STC 資產管理 MANAGEMENT
1985
Lic. No. 01299442

COMMERCIAL REAL ESTATE MARKET UPDATES

GENERAL
市場概括

- Holiday Sales Come in Strong, But Consumers Will Remain Challenged in 2011
  零售商在節日銷售量同比增加 4%，但由於失業率仍然持高，消費水平不一定能夠持久

FINANCING
貸款與資金

- Banks Lose Important Ruling on Foreclosures
  富國銀行與美國合眾銀行的兩棟法拍屋被麻省高等法院宣佈無效
- Delinquency Rate Hits Record High in December Despite Market Optimism
  儘管市場情緒樂觀，商業抵押擔保證券的拖欠率在 12 月創新高
- Integrated Mortgage Markets for 2011
  相比過去兩年，在 2011 年二級地產將更加容易獲得貸款
- 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
- Monterey Park Luxury Residence
  蒙特利公園豪宅

Holiday Sales Come in Strong, But Consumers Will Remain Challenged in 2011
零售商在節日銷售量同比增加 4%，但由於失業率仍然持高，消費水平不一定能夠持久

By: Elaine Misonzhnik (Retail Traffic)

The 2010 holiday shopping season has turned out to be a solid one for retailers, with same-store sales growth for November/December coming in at about 4 percent and total sales possibly breaking $525 billion. But many analysts warn that the respectable holiday season does not mean that retailers have yet turned a corner.

A combination of relief over the end of the recession and deep discounting on the part of retailers led shoppers to loosen their purse strings in November and December of 2010, according to observers. Going forward, however, reality will set back in. High unemployment, stagnant wage growth, continued weakness in the housing sector and other pressures will mean that consumer spending will be at a more measured pace in 2011.

From the end of October through the end of December, U.S. consumers spent some $36.4 billion, representing an increase of 15.4 percent over the same period in 2009, according to MasterCard Advisors' SpendingPulse report. (The report tracks national retail and services sales based on aggregate sales activity in the MasterCard payments network, coupled with survey-based estimates on cash and check payments).

This morning, ICSC released a preliminary tally of same-store sales results of 32 retail chains for December 2010. Same-store sales grew 3.1 percent, slightly below the expected 3.5 percent, but still better than the past few years. Retail research firms Retail Metrics and Kantar Retail showed similar results.

In November, same-store sales posted growth of 5.8 percent, according to ICSC. Shopper traffic rose 4.6 percent year-over-year, reported ShopperTrak, a Chicago-based research firm. By the time the final numbers come in, sales for November and December 2010 combined might total $525 billion, breaking the record set in 2007 with $508 billion in holiday spending, according to Craig Johnson, president of Customer Growth Partners, a New Canaan, Conn.-based research firm.

Success by sector

What's more, sales growth seemed to be distributed throughout most retail segments, instead of being concentrated at discount stores, as in years past. In November, apparel retailers and department stores posted same-store sales growth of 4.2 percent, according to ICSC. Sales at luxury stores grew 7.3 percent and at discount stores (not counting Walmart) 2.6 percent.

In December, luxury stores and department stores continued their successful streak, with sales growth of 8.1 percent and 4.6 percent respectively. Apparel chains, however, ran out of steam, with growth of 0.8 percent. Discount stores posted growth of 0.9 percent.

At the same time, the MasterCard SpendingPulse report showed that in December, total sales of apparel rose 10.9 percent year-over-year and total sales of jewelry rose 10.4 percent. Sales of consumer electronics, however, posted a year-over-year increase of only 1.5 percent.
Data collected by Kantar Retail for its ShopperScape survey indicates that both Toys 'R' Us and Target saw year-over-year increases in shopper traffic in both their physical stores and on their websites. Kohl's, JC Penney and Macy's saw more traffic on their websites than in 2009, but not necessarily in their stores, according to Frank Badillo, chief economist with Kantar Retail.

If a retailer didn't have a strong holiday season this year, it's a sign of underlying problems, notes Johnson. According to Customer Growth Partners, the chains that have done particularly well include Walmart, Macy's, Target and TJ Maxx.

A number of factors converged to create the right conditions for a strong holiday sales season. A few months ago, the U.S. government declared an official end to the Great Recession, making people who've managed to hold onto their jobs and homes feel like they have survived the worst of it, notes Pam Goodfellow, senior analyst with Big Research, a Worthington, Ohio-based research firm.

The strong holiday spending "was actually surprising because consumer confidence is still down, unemployment is still a worry," Goodfellow says. "But if you made it through the past two years, you might feel like you are safe."

Reasons for uncertainty

The elections in November might have further eliminated uncertainty from people's minds, according to Johnson. Plus, retailers once again engaged in deep discounting, triggering shoppers' value-conscious mentality, notes Badillo.

Going forward, however, a lot of the good feeling generated during the 2010 holiday season will prove to be unsustainable, Badillo says. As long as unemployment continues to hover near 10 percent, it will remain as a tempering force on consumer confidence and consumer spending. Plus, retailers won't be able to maintain deep sales throughout 2011 as they have during the last two months of 2010.

"In a challenged economy, price becomes a much more important leverage point for retailers," says David VanAmburg, managing director with the American Customer Satisfaction Index (ACSI). "So offering discounts will jump start spending in the short term. But you can't sustain it, it's just not workable because consumers will start to expect a better deal the next time and, also, it affects your profits."

As a result of all these factors, plus more difficult year-over-year sales comparisons, sales growth in the coming year will likely be tempered, with average monthly figures similar to those we saw in 2010. Through November, year-to-date monthly sales growth for 2011 averaged 3.5 percent, according to ICSC.
"Unemployment is still a factor. We still have a lot of people out of jobs and a lot of households are dealing with significant debts they are trying to dig themselves out of," Badillo says. "And those are significant factors that will affect how much spending households do."

Banks Lose Important Ruling on Foreclosures
富國銀行與美國合眾銀行的兩棟法拍屋被麻省高等法院宣佈無效

Source: MSNBC

In a decision that may affect foreclosures nationwide, Massachusetts' highest court voided the seizure of two homes by Wells Fargo & Co and U.S. Bancorp after the banks failed to show they held the mortgages at the time they foreclosed.

Bank shares fell, dragging down the broader U.S. stock market, after the Supreme Judicial Court of Massachusetts on Friday issued its decision, which upheld a lower court ruling.

The unanimous decision is among the earliest to address the validity of foreclosures done without proper documentation. That issue last year prompted an uproar that led lenders such as Bank of America Corp, JPMorgan Chase & Co and Ally Financial Inc to temporarily stop seizing homes.

Story: Financial sector drags Wall Street lower

"A ruling like this will slow down the foreclosure process" for banks, said Marty Mosby, an analyst at Guggenheim Securities. "They're going to have to be really precise and get everything in order. It doesn't leave a lot of wiggle room."

Wells Fargo and U.S. Bancorp lacked authority to foreclose after having "failed to make the required showing that they were the holders of the mortgages at the time of foreclosure," Justice Ralph Gants wrote for the Massachusetts court.

In a concurring opinion, Justice Robert Cordy lambasted "the utter carelessness" that the banks demonstrated in documenting their right to own the properties.
Massachusetts Secretary of State William Galvin said he agrees with the ruling, which he said demonstrates the need for judicial review of foreclosures in the state to give homeowners more protections.

It's up to lawmakers to take action to remove the uncertainty over mortgages raised by the decision, he said. Without legislative action, the court's ruling will have a "chilling effect" on the real estate market, he said.

"The effect is that it throws a monkey wrench into foreclosures," Galvin said. "This is an urgent situation."

Courts in other U.S. states are considering similar cases, and all 50 state attorneys general are examining whether lenders are forcing people out of their homes improperly.

"This decision is going to raise serious problems in hundreds of thousands of foreclosure cases," said homeowner-defense attorney Thomas Cox, a Maine attorney who was one of the first to put the issue in the spotlight. "It has the potential to require that foreclosures be done over, and I think there's going to be significant turmoil nationally. There's going to be major uncertainty."

Analysts said the decision may also threaten banks' ability to package mortgages into securities, and may raise the specter that loans transferred improperly will need to be bought back.

"What they were doing was peddling these mortgages and leaving the paperwork behind," said Michael Pill, a partner at Green, Miles, Lipton & Fitz-Gibbon LLP in Northampton, Mass., who represents homeowners and is not involved in the case.

The banks argued that the securitization documents they submitted were sufficient to prove they owned the mortgages before the publication of the notices of sale and the foreclosure sales.

Wells Fargo said in a statement Friday that as trustee of a securitized pool of loans, it expected those servicing the loans to abide by all applicable state laws, including those governing foreclosure sales. The San Francisco bank was a trustee of the securitized trust in question. American Home Mortgage Servicing Inc., was the servicer.

In a separate statement U.S. Bancorp said the judgment has no financial impact on the company. "The issues addressed by the court revolved around the process of servicing the loan on behalf of the securitization trust, which was performed in this case by the servicer, American Home Mortgage," the bank, which is based in Minneapolis, said.

U.S. Bancorp late Friday issued another statement saying that as a trustee of the securitization trust it "has no responsibility for the terms of the underlying mortgage, foreclosure procedure, the conduct of the servicer, the process by which the mortgage is transferred to the trust, or the sufficiency of the mortgage documentation."

American Home Mortgage Servicing, which is based in Coppell, Texas, said in a statement that the "decision is of limited applicability because it is based on law that is unique and specific to Massachusetts. The decision does not extend to foreclosures in other states."

In the Massachusetts case, U.S. Bancorp and Wells Fargo had said they controlled through different trusts the respective mortgages of Antonio Ibanez and the married couple Mark and Tammy LaRace, who lost their homes to foreclosure in 2007.

The banks bought the Springfield, Mass., homes in foreclosure, and sought court orders confirming they had title. A lower court judge ruled against them in March 2009, and Friday's decision upheld this ruling. Massachusetts is one of 27 U.S. states that do not require court approval to foreclose.

"It is the first time the supreme court of a state has looked straight at securitization practices and told the industry, you are not immune from state statutes and homeowner protections," Paul Collier, a lawyer for Ibanez, said in an interview.

The Supreme Judicial Court also rejected the banks' request that the ruling apply only in the future, leaving homeowners who had already been foreclosed upon without a remedy.

"I'm ecstatic," Glenn Russell, a lawyer for the LaRaces, said in an interview. "The fact the decision applies retroactively could mean thousands of homeowners can seek recovery for homes wrongfully foreclosed upon."
Russell said the LaRaces moved back to their home after the 2009 ruling, while Collier said Ibanez has not. "U.S. Bancorp will have to compensate him in exchange for the deed, or will have to walk away," Collier said.

The cases are U.S. Bank N.A. v. Ibanez and Wells Fargo Bank NA v. LaRace et al, Supreme Judicial Court of Massachusetts, No. SJC-10694.

Delinquency Rate Hits Record High in December Despite Market Optimism
儘管市場情緒樂觀，商業抵押擔保證券的拖欠率在 12 月創新高

By: TreppWire

Multifamily Remains Worst Performing Sector; Industrial Sector Sees Huge Jump

Commentary: Many have speculated that between the emergence of new CMBS lending, the resolution of many troubled CMBS loans, and an uptick in trophy property sales, that the commercial real estate crisis was nearing its final stages. The December delinquency rate of 9.20%, the highest in history for U.S. commercial real estate loans in CMBS, underscored that there still may be some nasty surprises in store even as the market shows some signs of healing.

This December jump comes despite the fact that new issues continued to make their way into the calculation and servicers continued to resolve troubled loans. The new deals – which theoretically should have low delinquencies for a while - will continue to put downward pressure on the delinquency rate as issuance continues to grow in 2011.

Similarly, the resolution of troubled loans will also help to lower the rate. The rate of increase has averaged 27.7 basis points per month over the previous 12 months (after backing out the Stuyvesant Town impact in March and the Extended Stay Hotels impact in October).

The delinquency rate for seriously impaired loans has also increased. The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 8.33%, an increase of 20 basis points.

The Numbers:

- Overall delinquency rate jumps to 9.2%, an increase of 27 basis points
- If defeased loans were taken out of the equation, December's overall delinquency rate would be 9.74%, up 26 basis points from November.
- Percentage of loans 30+ days delinquent or in foreclosure: December: 9.20% | November: 8.93% | October: 8.58%
- Percentage of loans seriously delinquent (60+ days, in foreclosure, REO or non-performing balloons) is at 8.33% - up 20 basis points

CMBS Secondary Market Ends Year on an Upbeat Note

Significant Spread Tightening Among Super Seniors; Prices Surge for AM, AJ, Double
A and Single A Classes; Strong Bidding for Lower Quality Paper

Commentary: Spreads on AAA rated CMBS super seniors fell by about 25 to 35 basis points in December.

The tightening was even greater for more marginal super seniors. For the most part, higher spreading super seniors saw the greatest spread contraction as the differential between the best and worst bonds continued to narrow.

The steepening Treasury Curve saw the premiums on super seniors fall from $108 to $110 in November back to $103 to $105. The lower prices (and corresponding lower prepayment/liquidation risk) helped coax buyers on the sidelines.

In the AM, AJ, double A and single A sectors, spread gains were even bigger. Bonds in those sectors saw dollar prices jump $3 to $5 over the course of the month despite rising Treasury yields.

2010 Major Events Recap

January 2010: CMBS Delinquency Rate Passes 6% - Highest Level in its History

February 2010: $3 Billion Stuyvesant Town Apartment Loans Moves to Foreclosure After Debt Service Reserve is Exhausted

March 2010: Last Legacy CMBS TALF Auction in Held; CMBS Spreads Continue to Plunge Despite Government Support Ending

March 2010: Delinquencies Crack 7% For the First Time

April 2010: First Multi-Borrower CMBS Deal Issued in 21 Months as RBS Brings New Conduit CMBS Deal

May 2010: Historic Flood Hammers Nashville; Gaylord Opryland Hotel Forced to Close

July 2010: Modifcations and Liquidations Accelerate as Property Prices Firm-Up and Servicers Start Moving Properties

July 2010: Innkeepers Hotel REIT Files for Bankruptcy

July 2010: Investors Irked After Memphis Apartment Loan Sees Loss of More than 100% of Loan Balance

August 2010: CMBS Spreads Continue to Fall Despite Concerns Over U.S. Economy

August 2010: Mezzanine Triple A Bonds Crack Par After Beginning the Year Trading in the $70 Range

September 2010: $131 Million Macon and Burlington Loan Liquidated with 97% Loss

October 2010: Super Senior Spreads Hit Lowest Levels Since August 2008

October 2010: Extended Stay Saga Ends as $4.1 Billion Loan Liquidated

November 2010: Trophy Property Values Continue to Rebound; Google Buys Manhattan Once; 245 Park Avenue Re-Financed

November 2010: Junior AAA Prices Surge As Investors Chase Yield

December 2010: $2.6 Billion Beacon Seattle and D.C. Portfolio Restructured; Borrowers Granted Long Extension

December 2010: Resorts Casino Loan Liquidated - Loss Exceeds 100%

December 2010: Secondary Market Spreads Finish Year With Tightest Spreads of the Year While Delinquencies End Year at Highest Level

Integrated Mortgage Markets for 2011
相比過去兩年，在 2011 年二級地產將更加容易獲得貸款

By: Sam Chandan (New York Observer)

A necessary condition for last year's positive trends in commercial real estate investment, credit conditions for new deals, as well as for the refinancing of existing debt, have improved substantially. These improvements have been uneven, however.

Just as the uptick in investor activity has favored major markets like New York City, the amelioration in the lending environment has been largely isolated to the markets exhibiting the most robust investment trends and the clearest pricing signals. Potential transactions in less visible and relatively illiquid markets have struggled to attract lenders in cases where deal activity has been isolated, even if stronger economic and property fundamentals are readily apparent.

These dynamics are set to change in 2011, with market bifurcation ceding to early evidence in recent months of more integrated investment and lending patterns.

The Haves and Have-Nots

Leading the improvement in their underlying economics, the concentration of equity and debt capital in major markets was a definite hallmark of 2010, allowing both cap rates and lending rates to fall substantially from peak levels in late 2009.

From commercial real estate's investment nadir, the Moody's/REAL price index for sales unrelated to distress in three trophy markets—New York, Washington, D.C., and San Francisco—jumped 38 percent as of October. In the balance of markets, the index has measured a modest 6 percent rise from the bottom. The improvement in pricing metrics and credit availability has been most pronounced for apartment and office assets, the former benefiting from an early return to occupancy gains and muted volatility in potential cash flow.

More than any other market, the bifurcation of pricing trends and investors' narrow focus has been clearly observable in Manhattan's office sector, where the volume of closed and in-contract sales in the fourth quarter has nearly tripled the third quarter's tally. As prices have risen, lenders have also been encouraged by strong recovery rates on loan workouts and by a definite sense that, barring a shift in the regulatory bias, the outflow of distress into the marketplace will remain highly intermediated in 2011. This latter expectation remains a critical factor in lenders' assessments of the downside risks to price stability and the probability of default and loss on new loans.

All else being equal, the virtuous cycle between investment activity, price discovery and lending is likely to develop additional momentum in 2011, supporting even more competitive credit terms, captured in narrower lending spreads over rising risk-free rates, and a further strengthening of pricing metrics. At the same time, investor interest and a supportive lending environment will also find their ways into hitherto less liquid markets, drawn by relatively wider margins for buyers and lenders alike.
A Range of Lenders, Though Not All Successful

While improvements in credit have been narrowly focused for much of the last year, an increasing diversity of lenders is just beginning to support a wider range of investor activity. Financing in 2011 will be more readily available for assets outside of major markets and for relatively smaller assets, provided in each case that lending risk is mitigated by a balance of strong sponsorship and tenancy.

Among the range of lenders more actively engaged recently, life companies and new foreign lenders have made some of the most visible acquisition and refinancing loans on trophy properties in Manhattan, Boston and Washington. And while these two groups share the distinction of being relatively unencumbered by high default rates on legacy commercial mortgages, other lenders that are struggling with problematic legacy portfolios are also returning to the market. These latecomers are generally more inclined to consider a broader set of lending opportunities.

Among the lending groups supporting a measure of diversification, the reemergence of CMBS conduit originators portends a greater role for CMBS lending in the coming year. Notwithstanding continued increases in legacy CMBS delinquency and default rates, investors remain surprisingly unprejudiced in their assessments of new issuance, demonstrating an appetite for new, more cautiously underwritten securitization. CMBS issuance in the first quarter is likely to exceed $14 billion, prompting a number of conduit originators to reenter the market.

Not all lenders are enjoying an equal measure of success in their commercial real estate activities. For example, regional and local banks have seen their collective share of lending decline slightly, from 15 percent in 2009 to 13 percent in 2010, according to Real Capital's tracking of acquisition and refinancing activity.

The absolute volume of commercial loans on banks' balance sheets has fallen as well, as they have been slow to replace amortizing and maturing balances with new lending. But even within this group, lenders that have weathered the downturn with fewer losses are now actively competing for opportunities to lend. Over the next year, only agency financing is likely to moderate, as private-market lenders further supplant the dominant role assumed by Fannie Mae and Freddie Mac in 2008 and 2009.

Bring Your Umbrella: It Still Might Rain

There are risks to the generally positive outlook for credit availability. Deviations from baseline economic projections and the political environment remain key sources of uncertainty over the next year. Apart from these concerns, the potential for a sharp rise in interests rates to negatively impact property values and borrowing costs requires a cautious tone.

The low interest rate environment has been a boon to the commercial real estate sector, a key driver of the sector's recovery, and the linchpin of banks' and special servicers' loss-mitigation strategies. Thus far into the recovery, short-term interest rates have remained very low. Meanwhile, long-dated treasuries have risen measurably in recent months, coming up from their October lows and exerting upward pressure on residential mortgage rates even as commercial rates have trended lower.

Wharton professor Jeremy Siegel, in a Dec. 14 *Wall Street Journal* opinion piece, offered that "the combined impact of the tax cuts and the Fed's QE2 policy will continue to stimulate the economy and send long-term interest rates higher."

The current outlook for treasuries anticipates a measured rate increase that can be absorbed into spreads. But long-term rates are not within the full control of the policy makers who must now contend with investors' increasing risk tolerance—which leads dollars out of treasuries—and near-record debt issuance in 2011. If broader rates rise more dramatically than projected, cap rates and commercial real estate borrowing costs could easily be forced higher as well, undercutting the investment outlook and lenders' capacity to manage legacy distress.

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

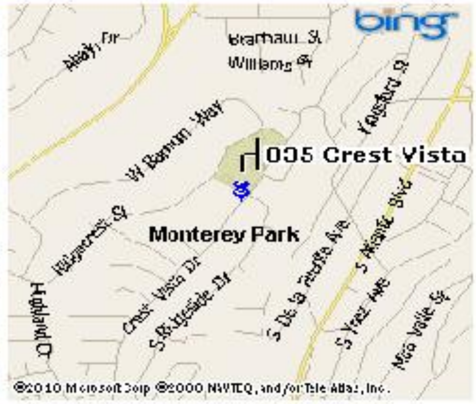
(Reprinted with Permission of the Wall Street Journal)

Consumer Money Rates

	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	-	-4.25
Prime rate*	3.25	3.25	3.25	3.25	-	-4.00
Libor, 3-month	0.30	0.30	0.54	0.25	0.05	-4.07
Money market, annual yield	0.64	0.66	0.95	0.63	-0.31	-2.80
Five-year CD, annual yield	2.07	2.07	2.70	2.02	-0.63	-2.29
30-year mortgage, fixed	4.88	5.05	5.43	4.32	-0.53	-0.76
15-year mortgage, fixed	4.21	4.42	4.82	3.71	-0.61	-0.95
Jumbo mortgages, $417,000-plus	5.70	5.73	6.24	5.32	-0.54	-0.94
Five-year adj mortgage (ARM)	3.72	4.08	5.79	3.31	-0.87	-1.70
New-car loan, 48-month	5.42	5.43	6.85	5.42	-1.24	-1.58
Home-equity loan, $30,000	5.10	5.12	5.28	5.06	-0.14	-1.78

Monterey Park Luxury Residence
蒙特利公園豪宅

ML# : H10118939 **835 Crest Vista DR Monterey Park 91754** **List Price: $ 1,250,000**



Basic Information

Status:	**Active**
Property Type:	**Single Family Residence**
Map Book:	
Year Built:	**1986/SLR**
Sqft/Source:	**4,931/Assessor's Data**
Lot Sqft/Source:	**16,013/Assessor's Data**
View:	**City Lights**
Assoc Dues:	

Interior Features

Bedrooms: **11**
Bath(F,T,H,Q): **6, 0, 0, 0**
FirePlace: **See Remarks**
Cooling: **Central**
Laundry:
Rooms: **See Remarks**
Eating Area:
Floor:
Utilities:

Property Description

Beautiful traditional eastern-style home with numerous bedrooms and unique elegance. Large, spacious bedrooms on both floors in well-kept condition. Custom-built in 1986 with addition of the back part of the house in 1992. Spacious backyard with a zen garden, large waterfall, and bountiful fruit trees. Also includes a large storage shed. Home is located in a secluded, safe neighborhood right next to a large park and tennis courts, and provides views of a beautiful cityscape from its many balconies upon sunset. Please call for appointments at least 24 hours in advance.

Exterior Features

Pool: **No**
Spa:
Patio:
Sprinklers:
Structure:
Outdoors:
Fence:
Roofing:
Lot/Community: **Patio Home**
Legal:

Presented By

Contact: **John Hsu** Home Ph: **626-913-3881**
Contact DRE: **01093005** Fax:
Office: **STC Management**

School Information

School District:
Elementary:
Junior High:
High School: