STC 資產管理 MANAGEMENT
Lic. No. 01299442

# COMMERCIAL REAL ESTATE MARKET UPDATES

## STC EVENTS
STC 活動預告

- Olympic Gold Medalist QingJian Zhao Offers Free Martial Arts Classes to Public: 7/27 (Tues) to 7/29 (Thurs) 3:00 PM – 5:00 PM @ Seasons Place
  世界武術冠軍趙慶建免費觀摩授課: 7/27 – 7/29, 3:00 – 5:00 PM @ 四季廣場
- Chinese Bagua Longevity Exercises & Qigong: 7/31 & 8/1 @ Seasons Place
  中華八卦門養身運動・氣功: 7/31 (Sat) & 8/1 (Sun) @ 四季廣場

## GENERAL
市場概括

- Private Commercial Construction to Fall Nearly 30% in 2010; Modest Uptick Predicted for 2011
  2010 年私營商業建築量預計下降 30%；2010 年則預計會稍微上揚
- Creativity Counts When it Comes to Leasing
  創意在租賃中很重要
- Are We Better Off Than a Year Ago?
  現今的商業地產狀況比一年前好嗎？
- A Weak Economy Has Not Derailed Retail Developers' Desires to Go Green
  疲軟的經濟並未降低購物商場的建築商對綠色環保的需求
- Purchases of U.S. Existing Homes Fell in June
  美國二手房六月份交易下降

## INDUSTRIAL
工業倉庫

- U.S. Industrial Real Estate Markets Now In Recovery
  美國的工業倉庫地產市場正在復蘇

## RETAIL
購物商場

- Landlords Can Help Small Restaurateurs Find Success
  房東能夠幫助小型餐館找到成功

## FINANCING
貸款與資金

- Community Banks Step into a New Role
  在大型銀行無法借貸之時，與社區銀行建立存款關係是很好的借貸突破口
- Consumer Money Rates (Mortgage Rate, Prime Rate, etc.)
  消費者市場利率：房貸、基本利率、等等

***ETTV Top Idol Contest @ Seasons Place on July 24, 2010***
***7 月 24 日在四季廣場舉行的東森新人王***

1985

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# 世界武術冠軍 趙慶建 免費觀摩授課

應"四季廣場"武術教練高家旺老師邀請，師兄趙慶建（世界武術冠軍，奧運武術首金獲得者）將來"四季廣場"授課三天。

屆時將為大家獻上精彩的武術表演。

Invited by martial arts master Kao, whom will be opening martial art classes in Seasons Place in the City of Industries, Zhao Qing Jian, the world renown World Martial Arts champion and Olympic gold winner, will be opening an free demonstration courses three straight next week, starting from July 27 to July 29, from 3PM to 5PM.

四季廣場
SEASONS PLACE

18558 E. Gale Ave.
City of Industry, CA 91748

地點：四季廣場
日期：7月27(星期二)、28(星期三)、29(星期四)
時間：3:00PM--5:00PM
詢問電話：626-363-5240

趙慶建簡介：
畢業於武漢體育學院武術系，中國國家隊隊員。曾代表嵩山少林寺以及中國國家隊出訪三十幾個國家進行武術交流、教學與表演。多次獲得全國武術錦標賽、全國武術冠軍賽、世界武術錦標賽冠軍，2008年北京奧運會武術比賽中首金獲得者。這位三十出頭的武術隊員被國內媒體及專業人士稱作“趙一刀”

主要競賽成績--
2005年東亞運動會的中國武術隊員趙慶建在男子刀術及棍術全能比賽中獲得金牌。
2005年第十屆全國運動會男子長拳比賽中，北京隊趙慶建奪得冠軍。
2009年第十一屆全國運動會男子長拳衛冕冠軍
2007年在北京舉行的第九屆世界武術錦標賽刀棍總冠軍。
2008年在北京奧運會武術男子刀術棍術全能比賽中，趙慶建以刀術9.85分、棍術9.85分，總成績19.70分的佳績摘得“北京2008武術比賽”首金。

高家旺
武術國家級一級運動員、國家級一級裁判員，畢業於武漢體育學院。九歲與孿生哥哥高家興赴山東，以及嵩山少林寺等地拜師習武。曾多次參加國內外武術比賽與交流，並且多次代表嵩山少林寺武僧團赴澳大利亞等國家進行武術教學與演出。協助武漢體育學院華樺教授完成《競技太極推手》一書，大學畢業後任福建省閩江學院教師。多次執裁於福建省武術比賽，並獲得省級“優秀裁判員”。曾在國內專業刊物多次發表相關論文，其中與哥哥共同發表的《淺談少兒武術教學與訓練應注意的問題》獲得第四屆全國教育科研優秀成果獎。
1996年山東省“希望杯”武術比賽刀術第一名
1997年山東省“希望杯”武術比賽刀術、棍術第一名
2000年第六屆世界精武武術文化交流大會：通臂拳第一名、九節鞭第一名
2002年匈牙利歐洲冠軍杯武術功夫比賽優秀獎
2002年中國江都國際龍獅邀請賽第二名
2004年中國第五屆農運會武術比賽：
傳統器械第一名、傳統拳術第二名
2005年5月潮、深、港、澳武術交流大會金獎

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# 中華八卦門 養身運動・氣功

大家一起來運動
台灣健康養身達人易天華漫談 **運動療法**

特別邀請兄長易天文教授共同教授
**降三高( 降血壓 降血糖 降血酯 )運動** 與
**擺蕩氣功** 使你遠離疾病!

**2010**
**7/31**週六
**8/01**週日
**PM**01:00-05:00

**四季廣場**
Season Place Center
STC Center, First floor Suite #122-128
18558 E.Gale Ave.,
City of Industry, CA 91748
**TEL(日):626-288-6208 曹小姐**
**909-627-1157 林小姐**

## 根據美國心臟協會研究運動可

1. 降低低發病率和因嚴重的肥胖而產生的第二型糖尿病風險。
2. 改善糖耐受量。
3. 增強纖維蛋白溶解。
4. 改善血管內皮功能。
5. 降低交感神經張力，並增強副交感神經的活性。
6. 降血壓。
7. 改善脂質代謝。

**你動了沒? 你做對了沒? 歡迎踴躍報名參加!**

2天課程贊助費:$10

## 易天華

講座內容：**運動療法**

講師學歷：清華大學原子科學博士班研究
美國紐約大學舞蹈教育碩士
文化大學舞蹈學士

講師經歷：五行八卦太極拳傳人
運動治療教授　知名舞蹈家

著　　作：十全甩手操(降血糖)
大雁功(降血壓)
沖拳打(降血脂)

## 易天文

講座內容：**擺蕩氣功**

講師經歷：逢甲大學合作經濟系專任教授
內政部公務人員訓練班特聘教授
中華民國八卦門武藝學會台中會長
東海大學　海外青年研習營　武術教練

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**Private Commercial Construction to Fall Nearly 30% in 2010; Modest Uptick Predicted for 2011**
**2010 年私營商業建築量預計下降 30%；2010 年則預計會稍微上揚**

*By Randyl Drummer (CoStar)*

Spending on commercial and other nonresidential construction is likely to fall more than 20% this year -- significantly more than forecasters predicted six months ago -- with hotel and office construction down by more than 43% and 29%, respectively, according to the American Institute of Architects' (AIA) midyear look at construction.

Even with a modest U.S. economic recovery under way, overall nonresidential spending is expected to drop 20.3% for 2010 -- and nearly 30% for private commercial development -- before edging up 3.1% in 2011, according to the AIA's semi-annual Consensus Construction Forecast, a survey of the nation's leading construction forecasters. Manufacturing facilities will see a 20% spending decline. Even dollars allocated to new government and other institutional buildings, previously a pillar of strength for builders, will likely fall 12%.

Meanwhile, another bit of breaking news from the AIA this week, the monthly Architect Billings Index (ABI), seems to confirm that construction weakness will most likely continue deep into next year.

Most significant commercial structures are designed by architects or other design professionals, making it instructive to examine how busy those designers are right now making blueprints and drawings that will ultimately lead to grading or a ceremonial construction ground breaking, nine months to a year in the future. According to the latest ABI, the architects association's monthly survey of client billings, recovery may not be imminent.

Although the ABI report of June released Wednesday showed a slight slowing in the rate of decline in new building design activity, the index remains at 46 -- well below the threshold of 50 denoting positive growth in architect invoices.

**Creativity Counts When it Comes to Leasing**
**創意在租賃中很重要**

*(CIRE Magazine)*

So to the extent a sublease space is furnished or perhaps has phones, that sublease space becomes very attractive for users in the marketplace. “That creates a great deal of leverage compared to a vacant landlord space,” Flynn says. “Those plug-and-play spaces have been moving very rapidly.”

Clearly, it will take time for the market to absorb the huge supply of both sublease and direct space on the market today. Yet there are signs that the economy is beginning to improve and job growth is returning. After flat job growth in January and February, employers added 162,000 jobs in March, according to the U.S. Bureau of Labor Statistics. “If that growth continues,” Flynn says, “then I think second half of this year and into 2011 you will start to see a more consistent application of absorption.”

Brokers and landlords are hustling to grab tenant attention and close deals in an intensively competitive market where corporate expansion remains tentative and firms that are shopping for space have abundant opportunities.

Now more than ever, landlords need to put their best foot forward and make a good impression. When the commercial real estate market was hot, second-generation office space could be worn and tired and it didn’t really matter. Now landlords have to present space that shows well or their building may not get a second look. Some owners even are finding that being proactive to get a space in ready condition can end up saving money on tenant build-out costs, because the landlord has control of the budget and the finishes.

That strategy is paying off for landlords in Denver who are taking a preemptive strike to build out empty space on a speculative basis. The “spec suites” typically range from 2,000 to 5,000 square feet and cater to companies that have made the decision to expand or relocate and want to move very quickly. “Landlords have some level of inventory that is ready to go. When they lease one space, then they spec another one,” says David H. Johnson, CCIM, a principal at Denver-based Radius Commercial Real Estate. “It is proving to be very effective,” he adds.

Landlords also are working to come up with enticing offers that benefit both sides. One of the tools that landlords in Reno, Nev., have introduced is a rent credit instead of free rent. “It gives the tenant an incentive, and yet it keeps the face value of the rent high for the owner,” says Melissa J. Molyneaux, CCIM, an associate with the Office Properties Group at Colliers International in Reno. Basically, the tenant gets a credit that can be used at any time during the lease term, either in a lump sum or on a monthly basis, to lower the overall rent payment. For example, if a tenant signs a lease for three years at $12 psf per year for 10,000 sf, the owner may give the tenant a $20,000 rent credit to use throughout the term.

In addition, brokers and landlords are deploying the usual marketing tools — fliers, newsletters, e-mail blasts, and digital media — to get in front of potential tenants. Creativity counts in making those efforts stand out in the crowd. “I started doing virtual tours with a video camera and posting them on YouTube,” says Beau Beery, CCIM, CPM, vice president of commercial real estate at AMJ in Gainesville, Fla. “Clients love being able to go back [to the video] after a physical tour of the space to answer their questions rather than setting up another appointment to see the space.”

## Are We Better Off Than a Year Ago?
## 現今的商業地產狀況比一年前好嗎？

*By Anthony M. Graziano (CIRE Magazine)*

Since last year, investors have heard three themes repeated ad nauseam to explain this year's market malaise: The banks are extending and pretending; asset owners are fretting about the coming due of $650 billion in securitized debt; and it's going to get worse before it gets better.

Last year's buyers were merely hamstrung by a bid-ask spread artificially based on prior-year expectations. Direct real estate investors with cash were waiting on the sidelines for a flood of distress coming from the banks and sellers squeezed by securitized debt coming due.

But at mid-2010, these events have yet to mature into any market making reality. Instead, commercial real estate investors face a materially different problem. In contrast to the expected deluge, many market participants report that investment deal flow is at a trickle. The available product on the market is so thin that investors are having a hard time finding solid deals. It's as if sellers have decided that no sensible seller would sell in this market, so buyers assume that what's currently listed is not worth buying. More than 40 percent of the markets surveyed report that investors are plentiful, but they cannot find deals at prices that make investment sense. Thus, pricing on the existing thin crop of offerings must come down to spur investment demand. Until some sense of market stability is achieved, sellers of quality offerings will remain sidelined unless they are distressed.

**Bearing Bad News**

Much of the current climate is self-fulfilling. Buyers and sellers have all been listening to the same bad news since third quarter 2008, and even longer in some markets. But it's hard to assume that real estate returns vis-à-vis net operating income have remained stable for the past 12 months. Tenants in all sectors have spent the entire year re-trading their higher lease rates for longer terms and short-term rent concessions where possible. Even the multifamily market has not been immune to the rent re-trade, with most markets reporting slightly higher vacancy rates and more frequent concessions. The nation's commercial landlords are active participants in the effort to restart the economy, working with tenants to stabilize operating costs (particularly real estate taxes) and retain quality businesses where possible.

Unemployment fears persist, but general economic indicators appear to suggest that while major new growth is not imminent, continued systemic employment losses are not likely, at least in the private sector. The wild card is that 37 states face gubernatorial elections in 2010, so the hard work of paring government payrolls to match economic reality will not begin in earnest until 2011. The impending disruption of the healthcare industry will compound employment malaise into 2011, and will likely cause major value disruption in markets predominated by healthcare sector employers.

**Extend-and-Pretend Fallout**

While it is difficult to make generalizations about all property classes, the market's perception that bank-owned real estate will be coming to market in huge waves has had a profound impact. Investors continue to sideline cash waiting for a halcyon Resolution Trust Co.-like disposition process to begin.

But a correlation of investor activity and bank disposition trends reveals some underlying themes. (See sidebar, "Investor vs. Bank Disposition Activity.") In fairness to lenders' strategic — or accidental —decision to not aggressively dispose of everything at once, the real problem in markets that lack buyers despite aggressive bank dispositions is that investors don't have enough confidence in the market fundamentals to understand the turnaround timing and its impact on current value. However, in markets that lack buyers but only

have selective bank disposition, one can almost certainly expect continued price volatility as the market seeks the bottom. Asset stability only will be evident when transaction activity demonstrates market pricing. Markets that lack buyers will continue to see softer pricing into 2011.

On a positive note, more than 50 percent of the markets reported that investors actively are looking for deals, but market activity remains stalled. Expect these markets to start finding the equilibrium price points that will demonstrate the new stability. In markets noted as "deals happening," seek a deeper understanding of the fundamentals. It is unlikely that appreciation will be rampant, but at least market fundamentals are supporting transaction activity.

The deepest acquisition price discounts will be found in markets that lack buyers and have aggressive bank disposition activity. Expect some of the selective disposition markets with no current buyers to go aggressive in the coming 12 months. On balance, a massive wave of active dispositions is not expected from the current stock of commercial real estate held in bank portfolios. Land, particularly residential development land, remains the poison pill in the bank portfolios. Residential market conditions continue to improve, but new development cannot make a major correction until active job growth returns.

**CMBS Logjam**

The major income-producing assets attractive to mid- and large-scale investors still are overshadowed by the commercial mortgage-backed securities balloon. This year begins the mounting pressure of CMBS maturation that will last into 2013. The increasing stress of debt maturation will place significant strain on the major private equity players — many of whom overpaid at the market's height. Defeasance and prepayment penalties coupled with a dearth of market evidence supporting strong valuations have stymied the ability to clear the CMBS logjam, even as debt and mezzanine capital has trickled back into the market looking for the strongest lending opportunities.

As a result, investors are seeking joint venture opportunities where investor equity is being committed to predefined JV purchases to cushion the inevitable likelihood that refinancing will require additional cash. Unlike the banks' REO, securitized instruments do not lend themselves to extend–and-pretend modifications. These JV transactions generally are invisible to the market and do nothing to assist in understanding where the market currently is trading.

Similarly, sophisticated equity investors are buying debt companies or specific debt securities with the understanding that at maturity, the debt almost certainly will confer an equity stake or entire liquidation of the equity piece.

The REIT market may not be as well positioned as current price/earnings ratios demonstrate because CMBS fallout will affect REITs' capital ratios and balancing, and may keep many REITs sidelined from new acquisitions that would otherwise be accretive. REITs' current trading ratios already demonstrate a built-in premium for new acquisitions that could otherwise add value. If there is nothing accretive to acquire, REITs could be overpriced.

**Getting Better?**

Essentially, we may be no better off in 2010 than we were in 2009, save for the fact that time cures all ills. Quality deals are few and far between. Bidding on these deals is aggressive and quick, and pricing is being bid up — keeping a lot of good deals from being great.

The major economic variables at the edge of this rebalancing equation are inflation and a likely punitive tax regime, both of which favor direct real estate investment. Continued low interest rates and compliant banks seeking to avert general economic disaster have helped salvage a lot of deals from immediate wreckage.
Some of the current delay in bringing assets to market almost certainly is abetted by groupthink that a return of inflation will shore up the asset values. This will almost certainly be true in the long run.

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The punishing reality is that while inflation may seem like an immunization for real estate stability, the economic effects of inflation will cripple business and job growth, which will be counterproductive to real estate stability in the short term.

Prior midyear updates identified trends by asset classes that were driving the general real estate demand nationally. The difference in 2010 is that asset classes are performing at different levels in different locales. As a general rule, lodging has been hit hard in all markets. However, certain key markets will fare better than others. The same can be said for office investment. Office demand is a function of job growth, and early 2010 indicators appear positive. But there is no nationwide trend that indicates that office property is a good investment. The answer is in the local and regional demand patterns that drive growth.

In last year's survey, nearly 50 percent of the markets were three years out. This year's responses indicate a more positive outlook: Markets are returning to more near-term prospects for positive investments, based on fundamentals, good pricing opportunities, or both.

**Going Forward**
In the long view of history, perhaps we will count ourselves lucky that 2010 wasn't as bad as it could have been and that 2009 was far better than it should have been. Unfortunately, there is not much consolation in the long view when you are forced to live in the moment.

The reality is that allied professionals in the construction trades, engineering, and the architectural fields all are suffering under the stagnation that is approaching its fourth full year. The disruption and chaos facing our healthcare (and insurance) sectors will be transformative and painful, and the effects on real estate serving these sectors will be equally uncomfortable. Energy, biomedical, security, technology, and entertainment are poised for strong growth. Even our auto industry is making positive structural changes, giving rise to business confidence. If we can only see the banking and financial services sector solidly on the mend, the future might just require shades.

While not an entirely positive outlook, most analysts believe the structural issues contributing to general economic recovery are in place. A real estate recovery generally lags an economic recovery by 18 to 24 months. Logic follows then that we can't start crawling out ahead of the economy. T e real estate sector must resolve that the nearer we travel toward real long-term economic growth, the more realistic the upside real estate presents. Until appreciation expectations return, we just need to keep moving in a positive direction.

**A Weak Economy Has Not Derailed Retail Developers' Desires to Go Green**
**疲軟的經濟並未降低購物商場的建築商對綠色環保的需求**

*By Mike Janssen (Retail Traffic)*

With developers reining in new construction in these lean economic times, it's not always easy to spot signs of retail's evolution into a greener industry.

But developers and architects say that even as the pace of build outs has slowed, they're not wavering in their resolve to pursue sustainable, environmentally friendly projects. Furthermore, when the economy bounces back, they expect that retail will be greener than ever.

Mike Sullivan, a principal in commercial architecture at Chicago's Cannon Design, acknowledges that the recession's effect on green building has been "almost indiscernible" due to the overall climate. "Given the health of the patient, it's hard to tell" whether green or traditional development has been more challenged, he says.

But interest in sustainable building and design has remained strong, with the U.S. Green Building Council's LEED certification standards in particular providing a baseline for discussion of green practices. Developers of office buildings led the way earlier on, Sullivan says, by showing the retail sector the payoffs of LEED projects' greater desirability to tenants and savings in energy bills among them.

"It's fairly clear, particularly among the big national developers, that a LEED-certified portfolio adds value to properties over time," Sullivan says. "I think we've gotten over that discussion."

"I think now green in retail is just a matter of course it's just the business," says David Avila, principal of Avila Design in Berkeley, Calif. "It's not something that really has to be sold anymore". There's willingness and desire to do it just because it's the right thing to do."

At Deer Spring Town Center in North Las Vegas, Regency Centers used native plants and weather-based irrigation to cut outdoor water use.

Developers acknowledge that, depending on location and other factors, greening a project can increase its price tag by about 3 percent. Yet that premium rarely scares off larger retailers and developers, even amid the recession.

"We believe that the value proposition outweighs any cost," says Mark Peternell, vice president of sustainability for Jacksonville, Fla.-based Regency Centers. In 2008, the developer committed to making 20 percent of its projects LEED-certified and planned to increase the proportion by 20 percent each year. Though its overall expansion has slowed, Regency is still on track to hit the LEED benchmarks, Peternell says.

Peternell started in his newly created position in 2008, just when the recession was about to hit and when many other developers were rolling out their own sustainability programs. Though planning of new projects slowed dramatically at Regency and elsewhere, the hiatus did have an upside" it gave developers time to focus more attention on establishing green initiatives.

"Retailers are having an opportunity to look at internal operations and really pursue initiatives that they couldn't have done when they were so bloody busy," says David Avila.

These shifting priorities are spreading throughout the retail field. Developers increasingly want to display their concern for a healthy environment, says Michelle Ray, assistant principal with Omniplan. The Dallas-based architectural firm has a particular interest in green projects' it has signed on to an American Institute of Architects' initiative to achieve net zero carbon emissions in new buildings and renovations by 2030.

As recently as two years ago, Omniplan often had to persuade clients of the value of green building and assuage concerns about increased costs. Today, discussions with developers start with an assumption that green elements will be included. "It's just becoming so much more main stream," Ray says. In addition, contractors hired by architects now more readily comply with green measures and are less likely to charge extra for the services.

"Retail developers are always trying to make themselves look better in the public eye," Ray says. "The public has become a lot more conscious of green building design and green issues, and developers want to pick up on that." The Gulf oil leak will only continue to raise the public's concern about the environment, she adds.

Data indicating exactly how much green construction has grown is difficult to come by. However, the U.S. Green Building Council, which oversees the LEED standards for green building, reports that there are now 2,600 registered projects in the retail sector. Half of all LEED-certified commercial projects were approved last year a significant number, considering that LEED certifications began in 2000.

Marketers, retailers behind push
Developers and architects cite several drivers behind the push to go green. For one, some tenants look for sites that reflect green awareness, particularly those such as REI, Whole Foods and L.L. Bean, who wear their earth-friendly philosophies on their sleeves. Retailers who want LEED-certified spaces look for malls and centers that are also LEED-certified, as USBGC now keeps these certifications separate.

"That really is the way that full compliance [with green-friendly practices] or close to full compliance will occur," says Sullivan of Cannon Design. "It will come more from demand on the tenants' side than on the landlords' side. For a certain number of tenants, it's an alignment of their brand with the philosophy of sustainability in general."

In addition, some municipalities favor developers who will comply with LEED standards. And retailers and developers alike acknowledge a shared desire to appeal to a consumer base increasingly aware of environmental issues. When Omniplan proposed a LEED Silver mixed-use project in Phoenix to a developer, the most excited staffers in the room worked in marketing, Ray says. They thought, "We can run with this." "USGBC even encourages this green marketing by offering LEED points to developers who add educational kiosks to their sites, featuring information about the green-friendly attributes at their locations."

Development Design Group's Watters Creek at Montgomery Farm in Allen, Texas is the largest retail project in the state to be LEED certified.

Apart from the added appeal to tenants and consumers, greener properties also promise long-term savings due to their more efficient use of water and energy. That appeals in particular to retail developers, who often hold onto properties longer than their counterparts in office real estate.

Fresh & Easy, a grocery chain based in Southern California, incorporates energy-saving measures into its design such as skylights, LED lights and advanced refrigeration systems with sliding doors that conserve energy. Stickers on refrigerators inform customers of the green-friendly units they're using.

"It's a great way for us to do what's right, but also take those savings and pass them on to customers," says Brendan Wonnacott, communications director for the chain. Its conservation measures go beyond design, as Fresh & Easy also recycles and reuses all packing and shipping materials. A distribution center in Riverside, Calif., is powered by a roof-mounted solar power system. The retailer shares its green values with its parent company, U.K.-based Tesco, which aims to neutralize its carbon footprint by 2050.

LEED adapts to retail
Bigger national retailers were seeking water and power efficiency well before the recent wave of interest in green building, developers say, but not all are pursuing LEED certifications. Peternell of Regency Centers attributes that in part to the slow pace of USGBC's introduction of a retail LEED standard. Until now, retailers have simply used the LEED new construction or commercial interiors standards, which are more general in scope.

USGBC's new LEED retail standards have been in the works for six years and are due out later this year. They also apply to new construction and commercial interiors but take into account particular aspects of retail spaces, says Nick Shaffer, USGBC's manager of commercial real estate. For example, office buildings get LEED points if they include showers for workers to use after walking or biking to work. But that's not practical for retail outlets, Shaffer says.

Development Design Group's Zonk'izizwe Town Center was recently selected by the Clinton Climate Initiative and the U.S. Green Building Council as one of 16 real estate projects on six continents that will participate in the Climate Positive Development Program.

On the other hand, the retail standards are more specific about ways that retailers in particular can save water or energy and include specifications for kitchen equipment, which for restaurants can account for as much as 60 percent of the water and energy load, Shaffer says.

Even under the new standards, the process of LEED certification probably won't change much for developers, who have little control over which standards their tenants aspire to meet. The most applicable standard for developers will continue to be the LEED Core and Shell specifications, which companies including Westfield, Macerich and Regency Centers are already using.

By reusing existing buildings, redevelopment projects can also qualify for LEED's Existing Buildings standard. The standard allows developers to focus more on the aspects of the project within their

control, regardless of what tenants have introduced, says Mike Sullivan of Cannon Design. Developers can then create a plan that tenants can conform to over time with successive renovations. When compared to the other LEED standards for retail, LEED-EB "conforms with reality a little more," Sullivan says.

However, a developer overseeing a redevelopment also faces limitations on green enhancements. Redevelopment cannot change a building's position on a site, for example, nor can it add insulation to the walls.

Green advocates stress that not all environmentally friendly sites need to pursue LEED standards. "LEED is a standard and a good one," says Regency's Peternell. "It has a lot of benefits, but it's a means to an end, not the end itself."

The new USGBC standards indicate a growing sophistication in green retail. Meanwhile, industry groups are lobbying the federal government for added incentives to adopt environmentally friendly practices, as REITs are currently barred from taking advantage of some due to their status.

Encouraged by this momentum, the greening of retail is likely to proceed, even amid the challenges of the recession. "There may be a period of short-term thinking, but I believe that over time it will evolve back to the appropriate priorities," says Sullivan. "The short-term thinking is, in fact, short-term" I don't think it portends a sea change in the overall philosophy.

**Purchases of U.S. Existing Homes Fell in June**
美國二手房六月份交易下降

*By Bob Willis (Bloomberg)*

Sales of U.S. previously owned homes in June dropped less than forecast, sustained by a backlog of deals that will dry up when a government credit expires.

Purchases slipped for a second month, falling 5.1 percent to a 5.37 million annual rate, figures from the National Association of Realtors showed today in Washington. Transactions will be "very low" in coming months as the federal incentive ends, the group's chief economist, Lawrence Yun, said in a news conference.

Other reports showed the economic outlook dimmed and more Americans filed applications for unemployment benefits, reinforcing signs of slowing growth. The data show why Federal Reserve Chairman Ben S. Bernanke reiterated today that central bankers stand ready to take additional action if the world's largest economy "doesn't continue to improve."

"The overall picture is one of a very weak recovery," said Joshua Shapiro, chief U.S. economist at Maria Fiorini Ramirez Inc. in New York. "Housing still has a lot of problems, and the labor market is going to be painfully slow. The message from Bernanke is pretty much that they're not going to do anything on tightening until God knows when."

Stocks and commodities rallied on improving profit forecasts at companies from United Parcel Service Inc. to AT&T Inc. The Standard & Poor's 500 Index climbed 2 percent to a 4:00 p.m. close of 1,093.67 in New York. Oil topped $79 a barrel and copper rose for a fourth day.

**Exceeds Forecast**

Existing home sales were expected to decline to a 5.1 million pace, according to the median forecast of 74 economists in a Bloomberg News survey. Estimates ranged from 4.25 million to 6.2 million. May's sales rate was 5.66 million, unrevised from the previous estimate.

The Conference Board's index of leading indicators fell 0.2 percent in June, the second drop in the past three months, according to figures from the New York-based research group. The gauge points to the direction of the economy over the next three to six months.

"We're looking at a very subdued recovery," said Harm Bandholz, chief U.S. economist at UniCredit Group in New York, who forecast the 0.2 percent decline. "Companies are still very cautious to hire."

Initial jobless claims jumped by 37,000 to 464,000 in the week ended July 17, exceeding the highest estimate of economists surveyed by Bloomberg News, Labor Department figures showed. Claims were projected to climb to 445,000, and estimates ranged from 420,000 to 460,000.

**Bernanke Testimony**

Bernanke, in testimony before the House Financial Services Committee today, said unemployment is "the most important" problem facing the economy. "We are ready and we will act if the economy does not continue to improve, if we don't see the kind of improvements in the labor market that we are hoping for and expecting."

Housing is one industry that will probably struggle. In order to receive a tax credit of up to $8,000, homebuyers had to sign contracts by the end of April and initially close deals by June 30. Sales of existing houses are tracked when a deal closes.

The government this month extended the closing deadline to Sept. 30 after the jump in demand through April meant some purchases would not have time to be processed.

“We’re seeing the first stage of the cooling as the tax- incentive purchases fall off,” said Avery Shenfeld, chief economist at CIBC World Markets in Toronto, who projected sales would drop to a 5.38 million pace. “We will see prices retreat as the demand falls off without the tax incentive.”

**Climbing Inventory**

The number of homes on the market climbed 2.5 percent to 3.99 million. At the current sales pace, it would take 8.9 months to sell those houses, the most since August 2009.

The supply is likely to jump to 10 months or more in coming months as sales slow, said Yun of the Realtor group. The post- tax-credit slowdown may last as long as three or four months, more than he previously estimated, Yun said.

A 10 months’ supply has historically put pressure on home prices, he said. The median price of a previously owned house increased 1 percent to $183,700 from $181,800 in June 2009, the real-estate agents’ group said.

“It’s still a fragile situation in the housing market,” Yun said. “I hope it’s only two months but it could be three to four months with contracts remaining very weak.”

**Foreclosures, Short-Sales**

Foreclosures and short sales, usually not reflected in the NAR’s data, are boosting the so-called shadow inventory and competing with owners trying to sell properties. Home seizures jumped 38 percent in the second quarter from a year earlier, RealtyTrac Inc. said last week, putting lenders on pace to claim more than 1 million properties this year.

Sales at Miami-based Lennar, the third-biggest U.S. homebuilder by revenue, were running 20 percent to 25 percent lower last month than a year earlier as the expiration of the tax credit sapped demand, Chief Executive Officer Stuart Miller said June 24.

“The new-home market and housing in general still face serious headwinds from current economic and legislative conditions,” Miller said on a conference call with investors. “The prospect of additional delinquencies ahead continues to moderate this recovery as shadow inventory continues to be absorbed.”

**U.S. Industrial Real Estate Markets Now In Recovery**
**美國的工業倉庫地產市場正在復蘇**

*By Randyl Drummer (CoStar)*

The U.S. industrial real estate market now appears to be headed into recovery after several quarters of negative absorption.

With the economy sending out mixed signals but generally gaining strength, absorption of industrial buildings turned positive in the second quarter following six consecutive quarters of net loss, CoStar Group reported in its State of the Commercial Real Estate Industry Mid-Year 2010 Industrial Review & Outlook. The national industrial vacancy rate declined for the first time in two years, according to the company's most recent analysis of industrial property markets.

For owners, the warehouse sector is still working through some significant market turbulence. Broad-based growth in rental rates probably won't resume until 2011, and the investment sales market remains choppy, with total transaction volume still well below the historical average. Liquidity hasn't yet returned for owners and industrial capitalization rates and pricing, though improving, still show a mixed picture.

But overall, "we think the outlook is better than it has been in a few years," said Jay Spivey, CoStar Director of Analytics, who teamed with CoStar Director of Advisory Services Hans Nordby earlier this week to present the findings and forecast to CoStar clients.

**Leasing: Activity is Up**
CoStar Group reported 13 million square feet of positive net absorption in the second quarter -- the first positive reading since mid-2008, a period that has experienced far more severe and dramatic demand declines than the years of the dot-com collapse and economic recession of the early 2000s.

"It's been a long time coming. We think the outlook is good and we'll continue to see positive absorption," Spivey said.

In 2009, every major metro market except Houston saw negative absorption, including significant losses in Chicago, San Francisco and South Florida. Fast-forwarding to second-quarter 2010, more than half of the top 20 industrial markets tracked by CoStar saw positive absorption, led by the warehousing and distribution powerhouse Inland Empire region in Southern California at 4.8 million square feet; Orange County, CA (4.5 million sf), South Florida and Philadelphia (each gaining 2.8 million square feet).

San Francisco and Los Angeles have been slower to recover, leading the nation with negative absorption of around 5 million square feet each in second-quarter 2010.

**Little New Supply in Sight**
New industrial deliveries as a percentage of total inventory continued to decline in the second quarter -- a trend expected to continue through 2012. And 2010 will likely mark an all-time low in deliveries, with little new supply entering the pipeline over the next two years. In fact, more properties are being taken out of inventory due to obsolescence and other factors than are being added in new construction.

Lending constraints will continue to keep a clamp on new construction and the lack of new supply will allow the market to recover more speedily, Spivey noted.

The Inland Empire led the nation in space under construction at 3.4 million square feet -- but that's still a 90% decline from the 30 million square feet under construction at the peak of the market. The numbers tell similar stories in major distribution markets such as Atlanta, Philadelphia and Chicago.

**Vacancy: Steady Gains Ahead**
Given the positive absorption and low levels of construction, the national vacancy rate edged down in the quarter from 10.1% to 10%, the first drop in over two years. Availability (space being marketed even though it may not yet be vacant) also edged down from 14.8% to 14.7%.

While the dot-com era saw almost four years of relentless vacancy increases, the most recent downturn saw only six quarters of erosion in vacancies. CoStar believes vacancies have leveled and will decline steadily over the next four years down to about 8%. The rate of vacancy increases actually peaked in second-quarter 2009 and has slowly decreased ever since, finally reaching a tipping point last quarter, Spivey noted.

Similar to positive absorption, more than half the top U.S. markets are now seeing vacancy rate declines, including Inland Empire (-0.6%) Northern New Jersey (-0.4%) and South Florida and Minneapolis (each -0.3%).

As they have since 2008, rental rates continued to fall in the second quarter but at a less rapid rate. Despite positive news on vacancies and absorption, positive rent growth is still probably a year or two away.

**Investment Sales: A Market in Transition**
On the down side, sales transaction volume remains low by historical standards. Liquidity has not returned to the industrial market and the time that properties sit on the market before being sold -- and the number of properties withdrawn from the market without being sold -- continues to rise.

However, the second quarter saw a slight narrowing of the gap between asking and actual sales prices, possibly an indication that buyers and sellers are starting to agree on pricing.

Significant trades during the quarter included the sale by Industrial Developments International (IDI) of a nine-property bulk portfolio to Cabot Properties, Inc. on June 2 for $115 million, and IDI's sale of the 687,118-square-foot Weston Business Center to RREEF America LLC for $65 million. The former DHL distribution facility in Breinigsville, PA, sold for $58.3 million in May.

Industrial cap rates still reveal a bit of a mixed picture. On industrial deals of $20 million and above, cap rates fell to 8%, largely because of the demand for high-quality assets by institutional investors who will pay more for bigger and newer assets, Nordby said.

Over the last couple of quarters, most of the lower sale price tranches are also seeing stabilized or declining cap rates in the 8.5% to 9% range, showing increased and broad-based interest in industrial by investors, Nordby said.

But the higher-end deals are still garnering the most attention. On trades exceeding $120 per square foot, the average price per square foot on deals of $20 million or more is starting to spike upward, while transactions at lower price points are still flat or down on a per-pound basis.

"What I'm hearing from our institutional investor clients is that gateway CBD office markets, and also coastal apartments, are becoming a little rich, and those investors are starting to look at other asset classes," Nordby said. "There's more institutional investor interest in warehouses. It's coming and it will eventually show up in the price per pound."

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**Landlords Can Help Small Restaurateurs Find Success**
**房東能夠幫助小型餐館找到成功**

*By Elaine Misonzhnik (Retail Traffic)*

As the retail real estate industry transforms in the wake of the recession, mall and shopping center owners are building relationships with the kinds of tenants they might have ignored five or ten years ago.

For instance, restaurant operators only came to be accepted as mall tenants in early 2000s because their parking needs, long hours of operations and heavy cleaning requirements were previously seen as a burden. Gradually, however, retail landlords began doing business with large national chains like the Cheesecake Factory and P.F. Chang's China Bistro and enjoyed great success in the process.

Today, many landlords are taking the next step by targeting smaller, independent restaurateurs, many of which have no experience operating in a shopping center environment. There are several reasons for this. One is that restaurants have bounced back from the recession more quickly than retail operators and are currently among the best drivers of traffic for retail properties, notes Michael P. Glimcher, chairman of the board with Glimcher Realty Trust, a Columbus, Ohio-based regional mall REIT with a 20-million-square-foot portfolio.

Another reason is that independent restaurants bring with them a sense of uniqueness—an element that traditional malls and shopping centers are often criticized for lacking, adds Matthew Harding, president and chief operating officer of Levin Management Corp., a Plainfield, N.J.-based property manager with 12.5 million square feet of retail GLA in its portfolio.

"Restaurants create life and activity in a shopping center and a good independent restaurant can really develop a loyal following," Harding says. "We always try to work quite a bit with independent operators because it adds some diversity to the tenant mix."

On the flip side, independent concepts that operate only one or two restaurant locations can benefit from the added exposure and customer traffic a shopping center environment provides, as well as from the marketing savvy of an experienced landlord, notes Robert V. Catania, owner and president of Wicked Restaurant Inc., operator of Wicked Fire Kissed Pizza. Catania, a lifelong independent restaurateur, already has one restaurant location at South Cape Village in Mashpee, Mass. and will soon open a second location at the Legacy Place lifestyle center in Dedham, Mass.

In fact, landlords often make independent restaurateurs' lives easier by guiding them through the building and operating permit procurement processes and by helping with marketing.

For instance, obtaining a liquor license can often be challenging, particularly if an eatery is in a setting that has a large number of restaurant concepts, says Catania. There might be a limit on how many establishments can get permits.

In applying for a liquor license for its Legacy Place location, Wicked Fire Kissed Pizza got some valuable input from WS Development. Because WS Development works with restaurants on a regular basis, its tenant coordinators already knew the license approval process in Dedham and counseled Catania on the need to hire an attorney and on the right approach to getting the application to the town's board on time.

Wicked Restaurant Inc. already has one restaurant located in a shopping center and will soon open a second at Legacy Place in Dedham, Mass.

"Sometimes you have to learn those things the hard way and it takes longer," Catania says. "So it's kind of like having professional consultants built in."

Mall and shopping center owners with large portfolios also tend to be media-savvy. For instance, Levin Management recently brought a new Indian restaurant called Thulasi to its Centre Plaza property in Bensalem, Pa. In advance of the opening, Thulasi owners aimed their marketing outreach primarily at Indian customers, according to Harding. But Levin suggested they broaden the campaign to non-Indians as a way of increasing traffic.

In addition, Levin issued a press release announcing the restaurant's opening to local media outlets, hoping to attract both new customers and restaurant reviews. It followed up with a special advisory aimed specifically at food editors and restaurant reviewers inviting them to come to the center and try Thulasi's offerings.

"I think the advantage of dealing with a professional company is that you have a track record there of people who know how to market their property, which concepts fit in and which don't," says Catania. "They spend a long time to get the right balance."

Small restaurateurs sometimes also need guidance on maintaining HVAC and drainage systems in order or removing trash properly because they might not be used to sharing trash facilities with other tenants, notes Harding. But the ins and outs of everyday operations are usually spelled out in the lease before the restaurant opens because it's easier to avoid problems this way, he says.

Landlords often provide more than just good advice to restaurateurs, however. Because the start-up costs for a small restaurant can be quite high, landlords are willing to provide financial relief in the form of free rent during the restaurant's first year, says Harding. In exchange, the restaurant operator might have to agree to a slightly longer lease term than a traditional retailer so the landlord can realize a return on the upfront investment.

Going into a well-established, well-operated retail center is a bit like "going into the big leagues," Catania says. "You've got to have your design worked out, you've got to have your finances figured out, it's important to have a very good, very strong business plan when you go into a location like that. You've got to make sure you can do the volume that's necessary to afford the rent."

**Community Banks Step into a New Role**
**在大型銀行無法借貸之時，與社區銀行建立存款關係是很好的借貸突破口**

*By David C. Hannah (CIRE Magazine)*

Because of the existing credit crunch, community bankers now have the opportunity to look at good loan deals with high-profile companies willing to consider a banking relationship with a small community bank. With the lure of highly leveraged, low-cost, non-recourse debt no longer in play, community banks' more-traditional approach to lending (lower loan-to-value ratios, proven debt service coverage capability, recourse debt) is not the competitive disadvantage it was a few years ago. Many national banks simply have no appetite for additional commercial mortgage loans — despite long-time pre-existing client relationships — and of en are unwilling to issue commercially viable term sheets on new deals. Community bank lending officers recognize these deals are tremendous opportunities to bring larger business clients to the bank, establish meaningful deposit relationships, and, most importantly, create solid loan assets for the bank's commercial real estate portfolio.

However, there is a catch. Unfortunately, many community banks cannot meet the total funding requirements for the deals. They are constrained by either their legal lending limits or their own policy decisions and simply cannot do the deals on their own. The solution? Banks can band together with other similarly situated community banks to share the credit risk through a loan participation or syndication arrangement. In its simplest terms, Bank A is presented with a rock-solid $20 million commercial mortgage loan opportunity, but has a $5 million loan limit, so it partners with Banks B, C, and D via a loan participation or syndication arrangement to make the deal.

Borrowers (and even some lenders) of en use the terms participation and syndication as synonyms, meaning any type of loan facility that is shared by multiple lenders; but there is a legal distinction. In a participation arrangement the borrower only deals with the lead lender as they are the only parties to the loan agreement and related loan documents.

The borrower can look only to the lead lender for funding, and only the lead lender can deal with the borrower with regard to default or other compliance issues. The participant lenders own portions of the loan purchased from the lead lender, with all of the rights and obligations between them specified in a separate participation agreement.

The borrower may not even know of the existence of the participation agreement or the identity of any participant lenders. In a syndicated loan, two or more lenders agree to jointly make a loan to the borrower. Each syndicate lender is a party to the loan agreement and receives a separate promissory note in the amount of its funding commitment. Likewise, the borrower only can look to each syndicate lender for funding of its portion of the loan facility.

The loan agreement in a syndicated arrangement actually serves both the traditional function of establishing the terms and conditions imposed on the borrower for the credit facility and the additional function of spelling out the rules of engagement among the various syndicate lenders. Day-to-day decision making with respect to the administration of the loan is handled by an administrative agent.

There is a perception among borrowers that syndication confers more rights upon the lenders and, therefore, is riskier than a participation loan. But with properly drafted agreements there is very little practical difference in the customer's borrowing experience under either format. Ideally, the cooperative effort will be seamless to the borrower.

In addition to lending limit concerns, participant and syndicate banks may be motivated by a lack of loan origination capability with certain types of customers or transactions and the desire to leverage their lending partner's competence in these areas. Depending on the bank's willingness to rely on the lead lender's transaction screening and credit analysis of the borrower, the participant or syndicate bank may acquire new loan assets in areas where they do not have expertise at significantly lower internal costs.

Borrowers and lead lenders a like fear that the participant or syndicate banks will not rely on the lead lender's underwriting, due diligence, or legal documentation efforts, but will want to conduct their own independent review and negotiation processes, thereby adding layers of complexity, cost, and closing risk to each proposed transaction.

Because of the potential for the "too many cooks in the kitchen" problems associated with lender club deals, many borrowers maintain a high degree of skepticism about the chances for actually closing the loan when told by their relationship bank of the need to bring in additional lenders. In one recent $10 million loan transaction to refinance a maturing CMBS loan on a multi-tenanted office building, the borrower gave instructions to the loan broker to deal only with lenders able to close on its own account because of fears that multiple lenders would equal trouble.

However, after many futile months of false promises and false starts by the national banks and other large lenders, it was a combination of two small Northern Virginia community banks, neither of which had the ability to close the deal without the other, working under a participation arrangement, which put together the winning loan package. The loan was full recourse, with a parent guaranty, approximately 55 percent LTV, and relatively high DSC covenants, but it had a very competitive interest rate and fee structure and provided the borrower a performing loan with cost certainty for the term.

We have closed several community bank participation/syndication commercial mortgage loans in the past six months, representing both real estate owners and lenders in the process, and have seen firsthand the impact these community banking "strange bedfellows" can make by working together. The good news for community banks is that many real estate owners and developers have long memories. If the community banks are willing to put aside their competitive differences and step into the current real estate lending breach to make these much-needed commercial mortgage loans, then they will earn the gratitude and loyalty of a group of strong, high-profile customers they would never have reached in different market circumstances.

**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 | 0.49 | 0.52 | 0.54 | 0.25 | -0.01 | -4.87 |
| Money market, annual yield | 0.75 | 0.75 | 1.22 | 0.74 | -0.47 | -3.05 |
| Five-year CD, annual yield | 2.46 | 2.48 | 2.71 | 2.46 | -0.13 | -2.62 |
| 30-year mortgage, fixed | 4.70 | 4.73 | 5.68 | 4.70 | -0.72 | -1.71 |
| 15-year mortgage, fixed | 4.19 | 4.21 | 5.06 | 4.19 | -0.71 | -1.94 |
| Jumbo mortgages, $417,000-plus | 5.64 | 5.65 | 6.71 | 5.63 | -1.00 | -1.04 |
| Five-year adj mortgage (ARM) | 3.93 | 3.97 | 4.96 | 3.79 | -0.73 | -2.14 |
| New-car loan, 48-month | 6.24 | 6.26 | 7.47 | 6.24 | -1.03 | -0.78 |
| Home-equity loan, $30,000 | 5.11 | 5.15 | 5.87 | 5.11 | -0.63 | -1.66 |