing a big dip in the previous month, according to new data from data provider Trepp. Last month, 8.93%—or $60.3 billion—worth of the loans packaged into commercial-mortgage-backed securities, or CMBS, were 30 days or more past due or in foreclosure, compared with 8.58% in October. That's the second-highest reading ever, after September's 9.05%. The drop in the delinquency rate in October was because of the resolution of a $4.1 billion mortgage on the Extended Stay Hotels chain.

The renewed increase in CMBS delinquencies indicates that, far from leveling off, as some investors and analysts had hoped, the level of distressed commercial property debt has risen. Notably, the multifamily sector overtook hotels as the worst-performing property type, as apartment landlords faced strong headwinds to stabilize rents amid an uncertain economy. The delinquency rate for multifamily CMBS loans was 15.8% in November, compared with 14.56% for hotels, 7.59% for retail stores, 6.95% for offices and 6.64% for industrial properties.

The increase in delinquencies on existing CMBS loans also comes as lenders start to ramp up their originations of new loans aimed at the bond market to help finance office towers, shopping malls and other commercial property. These new deals, which generally feature tighter underwriting standards, likely will help drive down the delinquency rate going forward, according to Trepp. Still, the rate likely will continue to bounce around as property owners have trouble repaying or refinancing more loans made during the boom years.

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**Billions in Bank Profits Not Yet Turning into New Lending**
雖然銀行利潤在增加，銀行並沒有積極放款

Source: CoStar

Even though commercial real estate [CRE] asset quality continues to improve gradually on bank's books across the country, new lending continues to slide in all categories except multifamily.

New lending from banks on multifamily projects has increased by about $4 billion year to date. Outside of that category, lending activity continues at slightly declining levels for nonresidential properties and continues to fall off sharply for construction and development projects.

Still, a handful of banks have reported that demand has picked up slightly in the competition for quality loans.

For that reason and others, Federal Deposit Insurance Corp. (FDIC) chairman Sheila C. Bair is indicating that the end of a two-year period of contraction in loan portfolios may have run its course.

"Total loans and leases held by FDIC-insured institutions declined by just $6.8 billion, or 0.1%, in the third quarter," Bair said. "Many large banks have had sizable reductions in their loan portfolios over the past couple of years, but in the third quarter, such reductions were notably absent. I hope we are close to seeing genuine increases in loan balances again."

"The industry continues making progress in recovering from the financial crisis. Credit performance has been improving, and we remain cautiously optimistic about the outlook," Bair said. "Lower provisions for loan losses are driving bank earnings by allowing a larger share of revenues to reach the bottom line."

But chairman Bair also added, "at this point in the credit cycle it is too early for institutions to be reducing reserves without strong evidence of sustainable, improving loan performance and reduced loss rates. When it comes to the adequacy of reserves, institutions should always err on the side of caution."

Commercial banks and savings institutions insured by the reported an aggregate profit of $14.5 billion in the third quarter of 2010, a $12.5 billion improvement from the $2 billion the industry earned in the third quarter of 2009. This is the fifth consecutive quarter that earnings have registered a year-over-year increase.

The FDIC noted signs of further improvement in asset-quality trends as the amount of loans and leases that were noncurrent (90 days or more past due or in nonaccrual status) fell for a second consecutive quarter. Before these two quarterly declines, the industry's noncurrent loan balances had risen for 16 consecutive quarters.

However, noncurrent balances increased in multifamily residential real estate loans (up $1.2 billion, or 13.6%) and in nonfarm nonresidential real estate loans (up $604 million, or 1.3%).

Insured banks and thrifts charged off $42.9 billion in uncollectible loans during the quarter, down $8.1 billion (15.8%) from a year earlier. This is the second quarter in a row that net charge-offs posted a year-over-year decline. Prior to the past two quarters of improvement, quarterly NCOs had increased year-over-year for 13 consecutive quarters. NCOs for most major loan categories declined year-over-year in the third quarter.

Real estate construction and development loan NCOs were down by $2.5 billion (32.4%), while NCOs of real estate loans secured by nonfarm nonresidential properties were $1.1 billion (46.2%) higher.
More banks are also continuing to report an increasing amount of asset sales. The number of banks reporting assets sales has increased 3.2% this year and the amount of assets sold in each quarter has increased 10.4% since the start of the year. In the past quarter 847 banks reported selling $53 billion loans, leases and foreclosed assets not related to home, consumer of business loans.

As of Sept. 30, the nation's banks reported having $36.1 billion in distressed CRE assets, which includes past due loans on and foreclosed construction and land development, nonresidential income-producing and multifamily properties. That amount is approximately 2.2% of all outstanding loans on construction and land development, nonresidential income-producing and multifamily properties. The third quarter amount is up from $29.4 billion at the end of 2009.

The number of institutions on the FDIC's "Problem List" rose from 829 to 860. However, the total assets of "problem" institutions declined from $403 billion to $379 billion. The number of "problem" institutions is the highest since March 31, 1993, when there were 928. Forty-one insured institutions failed during the third quarter, bringing the total number of failures for the first three quarters of the year to 127.

MBA: COMMERCIAL AND MULTIFAMILY MORTGAGE DELINQUENCY RATES MIXED IN THIRD QUARTER

Separately, the Mortgage Bankers Association reported this week that the delinquency rates for different commercial/multifamily mortgage investor groups were mixed in the third quarter. The delinquency rate for loans held in CMBS is the highest since the series began in 1997. Delinquency rates for other groups remain below levels seen in the early 1990s, some by large margins.

"Greater strength in the economy is bringing some stability to commercial mortgage delinquency rates," said Jamie Woodwell, MBA's vice president of commercial real estate research. "Commercial mortgage performance among most investor groups, including life insurance companies, Fannie Mae and Freddie Mac and commercial banks and thrifts, continues to be better than during the last major downturn of the early-1990s. Although weak, the economic recovery is just beginning to be seen in commercial real estate fundamentals and the mortgages they support."

Based on the unpaid principal balance of loans (UPB), delinquency rates for each group at the end of the third quarter were as follows.

Banks and thrifts: 4.41% (90 or more days delinquent or in non-accrual);

CMBS: 8.58% (30+ days delinquent or in REO);

Life company portfolios: 0.22% (60+days delinquent);

Fannie Mae: 0.65% (60 or more days delinquent); and

Freddie Mac: 0.35% (60 or more days delinquent).

The MBA does not include construction and development loans in its numbers.

**Ten Strong Commercial Real Estate Lenders**
**十強商業地產貸款機構**

Source: Laurie Kulikowski (TheStreet)

The Street reports: Despite the continued decline of commercial real estate credit quality, with mortgage defaults in the third quarter nearing their historical highs, The Street reports that indications have begun to emerge that the sector's debt markets are stabilizing.

According to statements made on the The Street's site by Peter Winter, an analyst for BMO Capital Markets, "Banks haven't really made a loan in over two years in [commercial real estate]. They've aggressively written down the loans in that area." As banks have cleared out bad legacy loans, the broader economy has started to recover, allowing for some improvements in commercial real estate prices. The secondary debt market for real estate has also been slowly opening back up, allowing for more liquidity.

Accompanying The Street's article was their list of the Top Ten Strongest Commercial Real Estate Lenders. The site based it's list on a list of specific criteria, and provided insight into each of the ten banks in the ranking. According to the article, many of the banks that made the list were "relationship-oriented" banks, which means that during the escalation of CRE lending in the middle of the past decade, the institution did not write a large number of loans outside of "their natural footprint..."

The list included the following companies:

1. Valley National Bancorp
2. International Bancshares
3. Wintrust Financial
4. M&T Bank Corp
5. Umpqua Holdings
6. New York Community Bancorp
7. Fulton Financial
8. Susquehanna Bancshares
9. FirstMerit Corporation
10. Cathay General Bancorp

Additional details can be found here: http://www.thestreet.com/story/10938481/10/10-strong-commercial-real-estate-lenders.html

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**Consumer Money Rates (Mortgage Rate, Prime Rate, etc.)**

消費者市場利率：房貸、基本利率、等等

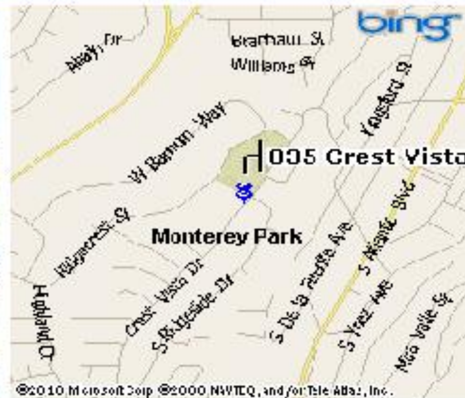
*(Reprinted with Permission of the Wall Street Journal)*

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 | 0.30 | 0.30 | 0.54 | 0.25 | 0.05 | -4.84 |
| Money market, annual yield | 0.64 | 0.66 | 0.96 | 0.64 | -0.32 | -2.93 |
| Five-year CD, annual yield | 2.03 | 2.04 | 2.70 | 2.02 | -0.56 | -2.46 |
| 30-year mortgage, fixed | 4.77 | 4.66 | 5.51 | 4.32 | -0.42 | -0.96 |
| 15-year mortgage, fixed | 4.12 | 4.05 | 4.83 | 3.71 | -0.40 | -1.20 |
| Jumbo mortgages, $417,000-plus | 5.53 | 5.47 | 6.33 | 5.32 | -0.53 | -1.20 |
| Five-year adj mortgage (ARM) | 3.64 | 3.67 | 4.67 | 3.31 | -0.61 | -2.02 |
| New-car loan, 48-month | 5.46 | 5.51 | 6.85 | 5.46 | -1.33 | -1.42 |
| Home-equity loan, $30,000 | 5.10 | 5.09 | 5.30 | 5.06 | -0.20 | -1.77 |

**Monterey Park Luxury Residence**
**蒙特利公園豪宅**

| ML# : H10118939 | 835 Crest Vista DR Monterey Park 91754 | List Price: $ 1,250,000 |
|---|---|---|



### Basic Information

| | |
|---|---|
| Status: | Active |
| Property Type: | Single Family Residence |
| Map Book: | |
| Year Built: | 1986/SLR |
| Sqft/Source: | 4,931/Assessor's Data |
| Lot Sqft/Source: | 16,013/Assessor's Data |
| View: | City Lights |
| Assoc Dues: | |

### Interior Features

Bedrooms: **11**
Bath(F,T,H,Q): **6, 0, 0, 0**
FirePlace: **See Remarks**
Cooling: **Central**
Laundry:
Rooms: **See Remarks**
Eating Area:
Floor:
Utilities:

### Property Description

**Beautiful traditional eastern-style home with numerous bedrooms and unique elegance. Large, spacious bedrooms on both floors in well-kept condition. Custom-built in 1986 with addition of the back part of the house in 1992. Spacious backyard with a zen garden, large waterfall, and bountiful fruit trees. Also includes a large storage shed. Home is located in a secluded, safe neighborhood right next to a large park and tennis courts, and provides views of a beautiful cityscape from its many balconies upon sunset. Please call for appointments at least 24 hours in advance.**

### Exterior Features

Pool: **No**
Spa:
Patio:
Sprinklers:
Structure:
Outdoors:
Fence:
Roofing:
Lot/Community: **Patio Home**
Legal:

### Presented By

Contact: **John Hsu** Home Ph: **626-913-3881**
Contact DRE: **01093005** Fax:
Office: **STC Management**

### School Information

School District:
Elementary:
Junior High:
High School:

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Accuracy of square footage, lot size and other information is not guaranteed.