STC 資產管理 MANAGEMENT
1985
Lic. No. 01299442

COMMERCIAL REAL ESTATE MARKET UPDATE

GENERAL
市場概括

- Job Numbers Confirm Stagnation, Not Panic
  就業數據體現經濟增長停滯，但歐洲債務問題和美國政治僵局造成的恐慌並未出現
- Buy a Pricey Home, Get a U.S. Visa?
  買高價房，獲美簽證？
- Is your IRC § 1031 relinquished property closing scheduled any time between October 19th and December 31st?
  依照稅法 1031，如果賣掉的房產在 10 月 19 日到 12 月 31 日間交易，房產交換期將少於正常的 180 天。

RETAIL
購物商場

- Retail Real Estate Delivers High Yields for Investors
  購物商場為投資者帶來高回報
- Lowe's Cuts Back on Stores
  家裝店Lowe's將關閉 20 間店面以增加其盈利能力
- Where is Chipotle ($CMG) opening +/- 155-165 new #restaurants in 2012? Avg Sales? Avg Ticket Price
  墨西哥餐廳Chipotle2012 年將開 155 到 165 間新店

FINANCING
貸款與資金

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

STC LISTINGS
STC 獨家代理物業出售

- San Gabriel Office/Retail
  聖蓋博獨棟商用物業
- Santa Ana Preschool/Redevelopment Opportunity [In-Escrow]
  橙縣幼稚園/重新開發機會
- Monterey Park Luxury Residence [Newly Renovated]
  蒙特利公園豪宅【全新裝修】
- Crenshaw Retail Center
  洛杉磯購物商場
- Monterey Park Retail Shopping Center [In-Escrow]
  蒙特利公園購物商場
- Rosemead Development/Mixed-Use Land
  柔似蜜公寓與商業土地開發機會
- Profitable Downtown Los Angeles Business [Coming Soon]
  高盈利洛杉磯市中心商業【即將上市】
- Major Rowland Heights Shopping Center [Coming Soon]
  大型羅蘭崗購物商場【即將上市】
- 100% Occupied Alhambra Office Building [Coming Soon]
  阿罕布拉辦公樓【即將上市】

Job Numbers Confirm Stagnation, Not Panic

就業數據體現經濟增長停滯，但歐洲債務問題和美國政治僵局造成的恐慌並未出現

By: Hessam Nadji (GlobeSt)

September's jobs report reinforced our view that the economy entered a period of stagnation a few months ago. It is also further evidence that the cumulative effect of Europe's lingering debt issues and the political stalemate in the United States have not resulted in corporate panic and large volume layoffs. As I have stated in several past blogs, the economy is on much firmer ground as measured by retail sales, corporate profits, corporate balance sheets, exports and manufacturing readings, all of which are at or above pre-recession peaks. The anchor holding back the natural, if less than stellar, pace of expansion that should be occurring by now is uncertainty.

There are several important and rather positive elements of last month's jobs report that are worth summarizing. Private sector job gains totaled 137,000. July and August revisions accounted for net gain of 184,000 jobs, more than twice the number originally reported. Even in the midst of August's political and financial markets turmoil, employers added more jobs than initially expected. Last but not least, private sector jobs over the past year have been broad-based with professional and business services adding 561,000 jobs, followed by healthcare and education at 450,000, trade/transportation adding 325,000 positions and even manufacturing adding nearly 200,000 jobs. This indicates a diverse level of organic growth throughout the economy although the total numbers are still well below potential. The energy price spike and earthquake in Japan earlier, the effects of which are now fading, may have contributed to the summer slow down more than initially thought. Notwithstanding some of these recent positive factors, we are still in a period of heightened risk and vulnerability to additional shocks.

Reinforcing positive trends for commercial real estate owners and investors, preliminary third-quarter readings indicate relatively stable occupancies across major property sectors with apartments and office showing slight improvement and retail weakening a bit. In short, we are clearly nowhere close to a true economic expansion or a robust recovery cycle in the CRE market, but given the array of bad news and headwinds that piled up over the past several months, the economy is showing a respectable level of resilience.

Investors still have to navigate a tight band of risk and reward since the long-term solutions to job creation in the United States and debt resolution in Europe still seem elusive. President Obama's proposed jobs bill, if passed, is expected to make measurable contribution to job creation over the next 12 months; however, a substantial removal of uncertainty may require the full election cycle to materialize. In the mean time, owners waiting for sizable improvement in NOIs are coming to terms with a gradual recovery as the most likely scenario for the next 12 months to 18 months. Maturing loans in the next two years still have to be reconciled with adjusted values and refinancing/restructuring options in many cases. This trend is likely to bring more inventory to market as low interest rates and ample capital seeking yield are gradually resulting in rising commercial property sales velocity beyond the top-tier segment of the marketplace. On the buy side, caution and reward for risk prevails but stable Class B assets in top-tier and some secondary markets will be the beneficiaries of an emerging period of "controlled enthusiasm" for higher-yielding assets with limited downside.

Investors locking in low interest rates with realistic short-term rent growth expectation and the wherewithal to improve operations and execute well-balanced, value-added strategies are likely to be richly rewarded over the next five to seven years. In other words, patience with an active plan for seeing the right buying opportunities appears to be the best mix in this environment.

Buy a Pricey Home, Get a U.S. Visa?

買高價房，獲美簽證?

By Jim Puzzanghera and Lauren Beale (Los Angeles Times)

Reporting from Washington and Los Angeles—

American consumers and the federal government haven't been able to bail out the sinking U.S. real estate market. Now wealthy Chinese, Canadians and other foreign buyers could get their chance.

Two U.S. senators have introduced a bill that would allow foreigners who spend at least $500,000 on residential property to obtain visas allowing them to live in the United States.

The plan could be a boon to California, which has become a popular real estate market for foreigners, particularly those from China.

Nationwide, residential sales to foreigners and recent immigrants totaled $82 billion in the 12-month period ended March 31, up from $66 billion the previous year, according to the National Assn. of Realtors. California accounted for 12% of those sales, second only to Florida.

"Overall, Los Angeles is the perfect place for investors," said YanYan Zhang, an agent with Rodeo Realty in Beverly Hills, who travels to China several times a year to meet potential clients.

Sandra Miller, a broker at Engel & Volkers in Santa Monica, an international real estate firm that caters to foreign clients, said about 10% of the luxury market now is composed of foreign investors. She estimated that offering them U.S. visas would triple that figure, as well as help sales elsewhere.

"California, Florida, New York, Colorado, Hawaii and Texas — those states will see a huge increase in demand," she said. "The whole Westside would certainly benefit."

The bipartisan proposal, part of a package that also would make it easier for international tourists to visit the U.S., is similar to an existing program that puts foreigners on a fast track to a green card if they invest at least $500,000 in an American business that creates at least 10 jobs.

"Many people want to come and live in the United States," said Sen. Charles Schumer (D-N.Y.), who introduced the legislation Thursday along with Sen. Mike Lee (R-Utah). "They will be here spending money and paying taxes, and the most important thing is they'll sop up the extra supply of homes we have right now compared to demand, and that's what's dragging our economy down."

The legislation would create a new homeowner visa that would be renewable every three years, but the proposal would not put them on a path to citizenship. To be eligible, a person would have to buy a primary residence of at least $250,000 and spend a total of $500,000 on residential real estate. The other properties could be rented.

The program would come with several restrictions.

The purchase would have to be in cash, with no mortgage or home equity loan allowed. And the property would have to be bought for more than its most recent appraised value, Schumer said.

The buyer would have to live in the home for at least 180 days each year, which would require paying U.S. income taxes on any foreign earnings. Buyers would no longer be eligible for the temporary visa if the property were sold.

The buyer would be able to bring a spouse and minor children to live in the U.S. but would need to apply for a work visa to hold a job. Neither the buyer nor dependents would be eligible to receive Medicaid, Medicare or Social Security benefits.

"The bill does not limit people from being productive," Schumer said. "It simply prevents them from coming here and taking jobs that otherwise would go to Americans."

Billionaire investor Warren Buffett and others have advocated boosting the U.S. economy by attracting foreign investment.

The Visa Improvements to Stimulate International Tourism to the United States of America Act, or VISIT-USA Act, aims to do that by also making several other changes to visa policies.

Among them are allowing Chinese tourists to receive a five-year visa that permits multiple visits. They now must apply for a new visa every year. Canadians would be allowed to stay in the U.S. for more than 180 days without having to obtain a visa.

Schumer and Lee have lined up support from the U.S. Chamber of Commerce, the U.S. Travel Assn. and the American Hotel & Lodging Assn. Schumer said he was working to get the backing of the Obama administration, which received the bill's details Thursday.

"For too long, we have created barriers, and too many hoops and hurdles, which act to deter visitors from other countries coming to the United States to spend their money and create jobs," said Chamber of Commerce President Thomas Donohue. "This is a loss we can ill afford in today's economy."

Robert Toll, executive chairman of Toll Brothers Inc., a Pennsylvania builder of luxury homes, joined Schumer on a conference call with reporters to back the foreign home-buyer proposal. He said it was no different from tax breaks designed to attract businesses.

Lee described it as a free-market way to boost demand in the real estate market after "big-government programs have failed to work."

Is your IRC § 1031 relinquished property closing scheduled any time between October 19th and December 31st?

依照稅法 1031，如果賣掉的房產在 10 月 19 日到 12 月 31 日間交易，房產交換期將少於正常的 180 天。

By Julie Tumbaga (OREXCO)

If so, your normal exchange period of 180 days will be shortened. Why? The Treasury Regulations – specifically § 1.1031(k)-1(b) (ii) - provide as follows:

(ii) The exchange period begins on the date the taxpayer transfers the relinquished property and ends at midnight on the earlier of the 180th day thereafter or the due date (including extensions) for the taxpayer's return of the tax imposed by chapter 1 of subtitle A of the Code for the taxable year, in which the transfer of the relinquished property occurs.

In other words, an exchanger has the earlier of 180 days or the due date of the exchanger's tax return – i.e. April 17th, 2012 (for most taxpayers), to complete their § 1031 exchange. An exchanger may, however, file for an extension to obtain the benefit of the entire 180 days.

For information on filing for an extension and for the application Form 4868, please visit the IRS' website: http://www.irs.gov/taxtopics/tc304.html. IRS 2011 forms should be available after January 1, 2012.

So, exchangers, don't lose out on your full 180 day exchange period. Make sure you file for an extension on or before April 17, 2012. (Note: April 15th, 2012 falls on a weekend and April 16th is a District of Columbia holiday)

Retail real estate delivers high yields for investors

購物商場為投資者帶來高回報

By Maura Webber Sadovi (Wall Street Journal)

The sale of the Shea Scottsdale shopping center just outside Phoenix helps explain a curious phenomenon taking place in retail real estate.

On one hand, one would expect investors to be shunning grocery-anchored shopping centers, which have been suffering from high vacancy and anemic rent growth. New competitors have surfaced, including online shopping and monster retailers like Wal-Mart Stores Inc. and Target Corp., that offer aisles of discounted food.

On the other hand, so far this year investors have snapped up $7.9 billion of retail centers with supermarkets, sending volume up 68% from the $4.7 billion sold in all of 2010, though the level is still well below the peak in 2007, according to Real Capital Analytics Inc., a real-estate research firm. The U.S. sales volume of all other retail properties rose 32% to $20.8 billion this year to date, from $15.7 billion in all 2010.

Retail real-estate investors include giants like Blackstone Group LP. Earlier this year New York-based Blackstone agreed to buy 588 U.S. shopping centers from Centro Properties Group, many of which were grocery-anchored, in a transaction that valued the properties at over $9 billion. Last month Blackstone agreed to buy 36 mostly grocery-anchored U.S. shopping centers from Equity One Inc. in a deal valued at $473.1 million.

The deals are largely being driven by yield. Karlin Real Estate, a Los Angeles investment firm, paid $50 million for two adjacent shopping centers known as Shea Scottsdale and expects the property to have an initial return of under 7%. By comparison, yields on office buildings and rental apartment buildings in downtowns of a half-dozen major cities are in the 5% to 6% range, according to Real Capital.

Blackstone's initial yields were 8.1% and 7.7% in its Centro and Equity One deals, respectively, according to people familiar with the matter. Those are good initial returns considering that Blackstone's borrowing costs were in the 4% to 5% range.

Karlin expects its yield to go higher on Shea if it succeeds in bringing new tenants to vacant space in the 277,000-square-foot center, which is 85% leased. "We expect to get to a double digit return in about two to three years based upon operating efficiencies, rent increases and by filling vacant space," says Matthew Schwab, a managing director with Karlin.

Yields, of course, can also fall if tenants move out or go bust. Grocery-anchored retail shopping center vacancy rates in the Phoenix area ticked down to 8.5% in the third quarter, from 8.8% in the second quarter, though they are still above the year-earlier level of 7.4%, according to Reis Inc.

It used to be conventional wisdom that grocery-anchored centers were downturn-resistant. But, with the new competitors, that no longer is the case. "Supermarkets are no longer safe anchors," says Burt P. Flickinger III, managing director of Strategic Resource Group, a New York retail consultant.

But that is where good market intelligence comes in. The Shea Scottsdale Safeway Inc. store logs annual sales of $500 a square foot annually, above the $300 range for the Phoenix area, and the nearest grocery store is three miles away, according to Michael Hackett, a retail investment sales broker with Cassidy Turley BRE Commercial in Phoenix.

Also, Mr. Schwab says he is confident he could replace Safeway, whose lease expires in four years, because of Shea's location. The seller of the property was the Herberger family, which bought the land in the early 1950s, when Scottsdale had a population of about 2,000. Since then it has swelled to over 200,000, and Scottsdale is home to exclusive spas and some of the Phoenix area's most-upscale residential areas.

"It's a question of betting on the right grocer in the right location," says Ben Carlos Thypin, director of market analysis with Real Capital.

Even if vacancy rises at Shea, Karlin may be safe because it is acquiring the shopping center with no debt, as it does in most of its deals. The investment company was founded in 2008 to invest capital for Dr. Gary Michelson, a surgeon whose unusually large hands and concerns about invasive spinal surgery led him to make part of his fortune inventing and selling medical devices. Karlin owns more than two million square feet of office, retail and industrial properties, and some 1,500 apartment units.

Karlin is planning to spend about $1 million to upgrade and rebrand the Mediterranean-style Shea Scottsdale , which was developed as two separate, contiguous shopping centers. "We'll be redesigning [it] to make it much more pedestrian-friendly," Mr. Schwab says.

Lowe's Cuts Back on Stores

家裝店Lowe’s將關閉 20 間店面以增加其盈利能力

By Karen Talley (Wall Street Journal)

Lowe's Cos. is shutting 20 of its home-improvement stores and greatly slowing future openings in an effort to improve its profitability.

The closings affect about 1,950 employees, and the retailer will book a related second-quarter charge of $345 million to $415 million, or 17 cents to 20 cents a share.

The company now expects to open 10 to 15 stores a year in North America from 2012 on, down from its prior assumption of about 30 stores a year. Lowe's will open about 25 stores this year, as planned, having already committed to the sites.

Lowe's closed 10 stores on Sunday and said it would shut 10 more within a month.

"Today we have a clearer view of the long-term economic recovery and decided to close these 20 stores," Lowe's spokeswoman Chris Ahearn said. "The stores have under-performed and we haven't seen progress necessary for them to reach profitability."

Lowe's closed seven stores in August of this year, three in 2010 and one in 2009.

"We have an obligation to make tough decisions when necessary to improve profitability and strengthen our financial position," Lowe's Chief Executive Robert Niblock said.

A good share of the stores are in the Northeast, which has held up better than many parts of the country.

"I have to believe that Home Depot's real estate dominance in the Northeast played a role in the under-performance of these stores," said David Strasser, retail analyst at Janney Capital Markets.

Lowe's has been lagging behind its resurgent larger rival, Home Depot Inc., which for years had been outperformed by Lowe's.

"We continue to operate successfully in the Northeast," said Lowe's spokeswoman Karen Cobb, who declined to elaborate.

Lowe's is the latest retailer to prune its number of stores as the economic recovery remains uncertain. Gap Inc. last week said it would shut more than a fifth of its Gap stores in North America over the next two years.

In August, Lowe's lowered its full-year earnings forecast to $1.48 to $1.54 on a sales increase of about 2%. The company also unveiled plans to restructure its store and merchandising organizations into three regional divisions to speed delivery of new products and services to the market.

Later that month, Moody's Investors Service lowered its outlook on Lowe's to negative from stable, pointing to the company's lowered earnings guidance and stiffer competition from larger rival Home Depot.

Lowe's saw its fiscal second-quarter earnings edge down 0.2% as the results took a hit from store closings and sales that underperformed its expectations.

Where is Chipotle ($CMG) opening +/- 155-165 new #restaurants in 2012? Avg Sales? Avg Ticket Price

墨西哥餐廳Chipotle2012 年將新開 155 到 165 間新店

By: Palmer Bayless, CCIM

In Chipotle Mexican Grill's 3rd Quarter 2011 results earnings call, Montgomery ("Monty") Moran, Co-Chief Executive Officer, Secretary, and Director of $CMG, explained:

Well, in 2012, we plan to open between 155 to 165 new restaurants, more than we've ever opened before in a single year.

Where are they opening the new stores? Again, Montgomery ("Monty") Moran:

our growth in the coming year will continue to be driven by expansion of Chipotle in the United States with about 75% of our 2012 openings planned for proven markets and the remaining 25% planned for new or developing markets, including Nashville, Albuquerque and Vancouver, among others.

This year (2011), Chipotle is planning on opening a total of 135-145 new restaurants. John Hartung, Chief Finance Officer (CFO) and Principal Accounting Officer:

We expect to end the year with total new restaurant openings at or above the high end of 135 to 145 opening range

What's the average restaurant sales revenue for a Chipotle Mexican Grill location? John Hartung:

Our new restaurant continue to perform very well, opening with sales of the top of or above our communicated range of $1.4 million to $1.5 million. Restaurants opened at least 12 months now have an average restaurant sales of $1,973,000, which is the highest level ever.

What's the average ticket price at Chipotle? Montgomery ("Monty") Moran:

We have about 500 transactions per day per restaurant.

So, Average Restaurant Revenue of $1,973,000 DIVIDED BY 500 transactions per day DIVIDED BY 360 days per year (average total days restaurant is open to public) EQUALS:

$10.96 average ticket price. Wow!

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

(Reprinted with Permission of 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	0-0.25	0-0.25	0-0.25	-	-1.50
Prime rate*	3.25	3.25	3.25	3.25	-	-1.25
Libor, 3-month	0.42	0.41	0.42	0.25	0.13	-3. 10
Money market, annual yield	0.51	0.54	0.69	0.51	-0.18	-2.00
Five-year CD, annual yield	1.57	1.61	2.11	1.57	-0.54	-2.47
30-year mortgage, fixed	4.36	4.39	5.21	4.15	-0.08	-1.83
15-year mortgage, fixed	3.65	3.69	4.57	3.46	-0.21	-2.25
Jumbo mortgages, $417,000-plus	5.01	5.04	5.89	4.95	-0.43	-2.76
Five-year adj mortgage (ARM)	3.15	3.20	5.79	3.00	-0.35	-2.79
New-car loan, 48-month	4.14	4.15	5.89	3.75	-1.74	-2.45
Home-equity loan, $30,000	4.73	4.72	5.17	4.71	-0.35	-0.59