COMMERCIAL REAL ESTATE MARKET UPDATES

GENERAL
市場概括

- Best Bets 2011
  2011 年商業地產投資最佳的商機
- Due Diligence: Digging Deeper
  投資者在現今市場里購買地產時必不可少的功課
- Consortium of Investors Acquire Two FDIC Loan Portfolios with Combined Unpaid Balance of $341M
  投資者合資買下兩筆總值$3.4 億美元的聯邦儲蓄保險公司貸款組合

HOSPITALITY
酒店業

- A Hospitable Future
  隨著旅遊業的復甦，酒店的投資選擇
- Buyers Circle as Hotels Come Under Pressure
  投資者已開始密切關注大量 2011 年到期的酒店貸款

OFFICE
辦公樓

- Downtowns Get a Fresh Lease
  在辦公樓的復蘇過程中，市郊遠落後於市中心

FINANCING
貸款與資金

- 2010 Failed Bank List (Total 161)
  2010 年被聯邦儲蓄保險公司關閉的銀行(共 161 家)
- Consumer Money Rates (Mortgage Rate, Prime Rate, etc.)
  消費者市場利率：房貸、基本利率、等等

STC LISTINGS
STC 獨家代理物業出售

- San Gabriel Office/Retail
  聖蓋博獨棟商用物業
- Santa Ana Preschool/Redevelopment Opportunity [*In-Contract*]
  橙縣幼稚園/重新開發機會
- Main St. Alhambra Retail/Office Mixed Use [*In-Escrow*]
  阿罕布拉零售/辦公樓
- Monterey Park Luxury Residence
  蒙特利公園豪宅

Best Bets 2011
2011 年商業地產投資最佳的商機

By: PWC & ULI (Emerging Trends in Real Estate 2011)

Buying at or near cyclical bottom typically offers substantial opportunities, and 2011 is no different. But investors should be wary about obsolete and fringe assets, which have considerable downside risk even in recovery. "Sitting on hands" and waiting until the economy regains "certain vigor" still makes sense to more conservative Emerging Trends interviewees. And given longer-term trends, investors naturally should exercise greater circumspection. "You just can't throw dollars around in a time of slow growth."

Investment
Temper Expectations. "Don't try to shoot the lights out" and expect outsized returns. Buy well-leased core assets, looking for 6 to 7 percent cash flows. Appreciation will follow as markets improve. The best properties in the best markets always perform better whether over shorter or longer hold periods.

Lock In Leverage—If You Can. Mortgage rates cannot get much lower, and cyclical bottom is the optimal time to leverage properties in order to magnify future value gains as property fundamentals ameliorate. Provide Debt and Recap Equity. Lenders only slowly reenter the market at a time when a flood of borrowers needs refinancing and recapitalizing. "Debt is scarce and dollars needed." Players who fill the gap on assets with lowered cost bases can obtain excellent risk-adjusted returns up and down the capital stack, including mezzanine debt and preferred equity, if not loan-to-own opportunities. "Concentrate on good assets with bad balance sheets."

Focus on Global Gateways, 24-hour Markets. Everybody wants to be in the primary coastal cities with international airport hubs. Business and commerce concentrate there, attracting more highly educated workers to higher-paying jobs. But high quality costs more, so prepare to pay up. When deals get too pricey, back off and move down the food chain.

Favor Infill over Fringe. Move-back-in trends gain force. Twenty-something echo boomers want to experience more vibrant urban areas where they can build careers, and their aging baby boomer parents look for greater convenience in downscaled lifestyles. Driving costs and lost time make outer suburbs less economical, while the big-house wave dissipates in the Era of Less.

Remember: Patience Is a Virtue. Transaction activity will increase, and more value-add and distressed deals will appear. "They're coming" as the pressure of time builds for lenders to push more failed properties into the market. Patient investors can be rewarded—"you'll get a better price per pound"—but buyers should have no illusions about rapidly improving revenues and a return to quick flipping. A slow growth economy and more limited credit availability will not escalate pricing, except possibly in prime, flight-to-quality core markets. Familiar "hot-growth" Sunbelt cities may not enjoy a typical overheated expansion in any recovery.

Buy or Hold REITs. Do not expect another big run-up, but these companies appear well capitalized, can be accretive buyers, and concentrate strong core holdings in apartments and retail and office space. Liquidity is always a plus. Survey respondents expect solid cash-flowing returns.

Buy Land. It will not get any cheaper than it is now, but prepare to wait (a long time) for the right development opportunity. Infill sites hold greater promise than greenfield locations.

Exercise Caution on Distressed Loan Pools. "They could be a recipe for disaster," if you don't underwrite the assets properly. "Too many won't recover."

Development

Stay on Vacation. Except for some apartments, the odd warehouse, and select build-to-suit office projects, new construction activity will be basically nonexistent. "Why build when you can buy existing for so much less?" Demand for new premium product is probably "three to five years out," so plan accordingly and time recovery. Schedules for anything on the drawing board stretch out as the focus shifts to redevelopment and enhancement activity. Commercial developers should "think beyond the U.S.," looking to export talent to emerging markets that need new facilities. Homebuilders remain severely challenged: bulging inventories of existing houses hold back new construction, and prices continue to sink in some markets.

Property Sectors

Buy or Hold Multifamily. Rental apartments will outperform everything else. In addition to positive demographic trends, even the dampened recovery and housing market shambles are pluses because more people cannot afford to buy or stay in homes. "Subsidized" financing from Freddie and Fannie just ices the cake. Institutional buyers push up prices close to peaks in prime infill areas, and interviewees expect rent spikes by 2012.

Buy or Hold Select Retail. Infill shopping centers with top supermarket chains and fortress malls sustain performance through the consumer pullback. Darwin rules everywhere else in the oversupplied retail universe.

Buy or Hold 24-hour, Gateway Office. Premier downtown buildings remain investor mainstays in New York City, Washington, D.C., and the select few 24-hour markets situated along global pathways. Suburban office space outside urbanizing nodes gets a big thumbs-down in Emerging Trends surveys.

Buy Select Hotels. Always the most volatile property sector, hotels should be excellent buys at or near bottom. "They're the cheapest and will come back the fastest." Target downtown full-service hotels in major markets: many owners overleveraged late in the market cycle and are vulnerable. No one gets excited about high-capex resorts or limited-service brands in commodity areas.

Buy Condos and Single-Family Housing. Markets have collapsed, the population will increase, and demand will return eventually. Now is the time to buy your dream house, if you have enough cash. But this is not a speculator's market: do not expect a sudden future ramp-up in prices, except in the choicest urban neighborhoods and waterfront locations where values also tend to hold up better anyway. Avoid commodity, half-finished subdivisions in the suburban outer edge and McMansions; they are so yesterday. For good-credit borrowers, now is also the time to finance at locked-in, long-term rates.

Due Diligence: Digging Deeper
投資者在現今市場里購買地產時必不可少的功課

By: Patrick J. DiCesare, CCIM (CIRE Magazine)

Lenders have overhauled their lending criteria and underwriting guidelines, so why shouldn't buyers do the same? During these challenging times, property investors must refocus on the fundamental aspects of investment analysis to properly substantiate value in the purchase price.

When a seller gives you the property's tax returns and operating statements, it's time to be diligent. The value of investment real estate primarily is a function of net operating income. Therefore, an investor should dissect each component of the NOI during the financial analysis of a property.

Income Counts
The first aspect to examine is the property's income. It may sound basic, but it is imperative to ascertain an accurate picture of the actual income the property generates now and in the near future. The following major categories deserve intensive study to determine a property's income.

Base Rent. This largest portion of the property's income is often overlooked because it is such an obvious category. But collection loss is major issue, and investors need to have as much information as possible about tenant payment histories before placing an accurate value on a property.

The priority here is to make sure that the correct rents actually are being collected, for the right amount, and on time. Ask the seller for actual copies of rent checks received for the last three months from all of the tenants, or, at the very least, from the larger tenants. Compare the rents received with the rents listed on the operating statement and in the leases to make sure that all three are consistent.

CAM Charges, CPI Increases, and Reimbursements. In my experience, some owners do not accurately bill tenants for common area maintenance, consumer price index increases, tax escalations, utility reimbursements, and the like. Additionally, in today's difficult economy, some owners may not bill in a timely fashion for these items or even at all to avoid losing a tenant. I also have seen owners who do not have sophisticated enough management systems to accurately bill for these charges.

Owners who do bill these items may have arrangements with tenants to pay over time, thus potentially delaying the new owner's ability to collect. This is more common with mom-and-pop-type tenants in smaller properties, but this is a large sector of the commercial leasing market, and one that has been hit hard by the economic downturn.

Buyers should insist on seeing billing statements for these items and, more importantly, corresponding checks from tenants proving these items are paid. If the owner represents uncollected charges as fully received on the operating statement, that amount must be discounted to reflect a lower effective gross income.

Rent Increases. In today's tough leasing market, rent increases are not immune from negotiation. Just because a lease calls for a scheduled increase does not mean that an owner actually is collecting the increase. For example, some tenants have negotiated temporary relief from monthly lease obligations, thereby making their current payments even lower than the base rate at lease commencement. Investors need to be wary of these situations and should address these issues prior to closing, either in the form of escrowed sales proceeds or a separate agreement with the tenants, so there are no surprises after closing.

Other Considerations
In addition to income, investors should pay careful attention to the following items.

Expenses on operating statements and tax returns. While analyzing tax returns, buyers should question whether capital expenditures should be re-categorized as operating expenses. Operating expenses reduce the NOI, while capital expenditures do not. It's a fine line, and one that must be examined carefully. In the wrong category, $10,000 translates into $125,000 in value at an 8 percent capitalization rate.

Insurance. If the property has had a recent insurance claim, or even if there has been a recent incident from which a claim could arise, insurance costs will go up. The property's premium could increase by as much as 50 percent, even when the claim has not yet been paid. Investors should request a loss run from the property's current insurer to safeguard against such potential increases in expenses.

Taxes. When property ownership is transferred, the taxing authority often will begin calculating the taxes on the new sale price, which presumably is higher than the current assessment. Astute buyers will consider the difference between the current assessment and the new assessment in their financial analysis.

Negotiating the Sale Agreement. Procure the right to interview the tenants to ensure that they are happy and do not have plans to move. Demand subordination nondisturbance agreements to confirm that all is in order with the tenants and their demised premises. Ask for a long period of representations and warranties so that the seller is liable for a longer time should any inaccuracies arise. Specify that all documents requested are part of the due diligence package. For instance, if you want to review all service contracts, specifically ask for that as a condition of the sale.

A few extra hours spent analyzing an asset before the closing could save investors many years of financial hardship.

Consortium of Investors Acquire Two FDIC Loan Portfolios with Combined Unpaid Balance of $341M

投資者合資買下兩筆總值$3.4 億美元的聯邦儲蓄保險公司貸款組合

By: Colony Financial, Inc. (Edited by Lisa Benston, Global Viewpoints)

A consortium of investors organized by Colony Capital, LLC, a private, international investment firm, including Colony Financial, Inc., a real estate finance company focused on acquiring, originating and managing commercial mortgage loans, has participated in the acquisition of two separate structured transactions with the Federal Deposit Insurance Corporation ("FDIC") comprised of two portfolios of loans, one concentrated in the Western part of the United States (the “West portfolio”) and one concentrated in the Northern part of the United States (the “North portfolio”).

For the North portfolio, Colony Capital and The Cogsville Group (“Cogsville”) teamed with entities affiliated with WL Ross & Co. LLC and Invesco Ltd. to acquire 557 loans with an aggregate unpaid principal balance of approximately $204 million. For the West portfolio, Colony Capital and Cogsville worked with Mount Kellett to purchase 198 loans with an unpaid principal balance of $137 million. The purchase price was 27% and 60% of the unpaid principal balance of the loans for the North and West portfolios, respectively.

The combined transactions include approximately 755 loans, with an aggregate unpaid principal balance of approximately $340 million, consisting of substantially all commercial real estate loans. On both transactions Milestone Advisors served as advisor to the FDIC on the sale of the 40% managing member equity interest in a newly formed limited liability company created to hold the acquired loans, with the FDIC retaining the remaining 60% equity interest. In each case, the FDIC provided 1:1 leverage financing bearing a zero percent interest rate.

A Hospitable Future
隨著旅遊業的復甦，酒店的投資選擇

By: Robert Eaton (CIRE Magazine)

Early philosophers believed that ground already covered was the best indicator of what lies ahead. And while the ancient Greeks saw themselves walking backward in time, today's economic forecasters crunch the numbers from the past decade or two to plot the path ahead. To paraphrase economist John Kenneth Galbraith: Economic forecasts exist to make astrology look respectable.

Yet, as all industry watchers know, commercial real estate is cyclical, and as questions arise about the hotel sector's recovery, the past terrain should guide us. Over the last three decades, there has been a strong recurring aspect to the U.S. lodging market's performance.

The early years of each of those decades were challenging for a variety of reasons: property overbuilding, oil price inflation, international military conflicts, and severe financial downturns. But the later years of each of those decades showed stronger performances based on improving hotel market fundamentals of supply and demand, economic growth, and better international relations.

If we look back to see the future, today's forecast for the U.S. hotel investment climate is sunny and fair, with a number of macroeconomic forces lining up to support the most optimistic outlook in years. (See "Back to the Future" for past hotel profits and a forecast through 2013.)

Local Factors
While investing in U.S. hotel real estate today requires a positive economic outlook and a strong desire to see history repeat itself, several indicators support an upturn. The broader travel industry is showing signs of stabilization and a modest recovery that will be reflected in hotel performance.

Both business and leisure travel are cyclical and driven by job growth and other macroeconomic factors. But the financial success of any hotel venture or investment begins with the local conditions. Lodging markets vary dramatically in market segmentation, local market demand generators, barriers to new supply, local and state political forces, and travel infrastructure such as airports and convention centers. As a result, the real investment questions are answered at the local level. Investors considering a particular market should investigate issues such as barriers to entry for new product in the future, the tourism infrastructure's health with respect to capacity and condition, union impact, the local commercial and industrial demand profile, and the capacity for international arrivals.

For example, international travel, which represents a sizable dollar value, can dramatically boost visits to U.S. travel entry points and hub cities. But the impact will largely be felt in those markets: Not every U.S. city will have the same direct and indirect benefits. In the same vein, national travel data has varying effects on different markets, so the result is more of a national mosaic than a uniform effect.

From a macro viewpoint, more business and investment-friendly federal, state, and local government policies are likely to result from the fall 2010 elections. Steady U.S. disengagement from Middle East conflicts, and continued success in dampening terrorism also offer hope that international travel will sustain and grow.

Cyclical Effects

Growing evidence from Smith Travel Research and PKF Trends data indicate that revenue per available room — a key measure of hotel profitability — has stabilized across the U.S. Very likely, late 2010 will show some signs of improvement, although for the full year the numbers will only be up slightly or flat. Next year should see significant improvement, and 2012 will be a good year for RevPAR growth. These forecasts are based on some moderate improvement in employment and business activity in general and very little new supply.

In past cycles, the primary dampening effect on the industry was new supply. In part, the lodging market's cyclical nature is a direct result of "flurries" of new development and product as the market is improving. These increase to the point where they dilute the demand to a level where operations generally produce less income. However, in this cycle, because the current market values of many properties are well below replacement cost, it is unlikely to see any near-term investment in new construction.

The cyclical nature of the lodging business also affects operating costs. During the last two years of decreasing RevPAR, operators and management companies have been pushed to cut costs in any manner possible, hoping to preserve margins and the bottom line while still providing a positive guest experience. Operating expenses for this year have been cut to their lowest levels in an effort to match up with the loss of top-line dollars. The anticipated growth in RevPAR in 2011 and 2012 should produce extraordinary profits based on those recent cost-containment moves.

The impending improvement in both RevPAR and strong profit margins has produced encouraging news in the hotel investment sector. Nearly $1 billion in hotel real estate was sold during first quarter 2010, almost double the volume of the same period in 2009. Last year, the volume of transactions in the U.S. declined to a decade-low of approximately $2 billion, compared with nearly $10 billion recorded during 2008.

Investors are seeing the improved market fundamentals and are getting more aggressive in their pursuits. This trend likely will continue through the rest of this year as investors increasingly take advantage of the market timing.

Investor Interest

During the first half of 2010, transaction activity generally has been spread across most property types. (See "Hotel Sales as of July 2010.") It is interesting to note that nearly two-thirds of the properties sold were in the Southeastern or Western states, and one-third of the properties sold were midscale without food and beverage services. Non-food and beverage properties remain a very popular asset class as this is the element of hotel operations that can hinder real bottom-line performance. The profit in rooms is dramatically better for assets without food and beverage than for assets that provide food and beverage.

High-quality, branded, and well-located hotel assets will increasingly receive the interest of off-shore as well as institutional investors this year. Locations that combine historically strong international travel and appeal, a broad mix of market segments, solid infrastructure, as well as economic and political barriers to entry will be sought by investors. The best locations likely will be in urban centers or strong suburban corporate markets.

In particular, the inflow of Asian-based capital is expected to become more prevalent as these investors, understanding the intrinsic value of hotel and resort assets, seek to acquire at favorable prices relative to replacement cost. Investors from the Asian economies note the cyclical nature of investments in lodging and, based on their generally longer-term view, use replacement cost as a benchmark. Over the longer term, the value of a hotel ultimately will be driven to that benchmark. In today's investment market, buying below replacement cost can mean that before new competition enters the market, values will have to rise to a premium above replacement costs.

Many investors raised capital to buy distressed hotels including distressed loans, but there have been, up until just recently, very few to buy. The distressed hotel assets are in two classes: banks and commercial mortgage-backed securities servicers. Anecdotally, banks appear to be moving forward on foreclosure proceedings, and in some instances, that product ultimately will make it to market in the form of a note sale or an asset sale. This will be a long process, not a fast cure.

Through these difficult times, brand-related capital projects were postponed or delayed to accommodate the current borrower. With any change of ownership, including a bank foreclosure, the new owner is immediately going to be hit with capital needs to maintain the flag.

The CMBS situation has been slow to resolve based on the complexities of the original issuances in an environment where real property values begin to carve away at the layers of equity. We are hopeful that as incomes begin to grow, values will follow suit and transactions can occur.

Forecasting More Transactions

There are many reasons that the volume of hotel investments will increase over the next several years and values will improve. Using realistic going-in values and planning for the inevitable downturn that may come in four years to six years, investors can profit from the current hotel cycle. Using history as the best indication of where we are going, it appears that marching backwards into the future may be rewarding for hotel investors in 2011 and 2012.

Combining historical and forecasted hotel profits for the period 2001 through 2013 and the transaction volumes for the same period, it is not difficult to anticipate what will happen to transaction volume over the next two to three years. The market aspect that often can burden the future prospects of the lodging industry is new supply growth. When conditions are right, with available financing and new franchises being rolled out, new inventory eventually dampens any recovery. But this concern will be muted as the market is not producing new supply at a level that will have a large negative effect. In comparison to the historical relationship between supply and demand in the U.S., the current forecast for new lodging units for 2010 and 2011 is well below long-term averages. (See "U.S. Lodging Supply/Demand Forecast.")

The next three years will be an exciting time in hotel investment as the travel and hotel industries begin to recover and show signs of growth. If history repeats itself, we will see a much more vibrant transaction market and many great investment opportunities.

Buyers Circle as Hotels Come Under Pressure
投資者已開始密切關注大量 2011 年到期的酒店貸款

By: Kris Hudson and Anton Troianovski (WSJ)

Facing a $1 billion chunk of debt coming due Feb. 1, the CNL Hotels & Resorts Inc. properties owned by a Morgan Stanley fund have become the latest targets of opportunistic investors trying to take advantage of the woes of hotel owners who bought at the top of the market.

Similar due dates also are approaching for other owners, setting the stage for 2011 to be an active year for hotel-mortgage restructurings and takeovers. Other properties that might be up for grabs include the sprawling Atlantis resort complex in the Bahamas owned by Kerzner International Resorts Inc.

A Kerzner representative didn't respond to messages seeking comment.

CNL owns eight large U.S. properties, including Hawaii's 780-room Grand Wailea resort and spa and the 739-room Arizona Biltmore resort and spa in Phoenix. A Morgan Stanley real-estate fund bought the properties in 2007, taking on $3.3 billion in debt and preferred equity, far more than the properties are worth today, according to debt-analysis company Realpoint LLC.

Crunch time is coming, because a $1 billion securitized mortgage backed by five of the properties comes due Feb. 1. While the properties still generate enough cash to pay debt service, the fact that the properties are "under water"—worth less than the amount owed—means Morgan Stanley or some of its lenders will need to pony up more cash to refinance.

"I don't think [refinancing] is possible with the amount of debt they have unless they pay some of the mortgage down," says Steve Jellinek, a Realpoint analyst.

A representative for Morgan Stanley declined to comment. Morgan Stanley has hired restructuring firm Miller Buckfire & Co. to advise it on reworking the resorts' debt.

Smelling blood, opportunistic investors are jockeying for position by buying pieces of debt in the portfolio's intricate financing structure. Among these investors: KSL Capital Partners LLC, which in 2004 sold the eight resorts to a company that in turn sold them to Morgan Stanley in 2007. KSL has acquired a piece of the $1 billion securitized mortgage coming due Feb. 1, giving it a seat at the table when the debt is restructured, according to people familiar with the matter.

Meanwhile, the original lenders are also positioning themselves for a fight or heading for the exits. Hypo Real Estate Capital Corp., the nationalized German lender, has sold its position in the debt. Staying put to play a key role among the remaining lenders is MetLife Inc., which holds a $115 million, senior slice of the resorts' mezzanine debt, according to people familiar with the matter.

Representatives for MetLife and KSL declined to comment.

Investor appetite for hotels is keen these days because of widespread sentiment that the industry is starting a swift recovery from its lows of the past two years. U.S. hotels posted occupancy of 59.2% in the first 10 months of this year, up three percentage points from the same period in 2009, according to Smith Travel Research. Likewise, revenue per available room has increased by 5% to $58.14 from $55.42 in the same span.

But there still is a legacy of debt to confront. The wave of hotel mortgages coming due in 2011 was generated by the boom of hotel acquisitions from 2005 to 2007. In that span, more than 20 hotel chains, most of them real-estate investment trusts, were snapped up for a collective $60 billion. Many of those deals were financed with four- and five-year mortgages.

The result: $4.4 billion of securitized mortgages tied to hotels comes due in 2011, and another $4.8 billion comes due in 2012, according to Trepp LLC. Those figures don't include bank loans and junior debt such as mezzanine loans.

Kerzner put debt of roughly $2.6 billion on its Atlantis resort and a handful of smaller hotels after being taken private by Sol Kerzner and partners Colony Capital and Whitehall Real Estate Funds in 2006. The portfolio's $1.3 billion worth of mortgages come due in September, which might also trigger a restructuring.

Realpoint calculates that, at current values, Kerzner's $1.35 billion of junior debt "would likely be largely wiped out" in a restructuring because it would be under water.

Others with big bills approaching include San Diego's 787-room Hotel Del Coronado, which faces $630 million of debt coming due in January. Owners Strategic Hotels & Resorts Inc. and Kolberg Kravis Roberts & Co. will need to put up more cash to refinance the mortgage, which they are likely to do, a person familiar with the matter said.

Yet another hotel group with a debt dilemma is the 130-hotel Tharaldson Lodging Cos. portfolio purchased by Goldman Sachs Group Inc.'s Whitehall Real Estate Funds in 2006. Whitehall put about $650 million worth of mortgage debt and $150 million of mezzanine debt on 107 of the hotels. The mortgage comes due in April. Realpoint predicts "the mezzanine debt would be at risk of substantial loss in the event of a liquidation."

Owners of the debt include Vornado Realty Trust, which owns a mezzanine position of about $72 million, according to its third-quarter filing with the Securities and Exchange Commission. As a major owner of the mezzanine debt, Vornado could play a pivotal role in a restructuring.

Facing more dire straights is Highland Hospitality Corp., owner of 27 U.S. hotels, which was bought by JER Partners in 2007 and saddled with $1.8 billion of debt. Highland defaulted on its debt in August. Now, creditors Wells Fargo & Co., Blackstone Group LP, Prudential Financial Inc. and Ashford Hospitality Trust are haggling over how to restructure the debt and who will end up in control, people familiar with the matter say. A JER representative declined to comment.

Downtowns Get a Fresh Lease
在辦公樓的復蘇過程中，市郊遠落後於市中心

By: Anton Troianovski (WSJ)

As the market for office space shows signs of recovery, the suburbs are getting left behind.

For decades, the suburbs benefited from companies seeking lower rent, less crime and a shorter commute for many workers. But now, office buildings in many city downtowns have stopped losing tenants or are filling up again even as the office space in the surrounding suburbs continues to empty, a challenge to the post-war trend in the American workplace and a sign of the economic recovery's uneven geography.

Even some forlorn cities are showing signs of revival. In Detroit, Health insurer Blue Cross Blue Shield of Michigan next spring will start moving thousands of suburban employees into the downtown.

Like many cities, Detroit offered an incentive package, including giving Blue Cross employees free annual passes to a public-transit system that connects its downtown buildings. Another motivation: to have more people in one place as the insurer adjusts to the health-care overhaul.

"We believed having everyone together would very much benefit us when we had to make quick changes as a result of national reform," Blue Cross vice president Tricia Keith said.

Statistics show that suburban office markets were hit harder by the recession than their downtown counterparts and are recovering more slowly. The national office vacancy rate in downtowns was 14.9% at the end of the third quarter, the same level as in early 2005—while the suburban vacancy rate hit 19%, 2.3 percentage points higher than in 2005, according to data firm Reis Inc.

In the first three quarters of this year, businesses in the suburbs vacated a net 16 million square feet of occupied office space—nearly 280 football fields—while downtowns have stabilized, losing just 119,000 square feet.

Things were different after prior recessions. As commercial real estate recovered in 2003 and 2004, office space in the suburbs filled up faster than in downtowns, Reis's data shows. For much of the 1990s, as businesses abandoned downtowns to be closer to their suburban work forces, suburban office buildings tended to be more occupied.

But since early 2009, the opposite has happened in major metropolitan areas including Houston, Las Vegas, Miami, Pittsburgh and Phoenix—occupied office space increased downtown but dropped in the suburbs.

Suburbs have been clobbered harder by a recession that hit businesses that are often based there, including mortgage lenders and home builders. Downtowns, on the other hand, have benefited from being home to less hard-hit sectors of the economy, such as government, and companies that have recovered more quickly, such as big banks.

To be sure, most American office workers continue to work in the suburbs—home to nearly twice as much office space as in central business districts, Reis says. And many real-estate developers largely expect suburban office markets to recover when job growth strengthens.

But some scholars, urban advocates, and developers believe a secular shift is under way in the American workplace.

"Young people don't want to be out on the fringe...and as people are beginning to figure that out, it's beginning to get factored into office relocations," said Christopher Leinberger, a real-estate developer and a visiting fellow at the Brookings Institution. "It's a major structural trend that we in real estate are going to have to adjust to."

In suburban Los Angeles and Orange County, Calif., the amount of occupied office space has dropped by a combined 12.4 million square feet from January 2009 to the end of September 2010, or more than 5% of the entire inventory. The pain was much less severe in downtown Los Angeles, which lost 659,000 square feet over the same time period, or 1.8% of the total inventory, Reis data shows.

Detroit's suburbs have lost more than two million square feet of occupied space since early 2009, 3.4% of its inventory, while the hard-hit downtown has lost just 42,000 square feet, just 0.3% of its total.

Progress made by cities from Denver to Pittsburgh in revitalizing their downtowns in the last decade also has played a role. New retail, nightlife and condominium projects have helped attract some tenants who had long been based in the suburbs.

In Chicago, UAL Corp.'s United Airlines is leaving its one-million-square-foot, 1960s-era office park near O'Hare International Airport for the tallest downtown office building, the Willis Tower.

In Houston, British energy company BG Group PLC is moving its U.S. headquarters from the suburbs to 164,000 square feet in a new skyscraper downtown. The company surveyed its employees and found downtown was a more convenient commuting destination, policy and corporate-affairs vice president David Keane said. BG also saw a recruitment edge thanks in part to the downtown-revitalization efforts of a succession of Houston mayors.

"When you're looking at new graduates coming into Houston, I think they want to be located downtown," Mr. Keane said.

Just this year, the country's biggest office market, Manhattan, had gained 1.8 million square feet of occupied space as of September. Meanwhile, New York's suburbs, from northern New Jersey to Westchester County, Long Island and Connecticut's Fairfield County, continued to lose occupancy—to the tune of a combined 1.4 million square feet, Reis data shows.

That difference has been felt by big landlords such as SL Green Realty Corp., a major Manhattan skyscraper owner that also owns dozens of office buildings in New York's suburbs.

"Whereas New York is recovering, I'm not sure most of suburban America is recovering," SL Green Chief Executive Marc Holliday said at the company's annual investor meeting last week.

In Denver, a light-rail system has contributed to a more vibrant downtown. Colliers International broker Brad Calbert, who helped arrange moves by energy companies SunCor Energy Inc. and Black Hills Corp. from the Denver suburbs to downtown, said, "There is a cultural transition going on."

For real-estate investors, the difference between suburban and downtown markets is stark. Downtown office buildings are sparking bidding wars especially in major cities like New York and Washington D.C. Meantime, many suburban office parks continue to languish on bank balance sheets, attracting few buyers.

"We're gravitating toward the well located, well leased sites mostly in the traditional urban areas," said a spokesman for one of the country's biggest real-estate investors, the California State Teachers Retirement System.

2010 Failed Bank List (Total 161)
2010 年被聯邦儲蓄保險公司關閉的銀行 (共 161 家)

Source: FDIC

Bank Name	State	Acquiring Institution	Closing Date
Community National Bank	MN	Farmers & Merchants Savings Bank	17-Dec-10
First Southern Bank	AR	Southern Bank	17-Dec-10
United Americas Bank, N.A.	GA	State Bank and Trust Company	17-Dec-10
Appalachian Community Bank, FSB	GA	Peoples Bank of East Tennessee	17-Dec-10
Chestatee State Bank	GA	Bank of the Ozarks	17-Dec-10
The Bank of Miami,N.A.	FL	1st United Bank	17-Dec-10
Earthstar Bank	PA	Polonia Bank	10-Dec-10
Paramount Bank	MI	Level One Bank	10-Dec-10
First Banking Center	WI	First Michigan Bank	19-Nov-10
Allegiance Bank of North America	PA	VIST Bank	19-Nov-10
Gulf State Community Bank	FL	Centennial Bank	19-Nov-10
Copper Star Bank	AZ	Stearns Bank, N.A.	12-Nov-10
Darby Bank & Trust Co.	GA	Ameris Bank	12-Nov-10
Tifton Banking Company	GA	Ameris Bank	12-Nov-10
First Vietnamese American Bank	CA	Grandpoint Bank	5-Nov-10
Pierce Commercial Bank	WA	Heritage Bank	5-Nov-10
Western Commercial Bank	CA	First California Bank	5-Nov-10
K Bank	MD	Manufacturers & Traders Trust Company	5-Nov-10
First Arizona Savings, A FSB	AZ	No Acquirer	22-Oct-10
Hillcrest Bank	KS	Hillcrest Bank, N.A.	22-Oct-10
First Suburban National Bank	IL	Seaway Bank and Trust Company	22-Oct-10
The First National Bank of Barnesville	GA	United Bank, Zebulon	22-Oct-10
The Gordon Bank	GA	Morris Bank	22-Oct-10
Progress Bank of Florida	FL	Bay Cities Bank	22-Oct-10
First Bank of Jacksonville	FL	Ameris Bank	22-Oct-10
Premier Bank	MO	Providence Bank	15-Oct-10
WestBridge Bank and Trust Company	MO	Midland States Bank	15-Oct-10
Security Savings Bank, F.S.B.	KS	Simmons First National Bank	15-Oct-10
Shoreline Bank	WA	GBC International Bank	1-Oct-10
Wakulla Bank	FL	Centennial Bank	1-Oct-10
North County Bank	WA	Whidbey Island Bank	24-Sep-10
Haven Trust Bank Florida	FL	First Southern Bank	24-Sep-10
Maritime Savings Bank	WI	North Shore Bank, FSB	17-Sep-10
Bramble Savings Bank	OH	Foundation Bank	17-Sep-10
The Peoples Bank	GA	Community & Southern Bank	17-Sep-10

First Commerce Community Bank	GA	Community & Southern Bank	17-Sep-10
Bank of Ellijay	GA	Community & Southern Bank	17-Sep-10
ISN Bank	NJ	Customers Bank	17-Sep-10
Horizon Bank	FL	Bank of the Ozarks	10-Sep-10
Sonoma Valley Bank	CA	Westamerica Bank	20-Aug-10
Los Padres Bank	CA	Pacific Western Bank	20-Aug-10
Butte Community Bank	CA	Rabobank, N.A.	20-Aug-10
Pacific State Bank	CA	Rabobank, N.A.	20-Aug-10
ShoreBank	IL	Urban Partnership Bank	20-Aug-10
Imperial Savings and Loan Association	VA	River Community Bank, N.A.	20-Aug-10
Independent National Bank	FL	CenterState Bank of Florida, N.A.	20-Aug-10
Community National Bank at Bartow	FL	CenterState Bank of Florida, N.A.	20-Aug-10
Palos Bank and Trust Company	IL	First Midwest Bank	13-Aug-10
Ravenswood Bank	IL	Northbrook Bank and Trust Company	6-Aug-10
LibertyBank	OR	Home Federal Bank	30-Jul-10
The Cowlitz Bank	WA	Heritage Bank	30-Jul-10
Coastal Community Bank	FL	Centennial Bank	30-Jul-10
Bayside Savings Bank	FL	Centennial Bank	30-Jul-10
Northwest Bank & Trust	GA	State Bank and Trust Company	30-Jul-10
Home Valley Bank	OR	South Valley Bank & Trust	23-Jul-10
SouthwestUSA Bank	NV	Plaza Bank	23-Jul-10
Community Security Bank	MN	Roundbank	23-Jul-10
Thunder Bank	KS	The Bennington State Bank	23-Jul-10
Williamsburg First National Bank	SC	First Citizens Bank & Trust Company, Inc.	23-Jul-10
Crescent Bank and Trust Company	GA	Renasant Bank	23-Jul-10
Sterling Bank	FL	IBERIABANK	23-Jul-10
Mainstreet Savings Bank, FSB	MI	Commercial Bank	16-Jul-10
Olde Cypress Community Bank	FL	CenterState Bank of Florida	16-Jul-10
Turnberry Bank	FL	NAFH National Bank	16-Jul-10
Metro Bank of Dade County	FL	NAFH National Bank	16-Jul-10
First National Bank of the South	SC	NAFH National Bank	16-Jul-10
Woodlands Bank	SC	Bank of the Ozarks	16-Jul-10
Home National Bank	OK	RCB Bank	9-Jul-10
USA Bank	NY	New Century Bank	9-Jul-10
Ideal Federal Savings Bank	MD	No Acquirer	9-Jul-10
Bay National Bank	MD	Bay Bank, FSB	9-Jul-10
High Desert State Bank	NM	First American Bank	25-Jun-10
First National Bank	GA	The Savannah Bank, N.A.	25-Jun-10
Peninsula Bank	FL	Premier American Bank, N.A.	25-Jun-10
Nevada Security Bank	NV	Umpqua Bank	18-Jun-10
Washington First International Bank	WA	East West Bank	11-Jun-10

TierOne Bank	NE	Great Western Bank	4-Jun-10
Arcola Homestead Savings Bank	IL	No Acquirer	4-Jun-10
First National Bank	MS	The Jefferson Bank	4-Jun-10
Sun West Bank	NV	City National Bank	28-May-10
Granite Community Bank, NA	CA	Tri Counties Bank	28-May-10
Bank of Florida - Tampa	FL	EverBank	28-May-10
Bank of Florida - Southwest	FL	EverBank	28-May-10
Bank of Florida - Southeast	FL	EverBank	28-May-10
Pinehurst Bank	MN	Coulee Bank	21-May-10
Midwest Bank and Trust Company	IL	FirstMerit Bank, N.A.	14-May-10
Southwest Community Bank	MO	Simmons First National Bank	14-May-10
New Liberty Bank	MI	Bank of Ann Arbor	14-May-10
Satilla Community Bank	GA	Ameris Bank	14-May-10
1st Pacific Bank of California	CA	City National Bank	7-May-10
Towne Bank of Arizona	AZ	Commerce Bank of Arizona	7-May-10
Access Bank	MN	PrinsBank	7-May-10
The Bank of Bonifay	FL	First Federal Bank of Florida	7-May-10
Frontier Bank	WA	Union Bank, N.A.	30-Apr-10
BC National Banks	MO	Community First Bank	30-Apr-10
Champion Bank	MO	BankLiberty	30-Apr-10
CF Bancorp	MI	First Michigan Bank	30-Apr-10
Westernbank Puerto Rico	PR	Banco Popular de Puerto Rico	30-Apr-10
R-G Premier Bank of Puerto Rico	PR	Scotiabank de Puerto Rico	30-Apr-10
Eurobank	PR	Oriental Bank and Trust	30-Apr-10
Wheatland Bank	IL	Wheaton Bank & Trust	23-Apr-10
Peotone Bank and Trust Company	IL	First Midwest Bank	23-Apr-10
Lincoln Park Savings Bank	IL	Northbrook Bank and Trust Company	23-Apr-10
New Century Bank	IL	MB Financial Bank, N.A.	23-Apr-10
Citizens Bank & Trust Company of Chicago	IL	Republic Bank of Chicago	23-Apr-10
Broadway Bank	IL	MB Financial Bank, N.A.	23-Apr-10
Amcore Bank, National Association	IL	Harris N.A.	23-Apr-10
City Bank	WA	Whidbey Island Bank	16-Apr-10
Tamalpais Bank	CA	Union Bank, N.A.	16-Apr-10
Innovative Bank	CA	Center Bank	16-Apr-10
Butler Bank	MA	People's United Bank	16-Apr-10
Riverside National Bank of Florida	FL	TD Bank, N.A.	16-Apr-10
AmericanFirst Bank	FL	TD Bank, N.A.	16-Apr-10
First Federal Bank of North Florida	FL	TD Bank, N.A.	16-Apr-10
Lakeside Community Bank	MI	No Acquirer	16-Apr-10
Beach First National Bank	SC	Bank of North Carolina	9-Apr-10
Desert Hills Bank	AZ	New York Community Bank	26-Mar-10
Unity National Bank	GA	Bank of the Ozarks	26-Mar-10

Key West Bank	FL	Centennial Bank	26-Mar-10
McIntosh Commercial Bank	GA	CharterBank	26-Mar-10
State Bank of Aurora	MN	Northern State Bank	19-Mar-10
First Lowndes Bank	AL	First Citizens Bank	19-Mar-10
Bank of Hiawassee	GA	Citizens South Bank	19-Mar-10
Appalachian Community Bank	GA	Community & Southern Bank	19-Mar-10
Advanta Bank Corp.	UT	No Acquirer	19-Mar-10
Century Security Bank	GA	Bank of Upson	19-Mar-10
American National Bank	OH	The National Bank and Trust Company	19-Mar-10
Statewide Bank	LA	Home Bank	12-Mar-10
Old Southern Bank	FL	Centennial Bank	12-Mar-10
The Park Avenue Bank	NY	Valley National Bank	12-Mar-10
LibertyPointe Bank	NY	Valley National Bank	11-Mar-10
Centennial Bank	UT	No Acquirer	5-Mar-10
Waterfield Bank	MD	No Acquirer	5-Mar-10
Bank of Illinois	IL	Heartland Bank and Trust Company	5-Mar-10
Sun American Bank	FL	First-Citizens Bank & Trust Company	5-Mar-10
Rainier Pacific Bank	WA	Umpqua Bank	26-Feb-10
Carson River Community Bank	NV	Heritage Bank of Nevada	26-Feb-10
La Jolla Bank, FSB	CA	OneWest Bank, FSB	19-Feb-10
George Washington Savings Bank	IL	FirstMerit Bank, N.A.	19-Feb-10
The La Coste National Bank	TX	Community National Bank	19-Feb-10
Marco Community Bank	FL	Mutual of Omaha Bank	19-Feb-10
1st American State Bank of Minnesota	MN	Community Development Bank, FSB	5-Feb-10
American Marine Bank	WA	Columbia State Bank	29-Jan-10
First Regional Bank	CA	First-Citizens Bank & Trust Company	29-Jan-10
Community Bank and Trust	GA	SCBT National Association	29-Jan-10
Marshall Bank, N.A.	MN	United Valley Bank	29-Jan-10
Florida Community Bank	FL	Premier American Bank, N.A.	29-Jan-10
First National Bank of Georgia	GA	Community and Southern Bank	29-Jan-10
Columbia River Bank	OR	Columbia State Bank	22-Jan-10
Evergreen Bank	WA	Umpqua Bank	22-Jan-10
Charter Bank	NM	Charter Bank	22-Jan-10
Bank of Leeton	MO	Sunflower Bank, N.A.	22-Jan-10
Premier American Bank	FL	Premier American Bank, N.A.	22-Jan-10
Barnes Banking Company	UT	No Acquirer	15-Jan-10
St. Stephen State Bank	MN	First State Bank of St. Joseph	15-Jan-10
Town Community Bank & Trust	IL	First American Bank	15-Jan-10
Horizon Bank	WA	WA Federal Savings and Loan Association	8-Jan-10

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

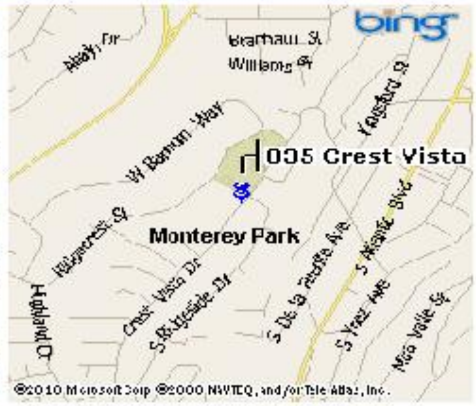
(Wall Street Journal)

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	-	-4.25
Prime rate*	3.25	3.25	3.25	3.25	-	-4.00
Libor, 3-month	0.30	0.30	0.54	0.25	0.05	-4.53
Money market, annual yield	0.65	0.65	0.95	0.63	-0.25	-2.85
Five-year CD, annual yield	2.06	2.03	2.70	2.02	-0.53	-2.35
30-year mortgage, fixed	5.04	5.09	5.51	4.32	-0.35	-0.97
15-year mortgage, fixed	4.38	4.46	4.83	3.71	-0.27	-1.20
Jumbo mortgages, $417,000-plus	5.71	5.79	6.33	5.32	-0.43	-1.18
Five-year adj mortgage (ARM)	4.02	4.00	5.79	3.31	-0.55	-1.76
New-car loan, 48-month	5.44	5.42	6.85	5.42	-1.39	-1.42
Home-equity loan, $30,000	5.13	5.11	5.28	5.06	-0.10	-1.69

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: