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Southern California Home Sales & Prices Declined in April
南加州住宅地產銷售量與銷售價齊下降（四月同年比下降 9.2%）

By: LAEDC

Home sales in Southern California decreased in April to 18,344 units (new and resale houses and condos), dropping by -9.2% compared with April 2010. April was the tenth consecutive month to post an over-the-year decline in home sales. Sales of new homes totaled just 1,024 units, the second lowest recorded for an April in this data series (which goes back to 1988).

The median home price in the six-county region also was down over the year – falling by -1.8% to $280,000. Compared with March, the median price was down by -0.2%.

Declines were widespread in April. Sales dropped in all six Southern California counties compared with April 2010. The median price fell in five counties, though Orange County's median price was the same as the previous year.

- In April, the median price in Los Angeles County was down by -2.9% to $320,000 compared with last year, while sales fell by -9.9%.
- The median price in Orange County stayed at $430,000, while sales volume declined by -6.9%.
- In Riverside County, sales plunged by -13.7%, and the median price fell by -5.0% to $190,000.
- In San Bernardino County the number of sales transactions dropped by -12.4% and the median price slipped by -1.7% to $147,000.
- In San Diego County, the median price fell by -1.1% to $321,750, but sales edged down by just -0.5%.
- Sales activity in Ventura County decreased last month (-13.3%), and prices declined by -6.4% to $357,500.

Foreclosure sales accounted for 33.9% of the Southern California resale market last month. This was down from 36.4% a year ago and from 36% in March. "Short sales" made up 17.8% of resale transactions last month, down from 18.1% a year ago.

April was another dreary month for home sales in Southern California. Little headway has been made in resolving the issues that are holding back recovery in the housing market. In particular, slow job growth and falling prices are keeping potential buyers and sellers in check. While employment trends are improving, foreclosure activity remains elevated and continues to exert downward pressure on prices, keeping the housing market off balance.

	Sales Volume			Median Price		
County	Apr 2010	Apr 2011	% Change	Apr 2010	Apr 2011	% Change
Los Angeles	6,688	6,025	-9.9%	$329,500	$320,000	-2.9%
Orange	2,669	2,485	-6.9%	$430,000	$430,000	0.0%
Riverside	4,023	3,470	-13.7%	$200,000	$190,000	-5.0%
San Bernardino	2,744	2,403	-12.4%	$150,000	$147,500	-1.7%
San Diego	3,292	3,277	-0.5%	$325,250	$321,750	-1.1%
Ventura	789	684	-13.3%	$382,000	$357,500	-6.4%
Southern California	**20,205**	**18,344**	**-9.2%**	**$285,000**	**$280,000**	**-1.8%**

Source: Data Quick News

Some Landlords Work to Keep CAM Costs in Check to Aid Tenants
爲了留住現有房客以及吸引新房客，房東不惜降低公共設施費

By: Elaine Misonzhnik (Retail Traffic)

Retailers evaluating total occupancy costs are paying more attention to common area maintenance (CAM) charges, which include most of the exterior services performed at properties: sweeping, garbage removal, landscaping, parking lot lighting and irrigation.

Keeping CAM charges low helps retail properties retain existing tenants and attract new ones, so many property managers have focused on reducing those costs.

"Tenants are comparing CAM charges with as much intensity as rents—they can be a significant increase over your net rent," says Rose Evans, vice president of property management with Levin Management Corp., a North Plainfield, N.J.-based firm with a 12.5-million-square-foot management portfolio.

The challenge is that while driving down costs, it's important not to sacrifice the look and feel of a center with a lower level of maintenance. With the right approach, overall CAM costs can often be reduced by anywhere from 10 to 25 percent, without sacrificing in those areas, says Karen Raquet, director of property management for the mall division with Jones Lang LaSalle Retail, an Atlanta-based property manager with a 92.3-million-square-foot portfolio.

The process should start with evaluating each property's annual budget, according to John Sebring, director of property management with the Shopping Center Group, an Atlanta-based real estate services firm with an 8-million-square-foot management portfolio. Often, managers rush the process without paying attention to each line item, he notes. Looking carefully can shed light on areas where expenses could be reduced.

When Jones Lang LaSalle assumes management of a center, the firm goes through a checklist for all CAM charges to ensure cost efficiency. In many cases savings can be realized through minor changes—like purchasing less expensive bathroom supplies or substituting a night security guard with an alarm system, according to Raquet.

This year, for example, the Shopping Center Group has been looking at how much its tenants pay for fire phone lines, a necessary safety expense that allows sprinkler systems to automatically alert fire departments when something goes wrong. Fire phone lines are included in tenants' CAM charges.

However, after evaluating fire phone charges for 2010, executives with the Shopping Center Group determined that it would make sense to bring in a different phone carrier or switch to cellular service to bring down the costs at some centers. These are the kinds of less obvious CAM expenses that can often benefit from a second look, Sebring says.

It might also make sense to reduce the number of days a center gets swept, according to Evans. Power centers, for example, see the heaviest foot traffic during weekends and don't get a lot of visitors during the beginnings of weeks. So that means managers can skip cleanings on Mondays without visibly affecting properties. (Grocery-anchored shopping centers and centers heavily populated by restaurants, on the other hand, get steady customer traffic seven days a week and tend to create more litter, so skipping cleaning days is a bad idea, Evans notes).

Bargaining positions

Another way to control CAM costs is by taking a hard line with services providers. Before the recession, vendors of cleaning, landscaping and other maintenance services would often push for two percent or three percent increases in costs every time they renegotiated their contracts.

Today, those service providers have lost clients due to the recession, and are more open to offering discounts and working out creative deals. Although there are instances when a multi-year contract can help the property manager secure a favorable rate for a given service, most of the time it's important to bid on contracts on an annual basis to take advantage of this favorable environment, says Raquet.

When it comes to landscaping, for example, "We'll bid it out with up to five or six vendors and to be on the bid list for us, there is a certain quality of service they have to be able to provide," notes Kay A Nelson, principal and vice president of Mid-America Asset Management Inc., an Oakbrook Terrace, Ill.-based firm with a 29.5-million-square-foot management portfolio. "Their pricing has become very aggressive."

To further strengthen its bargaining power, Mid-America employs a tenant services coordinator who researches market prices for various services and renegotiates contracts with vendors on an annual basis. In 2010, for example, Mid-America saved 17 percent on landscaping services compared to the year prior.

Deal time

In addition to negotiating lower prices on services, property managers have been trying to get more creative with their contracts. Levin, for example, recently signed a deal with an electrical company that will provide nightly inspections of parking lot lights for a center it manages in Long Island. The firm agreed to a longer than standard contract term—three years—but in exchange, it asked the vendor to provide new lamps for the center.

"We got brand new lighting and it benefits them because they will be doing less maintenance," says Evans. "These are the types of deals we look for to see how we can benefit our tenants and control our CAM dollars."

Mid-America, meanwhile, has been working on a new strategy for snow removal at its centers in the Midwest. Normally, a property owner pays a gradually increasing fee for every two inches of snow. Executives at Mid-America decided that for properties in heavy snowfall areas, it made sense to negotiate a flat annual rate instead. For example, at its Regency Plaza center in Palatine, Ill., snow removal in the winter of 2009 cost more than $100,000. Last winter, with the new rate, snow removal costs were $40,000 less.

"It was a huge saving because we had 22 inches of snow in a two-day period and weren't charged for all of those services because of the flat rate," Nelson says.

Smart managers also invest in new products, like energy efficient lighting systems, to help drive down utility costs. Levin recently replaced 1,000-watt light bulbs with 750-watt light bulbs at its Crossroads Place center in Falls Church, Va. and at Capitol Plaza in Ewing, N.J. The lower energy consumption, combined with less need for light bulb replacement over the next few years, has resulted in savings of at least 30 percent, Evans says.

Meanwhile, the Shopping Center Group is using a zone control product that shuts off parking lot and canopy lights during the night, when there are no customers at the property. (The Shopping Center Group keeps it security lights on throughout the night to help promote a safe environment, Sebring is careful to point out.)

For its part, Mid-America has been installing rain gauges on the sprinkler systems at some centers. The gauges conserve water by shutting the irrigation system off on rainy days. "It's a very inexpensive retrograde, but it saves a lot of money on irrigation costs," according to Nelson.

Investing in energy- and water-efficient systems makes all the more sense because they often make the property eligible for state and federal rebates. After Jones Lang LaSalle retrofitted the parking lot lights at its Rosedale Center in Roseville, Minn., for example, a rebate helped it recoup investment costs within 19 months, according to Raquet.

Multifamily Investment and Leasing Fundamentals Off to Solid Start in 2011
公寓銷售量 **2011** 年第一季度同比增加 **40%**，雖然金額不到 **2007** 年的四分之一

By: Randyl Drummer (CoStar)

Investor interest in U.S. multifamily properties continued at a healthy clip at the beginning of 2011, as investment sales dollar volume jumped 40% in the first quarter over the same period last year. More deals closed than in any quarter since mid-2005, according to CoStar Group data.

Just under 4,000 multifamily sales transactions were recorded in the quarter at a total volume of $9.4 billion, according to preliminary CoStar sales data, compared with $6.7 billion in first-quarter 2010 and just $3.76 billion in first-quarter 2009. Despite the heightened activity, sales were just 22% of their mid-2007 market peak of $43 billion in the most recent quarter. Sales volumes declined about $6 billion from fourth-quarter 2010.

While leasing fundamentals are no longer improving at last year’s torrid pace, investor interest by all accounts remained sharp for quality apartment product. Renter demand for apartment units remained solid in the first quarter, as the supply of new units continued to dwindle and the national apartment vacancy rate fell to 7.4%, a decline of 100 basis points since late 2009.

Despite an uneven economic expansion, "fundamentally, the outlook for the economy remains one of recovery and growth, and CoStar remains optimistic about its prospects. That is good news for commercial real estate and good news for apartment demand," said CoStar Real Estate Strategist Kevin White during the Washington, D.C.-based company's recent First Quarter 2011 Multifamily Review & Outlook.

Investor appetite for newer institutional-grade product in high-barrier coastal markets is driving sales volume in recent quarters, unlike 2008 and 2009, when larger transactions were difficult to finance and the limited pool of mostly local investors opted for smaller properties in suburban locations, explained CoStar Senior Real Estate Strategist Michael Cohen, who co-presented the outlook with White.

REITs and private equity firms were the dominant net buyers of multifamily property in the first quarter. REITs purchased a total of $515 million in the quarter, with $130 million in net purchases after subtracting dispositions. Private equity player netted $117 million in sales, an amount expected rise into 2012. Institutions were the largest apartment sellers, disposing of a net $354 million in assets.

Washington, D.C. and Los Angeles logged the highest year-to-date sales volume at $900 million, followed by the San Francisco Bay Area ($600 million), Phoenix ($500 million) and Long Island ($400 million). The top five multifamily markets accounted for $3.3 billion, about 35% of the $9.4 billion in total sales volume. Collectively, those top markets saw a 15% year-over-year increase in the first quarter.

"Core investors are still very interested in paying up for stability and low volatility," Cohen said. "Pricing has been strong in D.C., but it still took the top spot for multifamily investment dollars."

Distressed transactions, including REO sales, deeds in lieu of foreclosure and properties with high vacancy and/or deferred maintenance costs, accounted for about 21% of all multifamily sales volume in the first quarter. While still quite high, the percentage of distressed deals declined 5% from the previous quarter, however, and CoStar expects distress levels to slowly drift down as fundamentals continue to improve.

In housing-exposed markets like Tucson, AZ, Fresno, CA, Jacksonville, Las Vegas and Atlanta, distressed trades exceeded 60% of all transactions. Supply constrained markets like Boston, Marin/Sonoma counties, CA; San Diego, Northern New Jersey, Portland, Washington, D.C. and San Jose, CA showed distressed levels of 20% or less.

OCCUPANCY, RENTS RISE EVEN AS ABSORPTION SLOWS

While the drop in the homeownership rate has led to higher absorption of apartments over the last five quarters, the pace has slowed from last year's 167,000 units absorbed, which was the strongest level of demand since 2005. The last two quarters have seen demand of 19,000 and 23,000 units, respectively.

CoStar forecasts total supply additions of just 27,000 units in the 54 largest markets in 2011, just one-third of the pre-recession average between 2003 and 2008. However, CoStar expects to see occupancy gains in 49 out of the 54 metros over the next three quarters, led by San Antonio, Houston, Raleigh, Salt Lake City, Orlando and Portland. Markets such as Richmond, VA, Norfolk, VA, Seattle, Cincinnati and St. Louis will see modest increases in vacancy.

The limited supply of Class A and B properties continues to generate the most demand, resulting in fewer rent concessions a strong effective rent growth in 2011.

Three of the five top markets for rent growth in 2011 are in the supply constrained San Francisco Bay Area, led San Francisco (7.3%) and San Jose (7%). The East Bay, Honolulu and Boston round out the top five, followed closely by Phoenix, Raleigh, Washington, Baltimore and Denver.

Properties Bought at Peak Exerting Downward Pressure on Current Prices
2005 至 **2007** 年間購買並在 **2011** 年第一季度出售的地產超過 **70%**以虧本的價錢售出

By: Mark Heschmeyer (CoStar)

The commercial real estate market is continuing to adjust from "bubble" prices as 70.2% of the acquisitions made from 2005-2007 and subsequently sold in the first quarter of 2011 sold at a lower price, according to the latest release of CoStar's Commercial Repeat Sales Indices (CCRSI).

Comparatively, 40.5% of acquisitions made before 2005 and subsequently sold in the first quarter of 2011 sold at a lower price. 55% of the first quarter 2011 sales pairs were for properties previously purchased in 2005 or after.

"What we have been able to do is to quantify the subsequent pricing performance of the 'bubble' era acquisitions," noted CoStar Senior Real Estate Strategist Chris Macke. "This is critical information, as many of the 'extend and pretend' loans are secured by these bubble-era properties."

The newly released Commercial Repeat-Sale Indices (CCRSI) May 2011 report is based on data through the end of March 2011.

CoStar's Investment Grade Repeat-Sale Index was down 10.5% for the first quarter following an 8.4% increase in the fourth quarter. This continues the see-saw pricing pattern observed with oscillating quarterly sales data and returns the Investment Grade Index within 2% of its market low in the fourth quarter of 2009. From its peak in the second quarter of 2007 the Investment Grade pricing index has declined 39%.

CoStar's General Grade Repeat Sales Index declined by 1% in the first quarter after a 5.7% decline in the fourth quarter. The General Grade Index reached a new low in the first quarter and is down 33% from its market peak in the third quarter of 2007.

The weak performance of the Investment Grade index during the first quarter along with the continued weakness in the General Grade Index collectively led to a 2.8% decline in the U.S. National Composite Index, which is an equal-weighted repeat sales analysis of all commercial real estate sales, with two-thirds of the transaction count contained within the General Grade Index.
Northeast Strengthening

Among the CCRSI's regional prices indices, the Northeast region of the United States continues to lead the nation in terms of strengthening prices having recovered 29% of its pre-recession pricing levels.

However, the Midwest posted the strongest quarterly gain of 3.2%. The Midwest now replaces the Southeast as the only other region to join the Northeast as having gained back any of its pre-recession pricing levels.

Overall, pricing for commercial real estate in the Northeast remains 15% lower than its pre-recession pricing levels. The West, Midwest and Southeast regions remain down 38%, 37% and 35% respectively.

The Northeast region of the United States benefits from the impact of commercial property sales in New York City and Boston, two desirable core markets that have continued to attract investor interest, and have generally stronger economic conditions and superior multifamily pricing performance.
Retail Rebounds

Retail was the only property type that did not experience a pricing decline during the first quarter of 2011. Retail posted a 1.6% gain while office declined 11.7%, industrial declined 5.1% and multifamily declined 3.1%.

By property type the highest percent of distress in the first quarter was in hospitality at 42.6%, followed by office at 35%, retail at 30%, industrial at 28.4% and multifamily at 25.4%.

The CoStar Commercial Repeat-Sale Indices (CCRSI) are the most comprehensive and accurate measures of commercial real estate prices in the United States. In addition to the national composite index, there are a total of 32 sub-indices in the CoStar index family. The sub-indices include breakdowns by property sector (office, industrial, retail, multifamily and land), by region of the country (Northeast, South, Midwest, West), by transaction size and quality (general commercial, investment grade), and by market size (composite index of the 10 largest metropolitan areas in the country). The CoStar national composite index is produced on a monthly basis.

INVESTMENT OPPORTUNITIES 投資機會

RECENT DISTRESSED PROPERTY DEALS

WEST COVINA MARKETPLACE AT THE LAKES

95,000 SF Built in 1995

Recently sold for: $10,000,000 ($105/SF)

Previously sold in 2007 for: $24,000,000 ($252/SF)

PLAZA VERMONT APARTMENTS/RETAIL

70,000 SF Built in 1995

Recently sold for: $6,400,000 ($80,500/unit)

2010 Assessed value: $8,500,000

GLENDALE RETAIL/OFFICE

14,290 SF Built in 1989

Recently sold for: $1,200,000 ($85/SF)

2010 Assessed Value: $3,500,000 ($244/SF)

If you're interested in learning more, please contact us at investment@stcmanagement.com

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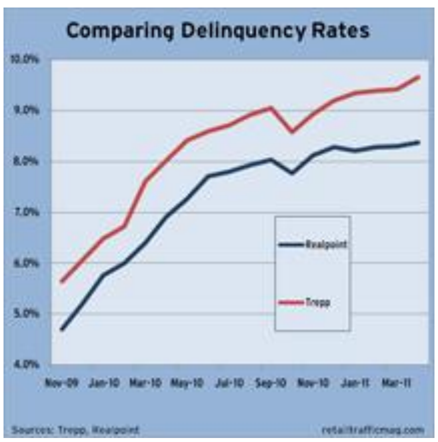
四月商業抵押擔保證券拖欠率再次上漲；拖欠的公寓貸款占 **26%**，超過前六個月一直領先的購物商場貸款

By: David Bodamer (Retail Traffic)

CMBS delinquency rates continued their seemingly inexorable rise in April, according to the firms that track the sector.

As of the end of April, the CMBS delinquency rate stood at 8.37 percent according to Horsham, Pa.-based Realpoint LLC and at 9.65 percent according to New York City-based Trepp LLC. According to Trepp, it was the largest monthly jump in the CMBS delinquency rate since December with the rate rising 23 basis points. According to Realpoint, however, the jump was slighter—rising just 8 basis points month-over-month.



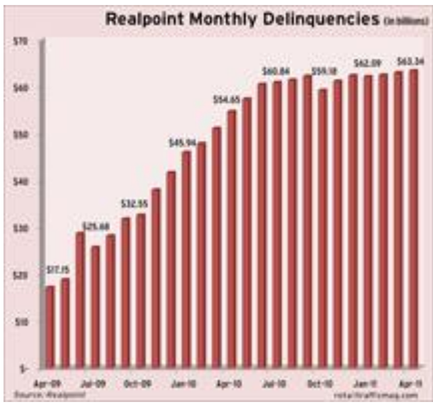
According to Realpoint, the delinquent unpaid balance for CMBS rose $371.9 million, up to $63.34 billion from $62.97 billion a month prior. This followed the previous month's increase of $546.4 million.

"Despite the one-month delinquency declines previously experienced in October 2010 and January 2011, both the delinquent unpaid balance and delinquency percentage over the trailing twelve months has continued to trend upward, but at a moderated pace compared to earlier in 2010 and 2009," the firm wrote in its monthly report.

There was a net decline in both the 30-day and 60-day delinquency categories, according to Reapoint and net increases in the 90+day, foreclosure and REO categories.
The total unpaid balance for CMBS pools reviewed by Realpoint for the April remittance was $756.63 billion, down from $759.31 billion in March.

Inside the numbers

The delinquency ratio for February of 8.37 percent (up from the 8.29 percent reported for March) is 1.2 times the 6.91 percent reported in April 2010 and more than 29 times the Realpoint recorded low point of 0.28 percent in June 2007.



According to Realpoint, “The movement in both delinquent unpaid balance and percentage is now clearly being impacted by the size and amount of loan liquidations, modifications, extensions and resolutions reported on a monthly basis, leading to a potential slow-down in the reporting of new delinquency for the remainder of 2011.”

The firm projects that the delinquent unpaid balance for CMBS still has the potential to grow higher than 9 percent in 2011.

The delinquent unpaid balance in April 2011 increased despite $867.4 million in loan workouts and liquidations across 93 loans, at an overall average loss severity of 48.1 percent, according to Realpoint. This followed a one-month reporting high of $1.49 billion in loan workouts and liquidations across 148 loans in March 2011, at an overall average loss severity of 42.7 percent, according to the firm.

By property type, in April, multifamily loans topped retail loans as the greatest contributor to overall CMBS delinquency. Retail loans had been the greatest contributor for six straight months prior to June 2010. Delinquent multifamily loans account for 2.17 percent of the CMBS universe and 26 percent of total delinquency. The retail default rate increased slightly to 7.7 percent in April 2011 from 7.3 percent in March 2011. The current default rate compares to only 6.2 percent in April 2010.

Hotels, meanwhile, had the highest delinquency rate—13.2 percent, although the figure is down from a high of 14.3 percent in October 2010. The industrial delinquency rate rose to 10.0 percent in April—up from 9.5 percent in March and is at its high point. The multifamily delinquency rate rose to 9.5 percent, but is down from a peak of 10.2 percent in January. The office delinquency rate is at 6.8 percent and has fluctuated between 6.2 percent and 6.9 percent every month dating back to July 2010.

In its monthly report, Realpoint wrote, “Despite a leveling off over the past five months, we still consider retail delinquency a legitimate concern for 2011. A prolonged economic recovery could have further impact on consumer spending and cause retailers to continue to struggle. We also cannot rule out additional store consolidation, closings and potential bankruptcies along with growing balloon maturity default risk as retail collateral continues to suffer from the experienced decline”

Trepp's view

Meanwhile, in its analysis, New York City-based Trepp said that the CMBS delinquency rate rose to 9.65 percent in April, topping the previous high of 9.42 percent in March.

According to Trepp, “After three consecutive months in which the U.S. CMBS delinquency rate showed signs of leveling off, the rate re-accelerated in April. In February and March, the CMBS delinquency rate posted its smallest rates of increase since mid 2009. Those statistics, along with the view that CMBS lending was beginning to pick up steam, led many to believe that the worst was behind the CMBS market.”

The delinquency rate one year ago was 8.02 percent.

The jump came in spite of two factors Trepp identified as putting downward pressure on the delinquency rate. Firstly, new CMBS issues are being added to the data set, which increases the overall pool. Trepp adds issues after they have been seasoned for six months. Since newer issues are generally current, they tend to push the overall delinquency rate lower.

Secondly, “special servicers have been resolving a greater number of troubled legacy CMBS loans than they were 18 months ago. Accordingly, as troubled CMBS loans leave the universe - as they are sold off or modified - the balance of troubled CMBS loans is reduced. This, too, puts downward pressure on the delinquency rate,” Trepp wrote.

Multifamily remained the sector with the highest delinquency rate, according to Trepp. The multifamily rate is at 16.77 percent (up from 16.21 percent in March) while the lodging delinquency rate fell to 15.45 percent from 15.97 percent in March. The lodging delinquency rate peaked at 19.33 percent in September and been improving in recent months.

The delinquency rate for industrial properties rose to 10.76 percent from 10.25 percent in March. It has nearly doubled from a year ago when the rate stood at 5.41 percent. The delinquency rate rose for retail properties from 7.72 percent to 8.12 percent. It is the first time Trepp has measured the retail delinquency rate above 8 percent. The delinquency rate also rose for office properties from 7.13 percent to 7.20 percent.

More Transparency Coming to Counter 'Extend & Pretend' Strategies
財務會計準則委員會制定的新會計規則將迫使銀行把更多的貸款分類為不良資產

By: Mark Heschmeyer (CoStar)

The number of loans that banks have to classify as troubled debt could increase dramatically in a few weeks as a result of new accounting rules issued last month. The new push to reclassify some loans is already hurting some lenders, and the reclassifications are expected to shine a spotlight on the commercial real estate lending practice that has come to be known as "extend and pretend."

New accounting standards issued by the Financial Accounting Standards Board (FASB) just last month and taking effect for public companies first are expected to result in lenders re-examining their restructured debt and could compel them to reclassify some of it as troubled. Those adjustments will have to be made public in any quarterly and annual reports filed after June 15.

In addition to the accounting change, banking regulators have also started cracking down on lenders and requiring some to go back and reclassify some of their receivables as troubled debt restructurings (TDR).

The issue of TDRs sprung to life this month after FASB last month issued new guidance directing institutions to standardized what constitutes TDRs, and also report redefault rates on TDRs on a portfolio segment basis. Law and accounting firms have jumped into action with blogs and webinars for their clients explaining the change.

Wolf & Co., a leading regional certified public accounting and business consulting firm with headquarters in Boston, reported that in evaluating whether a restructuring constitutes a TDR, a lender must separately conclude that both: the borrower is experiencing financial difficulties and the restructuring constitutes a concession.

Those concessions could include:

- Transfer of assets from the debtor to the lender; or

- Granting of an equity interest to the lender by the borrower; or

- Modification of debt terms such as a reduction in the interest rate, payment deferrals, extension of the maturity date at a less than market rate (for similar risk), reduction of the face amount or maturity amount owed, or a reduction/write-off of accrued interest.

Some of the concessions described have been an oft-used tool by lenders to extend the maturity date on CRE loans to give borrowers and banks more time to ride out the economic recession and possibly recover some of the lost value of an asset - "extend and pretend."

Tim Tiefenthaler, managing director in Las Vegas of McGladrey, an accounting, tax and consulting firm, posted to his firm's clients that, according to the FDIC Quarterly Banking Profile, TDRs for all insured institutions have grown from $6.9 billion from year end 2007 to $87.5 billion at year end 2010.

"Federal banking regulators have noted that TDRs is an area of focus for examiners and the larger volume of modifications has resulted in significant concerns about the level of allowance for loan losses associated with these loans," Tiefenthaler said. "Because of the magnitude of restructuring activities, regulators, investors, auditors and lending institutions have raised concerns about the diversity in practice in identifying loan modifications that constitute TDRs for a creditor."

The new guidance issued to standardize how TDRs are accounted for is expected to increase the level of loan modifications that will be reported and accounted for as TDRs. It will be also be the first time that redefault rates on commercial real estate loans will become available on a broad basis, according to a new Fitch Ratings report on the topic.

Given the recent and forecasted shifts in TDR types away from residential loans, this information will be invaluable to asset quality analysis, especially as it relates to CRE-heavy loan portfolios, Fitch said.

First-lien residential mortgages continue to dominate the current mixture of TDRs, representing 87% of total outstanding TDRs, according to Fitch. These loans have experienced extremely high redefault and growth rates over the last two years.

The mixture has changed during the past year with nonresidential mortgage TDRs growing at a significantly faster rate than residential TDRs. Overall, total TDRs amongst U.S. banks grew at a 48% pace in 2010, with nonresidential TDRs growing by 85%.

Half of all CRE loans maturing in the next few years are anticipated to mature underwater and if extended without significant credit enhancement are at risk to be classified as TDR under new accounting guidance, Fitch estimated.

Fitch considers all TDRs nonperforming (regardless of accrual status) for the purposes of asset quality analysis. Fitch said that TDRs by their very nature have increased credit risk.

Fitch said it does not expect that these trends will materially affect ratings on an industry wide basis. However, the ratings of some financial institutions could be negatively affected to the extent that specific lenders experience disproportional growth in TDRs and report unusually high redefault rates.

The impact of reclassify receivables as TDRs was evident this week when NASB Financial Inc. in Grandview, MO, reported that it received a letter from the Office of Thrift Supervision directing its North American Savings Bank FSB to amend and restate its financial results for the quarter ended Dec. 31, 2010. OTS directed the $1.3 billion institution to reclassify certain residential development loans receivable, as TDR.

As a result of these restatements, NASB's previously reported net income for the quarter ended Dec. 31, 2010, of $2 million will decrease to a net loss of $3 million.

NASB said the loans to be reclassified are paying as agreed and have not been restructured in the traditional sense by offering any concessions that discount the original terms. However, the original maturity dates were extended, the bank holding company said.

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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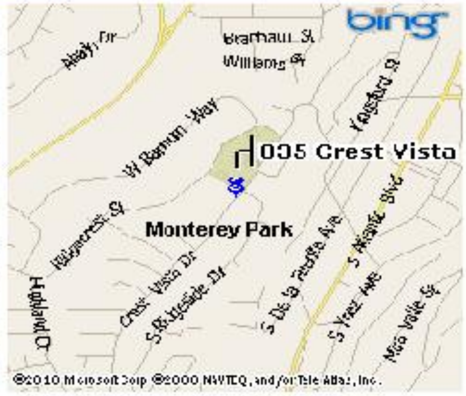
	Yield/Rate (%)		52-Week		Change in PCT. PTS	
Interest Rate	Last	Wk Ago	High	Low	52-week	3-yr
Federal-Funds rate target	0-0.25	0.00	0.00	0.00	-	-2.00
Prime rate*	3.25	3.25	3.25	3.25	-	-1.75
Libor, 3-month	0.26	0.26	0.54	0.26	-0.25	-2.39
Money market, annual yield	0.63	0.62	0.79	0.59	-0.16	-1.78
Five-year CD, annual yield	1.98	1.98	2.61	1.92	-0.63	-1.67
30-year mortgage, fixed	4.68	4.68	5.21	4.32	-0.29	-1.26
15-year mortgage, fixed	3.93	3.91	4.57	3.71	-0.35	-1.58
Jumbo mortgages, $417,000-plus	5.25	5.26	5.89	5.23	-0.53	-1.99
Five-year adj mortgage (ARM)	3.25	3.27	5.79	3.23	-0.58	-2.18
New-car loan, 48-month	3.94	3.91	6.42	3.91	-2.39	-2.97
Home-equity loan, $30,000	5.07	5.07	5.17	5.04	-0.07	-0.25

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.