



COMMERCIAL REAL ESTATE MARKET UPDATES SPECIAL EDITION

L.A. COUNTY OFFICE REPORT Q2 2011 洛縣辦公樓報告： 2011 年第二季度

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就業率仍在增長，但跡象顯示增長率在減緩
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STC LISTINGS

STC 獨家代理物業出售

- [San Gabriel Office/Retail](#)
聖蓋博獨棟商用物業
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橙縣幼稚園/重新開發機會
- [Crenshaw Retail Center](#)
洛杉磯購物商場
- [Monterey Park Retail Shopping Center](#)
蒙特利公園購物商場
- [Rosemead Development/Mixed-Use Land](#)
柔似蜜公寓與商業土地開發機會
- Profitable Downtown Los Angeles Business [Coming Soon]
高盈利洛杉磯市中心商業【即將上市】
- Major Rowland Heights Shopping Center [Coming Soon]
大型羅蘭崗購物商場【即將上市】

INVESTMENT OPPORTUNITIES

投資機會

- [Recent Notable Distressed Property Deals](#)
近期高回報的不良資產交易

August 8,
2011



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L.A. COUNTY OFFICE MARKET Q2 2011 OVERVIEW

洛杉磯縣：2011年第二季度辦公樓報告



ECONOMY 經濟

Employment Growth for the Year Still in Positive Territory
就業率仍在增長，但跡象顯示增長率在減緩

Total Number of Jobs Added Per Year

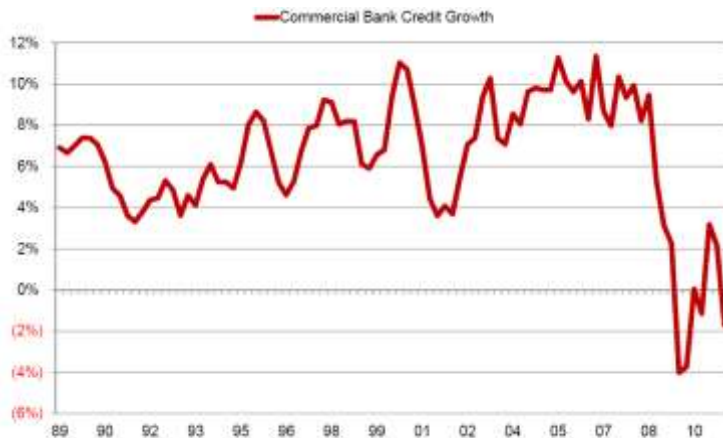


Source: Department of Labor, Bureau of Labor Statistics

AT A GLANCE:

Although overall employment growth for 2011 is in positive territory, it has not been as robust as most have hoped. Results in recent quarters have been mixed, showing that there is still weakness in the labor markets.

Bank Credit is Contracting Again
銀行貸款再次收縮



Source: Federal Reserve

AT A GLANCE:

Bank credit is contracting again, making it increasingly difficult for consumers and businesses to obtain financing. On the other hand, corporate credit is the one sector that is still expanding – a result of direct lending from the Federal Reserve and special programs from the treasury.



THE LOS ANGELES OFFICE MARKET

洛杉磯辦公樓市場

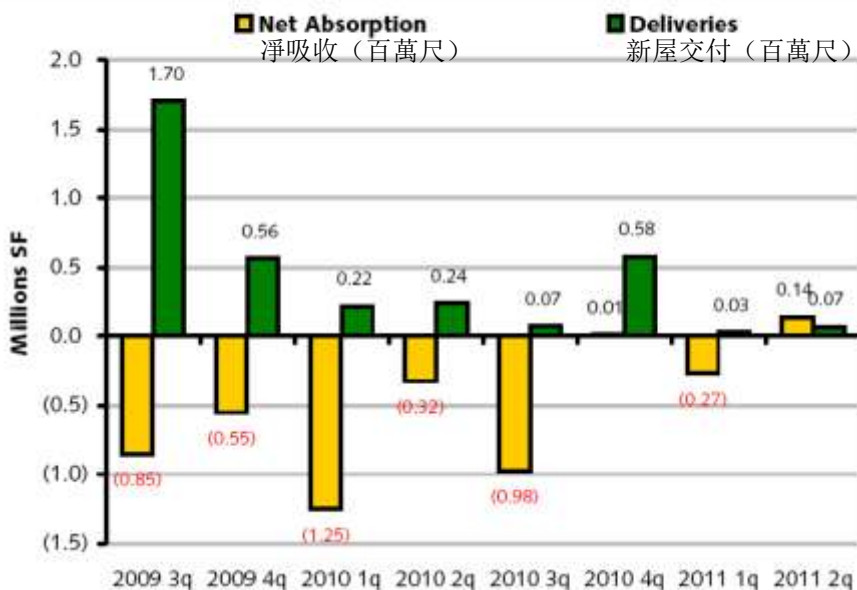
Los Angeles's Vacancy Stays at 12.5%, Net Absorption Positive 140,329 SF in the Quarter

空屋率持平12.5%，空屋吸收在第二季度增加140,329 SF，但市中心空屋吸收減少至負161,579 SF，租金平均每尺每年\$27.21，比上季度減少0.3%

The Los Angeles office market ended the second quarter 2011 with a vacancy rate of 12.5%, remaining unchanged over the previous quarter, with net absorption totaling positive 140,329 SF. Rental rates ended the second quarter at \$27.21, a decrease of 0.3% over the previous quarter. Net absorption for Los Angeles's central business district was negative (161,579 SF) in the second quarter, in contrast to two previously positive quarters.

Absorption & Deliveries 空屋吸收與新屋交付

Past 8 Quarters

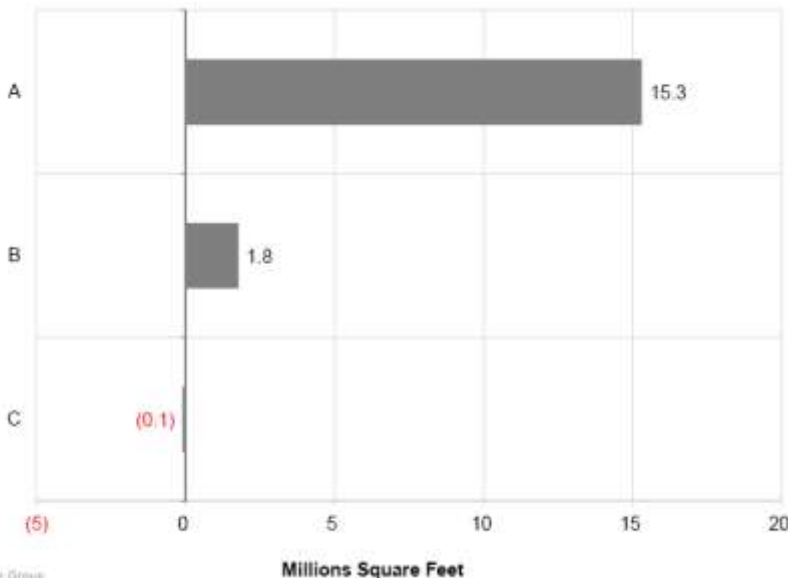


AT A GLANCE:

Delivery of new office space picks up slightly during the second quarter of 2011, but remains significantly lower than a year ago.



Net Absorption for Class-A Office Space Leads the Pack 頂級辦公樓空屋吸收最高



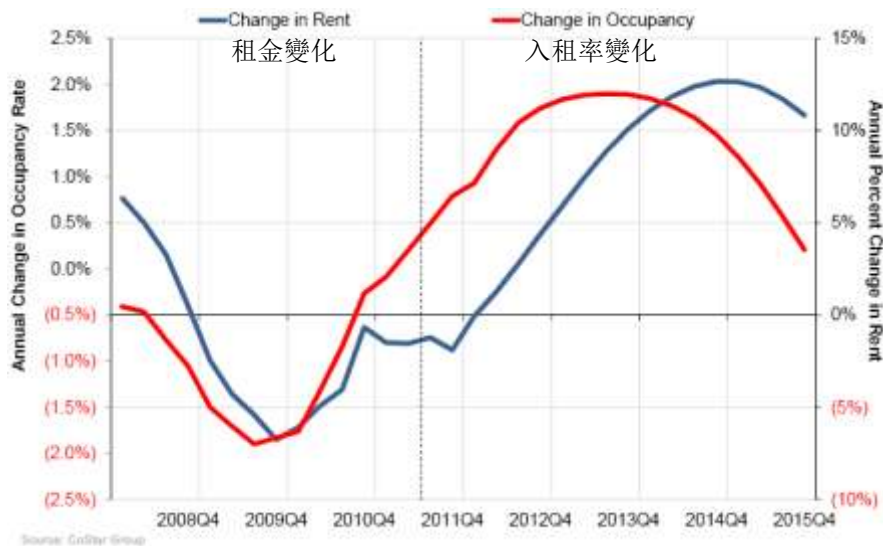
Source: CoStar Group

空屋吸收 (百萬尺)

AT A GLANCE:

Class-A office space is still in high demand, as investors search for stable properties at bargain pricing.

CoStar Forecasts Rents and Occupancy to Continue Rising through 2013 專家預計租金與入租率會持續上漲至2013年



Source: CoStar Group

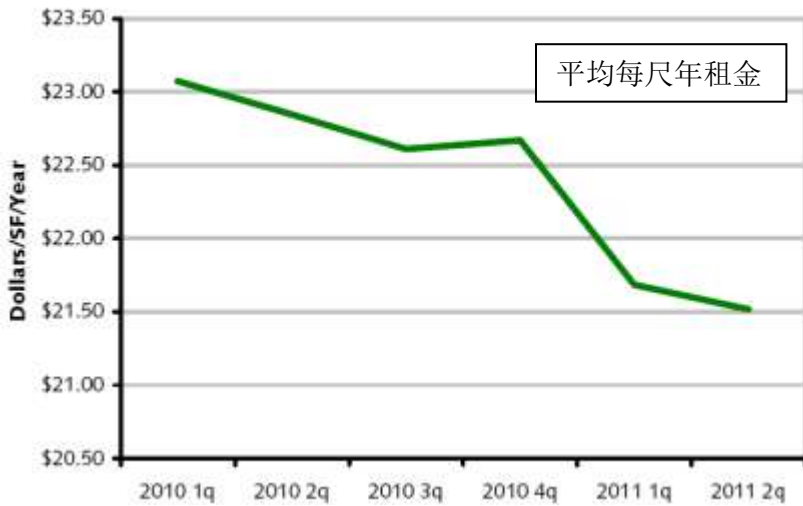
AT A GLANCE:

CoStar forecasts improving rents and occupancy rates until late 2013, as the recovery gains its footing.



San Gabriel Valley Rents Continue to Decline 圣蓋博谷租金持續下滑

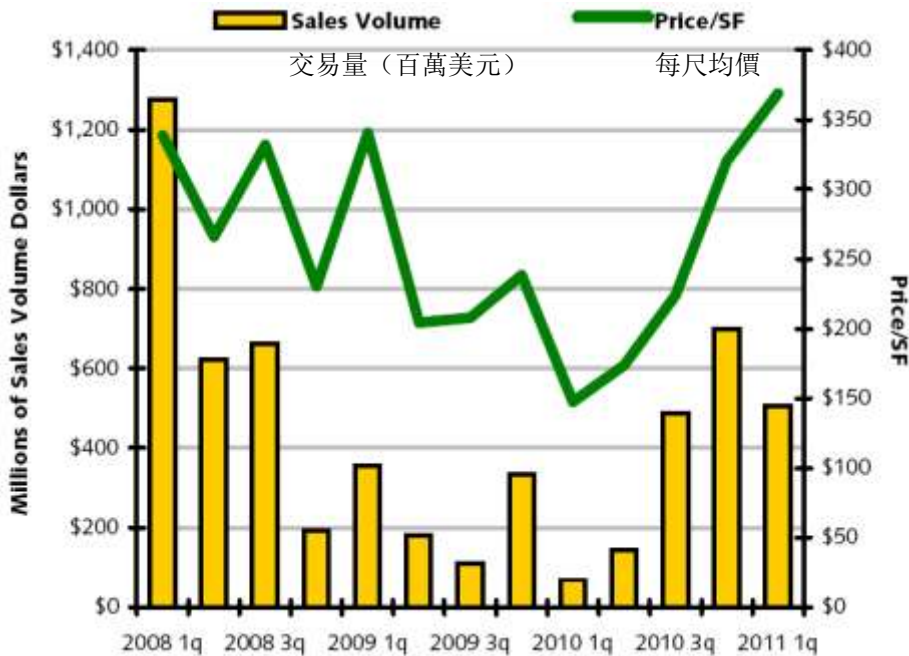
Historical Analysis, All Classes



AT A GLANCE:

Overall rents in the SGV continue to decline, but at a slower rate than seen in previous quarters.

Sales Volume Drops While Pricing Continues to Rise 買賣交易量減少，但價錢持續上漲



AT A GLANCE:

Sales volume has improved significantly year-over-year, but has slowed down in the last quarter. However, pricing has rebounded and returned to pre-2008 levels.

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Downgrade on US debt could translate into higher interest rates on credit cards and mortgages

美國國債的降級可能導致信用卡和抵押貸款利率的上升

By: Eileen Connelly (AP)

NEW YORK (AP) -- Lawmakers weren't able to prevent the country from losing its coveted AAA debt rating.

Although the downgrade late Friday by Standard & Poor's was historic, it wasn't entirely unexpected. The three main credit agencies, which also include Moody's Investors Service and Fitch Ratings, had warned during the fight over the debt ceiling that if Congress did not cut spending far enough, the country faced a downgrade.

And just like a lower consumer credit score implies that a borrower is a less reliable, a lower credit rating for government bonds implies there is more risk involved in lending money to the government.

Prices for U.S. government debt rose in the first few hours of trading on Monday, a sign of increased demand despite the downgrade. But it is unclear what will happen in the long term, because of the unprecedented nature of the lower rating and the decisions by Moody's and Fitch to keep their highest ratings for now.

"If they all were saying exactly the same thing that would clearly have more impact than with a split rating," Alex Pollack, a fellow at the American Enterprise Institute in Washington.

If investors get skittish and Treasury prices reverse course, that could send the interest rate on Treasury bonds up. Essentially, the rate, or yield, would climb in order to make the bonds more attractive to investors. That could lead to higher borrowing rates for consumers, because the rates on mortgages and other loans are often pegged to the yield on Treasury bonds.

Not every type of consumer borrowing has a direct tie to the government's credit rating, but there are potential ripple effects for individuals.

-- Mortgage and home equity loans

S&P's downgrade may have several implications for homeowners.

For starters, early Monday S&P downgraded the credit ratings of mortgage giants Fannie Mae and Freddie Mac, which are both backed by the U.S. government. That could mean higher mortgage rates for new borrowers. Freddie and Fannie together own or guarantee about half of all mortgages in the U.S.

Anyone hoping to buy a home in the near future likely has some time before they'll see rates climb. Still they should ask their bank or mortgage broker about the process for locking in a rate. Mortgage rates have been at historic lows in recent months, but fixed-rate mortgages are typically directly tied to the yield on 10-year Treasury bonds. Higher mortgage rates would follow



any increase in the Treasury yield. But so far it appears that Treasury yields won't rise simply as a result of the downgrade.

Variable rate mortgages and home equity loans could become more expensive as well. The high failure rate for adjustable rate mortgages during the housing meltdown means that today the number of new home loans with adjustable rates is minimal -- less than 5 percent of the market, according to Stephen Malpezzi, an economics professor at the University of Wisconsin Business School who follows the housing market.

What's less clear is how many older loans with adjustable rates remain out there, he said. With interest rates low in recent years, many homeowners who held adjustable rate mortgages have refinanced to fixed-rates. For homeowners who still have ARMs, any potential change in their interest rates depends on whether their loan was linked to Treasury rates or some other benchmark, like the prime rate or federal funds rate.

Meanwhile, home equity loans, or HELOCs, are almost always variable rate loans and typically adjust more frequently than first mortgages, sometimes even monthly.

Homeowners with such loans could see shifts in their rates and payments while the markets absorb the downgrade.

One caveat is that many ARMs and most HELOCs are tied to the federal funds rate, which is set by the Federal Reserve, not to Treasuries. That should help insulate borrowers. The Fed, which meets Tuesday, has already said that it plans to keep rates low for "an extended period." "The Fed is not likely to increase the federal funds rate anytime in the near future, especially if there's another problem with the economy as a result of the whole debt ceiling thing," said Gibran Nicholas, chairman of the Certified Mortgage Planning Specialist Institute.

-- Credit cards

Consumers across the country, who carry an average \$4,950 on their credit cards according to TransUnion, will be relieved to know that any changes as a result of the downgrade won't be dramatic. And to the extent there are changes, certain protections are in place. Most accounts with fixed rates were converted to variable rates in 2009 in response to the economic downturn and new regulations.

Banks don't publicize the rates they're charging current customers, but nearly 96 percent of the offers sent out for new cards in the first six months of this year carried variable rates, according to Mintel Compermedia, a market research firm.

Right now, banks are offering an average annual interest rate of 14.4 percent, according to Bankrate.com.

However, like HELOCs, most card rates rise and fall with the prime rate, which is pegged to the rate set by the Fed. That will help protect credit card users from the market's gyrations in the short term.

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The good news is that even if market forces start sending card rates higher, current account balances will be protected from rate hikes under the credit card reforms passed in 2009. That means only new charges would be subject to higher rates. If rates rise several times over a period of months, card users could end up with multiple rates on various balances.

John Ulzheimer, president of consumer education for SmartCredit.com, noted that the law now requires banks to apply any payments above the minimum required to the highest rate balance. That's so those new balances may get paid off faster. But any scenario involving volatility could make for some confusing statements.



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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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	0-0.25	0-0.25	0-0.25	-	-2.00
Prime rate*	3.25	3.25	3.25	3.25	-	-1.75
Libor, 3-month	0.27	0.26	0.40	0.25	-0.13	-2.53
Money market, annual yield	0.58	0.58	0.76	0.58	-0.15	-1.89
Five-year CD, annual yield	1.87	1.88	2.40	1.86	-0.53	-2.39
30-year mortgage, fixed	4.48	4.61	5.21	4.32	-0.17	-2.07
15-year mortgage, fixed	3.67	3.77	4.57	3.64	-0.45	-2.41
Jumbo mortgages, \$417,000-plus	5.10	5.14	5.89	5.09	-0.51	-2.54
Five-year adj mortgage (ARM)	3.07	3.08	5.79	3.00	-0.76	-2.99
New-car loan, 48-month	4.37	4.05	6.24	3.75	-1.87	-2.09
Home-equity loan, \$30,000	4.77	4.77	5.17	4.75	-0.38	-0.64