COMMERCIAL REAL ESTATE MARKET UPDATE

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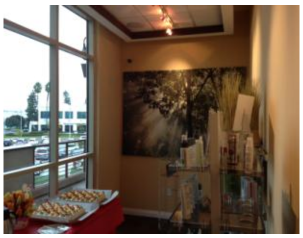
STC LISTINGS
STC 獨家代理物業出售

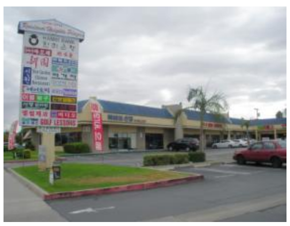
- San Gabriel Office/Retail
  聖蓋博獨棟商用物業
- Santa Ana Preschool/Redevelopment Opportunity [In-Escrow]
  橙縣幼稚園/重新開發機會
- Monterey Park Luxury Residence [Newly Renovated]
  蒙特利公園豪宅【全新裝修】
- Crenshaw Retail Center
  洛杉磯購物商場
- Monterey Park Retail Shopping Center [In-Escrow]
  蒙特利公園購物商場
- Rosemead Development/Mixed-Use Land
  柔似蜜公寓與商業土地開發機會
- Garfield Medical Plaza[Newly Listed]
  阿罕布拉醫療廣場【新上市】
- 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】

JUST LEASED
最新出租



- Ovilla Medical Group, Seasons Place Shopping Center

- Tokyo Girls, YES Plaza



- Smart Health, Rowland Heights Plaza

Plans to Develop Parks, Educational Centers, Shopping Areas and Offices on the Northern End of LAX

洛杉磯國際機場計劃在機場北端建設公園、教育中心、購物商場和辦公樓

By Dan Weikel (Los Angeles Times)

Like other improvements at Los Angeles International Airport, plans to develop 358 acres on its northern boundary have proceeded at a glacial pace. That is, until now.

Sparked by new pressures from the community, City Hall and the federal government, airport officials have resurrected a dormant proposal for the scrubby strip of property that runs along Westchester Parkway, from Pershing Drive in Playa del Rey to Sepulveda Boulevard in Westchester

Their plan calls for putting playing fields, parks, educational centers, shopping areas and low-rise office buildings on land that was once a residential neighborhood. The houses there were razed decades ago to create a noise buffer for the airport's north runways.

But first, officials with Los Angeles World Airports, the operator of LAX, want to hear what nearby residents think because some of them battled earlier modernization plans, complaining that they had not been adequately consulted.

"Community involvement is critical," said Lisa Trifiletti, the airport's Northside project manager. "We need to bring all the stakeholders together to take a fresh look at this and develop a unified vision."

Airport officials held their first community meeting at Orville Wright Middle School in Westchester earlier this month to let residents get a glimpse of the proposal. The latest concept envisions roughly 2 million square feet of development, less than half of what was called for in a plan approved in 1984.

Airport officials say they want to create a variety of land uses that satisfy the needs of the surrounding community and LAX. The western end would be set aside for open space and recreation while land on the east side closer to Sepulveda would be used for shopping, restaurants, hotels, and offices. Planners want to reserve space in the middle parcels for education, research, civic groups and nonprofits.

Already, Otis College of Art and Design, the YMCA, Westchester High School, the American Youth Soccer Organization and the Westchester Youth Foundation have signaled an interest in some of the property, Trifiletti said.

Residents and community activists who have challenged past expansion plans for LAX praised the Northside proposal and the airport's cooperative approach. They said it contrasts with earlier efforts of mayors Richard Riordan and James Hahn to press ambitious master plans for the airport that would have affected surrounding neighborhoods.

"Working with Lisa Trifiletti is a breath of fresh air. I believe she wants to do the right thing," said Craig Eggers, co-chairman of the airport relations committee of the Neighborhood Council of Westchester/Playa. "If LAWA and all the entities involved are really acting in good faith and discussing this with the community, it is because they want to make it happen. Wow. Isn't this nice?"

Eggers said the lack of transparency and concern for the community helped trigger strong opposition to earlier LAX master plans — a fight that delayed airport improvements for years. A 2006 court settlement finally cleared the way for certain projects but shelved others.

"If this comes to fruition, it will create a more interesting community, increase property values and abate some of the noise," said Harry Stephens, whose family has lived on West 91st Street immediately north of LAX since 1976. "They have been talking about this since I first moved in."

Using millions of dollars in noise abatement grants from the Federal Aviation Administration, LAX bought the Northside property in the late 1970s and early 1980s and tore down dozens of homes. Foundations and old lampposts can still be seen on the empty land.

Since the purchase, little has been done to the property except for the restoration of three holes at the adjacent Westchester Golf Course and the construction of Los Angeles City Fire Station No. 5 and a child care center for employees of Los Angeles World Airports.

Officials said the Northside redevelopment has been delayed by revisions to the plans made over the years, changes in airport priorities after the Sept. 11 attacks, and the FAA's unwillingness to approve the project without more details on the layout and type of buildings.

Work accelerated in 2009 when the FAA conducted a national review of how noise grants were being spent by airports and asked LAX officials to submit a reuse plan by 2010. Pressure to do something has come from the community and City Councilman Bill Rosendahl, whose district includes LAX.

Airport officials want to finish the project's environmental impact analysis by the end of 2012 and seek approvals from the FAA, the airport commission and the City Council in 2013.

Restaurant Chain Franchising Such as Popeye's, KFC, and Applebee's on a Slow but Steady Rise

肯德基等連鎖餐飲店在緩慢卻穩定地擴張

By Tiffany Hsu (Los Angeles Times)

Fast-food chain Popeyes Louisiana Kitchen has 75 restaurants in Los Angeles, Orange and Riverside counties, and it plans to open 24 more despite the lagging economy.

Chicken-centric Popeyes, however, doesn't plan on launching the new outlets on its own dime. It's seeking franchisees — would-be entrepreneurs willing to take on the expense and risk of opening their own businesses.

"We just don't have the resources to build everywhere ourselves," said Greg Vojnovic, vice president of development of Popeyes, owned by AFC Enterprises Inc.

Restaurant chain franchising is on a slow but steady increase, and not just at Popeyes.

Yum Brands Inc. this year planned to turn about 400 of its company-owned restaurants into franchises, most of them KFCs. And in September the company agreed to sell two of its chains — Long John Silver's and A&W — to firms that specialize in franchising.

Glendale-based DineEquity Inc. recently agreed to sell 17 of its company-owned Applebee's to a franchisee, which the company said will help it save $11.3 million a year in lease obligations.

Jeff Press, 42, has heard the call to open his own business. He is preparing to roll over his entire 401(k) to open a Firehouse Subs eatery in the San Fernando Valley.

"I'm not naive to the fact that any business venture is a gamble," Press said. "But I'm investing in myself, in something I can pass on to my kids. I can't do that in corporate America."

The chains have stepped up incentive programs to help lure franchisees. Popeyes offered a deal to waive its $30,000 franchise fee for new owners and dropped the first year's royalty fees from 5% of revenue to 2%.

It's not a business for the faint of heart. More than half of franchise restaurants fail within three years, according to H.G. Parsa, a professor of Hospitality Management at the University of Central Florida.

Still, the would-be owners keep coming

"We get many more franchising inquiries now than before," said Greg Delks, director of franchise development for Firehouse Subs. "Most are investing many times their net worth, but they're not skittish. They're higher risk takers and want to be in control."

Longtime franchisees caution that success, if it comes, will take time.

Developing a site once required less than a year but now takes up to two, said Aziz Hashim, who owns 10 Rally's burger outlets in Los Angeles and is considering launching Popeyes franchises too.

"In the past, you almost could do no wrong," he said. "But the environment now is much more unforgiving to errors. We cannot absorb mistakes because the economy won't allow us to."

Entrepreneurs who want to start out with just one restaurant might find it tough to get a loan, said Rahul Aggarwal, managing director at Brentwood Associates. The Los Angeles private equity fund's portfolio includes companies that own numerous Taco Bell and Pizza Hut franchises.

"More companies, particularly those who want to grow aggressively, are wanting to get in bed with experienced developers who have a lot of cash," Aggarwal said, "and can open multiple restaurants as opposed to one-off deals."

Jeff Baker, who helps his parents operate 33 KFC locations in Orange County and San Diego, said that competition is fierce among fast-food outlets that offer coupons and other discounts to attract customers who might be watching every penny.

"Every day, you see people with less and less money," Baker said. "With the competition out there, you can almost find a free meal every day of the week."

Some owners, even if they own multiple franchises, lose out. Pollo West Corp. and Mi Pollo Inc., owners of 13 El Pollo Loco restaurants in Southern California, filed for bankruptcy and this month auctioned off several stores.

"They were definitely impacted in the economic downturn," said Monsi Morales, an attorney with Peitzman, Weg & Kempinsky, the law firm working with the companies. "The whole fast-food industry suffered losses and is continuing to be stressed."

For existing franchises, the push to open new ones could also mean more competition.

But Roni Rovner, who owns two Popeyes outlets, is optimistic. Her Canoga Park location is doing well, thanks in part to its location on a busy street corner. But her Oxnard branch, hidden in a lonely shopping center that features an empty former Mervyns, is "dying," she said.

More outlets, she hoped, would mean more advertising and awareness of the brand.

"A hundred more franchisees in L.A. would mean we'd be on TV every month," she said. "More people would be aware of us, like they are McDonald's because everywhere you turn there's one of those."

Available U.S. Retail Space to Drop for First Time Since 2005

自 2005 年以來美國可供租出的購物商場空間首次減少

By Brian Louis (Bloomberg)

Space available for leasing at U.S. local shopping centers will decline next year for the first time since 2005 as a growing economy spurs retailer expansion, commercial-property brokerage CBRE Group Inc. said.

The availability rate, a measure of space being marketed and ready for tenant construction within a year, will fall to 12.4 percent for neighborhood and community shopping centers at the end of 2012. That's down from a peak of 13.3 percent in the second quarter of this year, according to a forecast from CBRE Econometric Advisors, a unit of Los Angeles-based CBRE Group.

Purchases at U.S. retailers rose 0.5 percent in October, following a 1.1 percent increase the month before, Commerce Department figures showed last week. Sales at electronics stores climbed the most in two years. A lack of shopping-center construction will also help landlords rent existing space, according to Abigail Rosenbaum, an economist at CBRE Econometric Advisors in Boston.

"We still have a lot of ground to make up for," she said in a telephone interview. "There isn't much supply coming on board over the next couple of years."

The availability rate at community and neighborhood shopping centers was 13.2 percent in the third quarter, up from 13.1 percent a year earlier. It probably will fall to 11.7 percent at the end of 2013, CBRE Econometric Advisors said.

Rents will decline 0.7 percent next year before rising 1.8 percent in 2013, the research and consulting group projected.

Neighborhood shopping centers tend to be 30,000 to 150,000 square feet (2,800 to 14,000 square meters) and are home mainly to convenience retailers. Community centers are 100,000 to 350,000 square feet and may include a discount department, home- improvement or grocery store, according to the International Council of Shopping Centers, a New York-based trade group.

The Bloomberg Real Estate Investment Trust Shopping Center Index of 16 companies fell 8.7 percent this year through Nov. 18, compared with a 1.2 percent decline in the broader Bloomberg REIT Index.

How to Address Renter's Issues in Homeowner Associations

如何處理房客（非業主）向業主委員會提出的要求

By Stephen Glassman and Donie Vanitzian (Los Angeles Times)

Question: We have been renting a condo and are in the process of buying it from the owner. My husband went to a board meeting to complain about the speeders on the association's road in front of our condo. We made the board aware that vehicles speed down the street in early-morning hours going two or three times the posted 15-mph speed limit.

We asked the directors if they could install speed bumps where this is occurring. The board said no. The meeting minutes reported: Renter "expressed his concern about cars speeding in the streets by his home. He has requested that a speed bump be installed. Board told him that until he becomes a homeowner, the board will not act on his request."

This is a safety issue, not an owner issue. How can we get the board to take action?

Answer: Although the board is not obligated to act on requests by renters, serious safety issues should be addressed regardless of the source. The board's published reaction in the minutes makes it clear that the association is on notice of the potential for harm caused by speeders in your complex. The minutes also say the board will act on your request when you become an owner. But that will not prevent liability should something happen before that time.

A board's duty to investigate safety issues relating to the association common property arises when the board receives notice that such issues exist. Speeders affect renters and owners alike, and injuries caused could result in association liability for failure to address speeding on association property. No matter whether the board chooses speed bumps or some other method of slowing the speeders down and enforcing the speed limits, it must take steps toward addressing the problem. A thorough investigation of available solutions should be undertaken, and if speed bumps turn out to be the best solution, the board should act to install them.

Any liability for injuries to you or your guests from speeders in the common streets or driveways would attach to those causing the injury. Even without injury, the association might also be liable if it knew of the potential danger but took no steps to correct it.

Who Should Tenant Pay Rent to When Property is Foreclosed?

物業被法拍，房客房租付給誰？

By Martin Eichner (Los Angeles Times)

Question: I rented a condominium from the man who owned it. About six months ago, he told he was having trouble paying his mortgage even though I always paid my rent on time. Later a notice about a trustee sale was sent to my unit, but the owner told me not to worry because he was getting his mortgage modified. I continued to pay rent to him. Recently, a person I had never met knocked on my door at 10 p.m. He said he was the new owner and was there to collect rent from me. I refused to talk to him. Should I keep paying rent if there has been a foreclosure, and if so, whom should I pay?

Answer: This is a problem we are seeing all too often in today's foreclosure climate.

An owner facing foreclosure remains the tenant's landlord even if the owner is not paying the mortgage and even if a trustee sale has been scheduled. Your duty to pay rent continues as long as he is the lawful owner of the property.

However, once a trustee sale has occurred and a new deed has been recorded, the ownership changes hands and the person or entity buying the property at the sale becomes the lawful landlord. From that time onward, the new owner is entitled to receive the rent due.

Your very common complaint is that you don't know which person is the proper owner. The notice about a trustee sale is not proof that ownership has changed hands. Trustee sales are often postponed, and the lender is not required to notify you of the new sale date.

Tell the person knocking on your door that he is disturbing your quiet enjoyment and that he needs to contact you in writing or come to the property during normal business hours.

Send him a written request that he give you written proof of ownership such as a recorded deed to the property. Your written request should also tell him to provide notice of his address for paying rent and the other disclosure requirements in California Civil Code Section 1962.

In the meanwhile, you can notify the former owner that you have a concern about his status as your proper landlord and ask for written proof of current ownership. You can check ownership independently by checking with your local county recorder's office to see if a post-foreclosure deed has recently been recorded, but keep in mind there is a time lag between the trustee sale and recording of the new deed.

Any rent you pay to either person without proper proof of ownership may be money wasted. However, if either person serves a three-day notice to pay rent or quit, you will then be in a more serious quandary because failure to pay the past-due rent indicated in the notice might subject you to an unlawful detainer eviction case. One protection for you is that the person seeking to pursue that case would have to prove rightful ownership to the court, but defending an unlawful detainer action can be expensive and unpredictable, with serious consequences if you lose.

Be warned that certain buyers try to bypass tenant rights under federal and state law, as well as under some local "just cause" eviction ordinances, by evicting immediately for failure to pay rent, so be sure to pay the rent if a new owner establishes proper title. For more help, contact your local Housing and Urban Development Department-approved housing counseling agency listed at hud.gov, Housing and Economic Rights Advocates at inquiries@heraca.org or your local legal services agency.

Traditional Lenders Continue to Finance Retail, but Focus on Top Product

傳統貸款方仍在向購物商場出資，但瞄準業內佼佼者

By Elaine Misonzhnik (RETAILTRAFFIC)

Banks and life insurance companies stepped up lending on commercial properties in the third quarter of this year, according to the most recent survey from the Mortgage Bankers Association (MBA), an industry trade group. And retail was among the more favored asset classes, with the MBA's origination volume index for retail properties increasing 164 percent from the third quarter of 2010. The only asset type to experience a greater origination uptick was hospitality, with a 406 percent change from the third quarter of last year.

What's more, loan originations for retail properties increased 37 percent between the second and third quarters of 2011. The average loan size on retail assets also went up to $20.9 million, from $15 million in the first quarter.

The MBA reports that its origination volume index for loans made by commercial banks jumped 433 percent year-over-year to 169. The index uses the average origination volume per quarter in 2001 as its 100 mark. The origination index for loans made by life insurance companies went up 61 percent during the most recent quarter, to 282.

In spite of concerns about both global and domestic economy that spooked CMBS lenders earlier this year, traditional lenders continue to have an appetite for retail properties, according to David Akeman, director of capital markets with Stan Johnson Co., a Tulsa, Okla.-based commercial real estate investment firm. The caveat is that the properties in question have to feature good credit anchor tenants, long-term leases and good locations.

"If you are missing one of those legs, it gets a little more difficult," Akeman says. "If you are missing two, it's much tougher. Most lenders are looking almost as much at the real estate as they do at credit these days."

Passing criteria

Life insurance companies tend to be particularly picky about location, staying within the top 50 markets in the country, Akeman notes. For example, for the 12 months ending in September, life insurance companies accounted for 26 percent of all originations for commercial properties in Washington, D.C. and for 14 percent of all originations in Manhattan, according to Real Capital Analytics (RCA), a New York City-based research firm.

During the same period, life insurers financed only 1 percent of commercial originations in Miami. In tertiary cities throughout the country they've accounted for no more than 10 percent of originations.

What's more, life insurers are willing to lend on only a few retail property types, including grocery-anchored shopping centers, fortress malls with more than $400 in sales per sq. ft. and, in some cases, power centers, adds Gerard Sansosti, executive managing director in the Pittsburgh office of Holliday Fenoglio Fowler LP, a commercial real estate capital intermediary. They won't open their purse strings for class-B malls or strip centers.

Even with grocery-anchored centers, life insurers insist on having the top two or three grocery operators in the market as tenants, as well as on higher than average historic sales per sq. ft. and often evaluate in-store traffic patterns to determine if the product fits their criteria, adds Joseph N. Hevey, Jr., managing director in the Dallas office of Cohen Financial, a commercial real estate capital services firm.

Banks, on the other hand, have shown more flexibility on location as long as the property comes with good fundamentals. During the 12 months ending in September, national banks were responsible for 29 percent of originations in tertiary markets in the Southwest and 14 percent of originations in tertiary markets in the Southeast, according to RCA data. Regional and local banks originated 30 percent of all commercial loans in tertiary markets in the Mid-Atlantic.

Although focusing on much the same type of product as life insurance companies, banks will go higher on leverage, to 75 percent loan to value (LTV), compared to the life companies' 65 percent, but they will require recourse in exchange, says Sansosti.

Rate of return

All that being said, today's market still supports low interest rates. If good property fundamentals are in place, life insurers and banks are willing to underwrite loans in the mid-5 percent and even in the 4 percent range.

Last week, for example, Stan Johnson Co. helped close a loan on a Walgreens in a strong market in the Midwest that featured a 10-year term, a 25-year amortization schedule, a 65 percent LTV and a 5.5 percent rate. A life insurance company provided the financing.

Meanwhile, Cushman & Wakefield Sonnenblick Goldman, a real estate financial services firm, reports that a recent bank financing involving a mixed-use property in an unnamed market featured a five-year term, a 30-year amortization schedule, a 70 percent LTV and a 4.4 percent rate.

In September, Cohen Financial secured an $8 million loan from the American United Life Insurance Co. for a portfolio of six retail properties in Arlington, Texas. The portfolio, consisting of four ground- leased restaurant pads, a freestanding retail building leased to The Mattress Firm and a fully occupied strip center, garnered a 15-year term, with a 15-year amortization rate and a sub-5 percent interest rate, according to Hevey.

Sansosti's office is currently working on a loan for Phase II of a lifestyle/power center in Pittsburgh that features Michaels and Ross Dress for Less as anchors. A life insurance company and a bank are looking at the asset and Sansosti estimates that when the loan closes, it will feature a four- or five-year term, a 55 percent LTV and an interest rate of approximately 4 percent.

"There is not a multitude of [good] deals out there; they are hard to find," says Akeman. "If you have one, the lenders are quite competitive."

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	-	-1.00
Prime rate*	3.25	3.25	3.25	3.25	-	-0.75
Libor, 3-month	0.52	0.50	0.52	0.25	0.23	-1. 69
Money market, annual yield	0.52	0.52	0.66	0.50	-0.14	-1.90
Five-year CD, annual yield	1.51	1.52	2.08	1.51	-0.53	-2.35
30-year mortgage, fixed	4.17	4.18	5.21	4.15	-0.49	-1.72
15-year mortgage, fixed	3.56	3.57	4.57	3.46	-0.49	-2.12
Jumbo mortgages, $417,000-plus	4.91	4.91	5.89	4.90	-0.56	-2.40
Five-year adj mortgage (ARM)	3.17	3.21	5.79	3.00	-0.50	-2.79
New-car loan, 48-month	4.17	4.16	5.51	3.75	-1.34	-2.66
Home-equity loan, $30,000	4.82	4.84	5.17	4.71	-0.27	-0.31