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COMMERCIAL REAL ESTATE MARKET UPDATES

GENERAL
市場概括

- Seeking Clarity: 10 Quick Observations On the Distressed Property Buying Market
  問題地產買賣市場的觀察

CALIFORNIA BUSINESS INDICATORS
加州經濟景象

- California's Unemployment Rate Climbs to 12.6% in March
  加州三月份失業率：**12.6%**
- Better Retail Sales Report for March
  三月份零售銷售成績單有所好轉
- March Port Figures - Exports Rise
  洛杉磯港口數據顯示出口增加

INDUSTRIAL
產業

- San Gabriel Valley: International Trade Fuels Positive Absorption
  圣蓋博谷：進出口業的回暖讓工業倉庫的出租率增加

MULTIFAMILY
公寓

- Report Finds Los Angeles Apartment Rates Dropping, Though Downtown Landlords See a Different Market
- 雖然報告預期洛杉磯公寓的租金會降低，但市中心的業主認為不會

OFFICE
公樓

- Southern California office market continues to weaken
  南加州的辦公樓出租率與租金持續下滑

FINANCING
貸款與資金

- CRE Loan Defaults Could Hit 11% By Year-End
  商業地產貸款拖欠率年底可能高達 **11%**
- Latest Residential Loan Rates [Slightly Higher than Last week]
  最新住宅地產貸款利率【略高於上週】

Khalil Fong & Fiona Sit Autograph Session @ Season's Place
方大同 & 薛凱琪 四季廣場簽票會

Seeking Clarity: 10 Quick Observations On the Distressed Property Buying Market
問題地產買賣市場的觀察

By Mark Heschmeyer (CoStar)

The first thing to know about the distressed property market is that risk appears to be back in favor this year after buyers sat on the sidelines in 2009.

CoStar Group examined 2,375 distressed property sales of more than $2.5 million that closed between Jan. 1, 2007 and March 31, 2010. In the first quarter of this year, CoStar data shows 184 deals have been reported so far. That compares to 102 in the first quarter of 2009. The higher number this year is more in line with the number of deals done in the first quarters of 2008 and 2007 when there were 187 and 189 respectively.

The $2.17 billion volume this year is also more in line as well with first quarter results in the previous years. The lowest dollar volume for the first quarter of any of the last four years was $1.82 billion.

For purposes of this analysis, CoStar Group used the following reported sales conditions as indicators of distress: auction sale, building or soil contamination, building in shell condition, condo conversion, deferred maintenance, distress sale, high vacancy property, redevelopment project and/or REO sale.

Properties with deferred maintenance issues made up the largest proportion of distressed sales, showing up in nearly one of every four purchases. High vacancy properties accounted for nearly one of every five deals. Other categories were as follows.

- Redevelopment Project, 347 deals
- REO Sale, 313
- Distress Sale, 301
- Condo Conversion, 147
- Auction Sale, 134
- Building in Shell Condition, 96
- Building or Soil Contamination, 34

Hot, then Not

The appetite among investors for distressed conditions has shifted throughout the recession. For example, the majority of condo conversion sales (113 of them) occurred in 2007. There have only been two so far this year. Purchasing properties with deferred maintenance were also twice as popular in 2007 as they have been recently. On the other hand, the number of REO sales jumped nearly 500% in 2009 over the previous two years and the number of distress sales nearly doubled. Both types of sales have been occurring at a higher pace this year compared to last year.

Distressed Multifamily Prices Stable

Multifamily properties were the clear first choice of distressed buyers accounting for 752 deals. Other categories were as follows.

- Office, 485 deals
- Retail, 471
- Flex/Industrial, 420
- Mixed Use, 132
- Hospitality, 115

The average price paid for distressed multifamily properties plummeted sharply with the onset of the recession in 2007 but by 2008 found a steady bottom trading range. The average price has traded steadily in range between $50,000 and $100,000 per unit on average. Nondistressed multifamily properties have been selling in a range between $78,000 and $115,000 per unit on average.

Office Prices May Have Bottomed

The peaks and valleys of distressed office prices were both trending down from 2007 through most of 2009. But the price range has narrowed in the last two quarters with top prices falling and the bottom price rising slightly. Since September 2009 distressed office properties have been trading in a range from $70 to $140 per square foot on average. In that same time period, non-distressed office properties have been selling in range between $110 and $200 per square foot on average.

Retail Prices Still Trending Down

The top price paid for distressed retail properties appear to be edging higher at this point in time. However, the floor prices still seem to be falling. The wider swings between peaks and valleys appears to be factors related to location and/or property types with some months being heavily weighted to regional mall sales or in high-dollar markets. Since December 2009 distressed retail properties have been trading in a range from $45 to $100 per square foot on average. In that same time period, non-distressed retail properties have been selling in range between $105 and $500 per square foot on average.

Distressed Industrial Prices Steady

In early 2007, distressed industrial properties were trading consistently in a range of from $20 to $80 per square foot. There was short-lived rally in industrial prices in late 2008 and early 2009. Today the price bottom is still about $20 per square foot but the trading has narrowed to a range of about $40 per square foot tops on average. Nondistressed flex and industrial properties have been selling in range between $40 and $85 per square foot on average.

Hospitality: Betting on Casinos

Three of the largest distressed sales since 2007 were for casinos in Las Vegas with the 2,885-room Treasure Island Hotel Casino going for $775 million or about $268,631/room in March 2009; the 2,567-room Planet Hollywood Resort and Casino going for $243,218/room in February 2010; and 1,878-room Tropicana Resort and Casino going for $234,292/room in March 2007. Overall, distressed hotel prices have been selling in a median range around $100,000/room. The average price of non-distressed hotel prices has been rising in the last four months going from a low of $40,000/room in December 2009 to about $210,000/room last month.

Local/Regional Buyers Most Active

Multifamily: Regional developer/owners were the buyers in three out of every 10 distressed multifamily sales since 2007, followed by individuals at 22%, national developer/owners at 17% and investment managers at 9%. In the last six months, regional developer/owners have increased their share to nearly 40% of all deals, grabbing share from everyone else.

Office: Regional developer/owners have made up more than 26% of the buyers of distressed office properties during the recession years followed by national developer/owners at 17% and then individuals and corporations at 14% each and investment managers at 11%. In the last six months, investment managers have decreased their share to less than 5%, while banks and government entities have increased their share of purchases.

Retail: Regional developer/owners were involved in 25% of all retail/shopping center distressed purchases since 2007, followed by individuals at 19%, national developer/owners at 18%, and corporate entities at 15%. In the last six months, national buyers have decreased their share of activity to about 11%, while banks and government entities have increased their share of purchases.

Industrial: Regional developer/owners were involved in 23% of all flex/industrial distressed property purchases since 2007, followed by closely by corporations at 20%, then national developer/owners at 16%, and investment managers and individuals at 11% each. In the last six months, corporations have jumped into the lead as buyers accounting for three out of every 10 buys with regional developer/owners following closely at 28%. Investment managers' share has fallen to 8%, with individuals now accounting for less than 4%.

California's Unemployment Rate Climbs to 12.6% in March
加州三月份失業率：12.6%

Nancy D. Sidhu (LAEDC)

Figures released last week by the California Employment Development Department (EDD) showed California's unemployment rate increased in March. The seasonally adjusted unemployment rate for March was 12.6 percent and the February rate was 12.5 percent. On a year-to-year basis, the unemployment rate has increased by +2.0 percentage points.

The Census Bureau's lead sentence reads: "New orders for manufactured durable goods decreased in March … by -1.3%." Pretty downbeat. Actually, most of the numbers below the headline were quite good. Only two major sectors reported lower orders last month—fabricated metal products (down by -1.2%) and aircraft & parts (which plunged by 42.2%)—and both had previously reported increased orders in February (of +3.5% and +6.8% respectively).

A more revealing headline would read: "New orders for durable goods excluding transportation increased by +2.8% in March, after growing by +1.7% in February." Six durable goods sectors reported higher orders in March. In order of size, these were led by computers & electronic products (+3.4%); motor vehicles & parts (+2.5%); and machinery (+8.6%). Indeed, new orders year-to-date for all eight sectors were higher than the first three months of 2009.

Manufacturers' order books suggest that production will increase in coming months. What's happening now? The same report reveals that manufacturers' shipments of durable goods increased by +3.1% during the first three months of 2010 compared with early 2009. In this case, the headline figure looks good, but the details are decidedly mixed. Year-to-date shipments of computers & electronic products grew by +10.7%, and motor vehicles & parts were up by +3.2%. However, year-to-date shipments were still down for: fabricated metal products (-1.5%); machinery (-3.2%); and aircraft & parts (-4.3%). In the latter case, defense aerospace shipments were higher in 2010, while shipments of commercial aircraft have decreased.

Quietly, almost unnoticed except in industrial areas, the nation's manufacturing sector is stirring. The upturn is being led by high tech manufacturing, a California-centric sector, and by automotive. However, their growing order books mean that most other industrial sectors should join the upturn soon.

Better Retail Sales Report for March
三月份零售銷售成績單有所好轉

By Kimberly Ritter (LAEDC)

March was a good month in most parts of the retail world. Total U.S. retail and food service sales increased by a solid +1.6% last month. Sales had previously risen by +0.5% in both February and January. Twelve sectors (out of 14) registered higher sales in March. The biggest increases over the month were reported by: motor vehicle & parts dealers (rising by +6.7%); building material & garden equipment & supplies dealers (+3.1%); followed by clothing & accessories stores (+2.3% over the month); and furniture & home furnishings stores (+1.5%). The two categories reporting lower sales in March were: electronics & appliance stores (falling by -1.3% after a +3.1% jump in February); and gasoline stations (-0.4%). [All figures in this paragraph are seasonally adjusted.

Movements in the U.S. Producer Price Index (PPI) were mixed during March. Prices in the index for finished goods ticked up by +0.7% last month after declining by -0.6% in February. Prices of core finished goods (less food and energy) edged up by +0.1%, after rising by the same amount over the previous month. From March 2009 to March 2010, finished goods prices increased by +6.0%.

In the early stages of production, prices of intermediate goods were up by +0.6% after edging up by +0.1% in February. Prices quoted by manufacturers of intermediate goods have increased by +7.7% since March 2009. Prices in the crude goods index gained in March (+3.2%), recovering most of the ground lost in February (-3.5%). Over the year, the crude index soared by +33.4%.

In the finished goods category, the index for energy goods rose by +0.7% last month after falling by -2.9% in February. Gasoline prices led the advance (+2.1%). Gasoline prices have now risen in five of the last six months. Residential electric power also contributed to the increase (+1.2%). The index for finished foods climbed by +2.4% last month after inching up by +0.4% in February. This was the sixth monthly increase in a row. Most of the uptick in food prices was the result of a surge (+49.3%) in the prices of fresh and dry vegetables. The core index for finished goods was up by +0.1%. Except for a jump in the index for jewelry, platinum & karat gold (+5.9%), price movements outside the more volatile energy and food indexes were muted.

Prices of intermediate materials increased by +0.6% in March after rising by +0.1% in February. The energy goods index was up by +0.4%. Much of the advance in intermediate energy goods resulted from higher prices for commercial electric power (+0.8%). Meanwhile, prices for intermediate foodstuffs were pushed down (-0.5%), primarily due to lower prices for prepared animal feeds (-2.9%). March was the third consecutive monthly decline for the foodstuffs index but over the year, prices have risen by +2.6%. Led by higher prices for basic organic chemicals (+3.2%), the core intermediate index moved up by +0.7%.

The price index for crude materials rose by +3.2% last month with higher food prices (+3.4%) contributing about 40% to the overall increase. In March, a lift in prices of slaughter livestock (+6.4% overall), and hogs in particular (+15.4%), accounted for about 70% of the advance in crude food prices. Higher energy prices (+1.3%) also helped to drive up the crude materials index last month. The largest jump in this category came from a +12.1% rise in crude petroleum prices. The core crude materials index rose by +6.0% for the month. More than half of last month's increase was attributable to iron and steel scrap prices, which increased by +12.3%.

March Port Figures - Exports Rise
洛杉磯港口數據顯示出口增加

Ferdinando Guerra (LAEDC)

The total number of containers handled in March at the ports of Los Angeles and Long Beach rose by +8.0 percent on a year-to-year basis to 973,024 TEUs (twenty-foot equivalent units). This was the fourth consecutive month of year-to-year increases, an encouraging trend. In 2009, the total number of containers handled at the two ports (including empties) had deteriorated by -17.6 percent compared to 2008. The Port of Long Beach experienced the largest gain in trade volumes over the year, as total containers grew by +13.0 percent in March. The Port of Los Angeles also witnessed a gain in volumes as total containers were up by +4.5 percent on a year-to-year basis.

IMF: The International Monetary Fund (IMF) released its 2010 World Economic Outlook (WEO) last week. The IMF raised its forecasts for the world economy in 2010, as it now expects the global recovery to be stronger than anticipated in January 2010. They are now projecting the world economy to grow by +4.2% in 2010 versus the January 2010 forecast of +3.9%.

The Fund expects the advanced economies to grow at a much slower pace than the emerging economies. The advanced economies are forecasted to grow by +2.3% in 2010, while the emerging and developing economies are projected to expand by +6.3% this year. The U.S. economy is expected to outperform both the Euro Area and Japanese economies over the year. Meanwhile, in Asia, the Chinese and Indian economies are once again projected to outperform the rest of the world, growing by a very robust +10.0% and +8.8%, respectively.

Taking a regional perspective, the Los Angeles Customs District top five trading partners are forecasted to expand by:

China (+10.0%)
Japan (+1.9%)
South Korea (+4.5%)
Taiwan (+6.5%)
Thailand (+5.5%)

San Gabriel Valley: International Trade Fuels Positive Absorption
圣蓋博谷：進出口業的回暖讓工業倉庫的出租率增加

By Lizbeth Scordo

Industrial Market At a Glance
Inventory: 180 million square feet
Under Construction: 0
Asking Rents: 43 cents

After a dismal 2009, the San Gabriel Valley's industrial market kicked off the new year with plenty of good news reflecting the rebound in international trade.

About 700,000 square feet of space was absorbed during the first quarter, a far cry from a year ago when the market gave back more than 2 million square feet, according to Grubb & Ellis Co. The vacancy rate decreased slightly to 4.1 percent, marking the first decline in vacancies in 15 months.

"We're starting to see an increase at the ports and that's sort of the bellwether for industrial," said Brett Dedeaux, director, Binswanger/Realty Advisory Group and principal in industrial real estate holdings firm Dedeaux Properties. "The projections aren't that strong, but at least the uncertainty is gone. Companies are starting to move forward." The asking rent remained flat last quarter, at 43 cents per square foot, while total sales and lease activity increased slightly to nearly 2.3 million square feet. That's more than double the amount of activity during first quarter 2009. Dedeaux said investment groups are stepping away from the sidelines and into tire-kicking mode, realizing that the slew of fire-sale bargains they've been waiting for may not be coming after all.

"They were thinking maybe a lot of these really nice industrial parks were going to go belly-up, banks would take them back, developers were going to go under, but that hasn't materialized," he said. "You are seeing some of that out in Riverside, but the infill areas have held their own."

Activity in the San Gabriel Valley's smaller office market also picked up last quarter as the net absorption climbed out of the red, ending at 143,490 square feet. Vacancies also decreased two and a half points to 10.6 percent, the market's lowest rate since the end of 2008.

MAIN EVENTS

- Walnut Business Center LLC purchased a three-building industrial park in Diamond Bar for about $14 million. The property includes a 41,000-square-foot, single-story warehouse and two two-story flex buildings, one totaling 79,835 square feet and the other 56,090 square feet. Foremost Airport Vegas Ltd. sold the property.
- Optec Displays Inc., a manufacturer of LED displays, leased 33,965 square feet in an industrial building at 708-716 Nogales St. in City of Industry. The five-year deal is valued at more than $1.4 million. Landlord Dedeaux Properties has rented three of the four units in the new 71,460-square-foot building, completed in April 2009.
- Sen Won LLC bought three lots totaling more than 3.3 acres for $8.8 million from Reliable Wholesale Lumber Inc. The property, at 8614 Valley Blvd. in Rosemead, contains several buildings, including a 27,000-square-foot structure leased to Barr Lumber until March 2011. The buyer plans to eventually redevelop the whole property.
- C.E.G. Construction broke ground on a 190,000-square-foot industrial building at 14500 Nelson Ave. in the City of Industry. Troy Lighting, a producer of interior and exterior lighting products, currently located at 14625 Clark Ave. in Industry, will move into the facility upon completion.

- Choice Hotels International, which franchises more than 6,000 hotels around the world, opened a Comfort Suites hotel at 753 Glendora Ave. in La Puente. The property includes 44 suites, a workout room and a business center.

Report Finds Los Angeles Apartment Rates Dropping, Though Downtown Landlords See a Different Market
雖然報告預期洛杉磯公寓的租金會降低，但市中心的業主認為不會

By Richard Guzmán

DOWNTOWN LOS ANGELES - A study recently released by the USC Lusk Center for Real Estate had harsh tones for landlords, with a prediction that rents for Los Angeles County apartments would decline by an average of 3.5% this year.

A group of Downtown Los Angeles building owners don't think they will take a hit.

"I don't agree with this projection," said developer Barry Shy, who owns six properties with more than 1,100 apartments in the Historic Core. "In my experience, new construction stopped a while back and we're in a city where new people keep coming and the demand will still be there, but the supply is stopping."

Shy's stance was similar to that of several other Downtown landlords, who said that despite a 9.9% decline in Downtown rental prices last year, this year they are likely to hold steady and could even increase.

The Casden Real Estate Economics Forecast, released by the Lusk Center this month, said the high number of foreclosures and overbuilding during the housing bubble has resulted in a glut of rentals in Southern California. It also said a large "shadow supply" of single family homes and condos that have gone on the rental market will continue to put pressure on rents.

The study focused on Los Angeles County, Orange County, the Inland Empire and San Diego County. The largest projected decline was for L.A. County, and San Diego County was the only locale projected to see an increase, though with a meager 0.7% rate of growth.

Tracey Seslen, a professor at the USC Lusk Center for Real Estate who co-authored the study, said no forecasts were prepared for submarkets such as Downtown. But she said the decline is expected to be more moderate than last year's nearly 10% drop.

"All markets are going to be performing better this year than last year, although for some that still means a decline," she said.

Occupancy Bounce

The report does provide some interesting details about the Downtown rental market.

According to the study, Downtown showed "an incredible" recovery in 2009, with the occupancy level rising from 85.5% to 95.5%. Downtown had 8,350 net move-ins in 2009, with average rents ending at $1,654 per month, a 9.9% decrease from the previous year's $1,836. The average rent in the Los Angeles metropolitan area in 2009 was $1,488, down 5.8% from 2008.

There were 1,307 units completed in Downtown in 2009, approximately one quarter of the supply in the county, according to the report. It also stated that 1,107 new units are expected in 2010.

Andrew Murray, CFO of Meruelo Maddox Properties, which in Downtown owns the Union Lofts, said he has come to a completely opposite conclusion than the report, at least when it comes to Downtown.

He said the report's definition of Downtown is larger in scope than what most stakeholders think of the area, extending to Western Avenue and including projects such as Miramar Village, near Beverly Boulevard and Alvarado Street. He said that because of the halt in construction, new units coming on the market are likely to be quickly rented.

"When everything is full and there's no new supply, then guess what? Rents are going to go up," he said.

Indeed, some recently opened projects have been quickly finding tenants.

Less than two months after opening in January, and with little advertising, 27 of the 38 apartments in the Emil Brown Lofts at 308 E. Ninth St. had been rented, at prices of $1,200-$3,000 for 750-1,700-square-foot lofts. In the Arts District, the Brick Lofts opened in December, and three months later had filled 17 of its 21 units using ads on Craigslist and a banner outside the building.

The market has also been kind to Howard and Matt Klein, a father-son development team that opened the 51-unit Factory Place Arts Complex on Dec. 1

"I can say that we are now well over 50% rented in our new development, and are holding firm with our pricing," Matt Klein said in an email. "Furthermore, we haven't encountered anything that would lead us to believe that rents are going down this year."

Shy, meanwhile, said he had 60 people on the waiting list when he began leasing his 25-story, 270-unit SB Tower in January. Rents in the building at 600 S. Spring St. range from $1,250-$2,800 for apartments that are 700-1,500 square feet.

Shy said about a year ago he was offering new tenants discounts of up to $300 at his various properties. Although prospective tenants are still asking for deals, Shy said he is now more likely to stand firm.

"I used to give discounts a year ago, but I don't lower prices anymore," he said.

Southern California office market continues to weaken
南加州的辦公樓出租率與租金持續下滑

By Roger Vincent

Southern California's long-suffering office market continued to weaken in the first quarter as demand slid and rents fell, a pattern expected to carry on through the months ahead.

The trend is dreary for landlords, who have seen their incomes fall for more than a year, but a boost for office renters who are looking for new space or negotiating to renew their existing leases as they expire.

"Rents are as low as they have been in a number of years," said Joe Vargas, executive vice president of real estate brokerage Cushman & Wakefield.

With its long lease agreements -- five years is typical -- commercial real estate is a lagging indicator of the economy. So even though the nation's economic outlook is showing some signs of improvement, the office market has yet to digest the downturn.

Overall office vacancy in Los Angeles County reached 17.6% in the first quarter, up from 14.3% a year earlier, according to Cushman & Wakefield. The average rent landlords asked for dropped to $2.60 a square foot per month from $2.82 in last year's first quarter.

The office market remains traumatized by bloodletting in corporate America, industry observers said.

"I think we are still searching for some sort of bottom" in office rents and vacancies, said J.C. Casillas, who oversees Southern California research at brokerage Grubb & Ellis. "Employment is not improving any time soon."

With California unemployment hovering at post-World War II highs of more than 12%, companies have yet to start hiring on a scale that would require them to rent larger quarters. In fact, many businesses still have more space than they need after conducting layoffs. As a result, they often try to sublet their extra space to other businesses or downsize their offices as their leases expire. Other businesses have simply closed during the recession.

Landlords experienced a net loss of 9.6 million square feet of rented space last year in Los Angeles, Orange, Riverside and San Bernardino counties. In the first quarter, an additional 967,000 square feet fell off landlords' rolls.

When occupancy and rents fall, so do property values, because potential buyers judge an office building's worth by its income stream. With income from rents -- and hence values -- uncertain and financing hard to come by, sales of office buildings have been rare for the last year.

Southern California vacancy rates aren't quite as bad as they were during the last real estate downturn in late 2002 and early 2003, Casillas said, but they are still trending the wrong way.

With so much space vacant, office development is nearly at a standstill. That means the loss of construction and other development expenditures that contribute billions of dollars to the Southern California economy during boom years.

The long bleat of bad economic news has forced landlords to lower rents and boost incentives -- such as free parking and periods of free rent -- for new tenants to sign leases.

Last year in the first quarter, many landlords were holding out hope of getting higher prices. On the Westside, the region's most expensive market, the average asking rent was $4 a square foot and some owners sought more than $6. This year the average asking rent was $3.38 a square foot in the first quarter.

"Landlords understand where the market is," Cushman's Vargas said. "More deals are being done than at the same time last year."

That may be only out of necessity, broker Jerry Porter said. "Tenants whose leases are expiring are taking negotiations down to the bitter end."

In some cases, lease discussions have been going on for as long as two years, said Porter, chairman of Cresa Partners. "We're really seeing much more brinkmanship on both sides."

With plenty of space on the market, tenants are under less pressure to make commitments, he said, and often hope to postpone real estate decisions as they work on strategies to cope with the recession. Sony Pictures Entertainment, for example, announced plans in February to lay off 450 employees at the same time that Porter was negotiating an office lease for the company, he said.

Many leases now being signed are short term, he said, such as renewals that last a year. Tenants are reluctant to commit to longer deals when they are unclear about their business plans.

"We are in for an extended period of reduced demand and oversupply," Porter said. "I just don't see what changes the equation for the next five years."

CRE Loan Defaults Could Hit 11% By Year-End
商業地產貸款拖欠率年底可能高達 11%

By Mark Heschmeyer (CoStar)

Loan defaults will continue to escalate for U.S. CMBS, with an additional 4.4% likely in 2010 and the overall rate to exceed 11% among Fitch-rated deals by the end of the year, according to Fitch Ratings.

New CMBS loan defaults increased more than five-fold last year (1,464 conduit loans totaling $17.75 billion), with 34% taking place in the fourth quarter alone.

"Fourth-quarter default rates reached their highest ever levels both in principal balance and number of loans with no clear signs of stabilization," said Mary MacNeill, a Fitch managing director. "In fact, 2009 defaults on their own surpassed the cumulative number from the inception of the CMBS market through 2008 ($17.74 billion)."

Another area of concern is large loan defaults, which increased dramatically last year. In 2009, 56 loans of more than $50 million in size defaulted compared to just five in 2008. Not surprisingly, most of the defaulted loans came from 2006-2008 vintages.

Delving deeper into specific vintages, 2007 deals led in defaults last year, accounting for 35.6% by principal balance.

"The aggressive underwriting and higher leverage in the 2007 vintage is leading to substantially higher default rates," MacNeill said.

Fitch predicts 10-year cumulative default rates on 2007 Fitch-rated CMBS to reach 27%.

For the first time in five years, multifamily was not the property type with the most new defaults, with that distinction going to retail (32.3%) last year. Following retail was multifamily (22.1%), office (20.2%) and hotel (17.8%). Fitch projects sizeable default increases for each property type, with rates likely to increase at accelerated rates for office and hotel loans.

"Office defaults spiked in the fourth quarter last year, with further rental and net operating income declines likely through next year before a rebound takes place," said Richard Carlson, Fitch senior director. "Larger concentrations of hotel loans in recent vintages will translate to higher defaults, particularly among luxury properties, resort destinations and those hotels heavily reliant on group and convention business.

Latest Residential Loan Rates [Slightly Higher than Last week]
最新住宅地產貸款利率【略高於上週】

	Interest Rate	APR
Conforming and FHA Loans		
• 30-Year Fixed	5.125 %	5.318%
• 30-Year Fixed FHA	5.125%	5.897%
• 15-Year Fixed	4.250%	4.573%
• 5-Year ARM	3.750%	3.601%
• 5-Year ARM FHA	3.500%	3.343%
Larger Loan Amounts in Eligible Areas – Conforming and FHA		
• 30-Year Fixed	5.125%	5.264%
• 30-Year Fixed FHA	5.125%	5.840%
• 5-Year ARM	4.125%	3.688%
Jumbo Loans – Amounts that exceed conforming loan limits		
• 30-Year Fixed	5.500%	5.643%
• 5-Year ARM	5.125%	4.059%