



# COMMERCIAL REAL ESTATE MARKET UPDATES

## GENERAL

### 市場概括

- [Major Ramp-Up in Apartment Development Expected in 2011](#)  
今年預計公寓開發會快速上漲
- [The Rental Decade](#)  
房屋租賃市場的過去與未來
- [Subway Moves Fast as Opportunities for Expansion Grow](#)  
Subway 在美國本土的店面數量已超越 McDonald's; 預計 2011 年再增加 800 到 1,000 家店
- [The Office Market at an Interesting Juncture](#)  
辦公樓需求今年預計會上升

## FINANCING

### 貸款與資金

- [Climate Improves for Potential Retail REIT IPOs](#)  
零售地產投資信託基金上市前景好轉
- [December's Foreclosure Report](#)  
2010 年 12 月加州住宅法拍報告
- [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



## Major Ramp-Up in Apartment Development Expected in 2011

今年預計公寓開發會快速上漲

By: Randy Drummer (CoStar)

Emboldened by favorable demographic trends, improving supply/demand metrics and lower construction costs, apartment developers are eager to start replenishing their development pipelines.

The 22,536 units forecast by CoStar to be added to the nation's apartment supply in 2011 is expected to spike up to 94,588 units in 2012 and just over 109,000 units in 2013 -- increases of 320% and 384%, respectively -- over the current year. By 2015, CoStar expects that development will ramp up to its 10-year historical average.

Well-capitalized investors, including REITs, have taken notice and are aiming to become first-movers in the trend before competition drives up the supply again. AvalonBay Communities and Equity Residential started nearly 1,550 apartments between them through late 2010. AvalonBay has a pipeline of nearly 7,000 units of multifamily commercial properties in various stages of construction and planning. Other savvy investors, such as USAA Real Estate, Hines, Gables Residential and Wood Partners, have announced joint ventures or stepped-up development plays and acquisition of apartment buildings for sale in recent weeks.

A look at permits pulled by single-family and multifamily builders helps illustrate the growing demand for apartment projects. Demand for housing units has tilted toward the multifamily segment of the market as Echo Boomers enter the market as renters and renter households grow due to the falling homeownership rate, according to a recent analysis by CoStar Senior Real Estate Economist Katie Pelczar.

### MARKET SHIFT

Builders have historically pulled about twice as many single-family permits as multifamily permits. However, the ratio of multifamily to single-family has shifted in most regions of the country, and it wouldn't be surprising to see more apartment development than single-family development going forward, particularly in the major U.S. markets along the east and west coasts, according to Pelczar.

"As we're already seeing, I would expect permitting to ramp up going forward," said Pelczar's colleague, CoStar Real Estate Economist Dan Egan. "A much improved vacancy/rent picture will lead to developers breaking ground on new projects in 2011. With ground-up construction in many metros taking 12-plus months, don't expect to see new deliveries hit the market until 2012."

A number of positive trends are improving the national outlook for apartment developers. For the last few years, returns on new projects have been less attractive to investors than acquisitions of existing buildings. In recent months, however, those tables have turned. Improving occupancies and strong expected rent growth across the nation's 54 largest markets tracked by CoStar, coupled with lower construction costs, have boosted the "return on cost" expected by investors for new apartment development.



The run up in the prices of newer, high-quality apartment properties, the variety coveted by institutional investors, also factors into the case for new construction. On average, properties less than 10 years old are trading at near-2006 prices, while older properties have yet to see prices rebound. As bidding wars between investors have driven up the cost of newer high-quality assets, yields have become less attractive. With cap rates tightening on high-quality assets in metros like Seattle and San Jose, developers may be able to build at an attractive spread over acquisition yields, CoStar analysts said.

Overall, projects by "first movers" that break ground in the next year should benefit from increasing demand and a low cost basis, translating into strong returns. However, individual markets do matter -- and some metros make better development targets than others, Pelczar and Egan noted in "The Case For Apartment Development," a recent white paper published by CoStar subsidiary Property & Portfolio Research (PPR). In fact, in many typically strong markets, return-on-cost expectations are still simply too low to justify new projects.

Like all real estate types, markets and submarkets have a significant impact on whether new construction makes sense, said Chris Macke, CoStar senior real estate strategist.

"It makes sense that we are seeing new apartment development, given the combination of rising apartment values, reduced land costs and reduced construction costs. These have all combined to make new construction advantageous in certain markets."

High-barrier-to-entry metros such as Boston, San Francisco, Washington D.C., and New York may see slower delivery of new projects, keeping vacancies tight in many cases and helping landlords push through solid rent increases, Egan said.

New supply may come from other quarters as well. Housing-bust markets with a lot of failed condo construction and conversion projects could see a number of projects return to life as rentals. It's already happening in some markets like Phoenix. Egan said he wouldn't be surprised to see it spread to Las Vegas and South Florida in 2011.

## **OPENING THE PIPELINES**

Meanwhile, both REITs and private companies are positioning to capitalize on the emerging demand for new apartments, including two significant joint ventures formed in recent weeks.

For apartment REITs, development starts will be the key driver of external growth over the next couple of years. The upcoming year-end earnings season will provide guidance for analysts on the 2011-12 development plans of public companies, providing a window into not only how aggressively apartment REITs will grow, but how they view the long-term rebound in fundamentals, Citigroup analyst Eric Wolfe said in a research note. The market will likely look favorably on companies with larger-than-expected development agendas.

Atlanta-based private real estate company Wood Partners emerged as a leading multifamily developer in 2010, capped by a late-December joint venture with a co-investment fund sponsored by global real estate investment management firm CB Richard Ellis Investors (CBREI). Through the JV, Wood Partners



will use \$155 million of equity to develop and build \$400 million in Class A apartment communities across the country. The venture allocated \$300 million to deals that started in 2010, with the balance to be allocated in the first quarter of 2011.

Wood Partners CEO Ryan Dearborn called the pairing a "strategically significant, programmatic equity joint venture at this critical early stage of the emerging real estate cycle," for construction of a geographically diverse and economically compelling set of development projects.

The company said it began more than 2,000 units and \$400 million in development in 2010, making it a national leader in multifamily starts. Projects are now under construction in Atlanta, Baltimore, Boston, Charlotte, Dallas, Denver, the District of Columbia, Oakland and San Diego.

Dearborn said Wood's long-standing relationships with a number of institutional investors will enable it to double its productivity in 2011 by starting at least 4,000 additional units. Wood Partners, which launched an acquisition platform in 2010, also purchased more than 3,200 units last year for a total of more than \$400 million, including assets in Dallas, Houston, Jacksonville, Miami, Oakland and San Antonio.

In another joint venture, an affiliate of USAA Real Estate Co. last week teamed up with Gables Residential to develop Class A multifamily properties at select urban infill sites, as well as purchase an interest in several of Gables' stabilized properties. Development is under way on commercial properties in Dallas, Houston and Rockville, MD.

The development and acquisitions amount to over \$400 million of Class-A multifamily assets. San Antonio-based USAA and Atlanta-based Gables have closed on the acquisition of the first of three stabilized properties in the venture.

Gables Residential, a privately held REIT, owns, develops and manages multifamily and mixed-use developments in Atlanta, Austin, Dallas, Houston, Memphis, South Florida, Southern California and metropolitan Washington, D.C. The company has a shadow pipeline of raw land with the potential for another 4,000 apartment units.

"The multi-family markets are experiencing a strong recovery and fundamentals continue to improve," noted David Fitch, president and CEO of Gables Residential, adding that the partnership with USAA will allow Gables to develop well located communities in its core markets.

Hines Interests LP isn't staying put, aiming to expand its multifamily development activity throughout the U.S. by bringing in Alan Patton as a senior vice president in the firm's corporate office in Houston to lead the effort. In addition to site location, design and development, Patton will be involved in capital raising and financing.

"We think Hines can become a very successful player in multifamily," said Hines President and CEO Jeff Hines. "The multifamily sector is poised for near-term growth, and we are seeing strong interest among our investors."



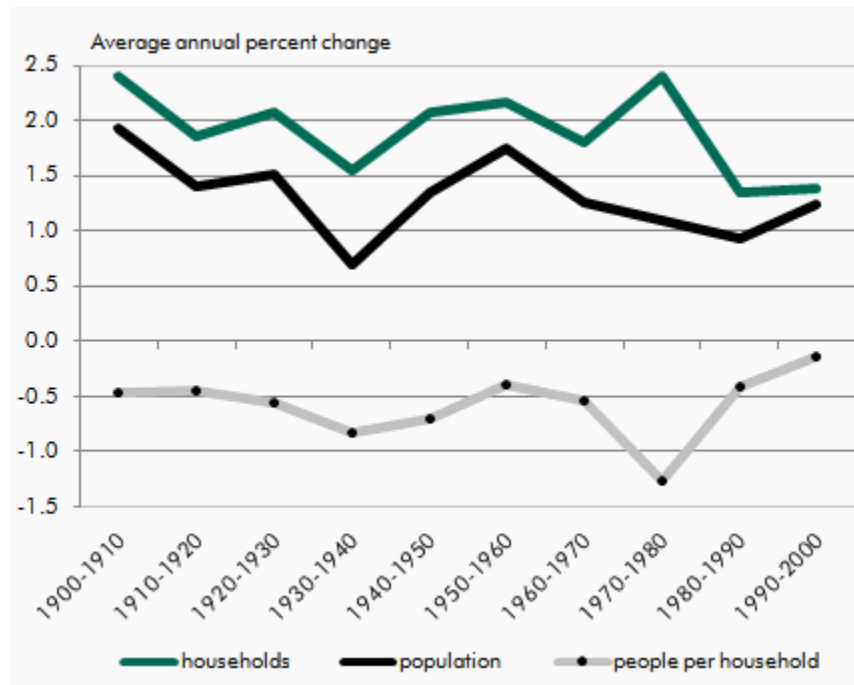
## The Rental Decade

### 房屋租賃市場的過去與未來

By: Gleb Nechayev (CBRE)

Apartment investors often ask how much U.S. rental demand could grow, given various assumptions about homeownership trends. To properly answer this, one needs to consider what growth in total housing demand or households might be, over a given period.

The level of housing demand is a product of interacting economic and socio-demographic factors including population, employment, income and more. In its simplest form, growth in housing demand can be expressed as a function of changes in total population and changes in the number of people per household. The chart below plots these changes between the decades, based on the Decennial Census data since 1900. Aside from displaying the relationships among them, it also shows that in every decade, household growth has exceeded population growth while the number of people per household has declined—to varying degrees.



Source: Bureau of the Census.

The rates of household and population growth were closest in the 1990s—the decade when household size declined the least. What about the decade since 2000? Population figures from the 2010 Decennial Census show average annual growth in the United States of just 0.93—the slowest pace since the Great Depression. Household figures from the 2010 Decennial Census have yet to be released, but the annual American Community Survey conducted a year prior does suggest that the number of people per

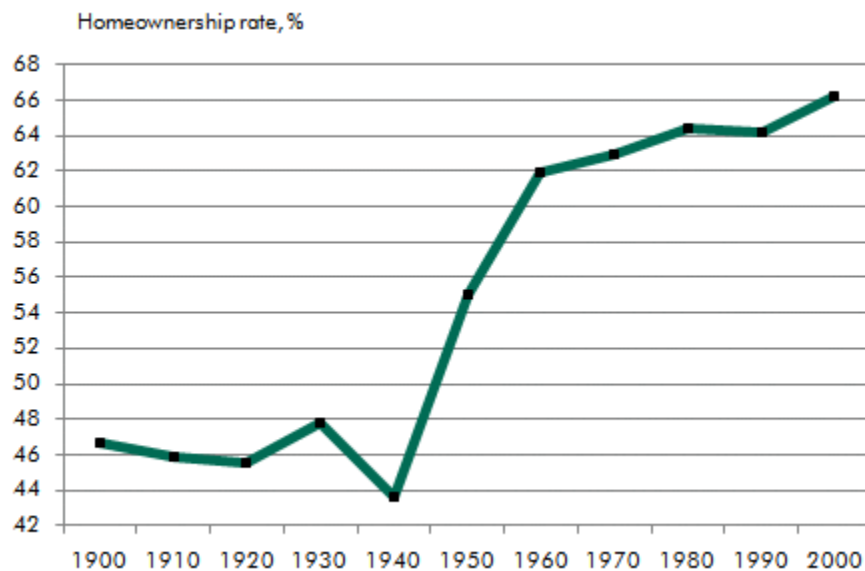


household might have actually increased slightly for the first time! If confirmed by the 2010 Decennial Census, this would mean that also for the first time, the rate of household growth would have fallen below the reported population growth, which would translate in only 0.9 million units annually.

Such slow growth in housing demand would not be a total surprise. After all, the last decade was marked by the largest housing bust in the post-War era, as well as two recessions that brought a net loss of almost 1.5 million jobs between 2000q1 and 2010q1. This is a stark contrast to recent decades; the nation added 21.6 million jobs in 1990q1-2000q1, 18.5 million in 1980q1-1990q1, 19.6 million in 1970q1-1980q1, and 16.7 million in 1960q1-1970q1. It is quite possible that very slow population and income growth, combined with declining employment, limited new household formation in this decade to a degree not observed before.

The good news is that growth in housing demand should pick up as the U.S. employment recovers. If population growth keeps its current pace and the average household size does not increase further, household growth must pick up to at least 1.1 million per year. Even the slightest decline in household size—similar to what occurred in the 1990s, for example, would allow housing demand to grow by 1.3 million annually.

Now let's turn to the homeownership rate, the other key factor that determines growth in rental demand. The next chart shows the U.S. homeownership rates, as reported by the Decennial Census. The most rapid gain in the nation's homeownership rate in the post-War era occurred between 1940 and 1950, when the share of owner-occupied units jumped from 43.6% to 55%. This was followed by another major increase the following decade, with the homeownership rate moving up to 61.9% in 1960. The homeownership rate has increased at a much slower pace since then and even posted a slight decline between 1980 and 1990—a decade which began with a severe double-dip recession and ended with a big housing correction.





Source: Bureau of the Census.

The homeownership rate reached 66.2% as of the 2000 Census and then advanced rapidly in the following few years, surpassing 69% at the peak of the housing boom in 2005 as various surveys suggest. The same sources say that the nation's homeownership rate dropped in recent years and is now near its level of 2000 and quite possibly even lower, due to massive foreclosures in the last couple of years.

Assuming that the U.S. total housing demand grew by about 9 million units between 2000 and 2010 with no change in homeownership rate during that period, rental demand would have grown by over 3 million—more than it did in the 1990s. Based on the data from 1990 and 2000 Decennial Censuses, the number of renter-occupied units in the United States grew by 2.7 million between those years. Since the homeownership rate increased by 200 basis points during this period, all of the growth in rental demand was due to a 13.5-million unit gain in the total number of households.

What about the future? The table below offers nine scenarios for average annual growth in rental demand in millions of units, given certain growth rates for total household growth and homeownership rates. For example, an average annual household growth of 1.2 million and a 66% homeownership rate throughout the decade would produce 410,000 renter households per year, and substantially more (or less) with just a 100-basis points drop (or increase) in the homeownership rate. At the same time, the difference of just 200,000 units per year in total housing demand growth also makes a tangible impact on rental demand growth—even if the homeownership rate remains constant.

		Average annual growth in total households, mil.		
		1.0	1.2	1.4
Homeownership rate, %	65	0.46	0.53	0.60
	66	0.34	0.41	0.48
	67	0.22	0.28	0.35

Source: CBRE Econometric Advisors.

In summary, it is important to consider both homeownership trends and changes in total number of households when looking at potential growth in rental demand. The U.S. economy and housing market are slowly coming out of a deep slump and there is a good chance that a combination of improving household growth and a steady or falling homeownership rate will produce the strongest growth in rental demand since the 1980s. With today's record low levels of new rental completions—about half the lowest rental demand growth scenario on the above table—developers have a lot of catching up to do! Given such a gap, the big question is how much of the existing owner inventory will be converted for rental use and how quickly, but that is a topic for another discussion.



## **Subway Moves Fast as Opportunities for Expansion Grow**

**Subway 在美國本土的店面數量已超越 McDonald's; 預計 2011 年再增加 800 到 1,000 家店**

By: Elaine Misonzhnik (Retail Traffic)

Subway, the ubiquitous sandwich shop that has grown to have more U.S. locations than even fast food giant McDonald's, still sees room for expansion in the United States.

The Milford, Conn.-based chain operates 23,833 locations throughout U.S., and opened roughly 1,000 new restaurants nationally last year. In 2011, it has its sights on adding between 800 and 1,000 more U.S. locations.

To do that requires a sophisticated real estate strategy, which is exactly what the firm has developed. So even though all of its restaurants are run by franchisees, real estate decisions are handled at its corporate headquarters.

Subway employs so-called field developers in areas where it's looking for new stores. The field developers scout local markets with prospective franchisees, then contact Subway's real estate department for site approval. The site is analyzed using Subway's proprietary demographic mapping system, and if it fits Subway's criteria, the in-house leasing specialists contact the landlord about signing a new lease.

### ***Unorthodox approach***

After Subway negotiates the lease with the property owner, it then sublets the space to the franchisee. Today, Subway's real estate department employs about 30 experienced real estate professionals, according to Don Fertman, Subway's chief development officer

This is not a typical arrangement for franchise operations. Many times, franchise businesses have individual owners assume most of the responsibility for their real estate, says Jim Thompson, managing director with Regency Centers, a shopping center REIT that currently has 117 Subway restaurants in its 400-center portfolio. For a landlord of Regency's size, that means having to negotiate leases with hundreds of franchisees in different markets. In Subway's case, Regency is able to maintain an ongoing relationship with a few key people within Subway's real estate.

Plus, the sublease model allows Subway to bring in a new franchisee if an existing one is failing, limiting the need for restaurant closings, Thomson notes. "Subway is so protective of the brand, we just tend not to lose them," he says. "The franchisee may go away, but they are pretty quick to replace them. From a landlord's perspective, it's like you are dealing with a corporate tenant."

The catch is that Subway normally wants its landlords to include several short-term renewal options in the leases, in case the restaurants don't perform as well as expected.





Over the next five years, the chain would like to open a significant number of stores in what it calls its “low density” markets—Philadelphia, Boston, Southern California and the outer boroughs of New York City. (A low density market is Subway’s term for a market that has less than one store for every 12,000 people.)

While Subway’s management prefers restaurants in the 1,200-square-foot to 1,800-square-foot range that best serve its needs because such sites allow for large seating areas, the chain can occupy almost any size space and make it work, Fertman says. It operates locations in grocery-anchored shopping centers and next to big-box stores and in free-standing buildings. It also has stores in regional malls, but has tried to cut back on that format after traffic counts dropped dramatically in the most recent recession.

“Give us a few hundred square feet and we are there,” Fertman notes.

### ***Target markets***

In Fertman’s experience, it’s been easier for the brand to secure new locations in markets that have at least a one or two stores for every 12,000 people because there is greater brand awareness, and therefore, greater interest from potential franchisees. “As you add restaurants, you generate a lot more interest in the brand,” he notes.

Another real estate strategy going forward will involve opening more drive-through locations. In the past, operating successful drive-through restaurants had been difficult because of Subway’s emphasis on customized sandwiches—people got used to seeing the product selection in front of them, something that was difficult to execute in a drive-through environment, Fertman says. But after a few resourceful franchisees managed to successfully implement a drive-through model, representatives from Subway’s headquarters studied their strategies and created a template for drive-through stores.

Fertman’s advice for other retail and restaurant operators looking to expand seems counterintuitive. At first, think small, he says. He advises that when trying out a new market or a new strategy, retailers



might want to start with only one or two stores, and they should be wary of paying too much for their real estate.

“I think retailers when trying to conquer a market make the mistake of going to the largest, highest profile location they can find,” he says. “And as a result, they overpay in terms of rent and maybe over-expose [the brand] before the market is ready. It’s better, at least in our type of business, to conquer the market in little increments, by establishing a number of locations in more affordable areas and build the brand one location at a time. That’s a strategy that’s worked for us.”



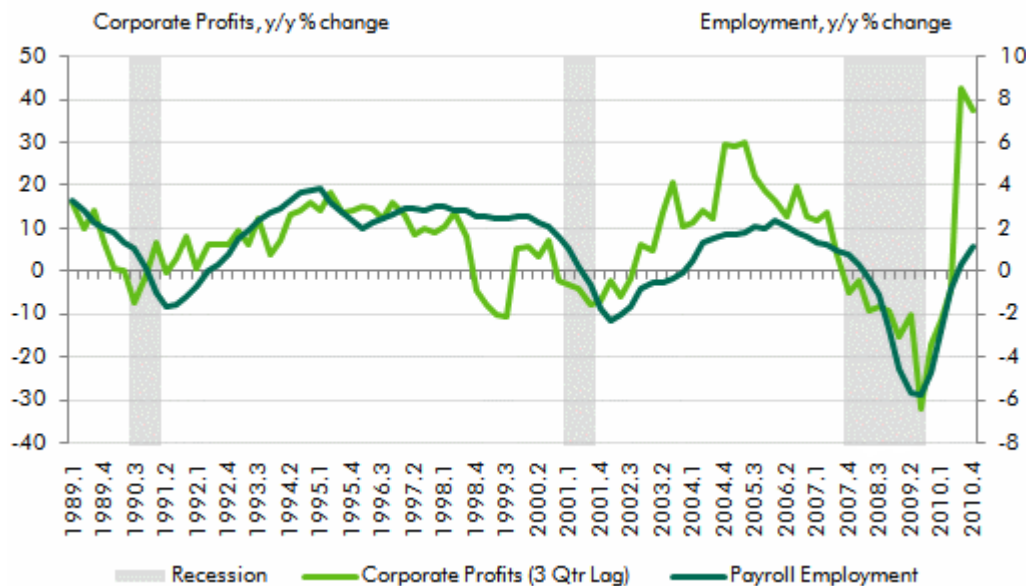
## The Office Market at an Interesting Juncture 辦公樓需求今年預計會上升

By: Umair Shams (CBRE)

Despite disappointing job performance in the broader economy, it is safe to say that the national office market exceeded even the most upbeat expectations in 2010. Helped by a depleted construction pipeline and more leasing activity, the vacancy rate has now fallen for two consecutive quarters to reach 16.4%—only 10 basis points (bps) higher than a year ago. Spurred on by deep rent discounts, leases were signed despite very little job growth, and office occupancy rose by 17.1 million square feet (msf) for the year. Nationally, rents are 9% below their 2008 peak, and much lower in some markets like New York, San Francisco (both roughly 25% below their pre-recession peak) and Miami (19% below peak). For sustained growth in occupancy, however, hiring among private employers must accelerate above its pace from the second half of 2010. Historically, job growth has had a strong correlation with office demand. Private sector hiring has disappointed in the recovery thus far; will the job market disappoint again in the new year?

With corporate profit levels at their highest levels since 2006, there is a case for stronger hiring in 2011. Even President Obama has weighed in—last month he urged CEOs of the largest companies to use their record cash holdings to invest and expand payrolls. Companies with cash on hand may have other ideas, however, such as raising dividend payouts and purchasing company stock to raise shareholder value, or even acquiring other firms or competitors, which in turn can have short-term drawbacks for commercial real estate.

Will a Profit Rebound Lead to Jobs?



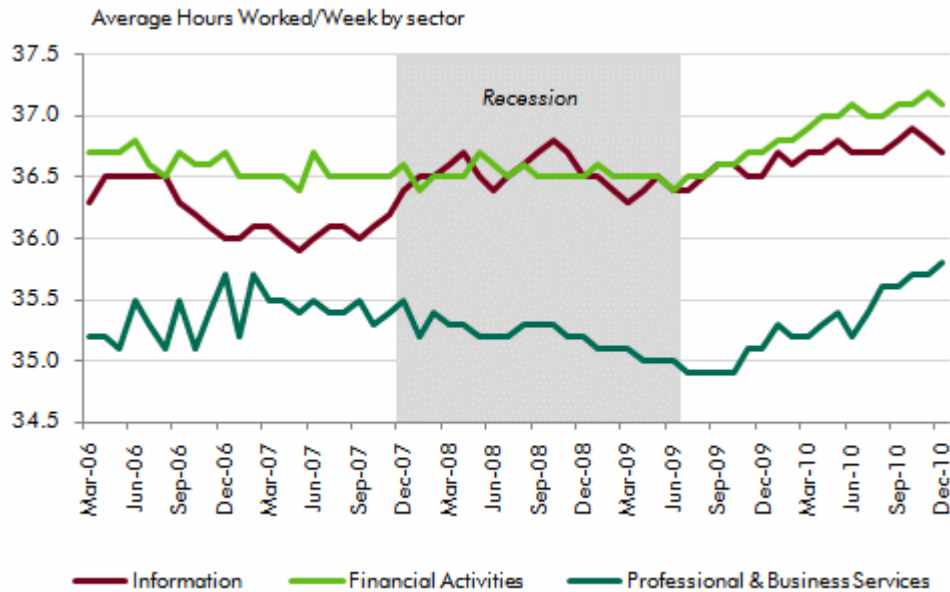
Source: BEA.



As an example of the type of corporate move that could forestall the office recovery, last year, Monroe, La.-based CenturyTel acquired Denver-based Qwest, one of the largest employers in the area. In the local market, concerns remain about the possibility of vacancies following the newly formed company's consolidation, particularly in Qwest's headquarters building in downtown Denver. If acquisition activity accelerates in the New Year, similar concerns could surface in other markets.

While some firms might use their cash to carry out acquisitions and share buybacks, others will simply *have* to hire new workers to satisfy demand for their products and services in a growing economy. Recent labor market data suggest that firms are beginning to exhaust worker productivity, as average work hours per week, after reaching a trough in the summer of 2009, have reached or exceeded pre-recession levels. The graph below shows this trend for three office-occupying employment categories that together comprise a majority of total office employment. Employment is well below pre-recession levels for each of the selected sectors (-10% for information, -9% for financial activities and -7% for professional & business services), yet average weekly hours have reached or surpassed their respective pre-recession levels, which suggests that companies are at a point where they need to hire additional workers to meet future demand. Such an argument is also supported by the fact that productivity gains by workers have been declining steadily since the recession ended. This, coupled with surging corporate profits, suggests that businesses now have both the means and impetus to accelerate hiring.

#### Exhausting Human Resources



Source: BLS.

January  
24, 2010



**STC** 資產管理  
MANAGEMENT  
Lic. No. 01299442



13

So while some companies might use their cash holdings to make acquisitions and share buybacks, others are likely to expand payrolls to meet demand, which bodes well for commercial real estate. An interesting juncture for office markets in the new year!



## Climate Improves for Potential Retail REIT IPOs 零售地產投資信託基金上市前景好轉

By: Elaine Misonzhnik (Retail Traffic)

After a challenging start in 2010, **this** year is looking to be a better bet for REIT initial public offerings. Today, many firms are looking at increasing the pace of their acquisitions, as the investment sales market shows renewed vitality. To finance those transactions, some would like to tap public equity and debt. Many firms had a similar thought last year and planned IPOs, but had to back off after getting chilly receptions from investors concerned about retail real estate's outlook. But things are looking up in 2011, which could translate into more retail REIT IPOs.

"I think there were a lot of guys who wanted to go public [last year] but didn't, because they didn't think the conditions were right," says Rich Moore, an analyst with RBC Capital Markets. "Today, there is recognition that commercial real estate will be fine, if not great. The retail guys are definitely going to think about IPOs."

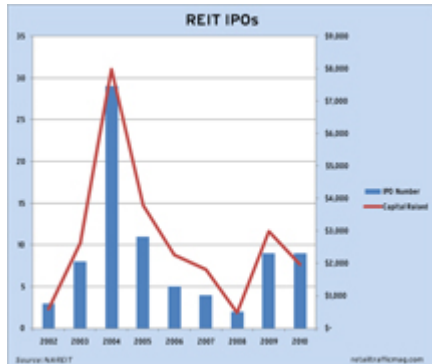
Last week, for example, American Assets Trust Inc., a San Diego, Calif.-based firm that specializes in retail and office properties, sold 27.5 million initial shares at a price of \$20.50 apiece, raising approximately \$563.8 million. American Assets' shares priced at the higher end of its expected range, which was initially set between \$19 and \$21. The transaction was also the largest REIT IPO in more than a year.

Also, in December, Schottenstein Realty Trust, a Columbus, Ohio-based owner of office, retail and industrial properties, filed a statement with the SEC indicating its plans for an initial offering. Schottenstein operates 109 retail centers, totaling 11 million square feet of space. American Assets plans to use the money for acquisitions, to repay its debt and for other working purposes.

It's a stark change from a year ago when some firms were forced to cancel offerings. For example, DLC Realty Trust, a Tarrytown, N.Y.-based private REIT which specializes in grocery-anchored shopping centers and power centers, postponed its IPO indefinitely after its shares priced significantly below expectations. (DLC valued the company at \$15 to \$17 per share, but had to lower the price to \$12 to \$13 per share before opting to delay the offering.)

And both Excel Trust Inc. and Whitestone REIT, the two retail REITs that did complete IPOs in 2010, had to lower their share prices before entering the public markets. Excel, a San Diego-based shopping center REIT, had to cut its price 22 percent, to \$14 per share. Whitestone, a Houston, Texas-based REIT that specializes in community centers, had to accept \$12 per share, after setting an initial range between \$14 and \$16 per share.

Overall, nine REIT IPOs in 2010 raised about \$2 billion. In 2011, the number may be higher. As of Jan. 10, there were about 12 REIT IPOs "on file or waiting to launch," according to a report by SNL Financial, a Charlottesville, Va.-based research firm.



In fact, in 2011, conditions seem particularly favorable for retail REIT IPOs. Retail REITs ended 2010 with the highest increase in total returns in six years, at 33.41 percent, according to NAREIT. They significantly outpaced the S&P 500, says Robert McMillan, a REIT analyst with New York City-based Standard & Poor’s Equity Research.

In addition, most publicly traded retail REITs today are trading at or above their fair value, notes Todd Lukasik, senior equity analyst for the real estate sector with Morningstar. The fact that occupancy levels at malls and shopping centers began to shape up in the second half of 2010 likely made investors more confident in the sector’s impending recovery. At the same time, there remains some room for leasing spreads to improve in the coming months, creating a potential for upside, notes McMillan.

Usually, investment bankers see some risk when they see an IPO,” says James C. Mastandrea, Whitestone’s CEO and chairman of its board of trustees. “Now that they see where we are trading, there is more interest in us.”

Risk perception was likely at the heart of the troubles DLC, Excel and Whitestone experienced with their share prices last year, according to Michael R. Grupe, executive vice president of research and investment affairs with NAREIT. In the summer of 2010, the outlook for commercial real estate remained dim and the retail sector in particular had yet to emerge from its three-year funk. As a result, REIT investors added a sizeable risk premium to any new REIT shares hitting the market, Grupe notes.

“When you are talking about an IPO, the market’s judgment about the risk is not transparent,” says Grupe. “The investors are all operating blind and when that happens they will build a higher risk premium into the price they are willing to pay. And whenever you have an event taking place in the market that increases the level of uncertainty [for example, the raging financial crisis in Greece that for a while threatened the global economy] that increases the risk premium.”

This year, the companies that stand to gain the most from IPOs will be those that already have established property portfolios that investors can analyze, says Lukasik. Firms with few or no holdings will likely be discounted as too risky.

In addition to assembled portfolios, equity investors want to see evidence of an experienced management team, financial discipline and a product or service that offers a compelling “story,” according to Moore and Grupe.



Still, while 2011 may beat 2010, it will be a far cry from the industry's peak year in 2004, after the last recession. Then, the sector saw 29 new offerings, according to NAREIT data.

This time around, the fallout from the financial crisis will lead to a more protracted recovery period, says Grupe. In addition, while there is certainly plenty of equity out there looking to invest in commercial real estate, companies contemplating IPOs face stiff competition from existing REITs.

In 2010 REITs were aggressive in tapping debt and equity in secondary offerings. The sector raised \$26.3 billion in secondary offerings and \$19.2 billion in unsecured debt offerings, according to NAREIT.





## December's Foreclosure Report 2010 年 12 月加州住宅法拍報告

By: Foreclosure Radar

Foreclosure activity was unexpectedly mixed in December. Between recent documentation issues and the December holidays, an across the board slow down in foreclosure activity seemed likely. Foreclosure starts were down in Arizona, California, and Washington; flat in Nevada; and higher in Oregon. Foreclosure sales were down in Arizona and Oregon; flat in California and up in Nevada and Washington.

While we expect foreclosure activity to bounce around as mortgage servicers deal with the fallout from recent documentation issues, we found this month's mix of activity particularly strange as most large servicers and foreclosure trustees operate across all of the states we cover. One possible explanation for this mix of activity is that servicers and trustees are dealing with issues specific to each stage of the foreclosure process on a state-by-state basis. This would align with the recent Massachusetts Supreme Court decision that made it clear that lenders must follow the letter of the law in each state rather than simply continue industry practices. This could certainly slow one type of activity while accelerating another.

"Servicers appear to have their hands full and it may be a while before foreclosure activity stabilizes," says Sean O'Toole, CEO and Founder of ForeclosureRadar.com. "While it seems unlikely at the moment, it is our hope that 2011 will bring clarity to the foreclosures process for all involved."

### Arizona

Dropping for the third month in a row, Notice of Trustee Sale filings fell 11.0 percent from November to December to 7,428 filings. Conversely, foreclosure sales saw their first significant increase in months, climbing 17.2 percent from November, but still 8.8 percent lower than a year earlier.

[View all Arizona stats by state, county, city or ZIP](#)

### California

Notice of Default filings fell 16.7 percent month-over-month in California, while Notice of Trustee filings rose 1.5 percent from November. Foreclosure sales dropped slightly, with 0.7 percent fewer sales back to the bank and 8.2 percent fewer purchased by third parties, typically investors. The time it took investors to resell properties they purchased at auction rose 6.1 percent from November and is up 51.0 percent from a year earlier to 157 days on average.

[View all California stats by state, county, city or ZIP](#)

### Nevada

Notice of Default filings finished their downward trend for 2010 with a decline of 2.3 percent from November to December. Activity on the courthouse steps increased in December, with both foreclosure sales and cancellations increasing. Foreclosure sales rose 24.3 percent month-over-month and 41.2 percent year-over-year, while cancellations jumped 39.8 percent from November.

[View all Nevada stats by state, county, city or ZIP](#)

### Oregon

January  
24, 2010



**STC** 資產管理  
MANAGEMENT  
Lic. No. 01299442



18

After dropping for three months, foreclosure filings rose in Oregon. Notice of Default filings increased by 18.4 percent while Notice of Trustee Sale filings increased 7.4 percent from November to December. Conversely, foreclosure sales dropped, with sales back to the bank declining by 20.8 percent and sales to third parties declining 23.1 percent. Year-over-year, both foreclosure filings and sales are down. Compared to December 2009, Notice of Default filings are down 19.3 percent, Notice of Trustee Sale filings are 40.4 percent lower and foreclosure sales are down 38.6 percent.

View all Oregon stats by state, county, city or ZIP

### Washington

For the second, month Washington saw a dramatic drop in the number of Notice of Trustee Sales filed, down 20.1 percent from November, and 44.5 percent compared to October. Foreclosures sales, conversely, began to rebound. The number of foreclosure sales that went back to the bank increased 15.1 percent and those sold to third parties also increased 15.1 percent from November to December.

View all Washington stats by state, county, city or ZIP



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

Interest Rate	Yield/Rate (%)		52-Week		Change in PCT. PTS	
	Last	Wk Ago	High	Low	52-week	3-yr
Federal-Funds rate target	0-0.25	0.00	0.00	0.00	-	-3.50
Prime rate*	3.25	3.25	3.25	3.25	-	-3.25
Libor, 3-month	0.30	0.30	0.54	0.25	0.05	-2.94
Money market, annual yield	0.63	0.64	0.90	0.63	-0.26	-2.53
Five-year CD, annual yield	2.07	2.06	2.69	2.02	-0.62	-1.80
30-year mortgage, fixed	4.92	4.82	5.43	4.32	-0.33	-0.44
15-year mortgage, fixed	4.20	4.14	4.69	3.71	-0.49	-0.71
Jumbo mortgages, \$417,000-plus	5.62	5.71	6.19	5.32	-0.49	-0.89
Five-year adj mortgage (ARM)	3.59	3.56	5.79	3.31	-0.86	-1.42
New-car loan, 48-month	5.18	5.17	6.85	5.17	-1.38	-1.80
Home-equity loan, \$30,000	5.12	5.11	5.28	5.06	-0.13	-1.40



**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:

© 2010 MRMLS. Information is believed to be accurate, but shall not be relied upon without verification.  
 Accuracy of square footage, lot size and other information is not guaranteed.