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The Pace of Retail Development Remains Anemic

建商開始復蘇之前被擱置的計劃，但由於零售業的前景依然不明朗，新計劃很少

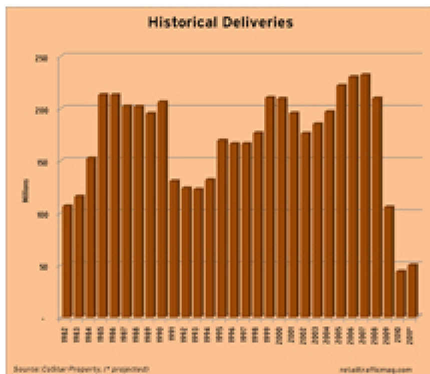
By: Elaine Misonzhnik (Retail Traffic)

In recent weeks, developers have announced plans to build a fortress mall in New Jersey, a large mixed-use center in Boston and dozens of smaller grocery-anchored centers, among other projects.
With retail sales improving and demand for space firming up, is the market for development beginning to heat up?

Not exactly.

Since the turnaround time for new projects is usually 18 months or longer, many of the developers announcing projects today are reviving centers that were on the drawing board prior to the downturn. Those projects have been put on the backburner in 2009 and 2010 to allow time for retail vacancies to stabilize.

The new announcements come at a time when retail deliveries remain at all-time lows. In 2010, the industry delivered 45 million square feet of space, according to research compiled by Marcus & Millichap Real Estate Investment Services, an Encino, Calif.-based brokerage firm. In compiling its statistics, Marcus & Millichap combines its own data with that supplied by research firms CoStar Group Inc., Reis Inc. and TWR. Its construction numbers cover retail properties of 10,000 square feet and larger.



According to the CoStar Group, a Washington, D.C.-based research firm, last year’s retail delivery pipeline represents the lowest figure the firm has on record for the industry going back to 1958. Moreover, retail construction starts in 2010 totaled approximately 23 million square feet—one of the lowest years on record and the fourth straight year the figure fell. In fact, the full year figure for construction starts in 2010 was lower than in any single quarter in 2006 or 2007. Even with the seeming burst of new announcements in early 2011, experts predict the high unemployment rate and stringent lending criteria will continue to give most developers pause.

As a result, as 2011 unfolds, the number of new starts will likely end up being the same or lower than in 2010, says Chris Macke, senior real estate strategist with CoStar. And the amount of retail space delivered—including single-tenant construction—will be about 50 million square feet, according to Marcus & Millichap.

"There is still a lot of retail vacancy out there and the retailers themselves are still gathering" strength, says Alan N. Pontius, national director of commercial leased investment properties with the firm. "So I would expect [this] to be a similar year to 2010."

Deliveries versus starts

When it comes to the development pipeline, timing is an important question. There's a difference between supply hitting the market today—when vacancies remain perilously close to all-time highs—and projects being announced that will open after the industry has had time to heal.

In assessing the existing pipeline, Marcus & Millichap estimates that in 2011, most of the space delivered will be in the form of larger multi-tenant properties, accounting for 27 million square feet. Developers will also deliver 13 million square feet of neighborhood and community shopping centers and 10 million square feet of single-tenant retail.

For its part, Reis Inc., a New York City-based research firm, estimates that the retail industry will see 14.6 million square in neighborhood shopping center and community center space come on line this year (the firm doesn't track construction statistics for other retail formats), after a record low of 4.1 million square feet in 2010. Even with the constrained amount of new supply, many of the new centers have been struggling to secure tenants, notes Victor Calanog, vice president of research and economics with Reis. Reis tracks properties that are 5,000 square feet or larger.

Future output

In terms of projects being announced today, many developers have started to look to outlet centers as an avenue for growth, while lifestyle centers have fallen out of favor after some struggled during the downturn.

"I expect the outlet centers are going to be playing a larger role because people have discovered that you can build them closer to the main area," Macke says. "And you are starting to have a blending between outlet centers and power centers, which have discount retailers. I call them inlet centers—it's an outlet center, but it's in the traditional trade area. I think you are going to see more of that."

Another popular project type going forward will be centers anchored by large discount tenants such as Dollar Tree, Big Lots and Burlington Coat Factory, Macke adds. Surprisingly, there may even be enclosed regional malls in the development mix, according to Calanog. But opportunities will be limited for those kinds of projects because there aren't a lot of areas that can support fortresses that contain 1 million square feet or more.

What's in store

Developers will be wary of putting new centers on the drawing board as long as the unemployment rate stays in the high single digits, the experts say. (The national unemployment rate stood at 9 percent in January.) Meanwhile, it also remains difficult to secure financing for all but the most solid retail developments, notes Calanog. The banks might have more money to lend than they did in the past two years, but they still want to see great demographics and low loan to value (LTV) ratios before agreeing to fund new construction.

In addition, lenders normally insist that at least 75 percent of the project be pre-leased and that it should have committed anchor tenants, says Pontius.
"We've had six quarters of positive leasing absorption in retail, so we are heading in the right direction," says Macke. "But it's the rate at which corporations hire that will determine the rate at which new retail will be built. Otherwise, you don't have the increased demand to justify new retail.

Retail REO Expert Provides Tips for Dealing with Distress
商場法拍屋專家提供處理問題地產的技巧

By: David Bodamer (Retail Traffic)

When the credit crunch took hold in late 2008, there were expectations that there would be a pressing need for receivers and REO specialists as banks and special servicers grappled with troubled loans. Instead, lenders “kicked the can” down the road, extending loans whenever possible rather than dealing with properties.

Yet through all that some firms have been able to build successful receivership businesses. In the Northeast, North Plainfield, N.J.-based Levin Management Corp., has had a steady stream of receivership and REO work on retail properties. Levin’s management and leasing portfolio includes more than 90 retail properties totaling more than 12.5 million sq. ft. in New Jersey, New York, Pennsylvania, Virginia, North Carolina and Florida.

For example, in April 2010, Levin Management was named the court-appointed receiver for ITC Crossing North, an 180,000-sq.-ft. shopping center in Mount Olive Township., N.J. Levin was brought in to fill about 20,000 sq. ft. of vacant space and also manage day-to-day operations of the center.
In addition, in January 2011, the firm was named the exclusive leasing and managing agent for the retail component of the Livingston Town Center mixed-use complex in Livingston, N.J. The project was an REO property owned by an undisclosed bank.

With banks and special servicers now starting to be more aggressive in dealing with troubled loans, Levin expects more opportunities to emerge in 2011.

Retail Traffic Editor-in-Chief David Bodamer spoke with Robert Carson, executive vice president of Levin Management Corp., to discuss trends on distressed retail properties and lessons the firm has learned in dealing with troubled assets. What follows is an edited transcript.

Retail Traffic: How did Levin get started in the REO business?

Carson: We did some work in the last cycle, 10 to 12 years ago. That’s when some lenders contacted us to say they were taking back properties or needed to put them into professional management. We really cut our teeth on that. Today’s work is a natural progression of that. We also feel it’s a natural outgrowth of our management and leasing.

Retail Traffic: Commercial real estate professionals expected a big wave of distressed properties for a long time. That never materialized. But do you see volume picking up in 2011?

Carson: We are seeing some lenders and special servicers expressing a greater need to pay attention to these properties than they were doing 12 to 18 months ago. There’s a huge amount of maturing debt coming due in the next few years. Lenders were willing to do nothing and wait it out with borrowers, hoping that things were going to get better. Now as the economy has sort of made some progress, we’re seeing those special servicers and lenders looking to people like us to take over properties. They want to

try to increase the value and get them on the market so they can deal with their distressed debt situation. So we've seen more activity.

You have to remember as well that there weren't good prospects to be able to sell these assets 12 to 18 months ago. But there is a lot more money out there today looking for properties. Capital is more available and more accessible. Institutions that 12 to 18 months ago were just looking for core assets have now expressed interest again in value-add properties.

Retail Traffic: Can you generalize at all in describing the kinds of retail assets that are becoming distressed? Are there common qualities that stick out?

Carson: In general, we see properties that have suffered some vacancy issues that are driving them toward lenders or special servicers. It can be that they've lost an anchor, co-tenancy clauses get triggered and it affects rent from other stores.

In addition, there can just be general vacancy issues that are not necessarily tied to anchors. You see centers where it might be 25 percent vacant because a lot of the small shop space is empty. It is a real mixed bag of what you're seeing in the types having trouble.

When we first get involved, we don't always see the whole picture until we get our hands on leases and get the economic figures out. A center may look good from an occupancy standpoint, but then you get in there and find that the borrower made concessions to keep lights on, but hasn't done anything to maintain the value of the center with the stores that are still operating there.

Retail Traffic: What are some of the common issues you run into when taking over management of a distressed asset?

Carson: Most of time, when it comes to this point, the lender is so distracted that we see a lot of things. We can buy out servicers better through bidding or asking vendors to reduce costs. We look at how things are being billed. Sometimes the old owner may not have been billing for everything they were entitled to bill from the tenants, or perhaps the owner was simply not doing it efficiently. So it's both taking advantage of income opportunities and from the expense side. We push as much as we can, so that when a lender decides to dispose of a property, it makes things look a lot better to a prospective purchaser.

Lenders and special servicers want us to come in and spruce things up — take care of things that have been neglected, such as painting the center and fixing up the landscaping. That will enhance the appearance of the center at a relatively small cost. We do see deferred maintenance.

The other thing we see is that the tenants have a negative feeling about the property. We have to turn that around and be responsive to them. We try to instill a feeling that we are going to make the effort to fix up the property and try to bring in more tenants.

In a recent project, we found that the retailers were mostly doing okay, but the goal was to try and make them feel better about the situation and have a more positive feeling about the landlord.

Retail Traffic: What steps do you follow when you take over a distressed property?

Carson: Usually on day one our property manager goes through every tenant's store. We want to listen to everything the tenants have to say. They are a tremendous source of information. We may not get all the information from the old owner that we need. Later, we may organize a tenant meeting to try and have everybody collectively talk about things. That can be tricky, depending on the situation. But the first [step] is to spend a lot of time with each tenant.

With ITC Crossing — a bunch of us went up there the first day. We all have a very real sense of what's going on and we are available to meet them. Each of us brings a specialty to the table and it assuages some of their fears. In a distress situation, a landlord may have been not so present. We make ourselves very present. In that sense, we're also able to inform the new owner of what's going on in the stores.

Retail Traffic: How do you deal with a property that may have a lot of vacancies?

Carson: We try to come up early on with a well thought out leasing strategy so we can target the category of tenants needed. In a lot of cases, we do have that tenant somewhere else in our portfolio. That gives us a bank of people to talk to. But we do also want to make sure the tenant is right.

Retail Traffic: How important is it to talk with the community early on to make it aware what's going on with the property?

Carson: We meet with the town officials, the police, zoning officials and others just to tell them we're on duty and that we will run things properly. Usually we find that there hasn't been a good relationship with the town or no communication at all, and the town is wondering what's going on.

You also get from these meetings a clear indication of what communities are looking for. Some towns have visions of all kinds of things happening that may not be realistic. We want to listen to those ideas and hear what their vision is. Those are very important relationships, and a lot of times they do get screwed up as a property deteriorates.

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Whole Foods Inc. New Store Expansion Plan Includes at Least 20 New Stores
Whole Foods 超市預備在 2012 年開張 20 家新店

Source: Whole Foods F1Q11 Results Earnings Call

"Well, we think that beginning in 2012, we'll open 20 stores and then start to accelerate from there. So we've got 56 stores in the pipeline. We've got another 10 leases that are currently in lease negotiations. We have 15 sites that are queued up for real estate committees. So we got a great pipeline and as we fill it, it will increase, it will naturally increase the rate at which they come out. But I would say beginning in 2012, at least 20 stores and then increasing from there."

CRE Industry Groups Support Obama 'Better Building' Plan; Say it Will Create Jobs, Spur Green Investment
奥巴馬的清洁能源计划 **"Better Building Initiative"** 旨在提高美国商业楼能源效率，或會帶動比目前多 **10** 倍的商業樓改造量

By: Randyl Drummer (CoStar)

Who says there's no consensus to be found in Washington these days?

Leading commercial real estate industry groups and green building experts appear to be in favor of President Obama's new federal program to boost energy efficiency in commercial buildings by 20% over the next decade using a package of tax incentives and loan guarantees to induce owners to build green.

Trade and advocacy groups representing architects, contractors, developers, materials suppliers, real estate investors and property managers to name a few, praised the President's "Better Buildings Initiative" as a market-centered approach that will create jobs and economic growth by encouraging investment in energy efficient new construction and retrofits of existing commercial and public buildings and institutions.

"President Obama's Better Buildings Initiative is primarily a set of goals, and like the earlier California Green Building Initiative and the U.S. General Services Administration (GSA) mandates to lease space in primarily Energy Star-labeled buildings, this new incentive plan is a great step forward for U.S. energy independence and a more efficient economy," said Dr. Norm Miller, vice president, analytics, for Washington, D.C.-based CoStar Group.

Miller praised the Better Buildings Initiative for taking an "anti-regulation" approach in calling for more streamlined building codes and less red tape for those who are developing and retrofitting existing buildings. "What is most pleasing is that it is based on incentives, mostly tax credits yet to be determined, not regulation to coerce the market into transformation," said Miller.

The initiative is part of President Obama's plan to "win the future," as proposed in his recent State of the Union address, by making America's commercial buildings more energy- and resource-efficient over the next decade. He called for investing in clean-energy technologies and doubling the share of electricity output from clean-energy sources by 2035, building upon $20 billion in building energy efficiency funding allocated under the American Recovery and Reinvestment Act (ARRA).

The measures announced by the White House last week are targeting a 20% improvement in energy efficiency by 2020 for commercial buildings, which consumed roughly one-fifth of all energy in the U.S. economy last year. The White House estimates that at today's prices, the efficiencies will shave about $40 billion per year from company energy bills.

Under the plan, Obama is calling on Congress to change the current tax deduction for commercial building energy upgrades to a more generous tax credit that will encourage owners, including real estate investment trusts (REITs), to retrofit their properties. The changes could result in a 10-fold increase in

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commercial retrofit volume.

The initiative also includes the following elements:

- More loans for commercial retrofits: The Small Business Administration is working to encourage existing lenders to take advantage of recently increased loan size limits to promote new retrofit loans. The president's budget will also propose a pilot program through the Department of Energy to guarantee financing for energy efficiency upgrades at offices, shopping centers, apartments, universities, schools, hospitals and other buildings.

- "Race to Green:" The plan sets up competitive grants rewarding state and municipal governments that streamline regulations and attract private sector investment for retrofit projects.

- Training future commercial building tech workers: The Administration is using existing authority to implement reforms such as improved transparency around energy efficiency performance, launching a Building Construction Technology Extension Partnership modeled on the Department of Commerce's successful Manufacturing Extension Partnership, and providing more workforce training in areas such as energy auditing and building operations.

The Obama plan improves upon previous government efforts in key areas, industry leaders said.

"Importantly, the plan does not include the unworkable mandatory building code regulations included in other legislative proposals, and instead would create grants to help states and municipalities streamline their building codes," said Eileen Lee, vice president of energy and environment for the National Multi Housing Council (NMHC) and National Apartment Association (NAA).

Inflexible building codes, slow permitting and regulatory ignorance have been huge stumbling blocks to green building practices in the less progressive U.S. markets, Miller said.

"It seems that President Obama is listening to some pro-market advisers. Hopefully, this vision will be implemented before enormous pressure ramps up for new commercial real estate development."

Leading companies and organizations, including CoStar, have already been advancing the president's general policy goals for several years by supporting the Energy Star rating system and the U.S. Green Building Council (USGBC)'s Leadership in Environment and Energy Design (LEED) green building program to benchmark, evaluate and manage energy savings.

CoStar was an early proponent of consumer education on building energy efficiency, and first began flagging Energy Star-labeled buildings in its commercial property database in 2007. CoStar received the U.S. Environmental Protection Agency (EPA)'s 2009 Excellence in Energy Star Promotion Award for its role in communicating the value of energy labeling in commercial property. The company co-published a landmark study believed to be the first to document the additional value that green buildings attract in the market.

The new initiative provides a catalyst for private-sector investment, helping real estate industry leaders take green building and efficiency "to an unprecedented scale," said Rick Fedrizzi, president, CEO and founding chair of the USGBC.

"We know that green buildings can and should be front and center of any credible jobs creation program," Fedrizzi said. "The jobs supported by the green building industry can’t be outsourced, and they are jobs that frequently can build on skills learned in the manufacturing sector."

The Real Estate Roundtable, representing the nation's top real estate ownership, development, lending and management firms, said the Obama initiative "sets forth an excellent blueprint to re-employ the construction workforce, modernize our built environment, and help ensure our nation's energy security."

"At a time when the real estate sector is still struggling to achieve full economic recovery, incentives to encourage building upgrade projects will leverage private investment, encourage lending, and create well-paying jobs that can't be exported," said Roundtable President/CEO Jeffrey D. DeBoer.

The program emphasizes incentives that will create public-private partnerships, rather than "one-size-fits-all" federal regulations, the Roundtable said.

Other groups endorsing the Better Buildings Initiative include the American Institute of Architects and the Associated Building Contractors of America, among other groups.

The plan includes several ideas long advocated by the apartment groups, notably the reform of tax deductions, which have largely gone unclaimed by property owners, said the NMHC/NAA's Lee.

"Many apartment firms have voluntarily established energy efficiency and green building programs throughout their portfolios, but many more have been stymied by the lack of sufficient tax incentives and financing for building retrofits," Lee said, adding that the plan would also wisely ensure that REITs can take advantage of the credit.

2011 Bank Failures Exceeding 2010 So Far
迄今 **2011** 年銀行倒閉的步伐較 **2010** 年為快

By: Mark Heschmeyer (CoStar)

Four more banks failed and were closed at the end of last week by state regulators bringing the total bank closures for the year to 18 - two more than at the same time last year. Banks in Michigan, California, Florida and Wisconsin were the latest succumb to the Great Recession.

In Michigan, First Michigan Bank assumed all of the deposits and substantially all of the assets of Peoples State Bank, a full-service bank with 10 branches operating in Southeast Michigan.

The Michigan Office of Financial and Insurance Regulation closed Peoples State and appointed the Federal Deposit Insurance Corp. (FDIC) receiver. First Michigan Bank in Troy then entered into a definitive agreement with the FDIC to acquire the failed bank.

As of Dec. 31, 2010, Peoples State Bank had $389.5 million in assets. At that time, it carried $8.2 million in foreclosed assets on its books, including $3.1 million in commercial nonresidential properties. Among its delinquent loans were $47 million backed by commercial nonresidential properties.

The FDIC and First Michigan Bank entered into a loss-share transaction on $331 million of Peoples State Bank's assets. First Michigan Bank will share in the losses on the asset pools covered under the loss-share agreement.

The FDIC estimates that the cost to its Deposit Insurance Fund (DIF) will be $87.4 million.

In California, Pacific Premier Bank in Costa Mesa acquired the banking operations of Canyon National Bank in Palm Springs.

The Office of the Comptroller of the Currency appointed the FDIC as receiver for Canyon National Bank after finding that the bank had experienced substantial dissipation of assets and earnings due to unsafe and unsound practices.

The OCC also found that the bank incurred losses that depleted its capital and there was no reasonable prospect that the bank would become adequately capitalized without federal assistance.

As of Dec. 31, Canyon National had $210 million of total assets. At that time, it carried $20 million in foreclosed assets on its books, including $10.9 million in commercial nonresidential properties. Among its delinquent loans were $77 million backed by commercial nonresidential properties.

The transaction was structured as a whole bank purchase and assumption without a loss sharing agreement with the FDIC.

This acquisition increases Pacific Premier's branch network to nine locations in Southern California and expands its footprint by extending from Los Angeles, Orange and San Bernardino Counties into

neighboring Riverside County.

The FDIC estimates that the cost to its DIF will be $10 million.

In Florida, Premier American Bank, a national bank based in Miami, entered into an agreement with the FDIC to purchase substantially all of the assets and assume substantially all of the liabilities of Sunshine State Community Bank, a full-service state-chartered bank in Port Orange.

Sunshine State was closed by the Florida Office of Financial Regulation.

Sunshine State had total assets of $126 million and operated five branches in the Daytona Beach metropolitan area. At that time, it carried $7.3 million in foreclosed assets on its books, including $2.6 million in commercial nonresidential properties. Among its delinquent loans were $ 14.4 million backed by commercial nonresidential properties.

The FDIC estimates that the cost to its DIF will be $30 million.

The Wisconsin Department of Financial Institutions closed Badger State Bank in Cassville and appointed the FDIC as receiver, which entered into a purchase and assumption agreement with Royal Bank in Elroy, WI, to assume all of the deposits and essentially all of the assets of Badger State Bank.

As of Dec. 31, Badger State Bank had approximately $83.8 million in total assets. Most of the bank's troubled assets were tied to residential properties and loans.

The FDIC estimates that the cost to its DIF will be $17.5 million.

Feds Call Community Banks of Colorado Significantly Undercapitalized

The Board of Governors of the Federal Reserve System has determined that as of Jan. 31, 2011, Community Banks of Colorado in Greenwood Village, CO, is significantly undercapitalized.

The Fed issued a prompt corrective action directive against the bank giving it 90 days increase equity through the sale of shares or complete a merger with another financial institution.

In addition, the bank was prohibited in paying dividends, or opening any new deposit accounts or renew any time deposit bearing an interest rate that exceeds the prevailing effective rates on deposits.

Commercial Lending Bounces Back in 2010
商業抵押擔保證券市場回升，抵押貸款銀行家協會的商業貸款指數創 **2008** 年第三季度以來新高

By: Randyl Drummer (CoStar)

Powered by improving conditions in the real estate and capital markets, CRE loan originations rose by 36% in 2010 over the previous year, according to preliminary data released at this week's Mortgage Bankers Association (MBA) real estate finance convention in San Diego. In a separate report, the MBA also found that loan maturities continue to roll at a manageable level, with just 11% of the $1.4 trillion in outstanding commercial debt expected to mature this year, shrinking to 9% in 2012.

"All the fundamentals are ripe for a very positive, solid comeback, especially in the multifamily sector," Faron Thompson, who attended the conference as the newest addition to Jones Lang LaSalle's real estate investment finance team, tells CoStar.

Mortgage bankers originated $110 billion of commercial and multifamily mortgages during 2010, with a strong fourth quarter powering an increase of 36% from 2009, according to preliminary estimates based on the MBA Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations, released at the conference this week.

The results show that loan production by life insurance companies sprang back to life in 2010. Life companies were the leading source of lending, with origination volumes 155% higher than 2009 levels. Government-sponsored enterprises Fannie Mae, Freddie Mac and FHA/Ginnie Mae also saw strong volumes, with increases for FHA/Ginnie Mae offsetting declines in production for Fannie Mae/Freddie Mac. Total originations for commercial mortgage-based securities (CMBS) conduits increased more than 10-fold in 2010 while originations for commercial banks saw a year-over-year decline.

CB Richard Ellis Group Inc. posted an increase of 233% in its commercial mortgage brokerage business, driven by loan originations and strong GSE activity as well as improvements on the parts of traditional and conduit lenders, said CFO Gil Borok during the Los Angeles-based company's fourth-quarter conference call.

Originations jumped 63% in the fourth quarter over the previous three months and 88% over fourth-quarter 2009, pushing totals above 2009 levels, said Jamie Woodwell, MBA's vice president of commercial real estate research. The late rally was driven by increases in originations for office properties, which rose 170% over the same period a year earlier; and hotels, which rose 169%. Loans for industrial properties, retail and multifamily rose 98%, 94% and 81%, respectively. Health-care lending was flat at 4%.

Origination volumes typically grow over the course of the year and changes between the third and fourth quarters are likely driven at least in part by seasonal factors. However, among investor types, CMBS saw an increase in loan volume of 298% compared to the third quarter, by far the largest quarterly jump. The next-largest increase, originations of commercial bank portfolios, rose a more seasonal 102%.

The stirring of the CMBS market after a three-year slumber reflects the improving picture for commercial real estate fundamentals. In addition to the ten-fold increase for all of 2010, CMBS conduits rose 60-fold increase compared to last year's fourth quarter. Life companies' volume rose 170% in the fourth quarter over a year ago.

"Life companies and FHA led the increase in dollar volumes, but a large percentage increase in originations for CMBS is likely the most symbolic change from last year," Woodwell said.

So far, conduit lenders have been more active on non-multifamily side because the GSE agencies have owned the apartment lending space. But expectations are that conduit pricing will be competitive with agency pricing no later than midyear, JLL's Thompson said.

"With that, on top of the life companies' activity, it's going to be a very active and robust year from a capital providers' standpoint," he said.

The MBA's Commercial/Multifamily Mortgage Bankers Originations Index, which averages 100 on a quarterly basis since 2001, started first-quarter 2010 at 45 and rose to 114 in the fourth quarter. That's the highest since third-quarter 2008's 116 and roughly parallel to 2002-2003 levels, according to an MBA chart.

Compared to the third quarter, fourth-quarter originations for hotel properties saw a 333% increase while health care properties ended the year strongly with a 204% increase.

As capital continues to spread across the market and fundamentals and the economy improve, emboldened investors will make solid bets across the spectrum of CRE properties, filling in the bifurcated market, Thompson said.

"There isn't enough trophy and trauma to go around for all the capital that's out there, so capital will fill in the in-betweens. People obviously now are chasing the trophies because of the protection, or chasing the trauma because of the yield."

"You can't have a market with all the attention at each end of the spectrum and a big void in the middle. We need the capital to fill in the gaps. Capital always has a way of doing that."

Loan Maturities Hold Steady

Only 11% or $155 billion of the $1.4 trillion balance of outstanding commercial/multifamily mortgages held by non-bank investors through Dec. 31, 2010, will mature in 2011, and 9%, $125 billion, will come due in 2012, according to the Mortgage Bankers Association's 2010 survey of loan maturity volumes. The survey found that maturities vary considerably by the type of investor holding the loan.

"The long-term nature of commercial real estate means that relatively fewer -- not more -- commercial and multifamily mortgages have been maturing during the throes of the credit crunch and recession compared to other credit types," said Woodwell. "For most investor groups, commercial mortgage

maturities are relatively spread out, with some increases starting in 2015 as the loans originated in 2005, 2006 and 2007 come due."

JLL's Thompson said most of the big banks have returned to profitability and will now make the difficult call to resolve assets that are troubled or upside down. Whether it's extending and modifying loans for overleveraged owners of fundamentally sound properties -- or foreclosing on the assets of bad borrowers or defaulted partnerships -- "we're seeing banks make the right decision for [each] asset," he said.

"The extend-and-pretend process will come to a close this year; banks are really ready to deal with their issues."

MBA's 2010 survey collected information directly from servicers on the maturity years of more than $1.4 trillion in outstanding non-bank commercial/multifamily mortgages. Only small shares of the commercial and multifamily mortgage debt held by life insurance companies, Fannie Mae, Freddie Mac or FHA, or in fixed-rate CMBS will come due in 2011 or 2012. Greater shares of mortgages held in short-term and floating-rate CMBS and by credit companies, warehouse facilities and other investors will mature in 2011 and 2012.

According to the survey, $155 billion, or 11%, of the total $1.4 trillion balance of outstanding mortgages held by non-bank investors, will mature in 2011 followed by $125 billion, or 9%, in 2012. The maturities vary significantly by investor group. Just 3% of the outstanding balance of multifamily mortgages held or guaranteed by Fannie Mae, Freddie Mac, FHA and Ginnie Mae will mature in 2011. Life insurance companies will see 7% mature in 2011.

Among loans held in CMBS, 12% will come due in 2011, including 8% the $521 billion of loans in fixed-rate conduit CMBS and 22% of the $190 billion of loans in floating rate and large-borrower CMBS. On the high end of the spectrum, 30% of commercial mortgages held by credit companies and other investors will mature in 2011.

Wells Fargo, PNC Lead CRE Mortgage Servicers

Wells Fargo led the MBA's year-end ranking of commercial and multifamily mortgage servicers with $451.1 billion in U.S. master and primary servicing, followed by PNC Real Estate/Midland Loan Services with $337.4 billion, Berkadia Commercial Mortgage with $194.9 billion, Bank of America Merrill Lynch with $126.6 billion, and KeyBank Real Estate Capital with $118.9 billion.

Wells Fargo, PNC/Midland, Berkadia, Bank of America Merrill Lynch and KeyBank are the largest master and primary servicers of commercial/multifamily loans in U.S. CMBS, CDO and other ABS; PNC/Midland, GEMSA Loan Services, Prudential Asset Resources, Northwestern Mutual, and Northmarq Capital are the largest servicers for life companies; PNC/Midland, Wells Fargo, Berkadia, Deutsche Bank Commercial Real Estate and Prudential Asset Resources are the largest Fannie Mae/Freddie Mac servicers.

PNC/Midland ranks as the top master and primary servicer of commercial bank and savings institution loans; GEMSA the top credit company, pension funds, REITs, and investment funds servicer;

PNC/Midland the top FHA and Ginnie Mae servicer; Wells Fargo the top for mortgages in warehouse facilities; and Berkadia the top for other investor type loans.

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

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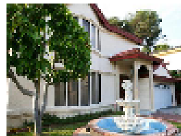
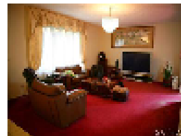
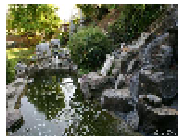
Consumer Money Rates

	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	-	-3.00
Prime rate*	3.25	3.25	3.25	3.25	-	-2.75
Libor, 3-month	0.31	0.31	0.54	0.25	0.06	-2.75
Money market, annual yield	0.65	0.61	0.89	0.61	-0.24	-2.15
Five-year CD, annual yield	1.98	2.01	2.66	1.98	-0.68	-1.37
30-year mortgage, fixed	5.13	5.04	5.43	4.32	-0.04	-0.63
15-year mortgage, fixed	4.41	4.32	4.58	3.71	-0.05	-0.83
Jumbo mortgages, $417,000-plus	5.70	5.56	6.19	5.32	-0.43	-1.13
Five-year adj mortgage (ARM)	3.77	3.71	5.79	3.31	-0.58	-1.35
New-car loan, 48-month	5.16	5.19	6.85	5.16	-1.35	-1.88
Home-equity loan, $30,000	5.17	5.17	5.25	5.06	-0.08	-0.61

STC 資產管理 MANAGEMENT
Lic. No. 01299442

Monterey Park Luxury Residence
蒙特利公園豪宅

ML# : H10118939 | 835 Crest Vista DR Monterey Park 91754 | List Price: $ 1,200,000

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:

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Accuracy of square footage, lot size and other information is not guaranteed.

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Investment Opportunity
投資機會

10 Centerpointe

La Palma, California

Summary: The property is part of the Centerpointe La Palma project, a twelve (12) building complex comprised of office buildings, a R&D building, retail strip centers, and an inn. The project possesses tremendous upside potential and is a prime opportunity for a new owner to re-tenant space and take advantage of improving rents. Situated near the 605 and 5 freeways and with immediate access from the 91 freeway via Orangethorpe Avenue., 10 Centerpointe offers excellent linear visibility and traffic exposure. At the proposed price, the property presents an amazing opportunity to purchase an Orange County location well below the estimated replacement cost.

Pricing: $1,995,000 **Cap Rate (Year 3):** 8.72% **Current Occupancy:** 78%

NOI (In Place): $96,292 **NOI (Year 3):** $199,890

Property Specifications

Rentable Area: 12,536 SF **Land Area:** 2.05 Acres (89,293)

APN Number: 276-081-63 & 276-081-64 (2 Parcels)

Tenants: The Market Place, H&K Media Group, Café Latte Da, Tokyo Grill, Source One Staffing, Next Day Signs

If you are an interested investor, please contact our investments division at: investment@stcmanagement.com