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  消費者市場利率：房貸、基本利率、等等

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Free Health Screening @ Concourse Medical Center: Saturday, June 19
康和全民免費義診：**6** 月 **19** 日星期六

康和全民免費義診

JUNE 19, 2010 (SAT)

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at

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18575 E. Gale Ave., City Of Industry, CA 91748

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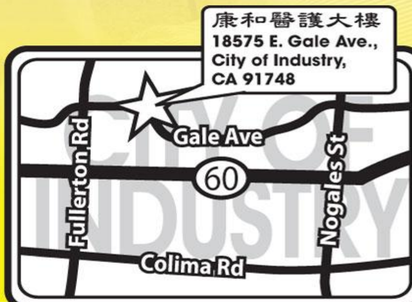

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Distressed CMBS Loans Now Returning Less Than Half Their Note Value
近期“解決”的問題商業貸款抵押證券讓債主損失過半

By Mark Heschmeyer (CoStar)

The amount of losses on distressed CMBS loans resolved in the past year has jumped 33% to where noteholders are now recovering approximately 43 cents on the dollar. And, say analysts, the losses are expected to continue to mount this year.

The average loss severity rate or the ratio of realized loss to liquidation balance for U.S. commercial mortgaged-backed securities (CMBS) loans resolved with losses in 2009 was 57% compared to the 43% rate in 2008, according to new data from Fitch Ratings. Those losses outpace the cumulative historical average of 37.2%.

"Loss severities are expected to remain above the current cumulative average through 2011," said Fitch managing director Mary MacNeill. "Assets liquidated in the current economic environment will be those not likely to see cash flow improvement from an extension or modification."

"Assets will take longer to resolve as special servicers continue to see high volumes of underperforming loans," added Fitch senior director Richard Carlson. "Continued high inventory and the declining frequency of modifications means there is no relief is in sight."

The rationale for seeing continuing increases in losses is relatively simple, explained Xiaojing Li, senior debt analyst for CoStar Group.

"In a 'normal' economic environment, proceeds from a collateral liquidation could fully recover the interest shortfalls, and sometimes even the total outstanding balance in a booming market," Li said. "But in an environment such as today's, when the economy is not fully out of the woods and commercial real estate values are well below the levels from a few years ago, high loss severities are expected to linger, if not deepen."

Evidence for this conclusion was shown in a recent PPR loss severity study Li completed, based on Trepp data on liquidated conduit CMBS loans. Among liquidated loans, 91% of the properties had been reappraised at least once, and 87.5% were appraised at a value lower than their original value at securitization. Thus, Li explained, appraisal reductions are "a fortune cookie of loss severity."

"Property value is the barometer of potential losses for CRE debt," Li said. "In the first quarter of 2010, there were already $270 million in losses via liquidation. Among the $17.7 billion in loans newly added to special servicers this year, 7% have already had appraisal reductions, threatening a new wave of losses."

According to Fitch, the largest loan resolution methods for 2009 were real estate owned (REO) dispositions, discounted payoffs (DPO) and note sales. Loans resolved by each of these methods resulted in loss severities greater than the cumulative average.

Fitch expects higher loss severities for all property types this year. Annual loss severities by property type for last year were as follows:

- Hotel: 81.9%.
- Multifamily: 58%
- Office: 56.9%
- Industrial: 48.8% and
- Retail: 48.2%.

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Wasn't commercial real estate supposed to crash?
商業地產不是應該崩盤嗎？

By Heidi N. Moore (CNN Money)

FORTUNE -- During the long years of the financial crisis, the American economy has been like a retelling of the Somerset Maugham story "Appointment in Samarra," in which a man unsuccessfully runs from city to city in attempts to avoid a run-in with Death -- who, of course, is one step ahead of him. Similarly, investors have now spent years dodging disaster in one area of the markets, only to find their investments coming to a bad end elsewhere.

Oddly, however, there is one sector that has been outrunning the reaper since 2007, and it's the last place you'd expect to have survived so long: commercial real estate. For much of 2008 and 2009 CRE was awash in red ink, and yet it hangs on. Richard LeFrak, chairman of the LeFrak Organization, said at the Milken Institute Global Conference in April, "The failure that we were all anticipating in the commercial real estate market, it kind of didn't happen. We blinked, it went away."

The only question now is how long it can keep up the sprint while the ghosts of boom-time leverage haunt the sector, and $1.4 trillion in loan maturities loom three years over the horizon.

To crash or not to crash: Which side is right?
There is a sharp disagreement among experts in how things will play out. Some predict foreclosures, loan defaults and a national crisis of disastrous proportions. In that corner is Elizabeth Warren's Congressional Oversight Panel, which flatly predicted this year that commercial real estate loans are heading for a crash that will bring down small banks, destroy small-business lending and create "a downward spiral of economic contraction," in her ominous words.

On the other side, investors in commercial properties and buyers of commercial mortgage-backed securities believe that the commercial real estate market will continue to suffer until it hits a bottom, but it will never crash in the way that the residential market collapsed. They believe that commercial real estate will be an example of how a market can take the hits and keep on ticking, that not every spot of trouble results in a crisis, that an industry can actually, somehow, stop a crisis if it acts early enough and has enough support.

Peter Roberts, Chief Executive Officer of the Americas for property giant Jones Lang LaSalle (JLL), put it this way: "We're not going to see a 'crash'. We're going to see a long work-through." Roberts believes commercial property values are in the process of bottoming out and will get to the ground floor by early 2011.

He credits the government's support programs in capital markets with reversing the psychology of nervous markets in 2009: "The powers that be are very focused in making sure that we don't have a crash in the real estate market. That has infused the mindset of investors."

The Hilton maneuver
Investors are making the most of their good luck while they can. There have already been deals of several different varieties that show us their plan for addressing the problem of high-water mark commercial mortgages coming due.

Of them, there's no better example of temporarily sidestepping the debt monster than Blackstone Group's clutch move with Hilton Hotels. The PE firm's $26 billion buyout of Hilton in 2007 -- with $20 billion of outstanding debt due by 2013 -- is a prime example of the sweaty palms that high leverage deals can cause even savvy investors.

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But in April, Blackstone (BX) bought back $1.8 billion of Hilton's debt and restructured another $2.1 billion to turn it into preferred equity. Blackstone also pushed off the maturities of the remaining $16 billion until 2015, buying itself two whole years of breathing room. Hilton is still debt-laden, but it's not dead -- and hedge-fund investors speak approvingly of Blackstone's decisions to face its problems early.

The deal has kicked off a quiet trend of what one real-estate investor at a hedge fund calls "mini-Hiltons" -- a pending wave of real estate investors seeking to buy back and restructure their own debt to stay alive until the recovery.

In another pattern, auctions for distressed assets are becoming more and more competitive, giving troubled assets quick homes. One of the most notable was the acquisition of Corus Bankshare's $4.5 billion real estate portfolio, sold for a mere 60 cents on the dollar in an FDIC auction to a group of real estate investors and hedge funds including Barry Sternlicht of Starwood Capital Group, TPG Capital, WLR LeFrak and Perry Capital. The FDIC kept the majority of the portfolio, but gave the buyers zero-percent financing -- a sweet deal for any investor.

Unhinged loans
Since properties have become so hard to buy, many investors have turned with voraciousness to the bundles of securitized loans known as commercial mortgage-backed securities, or CMBS. If anything in commercial real estate stands ready for a reckoning, it is these securities.

Despite CMBS hurtling toward higher default rates, however, investors who have faith in them are practicing some serious compartmentalization. They say that there are only some CMBS -- and some tranches of CMBS -- that will be hurt. They believe that the highest-rated tranches, rated triple-A, are in no danger.

They also say that CMBS could never create as much havoc as their residential cousins because of their structure: They are made of whole loans that haven't been chopped up as much in the Wall Street sausage factory, and are based on stronger assets.

The tranches most likely to be hurt, of course, are those with the worst ratings - the triple Bs. These were the biggest victims of lax underwriting standards. According to Commercial Mortgage Alert, the boom years of 2005 through 2007 saw a total of $602 billion in CMBS issuance. (The CMBS written during those three years, by the way, account for a whopping 49% of all CMBS written over the past 20 years.) Those are likely to be the problematic securities. The CMBS written before and after don't have as much leverage put on them, say investors.

CMBS, however, accounts for only about 20% of the total loan market, according to Jones Lang LaSalle's Roberts. The bigger danger to the capital markets -- and to banks -- are speculative commercial loans, like those in construction and land loans. Those aren't backed by firm assets and are a key part of the reason that many smaller banks have failed in recent years. It is these loans, in particular, that worry Warren and others, and could yet bring a reckoning to CRE.

There is a lot riding on the outcome of commercial real estate's do-it-yourself salvation. If the sector can escape the same kind of crash that took down residential real estate, then we have a case study in how investors and government can prevent a crash before it happens. If it doesn't work, however, the economy could be hit again at a moment when it is least able to bear the punch.

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Toys R Us Files $800 Million IPO; Look for More Bigger Stores
Toys R Us 首次公開發行股票（總價值約 **8** 億美金）并開始尋找更大的店面

By: Mark Heschmeyer (CoStar)

Toys R Us Inc. filed a preliminary registration statement this past week with the U.S Securities and Exchange Commission for a proposed initial public offering of its common stock. The offering will consist of newly issued shares but the number and price range for the offering have not yet been determined, however, the size of the IPO is estimated to be around $800 million.

The retailer expects to use the net proceeds primarily to pay down debt, and the remaining net proceeds, if any, for general corporate purposes. Toys had $5.2 billion in debt outstanding as of Jan. 30, 2010.
In connection with the IPO, Toys R Us and its equity sponsors (Bain Capital Partners LLC, Kohlberg Kravis Roberts & Co. and Vornado Realty Trust) intend to terminate the advisory agreement in which affiliates of the sponsors provided management and advisory services to Toys. Upon the completion of the IPO, Toys will pay a termination fee to the sponsors.

As of Jan. 30, 2010, Toys R Us operated 1,363 stores and licensed an additional 203 stores. These stores are located in 34 countries and jurisdictions around the world under the Toys R Us, Babies R Us and FAO Schwarz banners.

Over the past three years, Toys has implemented a strategy to create a one-stop shopping experience for juvenile products by offering Babies R Us and Toys R Us products in one location either through two side-by- side stores or by allocating existing store square footage to expand its offering. As of Jan. 30, 2010, 16% of the company's stores (including franchised locations) have this juvenile offering.

According to its IPO filing, Toys R Us said it believes it has the potential to increase its retail square footage, net of closures globally in excess of 15% over the next several years, through new store growth and relocations of existing stores to its R Superstores. In addition, it expects to open a significant number of pop-up stores in the upcoming holiday season and said that it has the opportunity to continue this strategy in future years.

Side-by-side stores are a combination of Toys R Us and Babies R Us stores. The R Superstores are conceptually similar to side-by-side stores, except that they are larger in size.

Converting and/or relocating its stand-alone Toys R Us stores into its side-by-side and its R Superstore formats has generated significant improvements in its comparable store net sales and store-level profitability. Only 12% of its global stores are in an integrated format and the company said it has the potential to convert and/or relocate another 60% to 70% of our stand-alone stores globally.

Toys R Us owns or has long-term leases on about 47% of its entire store base, which it said gives it the flexibility to execute its integration strategy.

Fitch Ratings placed the ratings of Toys R Us and its subsidiaries on rating watch positive following the announcement of the company's plan to pursue an initial public offering.

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Inflation and Office Rents: Rents Hedge Inflation, but only in the Long Run
通貨膨脹與辦公樓租金：租金是對沖通脹的辦法之一，但要長期才有效果

(CBRE)

As the Great Recession moves toward recovery (though not as quickly as has been hoped over the last two weeks), worries inevitably shift from the problems of slow growth to the main problem associated with growth that is too fast: the rise of inflation. Concerns during this cycle have been exacerbated by the significant budget deficits incurred fighting against a worse downturn. Leaving aside the question of whether and when there will be inflation, inflation itself is a significant enough concern to revisit our understanding of how it relates to real estate and to sort out how legendary real estate investor Sam Zell and the market-hedging dictum can both be right.

An examination of the data is the first order of business in this case. How do rents behave over time and does it relate at all to inflation? The primary answer to this question lies in the length of time examined. The figure below shows on a quarter-to-quarter basis, the office rent level alongside a comparable time series in which rents in 1991 are grown according to overall Consumer Price Inflation. Our view-one backed up by more rigorous testing-is that inflation plays a strong role in driving rents across cycles, but that within a given cycle, supply and demand can cause rents to diverge greatly from the inflation path that would otherwise hold.

In our econometric forecasting we examine this in detail across markets, to the point that, all else being equal, stronger inflation would result in greater rent growth-in a one-to-one increase-than would be the case without that inflation. The majority of our work, of course, is determining what is happening within all the "else" that's not inflation. To take an extreme case, if the emergence of inflation means that rents decline by 4% in a year rather than by a supply-and-demand-driven 6%. Investors won't much care that inflation has made rent growth better than it might have been otherwise. Under a new Rent Forecast Detail Report recently added to our Outlook interface, clients of CBRE-EA can now see this line of thinking in greater, market-level detail by examining real (inflation-adjusted) rents by market.

While in any short-term view of office investment, real estate is not a perfect hedge, real estate economic theory gives us some additional confidence that inflation plays a part in the long run. First, in observing values over extremely long periods-with a particular example of one hundred years of New York City historical data-we can identify across cycles a return to levels in line with inflation growth not just for rents, but also for values. Theory suggests that this is because there are two other important real estate measures that travel largely with inflation, not just across cycles but shorter-term as well.

First, (and this relates to values), construction costs have many of the same influences as the broader CPI. Exempting land, the commodities and labor involved in construction tend to accelerate their price increases when inflation surges and slow their increases when CPI growth weakens. To the extent that values need to keep up with these replacement costs, "replacement rents" that justify new construction need to match the levels of the previous building boom plus this inflation element. This also helps explain why rents can diverge from inflation in the short term If supply and demand dictate no need for new buildings, rents do not need to keep up with inflation in the period where supply needs to slow.

The second, shorter-term mover with the inflation rate are the ongoing occupancy costs incurred by landlords in a building with gross leases. That management, utilities, taxes, etc. are largely growing with inflation when looked at on a year-to-year basis provides an incentive for all landlords to raise their rents in line with inflation, in order to preserve their Net Operating Income margins. Again, supply and demand may preclude landlords' ability to do this within the cycle, but the incentive wins out over the long term as supply and demand correct themselves.

So, as we once again start to hear the idea of real estate as an inflation hedge rolled out as a reason to invest, understand that such hedging does not provide inflation protection from year to year, but does provide some benefit for investors who are willing to hold out for long horizons.

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Data Center Development Flying High Again In New Era of Cloud Computing
在云計算的時代中，數據中心的發展再次加快

By Randyl Drummer (CoStar)

Companies may have slashed many business expenses over the last few years -- planned expansions, employee headcounts, benefits and travel budgets, among others -- but the need for speed and power in computing networks and communication, and a corresponding investment in IT infrastructure, has skyrocketed right through the recession.

In one decade, increasing Internet throughputs and hunger for bandwidth has taken us from an era of 56K dialup modems to FiOS connections and computer drives capable of storing 1or 2 terabytes of data and even more on the virtual Internet "cloud" via such companies as Google, Microsoft and Apple. And that's just talking about your home office and gaming room computers.

The business need for Internet speed is also rising exponentially in the digital era of Google, Yahoo, Netflix, YouTube, Facebook, Twitter, online gaming and smart phones. Such "cloud" data must be stored offsite at colossal data and collocation centers -- facilities housing computers, servers, telecommunications and storage equipment, and systems to backup and protect data, power and cooling systems.

Like the broader high-tech sector powering it, the wholesale and enterprise data center property niche has been one of the few commercial real estate sectors to generate sizzle through the recession.

Granted, like most other asset categories, data center sales, leasing and development transactions slowed considerably in 2008 and 2009 as construction and acquisition financing dried up. However, pent-up demand since at least 2005 has sparked a new flurry of construction, acquisitions and equity raising activity this year by data center builders and investors, with hundreds of thousands of square feet of new data center facilities announced in the last few weeks alone, according to transactions tracked by CoStar Group, which also spoke to some of the leading commercial real estate experts in the field, which stands along with medical office buildings as the leading CRE niches today.

"There's three or four times the demand than current supply. If you needed to sign a lease and move into 50,000 square feet in a 7- megawatt facility tomorrow, there's probably only three options in the whole country," said Jim Kerrigan, director of the Grubb & Ellis National Data Center Group based in Chicago.

"I see a lot more interest in development and in activity and leasing. There's just all kinds of activity," added Michael Siteman, executive vice president, leading mission critical solutions in Southern California for Jones Lang LaSalle. "Investors are seeing this as one sector that's continuing to grow. With the jobless recovery we're seeing, companies are making investments in infrastructure and the segments of their business that support their growth."

"The demand is there and most of the developers buying land or planning developments are very, very sensitive to that demand," Siteman said. "They keep a real tight pulse on the marketplace. The reality is there just aren't that many opportunities for rapid delivery of high-power space that's required."

Discussions of data center demand start with a central fact: most facilities built within the last decade have either maxed out their capacity or have become obsolete as a result of changing technology, and those changes have begat the need for new development. In the last five years, power capacity has eclipsed square foot as the primary

unit measurement for data centers. Revenue and return on investment is tied to a facility's available power, its cost, and the square footage under roof to host a customer's -- or multiple customers' - equipment and data.

The changes that are roiling corporate IT and data center strategies drew the spotlight in last week's blockbuster restructuring announcement by Hewlett-Packard Co., the world's largest maker of personal computers. HP said it plans to take a $1 billion charge to automate its data centers network and make other changes in its IT platforms to ramp up cloud computing.

A decade ago, the largest data center operators and tenants were the phone companies. But as e-commerce emerged during the dot-com bubble of the late '90s, major companies like Yahoo, AOL, Microsoft, Apple and the fledgling Google, Inc., and hundreds of startups, began building and occupying their own data, IT and collocation facilities. A new industry of owners and specialized builders of wholesale data centers and shell buildings rose to meet the new demand.

The bursting of the dot-com bubble in March 2000 did not much slow the growth of the Internet, though it did tamp down the growth of data centers for a few years. However, data center design, construction and operation grew rapidly in sophistication during the mid-2000s, with several companies going public as REITs, including Equinix Inc. (Nasdaq: EQIX) and Savvis, Inc. in 2000, Digital Realty Trust (NYSE: DLR) in 2004, Dupont Fabros Technology (NYSE: DFT) in 2007 and a number of others in both the private and public markets.

The pace of acquisitions and development has accelerated this year. In addition to HP's plans to massively restructure, consolidate and automate its commercial enterprise data centers and networks, companies have announced data center deals almost daily throughout the spring.

"I don't know if it's a boom, but cloud computing is definitely shaping how data centers build out their new sites from the power and infrastructure standpoint," said Shane E. Quivey, vice president, Colliers International San Francisco. "A lot of the recent flurry of development activity is attributable to cloud computing, and to the ever increasing demand of content delivery."

Facebook recently moved into a turnkey facility and they're almost at capacity, Quivey said. And it's not just social networking companies driving demand; it's content deliverers like Netflix and online gaming such as Xbox 360 Live.

"The gaming industry is a very serious vertical, especially in the wholesale data center and collocation space," Quivey said. "You can't build these data center sites with enough security and power to satiate these growing businesses."

Digital Realty Becomes Dominant Player

San Francisco-based Digital Realty Trust has emerged as perhaps the leading player in the space over the last year. DLR has been on a tear, unleashing a torrent of new acquisitions and development projects over the last few weeks. In April, the company said it would complete 170,000 square feet of turn-key data center space in five markets by the end of June, including projects in Dallas, San Francisco, Northern Virginia, Northern New Jersey and London. DLR further announced it will build out existing projects in Dallas, Boston, Chicago, St. Louis, MO; and Charlotte, NC.

However, Digital Realty's announced its biggest deal of the year last week, a $725 million purchase of the prominent (and long marketed) Rockwell Capital/360 Main portfolio made up of five properties in Arizona, California and Virginia. Digital Realty bought the 919,000-square-foot portfolio from joint ventures that are majority owned by affiliates of Rockwood Capital and managed by 365 Main, Inc.

The properties, all less than 10 years old and located in strategic data center markets, include 365 Main Street in San Francisco; 2260 East El Segundo Boulevard in El Segundo, CA, 720 2nd Street in Oakland, CA, 2121 South Price Road in Chandler, AZ and 4030-4050 Lafayette Center Drive in Chantilly, VA. The deal includes 250,000 square feet of new development space at the Arizona asset and uninstalled infrastructure improvements.

Michael F. Foust, CEO of Digital Realty Trust, said the Rockwell portfolio is leased to a diverse roster of over 200 tenants in various industries.

"The addition of these high-quality, mission-critical data center facilities to our operating portfolio will further extend our leadership position as the largest wholesale data center provider in the U.S.," Foust said.

On May 10, Digital Realty announced the acquisition of a 40,300-square-foot shell building near several existing data centers in Santa Clara, CA, in the heart of Northern California's Silicon Valley, for development of two raised-floors, 1,125-kilowatt data center spaces totaling about 25,500 square feet, to be delivered to the market by the end of the year. Little more than a week ago, Digital Realty added to its Santa Clara holdings, acquiring two shell buildings totaling 82,000 square feet that will support development of another six finished data center spaces. The space will start coming on line by early next year.

Development is just hitting its stride and over the next year, there's likely to be a buildup of 100 megawatts of available data center space totaling roughly north of 250,000 square feet in Silicon Valley, said Jerry R. Reich, Jr., Managing Director, Critical Environments/Facilities for CB Richard Ellis in Washington, D.C.

Nationwide, mandates that the health care industry go digital, assisted by government funding, are expected to help drive the market for new collocation facilities aimed at smaller and mid-cap medical users, said Reich, who is helping Cleveland Clinics build a data center in Ohio.

Also late last month, DLR cut the ribbon on a $488 million project to redevelop a former telecom site near Dallas into a huge seven-building data center campus with the potential for as much as 800,000 square feet of space. Last week, the REIT announced the acquisition of two shell buildings totaling 82,000 square feet in Santa Clara that will support development of another six finished data center spaces totaling 48,000 square feet, which will start coming on line by early next year.

The acquisitions, all located on a 4.2 acre parcel near Digital Realty's Space Park campus, will create economies of scale allowing the company to incrementally build out and deliver data center space in Santa Clara to expand its footprint and meet the strong demand in supply-constrained Silicon Valley for data center product, said Scott Peterson, senior vice president of acquisitions for Digital Realty Trust.

In other significant projects tracked by CoStar Group:

- Data Foundry, a provider of wholesale and retail data center outsourcing, collocation and disaster recovery services, announced a new 250,000 -square-foot master-planned data center on 12 acres in Austin, TX. The $150 million project, the first data center built in Austin in a decade, is expected to deliver in second-quarter 2011. Austin remains a sought-after location for data centers due to its reputation as a technology cluster, a track record of few natural disasters and cost-effective power source.

- The project also underscores the reality that data center operators often decide to build new facilities to meet their immense power needs rather than redevelop existing sites. After an extensive search to find a suitable facility in Austin, "it became clear that retrofitting an existing building would not allow us to deliver the high level of service that we envision for our new data center, so we have chosen to build from

the ground up," said Ed Henigin, Chief Technology Officer of Data Foundry, founded in 1994 as San Antonio's first internet service provider (ISP). The company operates data centers in Austin and Houston and owns private networks in Austin, Houston, San Antonio and Dallas.

- Denver-based data center and peering provider CoreSite announced it had fully leased the first phase of its Santa Clara data center campus at 2901 Coronado to a single private data center tenant. Maintaining secrecy is paramount in the high-stakes tech wars and CoreSite would describe the tenant only as "one of the world's largest technology companies, headquartered in the Bay Area." CoreSite's portfolio contains a tangible development position in the strategic Santa Clara data center market, with an additional 12.6 acres and a site plan for 446,250 square feet of data center space.

- Data center provider Terremark Worldwide announced in late May that it launched a new data center at its NAP of the Capital Region campus in Culpeper, VA, 70 miles from Washington, D.C., and acquired an additional 27 acres for future development to target federal government agencies in the quarter ended March 31.

- American Express late last month confirmed plans to locate a $400 million data center in Guilford County, NC. AmEx has data centers in Phoenix and Minneapolis and a credit-card call center operation in Greensboro, NC.

- Stream Data Centers this spring began construction on a 20,000-square-foot data center in Richardson, TX, a suburb of Dallas. The single-story, structurally enhanced building contains 10,000 square feet of 36-inch raised floor data center space with dual feed power from separate substations, 175 watts per square foot of critical load, and a four-generator mechanical backup configuration. The data center will be available for occupancy in August and can be either divided into four quadrants or controlled by a single tenant.

Data Center Capital: In the Game, No Longer on the Sidelines
Investor interest in data center assets has heightened as inventory has filled, with several experienced operators launching IPOs or selling shares to raise development and construction capital.

"There's a substantial amount of money being invested into the space, ranging from private equity firms to high-net-worth individuals to pension funds to publicly traded companies," said Grubb & Ellis's Kerrigan. "I get a call every day of the week from someone who wants to turn their bowling alley into a data center."

"It's not like we're seeing all these new players coming into the market -- the money is going straight to the guys that have a proven track record. The challenge is that data centers are so costly to build that it's almost impossible to raise that kind of cash without looking to the public markets," added Kerrigan, who recently placed $100 million on behalf of the electrical workers pension with a data center developer.

And some of those operators with proven track records are turning to the public markets.

Tampa, FL-based Validus Group announced plans March 23 for a $1.5 billion initial public offering (IPO), partnering with Carter & Associates of Atlanta to create the Carter Validus Mission Critical REIT Inc., according to a prospectus filed with the U.S. Securities and Exchange Commission. The non-publicly traded trust will buy medical facilities, data centers and educational facilities, and possibly secured debt.

In May, CoreSite, formerly CRG West, filed for an initial public offering (IPO), expecting to raise $230 million. DuPont Fabros Technology Inc. said last month it launched a sale of 11 million shares to raise more than $300 million to fund construction of wholesale data centers in Santa Clara and Ashburn, VA .

"Data centers are the cornerstone of an emerging communication services industry and the technology real estate class. Demand for quality built 'scalable' data centers is at a high level due to favorable market trends," Carter Validus said in its filing. While computer processor size has sharply decreased, overall processing capacity requirements have exploded and as a result, the supply of data center space is deeply constrained.

"Money's no longer on the sidelines, it's very much in the game," said CBRE's Reich. "Data centers are even stronger than medical office buildings because the upside is so tremendous; it's a relatively short fuse on ROI."

Current data center designs contemplate changes in space needs, but more importantly, also include future power demand metrics. Changes in health care technology and data center needs also are expected to drive a need for space near medical facilities. Many companies and government entities prefer and often require a single-tenant configuration to need clients' security needs.

Operators acknowledge, however, that the same factors creating those opportunities for developers -- rapidly changing technology, evolving industry standards, frequent new service introductions, shifting distribution channels and changing tenant demands - could also end up being risks to investors down the road.

For example, in the due diligence section of its prospectus, Carter Validus Mission Critical REIT Inc said the data center infrastructure in some of the data centers it will acquire could become obsolete due to development of new server technology and systems to deliver power to or eliminate heat from servers. The power and cooling systems in data centers are difficult and expensive to upgrade without passing the cost to customers.

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CitiFinancial Trimming its U.S. Branch Network
花旗集團的隸屬公司 **CitiFinancial** 預計關閉 **376** 個店點

By: Mark Heschmeyer (CoStar)

CitiFinancial, the Baltimore, MD-based consumer finance arm of Citigroup, unveiled plans to reorganize its North American business. As part of the plan, CitiFinancial reportedly plans to close as many 376 branches and cut up to 720 jobs in the U.S. and Canada.

According to CoStar Group, the typical CitiFinancial branch is ranges from 1,800 to 2,000 square feet.
As part of the plan, CitiFinancial is separating its U.S. business into two segments: CitiFinancial's Full Service Branches and CitiFinancial Servicing.

The Full Service Branches will continue to focus on originations and servicing of Personal, Refinance, and Home Equity loans through a streamlined branch network that provides the breadth of service CitiFinancial customers have come to expect.

CitiFinancial Servicing will focus on providing specialized service to customers who would benefit from expanded support including loan modifications or restructurings. The CitiFinancial Servicing model will include larger offices with extended hours of operation and expanded management support and will be located in the communities they currently serve. CitiFinancial may convert as many as 182 U.S. branches into "servicing centers" catering to customers who might need loan modifications or other debt restructurings, she said.

Citigroup has been trying to sell CitiFinancial since January 2009, one of at least 21 businesses the New York-based bank tagged for sale or liquidation after its $45 billion bailout in 2008. The bank, which has sold U.S. and Japanese brokerages, had signaled consumer-lending units saddled with loan losses might be tougher to sell.

June 2010: Credit Quality Continues to Deteriorate but Hope Emerges
2010 年 6 月信貸全面報導：貸款需求和供給繼續下降，拖欠率和法拍率上漲，但破產率和信用卡拖欠率持平或下降，就業率也有所好轉

(Wells Fargo)

Credit Quality Continues to Deteriorate but Hope Emerges
Following every major disaster, there are always several questions on everyone's mind. Is everyone okay? What is the damage? How long will it take to clean up? Is it truly over? Will we be hit again? These questions are just as relevant after a tornado, earthquake or hurricane as they are after a financial crisis. A major contributing factor of the Great Recession was the low level of concern about the credit quality of borrowers, namely for real estate loans. Since credit is the lubricant of modern economies, it is imperative to closely monitor the nation's credit system.

Lenders are now paying much more attention to credit quality. Unfortunately, the pendulum may have swung too far the other way. Consumer credit outstanding fell for 11 straight months, the longest stretch of declines on record, before finally rising in January. Credit fell again in February and March, then rose in April, reflecting the uneven nature of the recovery in credit use and continuing uncertainty among consumers. Non-revolving debt, such as auto loans, jumped in April, even as auto sales slowed. Revolving debt, such as credit cards, declined further as consumers continued to focus on paying down high-interest credit card debt. Meanwhile, banks continue to tighten terms and conditions on consumer loans such as extending fewer loans to customers that do not meet credit-scoring thresholds, increasing required minimum credit scores and reducing credit limits. Times are particularly difficult for small firms as standards and terms are still tightening and demand is still declining for small business credit card loans. Thus, both the supply and demand for new loans remains constrained. This, along with stalled home equity loan growth, the expiration of the homebuyers' tax credit and fading support from tax refunds, suggests the recent strength in consumer spending may not be sustainable. However, improving job growth may counteract these factors.

Delinquency rates continue to rise in most categories. The overall delinquency rate in the first quarter of 2010 hit 7.5 percent, the highest since records began in 1985, and is 1.2 percentage points higher than the previous record in Q1 1991. Commercial real estate loan delinquency rates continue to approach the high levels seen during the moribund early 1990s. Residential delinquency rates are still rising, and the pace of increase, although slowing in the first quarter, remains alarmingly high, suggesting a healthy housing market is still a long ways off.
Consumer purchasing plans and income expectations remain extremely low. Plans to purchase autos and homes have remained virtually flat on trend over the past year despite stimulus from federal programs, while plans to purchase major appliances steadily declined during the recession before finally seeing some slight improvement over the last few months.

However, there are a few hopeful signs emerging. Although foreclosure rates keep rising, they are doing so at a slower pace. Bankruptcies have leveled off, and credit card delinquency rates have declined. Lending trends appear set to improve as more banks are becoming willing to lend and fewer banks are increasing loan spreads on business loans. Only a small fraction of banks are still tightening lending standards on credit card loans, while standards for non-credit card loans are actually starting to ease for the first time in over three years. With credit so important to the economic outlook, we urge you to read on to see where credit quality stands after the storm.

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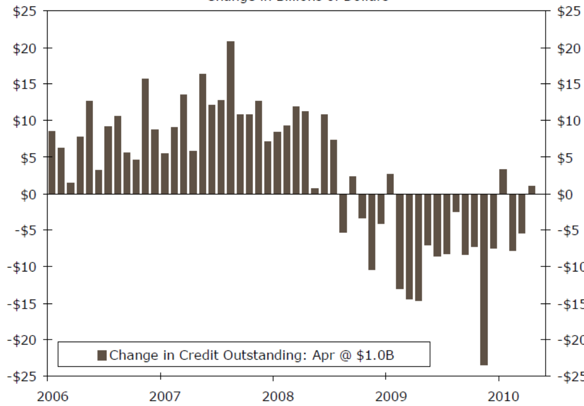

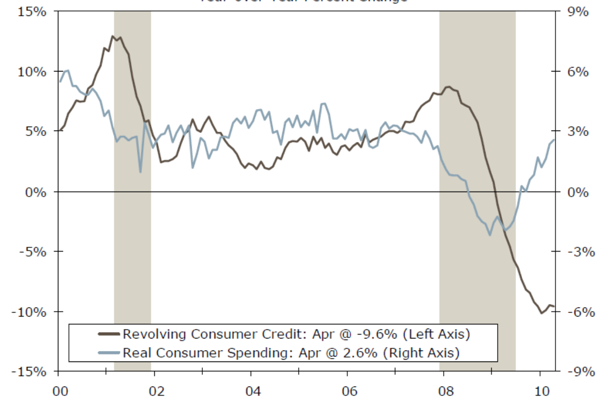

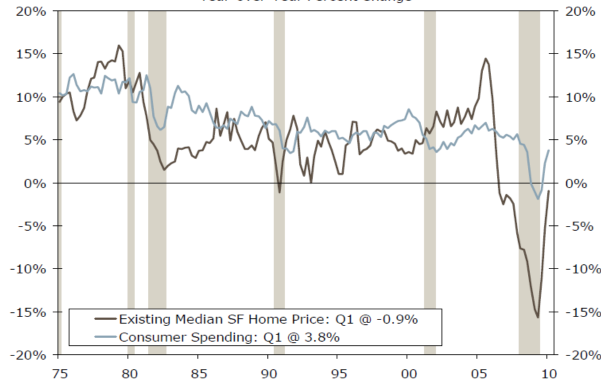

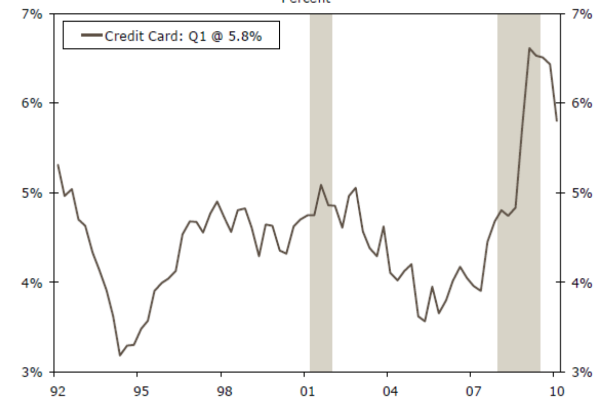

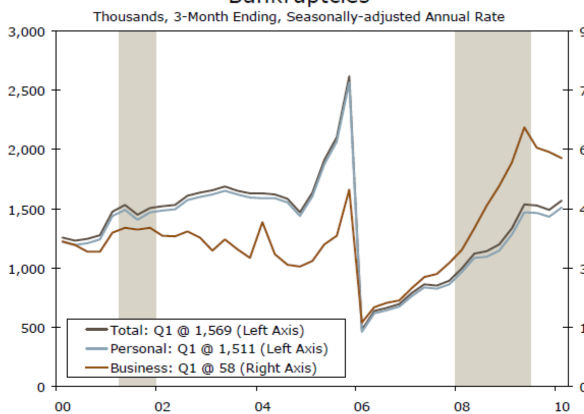

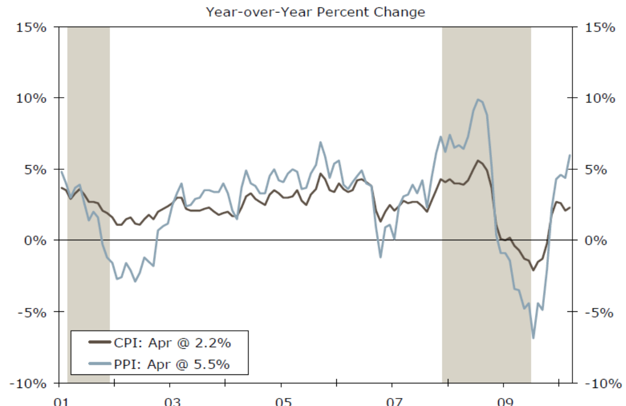

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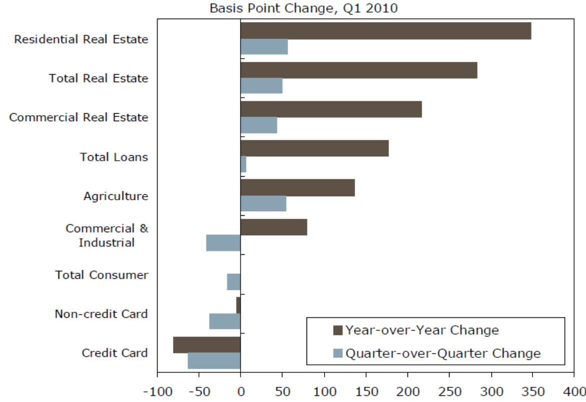

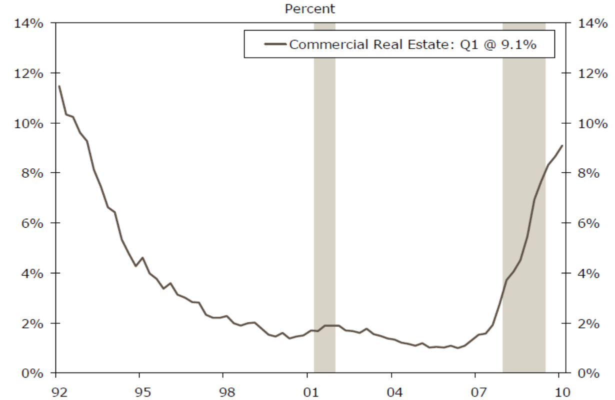

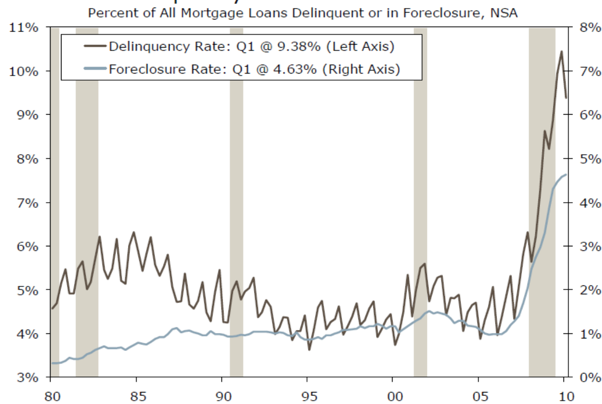

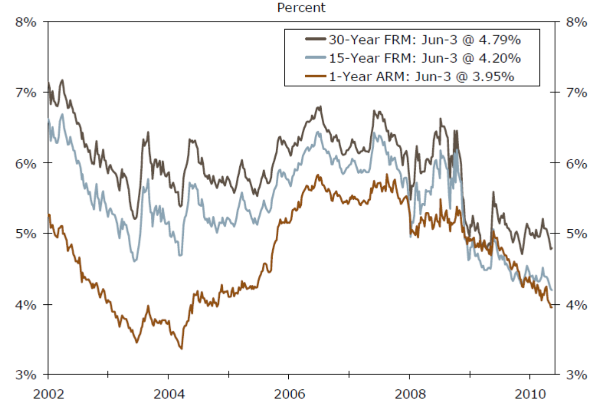

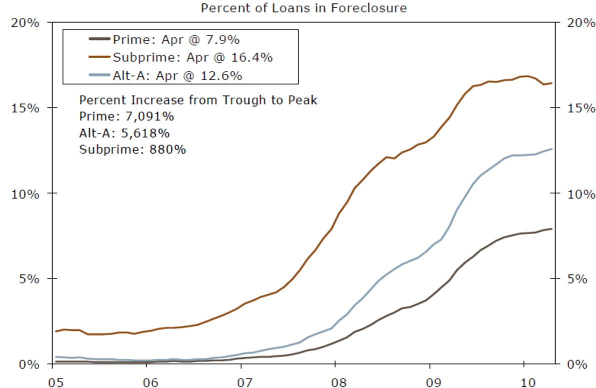

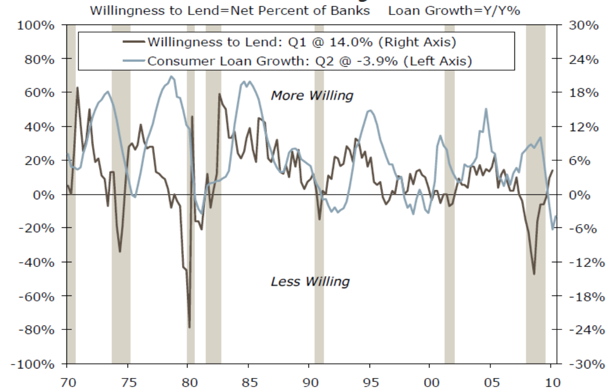

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Consumer Money Rates (Mortgage Rate, Prime Rate, etc.)
消費者市場利率：房貸、基本利率、等等

(The Wall Street Journal)

	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	-	-5.25
Prime rate	3.25	3.25	3.25	3.25	-	-5.00
Libor, 3-month	0.54	0.54	0.61	0.25	-0.08	-4.82
Money market, annual yield	0.78	0.78	1.31	0.74	-0.53	-2.91
Five-year CD, annual yield	2.58	2.58	2.71	2.50	-0.03	-2.40
30-year mortgage, fixed	4.93	4.97	5.75	4.91	-0.82	-1.59
15-year mortgage, fixed	4.38	4.41	5.31	4.28	-0.93	-1.83
Jumbo mortgages, $417,000-plus	5.77	5.85	7.14	5.77	-1.03	-0.95
Five-year adj mortgage (ARM)	4.06	3.93	5.24	3.79	-1.18	-2.17
New-car loan, 48-month	6.39	6.41	7.47	6.33	-0.99	-0.48
Home-equity loan, $30,000	5.14	5.14	5.87	5.12	-0.69	-1.65