STC 資產管理 MANAGEMENT
1985
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COMMERCIAL REAL ESTATE MARKET UPDATES

EVENTS
活動

- 38th Annual Buckboard Days Parade and Family Festival, to be held Saturday, September 18, 2010 in Rowland Heights
  第 38 屆 **Buckboard Days** 遊行與家庭園遊會 **9** 月 **18** 日 **@** 羅蘭崗

GENERAL
市場概括

- U.S. Banks Report CRE Troubles Subsiding, Challenges Still Remain: High Amounts of Foreclosed Properties, Unprofitable Institutions and Failures
  銀行報告商業地產問題逐漸減少, 但依然有挑戰: 大量法拍屋與虧損的機構
- Mall Owners Work Hard To Keep Pace With Latest Marketing Techniques
  購物商場業主努力跟上最新的行銷潮流
- Companies Brace for Powerful Impact of Lease Accounting Changes
  企業面臨租約會計政策變更的強大衝擊：所有租約將會由經營租賃變成資本租賃
- Institutional Investors Prefer Real Estate over Other Asset Classes
  相對於其他資產類型，機構投資者較喜歡房地產

FINANCING
貸款與資金

- Edison to Offer Zero-Interest Loans to Local Businesses
  電力公司 **Southern California Edison** 給商業地產用戶提供零利率貸款來安裝節能電器
- Retail Owners/Investors Drive August Surge in Fund Raising: $8.5 Billion in New Money Brings Yearly Total to $63.9 Billion
  購物商場投資基金八月份籌到八十億美元
- SBA Program Proves a Hit, but is Now in Limbo
  小企業管理局提供的商業貸款對很多銀行與小型企業來說是一大福音，但由於小企業立法的某些問題，這個方案有可能被停止或改變
- Consumer Money Rates (Mortgage Rate, Prime Rate, etc.)
  消費者市場利率：房貸、基本利率、等等

STC LISTINGS
STC 獨家代理物業出售

- San Gabriel Office/Retail
  聖蓋博獨棟商用物業
- Santa Ana Preschool/Redevelopment Opportunity
  橙縣幼稚園/重新開發機會
- Main St. Alhambra Retail-Office Mixed Use
  阿罕布拉零售/辦公樓

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Rowland Heights

Buckboard Days Parade

"A Better Community, A Better Life – Through Volunteering"

Saturday, September 18, 2010

What:

38TH ANNUAL BUCKBOARD DAYS PARADE AND FAMILY FESTIVAL

舉辦什麼:

Buckboard Days 遊行 以及 秋季慶祝活動

When:

SATURDAY, SEPTEMBER 18, 9 A.M.

時間:

2010 年 9 月 18 日, 星期 六 - 早上 9:00 點

Where:

PARADE START: NOGALES ST.
PARADE END: ROWLAND HEIGHTS COUNTY PARK

FAMILY FESTIVAL: 11 A.M. - 3 P.M.
ROWLAND HEIGHTS COUNTY PARK
1500 BANIDA AVE., ROWLAND HEIGHTS

地點:

Colima Road 以及 Nogales Street
"秋季慶祝活動" 在 Banida Ave. 的"羅蘭崗公園"內
"薄餅早餐" 在 Nogales Street 的"學區辦公室"內

After the parade, gather at Rowland Heights County Park for the Family Festival, with food, games, live music, community booths and more!

U.S. Banks Report CRE Troubles Subsiding, Challenges Still Remain: High Amounts of Foreclosed Properties, Unprofitable Institutions and Failures
銀行報告商業地產問題逐漸減少，但依然有挑戰：大量法拍屋與虧損的機構

By: Mark Heschmeyer (CoStar)

It appears that commercial real estate adversity at U.S. banks has reached the high-water mark and is abating. Second quarter numbers show 90-plus day delinquencies leveling and eventually set to decline because 30-89 day delinquencies are declining, and net charge offs are leveling or declining. The only CRE distress levels still rising at banks is the amount of foreclosed assets, the total of which now stands at $29.77 billion, up from $7.4 billion two years ago.

Also, the banking industry's quarterly earnings of $21.6 billion are up dramatically from the year-ago loss of $4.4 billion and represent the highest quarterly earnings since third quarter 2007.
Almost two out of three institutions (65.5%) reported higher year-over-year quarterly net income. And while the proportion of institutions reporting quarterly net losses remained high at 20%, it was down from more than 29% a year earlier.

"This is the best quarterly profit for the banking sector in almost three years," said FDIC chairman Sheila C. Bair. "Nearly two out of every three banks are reporting better year-over-year earnings. As long as economic conditions remain supportive, most institutions should maintain profitability and increase their capacity to lend."

Reductions in loan-loss provisions underscored improvement in asset quality indicators during second quarter 2010. Insured institutions added $40.3 billion in provisions to their loan-loss allowances in the second quarter. While still high by historic standards, this is the smallest total since the industry set aside $37.2 billion in first quarter 2008 and is $27.1 billion (40.2%) less than the industry's provisions in second quarter 2009.

Fewer than half of all institutions (41.3%) reported year-over-year reductions in quarterly loss provisions. Only 40% of community banks (institutions with less than $1 billion in assets) reported year-over-year declines. Reductions were more prevalent among larger institutions. More than half (56.2%) of institutions with assets greater than $1 billion had lower provisions in the second quarter.

The amount of loans and leases that were non-current (90 days or more past due or in non-accrual status) declined by $19.6 billion (4.8%) during the second quarter. This is the first quarterly decline in non-current loans since first quarter 2006. Non-current levels declined in most major loan categories during the quarter. The sole exception was non-farm nonresidential real estate loans, where non-currents increased by $547 million (1.2%). However, that was the smallest quarterly increase in three years. The largest reduction in non-current loans in the quarter occurred in real estate construction and development loans, where non-currents fell by $5.9 billion (8.3%). This is the third consecutive quarter that non-current C&D loans have declined. Multifamily delinquencies also declined.

Total loan-loss reserves of insured institutions fell for the first time since fourth quarter 2006, declining by $11.8 billion (4.5%), as net charge-offs of $49 billion exceeded loss provisions of $40.3 billion.

The number of institutions on the FDIC's "Problem List" rose from 775 to 829. However, the total assets of "problem" institutions declined from $431 billion to $403 billion. Also, while the number of "problem" institutions is the highest since March 31, 1993, when there were 928, it is the smallest net increase since the first quarter of 2009.

Forty-five insured institutions with combined assets of $47.3 billion failed during second quarter 2010. For 2010 through the end of the second quarter, 86 insured institutions with combined assets of $69.4 billion failed, resulting in an estimated current cost to the DIF of $16.8 billion.

"Without question, the industry still faces challenges. Earnings remain low by historical standards, and the numbers of unprofitable institutions, problem banks and failures remain high," FDIC chairman Bair added. "But the banking sector is gaining strength. Earnings have grown, and most asset quality indicators are moving in the right direction."

The U.S. thrift industry also reported a profit in the second quarter ($1.49 billion), the fourth consecutive quarterly profit for the industry.

"The thrift industry has clearly improved from the height of the recession but has certainly not recovered in full," noted OTS acting director John E. Bowman. "The performance of the industry reflects the state of the overall economy and the stresses from high unemployment, weakness in the housing market and the spread of weakness to the commercial real estate market."

Mall Owners Work Hard To Keep Pace with Latest Marketing Techniques
購物商場業主努力跟上最新的行銷潮流

By Elaine Misonzhnik (Retail Traffic)

The decision by the largest regional mall owner in the country to embrace a smartphone application marked a new stage in the rapidly unfolding evolution of mall marketing.
In mid August, Indianapolis-based Simon Property Group joined retailers Macy's, Best Buy, American Eagle Outfitters and Sports Authority in endorsing an application called Shopkick developed by Palo Alto, Calif.-based developer Shopkick Inc. Simon rolled out the app at 25 of its centers in New York, Los Angeles, San Francisco and Chicago. By the holiday shopping season, Simon plans to have Shopkick available at 100 centers nationwide.

The location-based app goes a step further than what existed before and gives retailers and mall owners the ability to know when a person carrying a smartphone with the app installed crosses a physical threshold, scans bar codes inside stores or malls or does other activities that retailers and mall owners may want to incentivize. In return, users of the app receive "kickbucks"—points in the customer's account that can be redeemed for rewards. The app currently works solely on Apple iPhones, but a Droid version is in development.

Simon's move upped the ante considerably in the race among owners to provide tools to consumers that enhance the in-mall shopping experience.
Simon Property Group made waves when it signed on to use Shopkick's iPhone app at 25 of its properties.

Its announcement was followed quickly by Chattanooga, Tenn.-based CBL & Associates Properties Inc. divulging that it too was in the process of developing an enhanced smartphone app for its properties. The company, which owns 82.6 million square feet of space, has partnered with Slicker Interactive LLC, a Charleston, S.C.-based technology firm, to develop MallMerlin, an app that would give its shoppers access to special promotions, high-definition video and mall navigation tools based on their location within a CBL center.

The app is designed to mimic the natural way people shop, says a CBL spokesperson. All of CBL's tenants will be able to participate in mall Merlin, but those who choose to upgrade their service to include more product and storefront photos, videos or the ability to send customers digital coupons, will have to pay a fee, reportedly ranging from $25 to $50 per month. The app will be available for use on iPhones, iPads and iPod Touch devices at most of CBL's properties by the beginning of next year.

In part, it's a recognition of the increasing number of consumers who use smartphones. Overall, approximately 26 percent of U.S. mobile subscribers use their mobile devices for Web browsing, according to Synovate, a market research firm. There are a total of 50 million mobile users in the U.S. with access to the Web, according to a recent mobile marketing study completed by Jones Lang LaSalle Retail, an Atlanta-based third party property manager. By the end of the year, the number is expected to double to 100 million people.

The difference between Foursquare and the next stage of apps is that Shopkick, for example, can be used passively. It does not require users to remember to check in when they go to a location. Moreover, since sensors for the app are inside stores and malls, it is more precise at pinpointing a shopper's location. Apps that rely on cell phone signals or GPS can't determine if a person is standing inside a store or simply near it.

The availability of new marketing tools offers many advantages, the most important of which is the ability to reach an ever-widening circle of customers, mall owners say. The challenge lies in figuring out which tools best fit the mall business and how to use them effectively. For now, the word mall marketing professionals use most often is

“testing”—while many plan to integrate apps and mobile sites into their strategies in coming months, they are only in the initial stages.

“The digital, mobile and social networking world is a fast-evolving space and we are going to be learning as we go along to figure out how it works best for our consumers and our retailers,” says Mikael Thygesen, chief marketing officer with Simon Property Group, which operates a245-million-square-foot domestic portfolio. “That’s sort of the approach we are taking with this—we realize that today’s vision is going to be very different from the vision two years from now.”

After thinking about mobile marketing strategies for a year, Simon executives chose Shopkick because they felt the app was retail-focused rather than being a social media app with retail as just one of its capabilities.

A number of other companies plan to follow Simon’s and CBL’s lead in the coming months, with their own mobile app launches and mobile Web sites. The key to using these new tools is making sure the costs don’t outweigh the benefits.

For instance, Cousins Properties, an Atlanta-based property owner with 20 million square feet of retail space, has always tried to stay ahead of the game in its marketing efforts with sophisticated social networking campaigns. So when smartphone apps became popular, Cousins looked into rolling out apps for its “Avenue” branded lifestyle centers. After a cost-benefit analysis, however, it turned out that investing in app development did not make much economic sense for the company at this point, says Angie Leccese, senior vice president of corporate marketing with Cousins.

Today, only approximately 6 percent of the traffic on Cousins’ Web sites comes from smartphone users – a number the company considered too small to devote a lot of capital to developing an app. Building an app from scratch would cost Cousins between $10,000 and $15,000 and would benefit only those of its customers with compatible smartphones, Leccese says. Instead, Cousins opted to launch mobile sites for Avenue centers that cost between $5,000 and $6,000 to develop and are accessible through multiple mobile platforms. It will launch mobile sites for eight of its properties this month.

“The mobile site has the same functionality that you would get from an app,” Leccese says. “It would not only give you the basics you might be looking for, like directions and which retailers are there, but it would also give you the added value of accessing the discounts and events that are happening at the center that day.”

Still, some retail property owners feel that mobile apps are worth the investment and have pursued their development. Just before Memorial Day weekend, Madison Marquette, a Washington, D.C.-based firm with a 10.5-million-square-foot portfolio, rolled out an iPhone app for Asbury Park, its 400,000-square-foot lifestyle center in Asbury Park, N.J. The app gives shoppers updates on cultural events happening at the property in addition to informing them of retail sales and providing links to Asbury Park’s Facebook and Twitter pages. Madison Marquette chose Asbury Park for the roll-out because it has a large entertainment component and customers benefit from getting event updates for the center, in addition to using the app to scan for retail discounts.

The firm worked with Toronto-based mobile marketing agency Mobile Fringe to develop the app.

Social Life

Mall owners are also increasing their presence on social networking sites and learning how to use those sites to drive sales. A recent study by Alexander Babbage Inc., an Atlanta-based research firm, found that of more than

1,800 U.S. retail centers larger than 300,000 square feet that it observed, 608 have Facebook pages and 557 have Twitter feeds. Babbage and Madison Marquette also formed the Center Social site that is aimed at providing research and data on the use of social media by shopping centers.
This year, Simon is launching Facebook pages for 180 of its 382 properties. The firm also plans to expand its use of Twitter. Macerich Co., a Santa Monica, Calif.-based regional mall owner with a 74.6-million-square-foot portfolio, now has Facebook and Twitter accounts for all of its centers. Macerich owns 71 regional malls and 14 shopping centers.

According to the Alexander Babbage study, previously, Columbus, Ohio-based Glimcher Realty Trust was the only large scale U.S. retail developer to have Facebook and Twitter presence for 100 percent of its properties. Glimcher owns 26 regional malls.

CBL & Associates has integrated Facebook and Twitter at about one-third of its 135 malls. The firm uses the sites primarily to update shoppers on discounts and special events, says Faucette. The challenge is that using social networking to connect with shoppers is only effective if the sites are updated on a regular basis.

CBL & Associates uses the Twitter feed for its Hanes Mall in Winston Salem, N.C. to promote special events at its stores.

“With those types of sites, you can’t just put something up and leave it because the downfall could be that people don’t get answers [to their questions],” says Faucette. “We have a designated person in each region that checks the pages and responds to customer inquiries. In general, our Facebook and Twitter sites are updated daily, unless we are having a big event.”

In that case, CBL promotes the event with more frequent postings in the several days leading up to it.
Responding to shoppers’ questions in a timely manner often pays off in increased sales, says Mechelle Peters, senior marketing manager with Macerich. When the marketing personnel at the company’s Biltmore Fashion Park in Phoenix, Ariz. tweeted about a new product at cosmetics retailer Origins, the store ended up having the best sales for that product out of all Origins stores in the region. In another instance, an 11-year-old customer used Facebook to ask what her date should wear to the school dance. The mall’s marketing manager posted photos of potential outfits and the 11-year-old pair ended up buying clothes from one of the mall’s stores.

Over time, mall owners have gotten savvier about combining traditional, on-site marketing events with their social networking efforts. In advance of the upcoming school year, Jones Lang LaSalle Retail gave members of its teen advisory board at the Valdosta Mall in Valdosta, Ga. a set dollar amount to buy a complete back-to-school outfit at the center. The teenagers then posted photos of the clothes they bought on Valdosta Mall’s Facebook page. Some of the stores subsequently sold out of posted items within two or three days, says Elizabeth Faulkner, vice president of regional marketing with Jones Lang LaSalle.
“It’s not a [paid] advertisement for Abercrombie & Fitch, it’s your girlfriend Jill telling you what she bought,” Faulkner says. “You don’t throw everything [you’ve done in the past] out because you have a new medium. It should all be integrated.”

Some property owners, however, are holding off on launching Facebook and Twitter accounts until they can quantify the benefits of social networking efforts. One such company is Youngstown, Ohio-based Cafaro Co., which owns 32 million square feet of regional mall space. Cafaro does use social networking sites, but not directly. For example, in August, the actor Peter Facinelli, who has a role in the Twilight movie series, made an appearance at Cafaro’s Spotsylvania Towne Centre in Fredericksburg, Va. Facinelli is hugely popular on Twitter with more than 1.6 million followers, so Cafaro’s marketing team asked him to tweet about his upcoming engagement at their center.

Twilight star Peter Facinelli used his Twitter feed to publicize an appearance at Cafaro's Monroe Mall. More than 2,000 fans showed up.
When Facinelli tweeted about his appearance at Cafaro's Mall of Monroe in Monroe, Michigan last November, he attracted a group of 2,000 autograph-seekers.

"We are using strong, already well-established sites to distribute our information," says Esther Buschau, director of corporate marketing with Cafaro. "We only have so much money and so many resources. It's about using whatever's most effective right now."

Buschau's concern about launching Facebook and Twitter pages for individual Cafaro properties has to do with the industry's spotty record in building fan bases on those sites. She points out that for every center that has amassed 20,000 followers there are several that have only 20 followers. The Mall of America in Bloomington, Minn. and Westfield Garden State Plaza in Paramus, N.J. currently have the most Facebook followers in the U.S. shopping center industry, with 107,649 and 36,844 fans respectively, according to Center Social. The Grove in Los Angeles and Mall of America, have the most Twitter followers, with 5,205 and 3,263.

Overall, Alexander Babbage found that in third quarter of 2010, retail centers with Facebook accounts had on average 1,563 fans. Retail centers' Twitter followers averaged 281 per center.
ICSC recently published a survey that found that 58 percent of adult consumers use social media. Approximately 25 percent of consumers have become fans of at least one retail-based company. The majority, however, follow brick-and-mortar retailers, rather than malls.

The Jones Lang LaSalle study found that 24 percent of those surveyed incorporate social networks into their purchasing behavior, primarily by sharing information on what they are buying.
But even though presence on social networking sites is free, to make them effective marketing tools landlords need to invest in manpower to update them on a regular basis, Buschau points out. Cafaro plans to establish a presence on Facebook within the next few months, but it will most likely be for business networking, rather than for interaction with its shoppers. Then, next year, it might do Facebook test runs for individual properties.

In fact, property owners have started establishing their own networking sites that allow them to connect with brokers, tenants and customers through the same online venue. Earlier this year, Developers Diversified Realty, a Beachwood, Ohio-based shopping center REIT, created what it calls an "online hub" where tenants can advertise special events and giveaways and shoppers can get useful information about their local center. The site also allows members to discuss non retail-related topics, including cooking recipes and vacation destinations. Launched in June, ShopStar already has more than 1,100 members.

"It was important for us to tie together both the online and in-center experiences and we felt we could better do this by developing a customized online program," instead of a stand-alone Facebook page, says Scott Schroeder, vice president of marketing and corporate communications at Developers Diversified. "We wanted our online program to seamlessly integrate into our current company culture and truly engage shoppers and give them a reason to continually return to our sites."

Meanwhile, another shopping center REIT, Houston, Texas-based Weingarten Realty, has created the Virtual Partner Network (VPN). VPN targets leasing brokers, agents and potential property investors. The network uses Facebook, Twitter and LinkedIn to offer a continuous feed of latest Weingarten news, real-time vacancy listings and leasing updates, in addition to retailer events. The vacancy reports for each center include the names of the former tenants, the location of the vacancies' on the centers' site plans, store size and links to corresponding property Websites.

Companies Brace for Powerful Impact of Lease Accounting Changes
企業面臨租約會計政策變更的強大衝擊：所有租約將會由經營租賃變成資本租賃

By: Beth Mattson-Teig (Retail Traffic)

Proposed new accounting standards have been drafted in order to push lease liabilities back onto corporate balance sheets. Such a change would represent a major shift for companies that have typically favored the off-balance-sheet treatment of operating leases, and it could have a significant impact on corporate decisions to lease or purchase real estate in the future.

The proposed guidelines are a joint initiative by the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board to create a uniform global standard and greater corporate transparency in lease accounting procedures. The most recent draft issued Aug. 17 would establish one method of accounting that requires firms to recognize all lease liabilities and assets on their corporate financial statements.

Another key component is that companies would be required to record the lease value or rent commitment over the entire lease term, including renewal options. Although the intent is to stop off-balance-sheet activity, the changes would add significant weight to corporate balance sheets.
For example, a firm that pays $1 million per year in rent for its corporate headquarters would quickly see its liability multiply depending on whether it has a five-year or 15-year lease. Companies would appear more highly leveraged, which could affect factors such as corporate credit and existing debt covenants.
What makes commercial real estate industry professionals nervous is that it is not clear to what extent the new accounting guidelines would influence tenants' decision-making process. Based on the universe of leased space, the potential impact is enormous.

Although FASB cites data that values leasing activity at $640 billion in 2008, other industry sources estimate that current volume as high as $1.3 trillion in operating leases for U.S. firms alone. Once the guidelines go into effect, which many in the industry believe will occur in 2013, both new and existing leases would be immediately affected.

One fear is that the new accounting practices could deter companies from signing long-term leases, or encourage firms to own rather than lease facilities. Both of those factors could be a detriment to the sale-leaseback and net-lease finance niche where leases typically extend 15 years and beyond.

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Institutional Investors Prefer Real Estate over Other Asset Classes
相對於其他資產類型，機構投資者較喜歡房地產

By: CRE Direct

Institutional investors are more bullish about commercial real estate than any of their other main investment classes, according to Real Estate Research Corp.

The Chicago firm, which surveyed key investment executives at pension funds and insurance companies, along with their advisors, found that institutions' bullishness about real estate grew during the second quarter. Asked to rate the different classes' potential for favorable returns on a scale from one to 10, the group gave real estate a 5.6 in the second quarter, up from 5.2 in the first quarter.

Meanwhile, the rating for stock investments dropped to 5.0 from 5.5. And the rating for bonds rose to 5.0 from 4.2.

"Institutional investors skittish about the slowing economy and the volatility and risk in the stock market are finding the diversification, stability and higher absolute returns of the commercial real estate class increasingly attractive," said Ken Riggs, president of the research firm, also known as RERC.

The survey gave the overall economy a rating of 5.3, up from 4.8 in the first quarter. But the majority of respondents doubted that sustainable economic growth and job gains would occur for at least nine months.

Still, those surveyed reported paying higher prices for commercial properties across the board in the second quarter, as measured by capitalization rates. Their weighted-average projected cap rate for property investments made in the second quarter was 8.1 percent, versus an 8.3 percent average cap rate projected for deals completed in the first quarter, according to the survey.

And institutional investors' confidence in being able to buy properties at prices that are favorable versus the assets' value dropped to 5.1 in the second quarter from the first quarter's 5.4, based on the one-to-10 scale. That measurement got a 4.4 rating in the second quarter of 2009.

The investors' rating for real estate's returns versus risk held flat at 5.1 in the second quarter, but was still up from the 4.3 recorded in last year's second quarter.

Multifamily garnered the survey's highest score for investment conditions. It was followed by central business office space, warehouses, regional malls and hotels.
Multifamily's 7.1 rating, on the one-to-10 scale, was up from 6.1 in the first quarter and was the sector's highest score since the second quarter of 2001.

Riggs noted that multifamily is generally considered the "most safe" asset class during slow economic periods.

The downturn under way since 2008, meanwhile, has featured an unusually large volume of home-mortgage foreclosures that has further fueled demand for multifamily by making renters out of former owners.

Earlier this year, Reis Inc. predicted that multifamily would lead all sectors in investment sale-price gains. The New York research firm noted that multifamily was already a frontrunner in a recovery in fundamentals during the first quarter, when its absorption rate increased 31 percent to 20,424 units, and its average for effective rents rose 30 basis points to $967/unit.

Investors surveyed by RERC expected multifamily to lead all sectors in rental rate growth during the second quarter.

The investors are much less bullish, however, about investing in office, industrial, retail and hotel properties, even though the ratings for investment conditions in those sectors increased in the second quarter.

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Edison to Offer Zero-Interest Loans to Local Businesses
電力公司 Southern California Edison 給商業地產用戶提供零利率貸款來安裝節能電器

By Beige Luciano (Adams)

In its latest surge to incentivize energy efficiency, Southern California Edison on Monday announced a zero-interest financing plan for non-residential customers to purchase and install energy-saving equipment.

Modeled on a pilot program run last year, On-Bill Financing will bill customers for loan payments on their utility bills.

Business customers can apply for up to $100,000 with a five-year term. The limit for institutional and government customers is $250,000 with a 10-year term, and the minimum amount for all loans is $5,000.
Lisa Cagnolatti, vice president for SCE's business customer division, said she expects a "gold rush" from capital-hungry applicants.

"To ensure fairness in access we've partitioned the money into three segments," which she said break down to government and institutional, industrial and agricultural, and business customers.
"We reserved some for small businesses because they of all our customers are probably in the most dire need of this kind of support," Cagnolatti said. She noted, however, that only $2 million of a total $16 million will go to small and large business customers, with the lion's share reserved for governments and institutional customers.

Many local governments are already lining up, according to Marissa Creter, a staffer with the San Gabriel Valley Council of Governments who works on its Energy Wise Partnership.
"I think it's a really good opportunity for the cities," said Creter, adding that it will help local governments leverage federal stimulus funds. "Between those, they can double the impact through municipal projects and save on their kilowatt usage."

But cities should act fast: The limited-project funds will be disbursed on a first-come, first-served basis.
No applicants were yet available to comment on the program.

Aided by a comprehensive marketing campaign, Cagnolatti anticipates enough interest from SCE's 300,000 non-residential customers over the summer to fully subscribe the program.

"Now we're finding a lot of pent-up demand from customers," she said. "We believe this program will unleash that. People have shovel-ready projects just waiting for the capital."

Gary Levingston, program manager for SCE's On-Bill Financing program, noted the fund is revolving.
"As these projects are financed and paid off, it does allow us to loan additional money out to other customers as well," he said.

Cagnolatti said she is confident that the California Public Utilities Commission, which is overseeing the initiative (funded by California utility customers), will see the value of the program and reinstate it in the next three-year cycle.

On-Bill Financing joins several SCE energy-efficiency incentive programs already on offer to businesses.
To qualify, customers must have had an SCE account for at least two years and be in good credit standing with SCE.

For more information, go to www.sce.com/business/onbill.

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Retail Owners/Investors Drive August Surge in Fund Raising: $8.5 Billion in New Money Brings Yearly Total to $63.9 Billion
購物商場投資基金八月份籌到八十億美元

By Mark Heschmeyer (Costar)

Companies and funds reported raising $8.55 billion in August for real estate-related acquisitions or debt repayment -- more than double the amount raised in July. That brings the total real estate-related funds raised through August to $63.9 billion from about 1,220 funds and firms.

Of the total amount raised in August, $4.93 billion of it was from publicly offered shares in REITs and real estate operating companies. The other $3.62 billion came from private fund raising efforts and is all earmarked for new investment. Pooled investment funds including private equity and hedge funds raised $1.59 billion of the total of private fund raising, according to data compiled by CoStar Group.

The highest percentage of funds raised (approximately 42%) was earmarked for retail-related investments or debt repayment. The percentage was heavily skewed due to hefty fund-raising from national retail-related REITs, including Cedar Shopping Centers, Cole Credit Property Trust III, Developers Diversified, Kimco Realty, Regal Entertainment Group and Simon Property Group, which together raised nearly $2.2 billion.

Funds targeting office or debt/mortgage-related investments each raised approximately 16% of the total. Funds targeting investments related to lodging, securities, health care and single tenant/NNN each accounted for about 5% of the total.

The top three money raisers in August were Simon Property Group, Dunham & Associates Investment Counsel and USAA Real Estate Co.

Indianapolis-based Simon Property Group sold $900 million of its senior unsecured notes in an underwritten public offering. The offering consisted of 4.375% notes due 2021. The notes were priced at 99.605% of the principal amount to yield 4.422% to maturity. Simon's operating partnership intends to use the net proceeds to fund the cash purchase of other senior notes and for general business purposes.

Dunham & Associates is a San Diego-based private wealth management firm, registered investment adviser and broker/dealer. The firm reported raising $720 million since 2007 targeting mortgage-related investments for three separate funds.

San Antonio, TX-based USAA Real Estate Co. raised $546 million in direct and indirect equity commitments from USAA and six institutional investors for its US Government Building Fund, a geographically diverse portfolio of properties leased to federal and state governments. The fund currently owns assets that total approximately 1 million square feet. The fund continues to target Class A core assets across the U.S.

Government Properties Income Trust, a publicly traded REIT that also specializes in properties leased to federal and state governments, was also successful in raising money last month, $230 million.

Other Successful Fund Raising Highlights

Cantor Fitzgerald and CIM Group in August announced the formation of Cantor Commercial Real Estate, a real estate financing business that will finance and securitize mortgages and mezzanine loans on properties predominantly in urban communities in major U.S. markets, and will engage in securitizations of these loans. Cantor Fitzgerald reported raising $432 million to launch the firm.

Developers Diversified Realty Corp. raised $300 million through the sale of 7.875% notes due September 2020. The notes were offered at a price of 99.139% with a yield to maturity of 8%. The net proceeds were expected to be used to reduce balances on its revolving credit facilities and/or collateralized term loan.

Kimco Realty Corp. also sold $300 million of medium-term notes due 2018 at a coupon of 4.3% per annum. The notes were priced at 99.652% to yield 4.356%, will mature February 1, 2018. The net proceeds were to be used to repay a $100 million 5.304% medium-term note due February 2011 and a $150 million 7.95% note due April 2011. The company will use the remaining proceeds for general corporate purposes.

Regal Entertainment Group sold $275 million of 9.125% senior notes due 2018. The proceeds were to be used to redeem its outstanding 9.375% senior subordinated notes due 2012, to repurchase or repay all of the company's outstanding 6.25% convertible senior notes due 2011 and for general corporate purposes.

Choice Hotels International sold $250 million of its senior notes in underwritten, registered public offering. The notes are to mature in August 2020 and bear interest at a rate of 5.7%. The proceeds were to be used to repay other outstanding indebtedness.

Lowe Enterprises Inc. formed a strategic partnership with The Guardian Life Insurance Company of America whereby Guardian acquired a substantial, non-controlling interest in Lowe Enterprises Investors and invested $200 million to expand Lowe's investment activities.

SBA Program Proves a Hit, but is Now in Limbo
小企業管理局提供的商業貸款對很多銀行與小型企業來說是一大福音，但由於小企業立法的某些問題，這個方案有可能被停止或改變

By: Ruth Simon

Pinnacle Bank made just two loans through the Small Business Administration in 2007 and 2008. So far this year, the Orange City, Fla., bank's total is nine, to borrowers from an auto dealer to a computer-equipment wholesaler to a bakery.

"The SBA program is the only way we can continue to lend right now," says David Bridgeman, president of Pinnacle, which has two branches and assets of $213 million, including about 600 loans. For many of the $3.4 million in loans Pinnacle made through the SBA in 2010, the bank has to set aside capital against only the 10% slice that isn't guaranteed by the U.S. government.

Across the nation, many banks have turned to the SBA's so-called 7(a) program to help unfreeze credit. Nearly 3,000 lenders have made 7(a) loans in the current fiscal year, up 21% from 2008.

The 7(a) program, the SBA's largest loan program, is hardly a cure for the credit shortage affecting many borrowers. The agency is involved in less than 10% of all small-business loans, and some banks won't participate because of red tape. Lenders must follow the SBA's rules when making 7(a) loans, which can be used for working capital, fixed assets and other business expenses. The term of the loan can be as long as 25 years.

Last year, Congress temporarily sweetened the 7(a) program by increasing the SBA guarantee to 90% of any given loan from as little as 75% previously. Lawmakers waived fees costing borrowers as much as 3.5% of the loan amount, as well as costs charged in a separate SBA program providing structured financing for fixed assets.

But the sweetened program is now in limbo, drawing complaints from borrowers and lenders, as lawmakers haggle over broader small-business legislation.

Since the SBA program was sweetened, more than 1,300 lenders that hadn't made an SBA loan since at least 2007 have barreled in, while existing participants like Pinnacle have been pushing more borrowers through the agency's pipeline to take advantage of better terms.

About $16.2 billion in 7(a) loans have been made under the more-attractive terms. By May, the program's loan volume had returned to before-the-credit-crunch levels.

"The extra 15% of guarantee helped us stretch a little more," says Vito Pantilione, president of Parke Bank, a unit of Parke Bancorp Inc. The five-branch Sewell, N.J. , bank recently used the program to make loans to two printing companies looking to adapt to electronic publishing.

Since hiring a local banker with expertise in SBA loans in August 2009, Bank of Holland, a Holland, Mich., unit of Lake Michigan Financial Corp., has made more than two dozen loans through the federal agency.
"We do not have capital issues, but it's very difficult to find businesses that… have not lost money and suffered some weakening of their balance sheet," says Garth Deur, Bank of Holland's president.
Sweetened government backing makes it easier for banks to stomach the risks of lending to local businesses that hit bumps when the economy slowed or to finance entrepreneurs with a solid business plan but little track record, Mr. Deur says.

The SBA has repurchased 0.2% of the loans made with the higher guarantees. That rate, which reflects defaults, is in line with the program's historical levels.

Congress extended the higher guarantees three times, but the latest round of funding was exhausted in May, causing a decline in SBA loan volume. A provision included in the small-business job-creation bill now before the Senate would resuscitate the 90% guarantee through Dec. 31 and allow the SBA to increase the maximum loan amount to $5 million from $2 million. The bill already has passed the House, but the Senate is bogged down by disputes over the broader bill.

"On the financing side we're stuck" until Congress acts, says Mark DeHaan, who is hoping to get a 7(a) loan for $1.6 million from the Bank of Holland to pay construction and start-up costs for an educational child-care center in Grand Rapids, Mich.

Pinnacle largely avoided the worst sins committed by banks throughout in Florida , such as lending on raw land being purchased for housing developments. Still, Pinnacle had a net loss of $1.8 million in 2009 as falling real-estate values and rising unemployment forced the bank to boost loan-loss reserves. Pinnacle has shed about a third of its troubled loans but is looking for additional capital.

Mr. Bridgeman, who started his banking career 28 years ago as a teller in Kentucky and took over as Pinnacle's president in 2003, says the bank decided to rev up its SBA lending after a tough regulatory exam forced it to halt most traditional lending in order to conserve capital.

Pinnacle made 11 SBA loans for $3 million in 2009. The bank has generated fee income by selling some of its SBA loans on the secondary market.

Car dealer J. Brendan Hurley was rejected by four other banks before Pinnacle won approval in March for a $560,000 loan through the SBA to help him add Dodge cars to his Chrysler franchise in DeLand , Fla. Since getting the loan, Mr. Hurley has hired six new employees, and service volume has doubled, he says.

"The fact that I had a commitment from Pinnacle sealed the deal to get the Dodge franchise," he adds. Mr. Hurley is seeking a second SBA loan from Pinnacle that would allow him to build a new facility designed to meet Chrysler Group LLC's requirements.

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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

	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	0.00	0.00	-	-5.25
Prime rate*	3.25	3.25	3.25	3.25	-	-5.00
Libor, 3-month	0.29	0.29	0.54	0.25	-0.01	-5.40
Money market, annual yield	0.70	0.73	1.15	0.70	-0.45	-3.14
Five-year CD, annual yield	2.33	2.33	2.71	2.32	-0.34	-2.64
30-year mortgage, fixed	4.65	4.52	5.51	4.48	-0.67	-1.40
15-year mortgage, fixed	4.11	3.97	4.86	3.95	-0.59	-1.61
Jumbo mortgages, $417,000-plus	5.61	5.71	6.49	5.55	-0.88	-1.46
Five-year adj mortgage (ARM)	3.57	3.55	4.67	3.51	-0.81	-2.51
New-car loan, 48-month	6.03	6.16	7.47	6.03	-1.34	-0.89
Home-equity loan, $30,000	5.10	5.10	5.82	5.08	-0.71	-2.23