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- Self-Storage REITs Post Record Gains for Second Year in a Row

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  Self-storage has long been viewed as a stable business because it is an expense borne out of necessity. "We are a solution to a problem or a challenge that has been life-changing for an individual," said Spencer Kirk, chief executive of Extra Space. "It's not glamorous, but it's stable," he said. "It's recession-resistant. And if properly managed, it can produce a great return for an investor."

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- Is Apple the Answer to Target's Problems?

  Apple計劃在連鎖零售店Target設立店中店

  Apple reportedly is considering opening a store-within-a-store concept at select Target locations this year, in markets that can't support standalone Apple stores. Apple operates a similar concept already at about 600 Best Buy stores.

- Macy's Plans Store Openings and Closings

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- Fresh & Easy to Close 7 Stores in California

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Seven California grocery stores are among 12 underperforming locations nationwide to be closed by Tesco's Fresh & Easy Neighborhood Market in an effort to boost profitability.

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- Technology, Energy Hubs to Outperform the National Office Market in 2012

科技、能源公司密集的辦公樓 2012 年有望表現突出

Though average office vacancy rate and rents are not expected to move much in 2012, markets that have a high concentration of technology and energy firms might see a different picture.

MANAGEMENT
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- Creating a Crime Free Property

如何打造零犯罪的物業

Criminals will break down everything you've been hired to do. They will destroy your property. They will destroy your reputation. They will destroy the surrounding neighborhood. And it can take months—if not years— to get that reputation back.

FINANCING
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- Consumer Money Rates (Mortgage Rate, Prime Rate, etc.)

消費者市場利率：房貸、基本利率、等等

NEWLY LEASED
近期租出

SuperMATRIX Integrated Marketing
@ Seasons Place 四季廣場
Office 辦公 | 1840 SF
Lease commences in February, 2012

@ Valley Plaza, San Gabriel
SPA & Massage 按摩 | 2612 SF
Lease commences in February, 2012

Institute of Chinese Martial Arts
@ Rowland Heights Plaza 羅蘭廣場
Education 教育 | 1500 SF
Lease commences in December, 2011

Mixed-Use Project to Get Underway this Month in Downtown L.A.

洛城市中心造價一億六千萬包含畫廊、劇院的混用建設項目本月開工

By Roger Vincent (Los Angeles Times)

Construction will begin this month on One Santa Fe, a long-anticipated $160-million apartment, office and retail development in the arts district of downtown Los Angeles.

The 790,000-square-foot complex will rise on four acres of land on Santa Fe Avenue between 1st and 4th streets that was leased from the Los Angeles County Metropolitan Transportation Authority.

Plans by Los Angeles architect Michael Maltzan call for 438 apartments and 78,620 square feet of office and retail space, along with nearly 50,000 square feet of public outdoor space. When completed in 2014, it is to have an outdoor terrace, a grocery store, art gallery, a theater and a garden.

Twenty percent of the units will be priced for low-income renters.

Tenants are expected to include young professionals and students, said developer Bill McGregor of the McGregor Co.

The six-story project is across the street from the Southern California Institute of Architecture, where about 500 students attend classes in a century-old rail freight depot that is a quarter of a mile long and about 37 feet wide.

One Santa Fe was conceived in the mid-2000s but was delayed by the economic downturn and challenges connected to its complex financing structure, McGregor said.

Canyon-Johnson Urban Fund said Monday that it would provide an undisclosed amount of equity financing that would enable the project to go forward.

"It's great to invest in our home base of Los Angeles, and to take a project as important as One Santa Fe to the next level," said Earvin "Magic" Johnson, the former Los Angeles Lakers star who is a partner in the fund.

McGregor Co.'s partners in the development are Polis Builders Ltd. and Goldman Sachs Urban Investment Group.

The residential portion is being financed by tax-exempt bonds issued by the California Housing Finance Agency and guaranteed by the U.S. Department of Housing and Urban Development, a loan from the Los Angeles Housing Department and low-income housing tax credit equity provided by Goldman Sachs.

The commercial component is being financed by a loan from the city; new markets tax credit allocations from Clearinghouse CDFI, Genesis LA Economic Growth Corp. and the Los Angeles Development Fund; and new markets tax credit equity by Goldman Sachs.

"The One Santa Fe development is a prime example of a partnership that supports positive economic development in Los Angeles," said Los Angeles City Councilwoman Jan Perry, who represents the area.

Property Investors Bet on Rising Demand for U.S. Charter Schools

地產投資者押寶於需求上漲的美國非營利私營學校

By Brian Louis (Bloomberg)

Jan. 11 (Bloomberg) -- A warehouse where workers once shaped and cut steel on Milwaukee's north side is getting a second life. It's being transformed into a charter school that's scheduled to open in August.

A joint venture of Canyon Capital Realty Advisors LLC and former tennis champion Andre Agassi's business partnerships is developing the property and will lease it to Lighthouse Academies of Wisconsin Inc. The Canyon-Agassi real estate fund has done one warehouse conversion in Philadelphia and is considering school projects in other U.S. cities, including New York and Houston.

Entertainment Properties Trust and Inland Public Properties Development Inc. also are among companies that are investing in buildings for charter schools as demand for campuses grows. More than 500 of the schools opened last year, bringing the U.S. total to about 5,600, according to the National Alliance for Public Charter Schools, a Washington-based advocacy group. The investors buy or develop properties and get income from renting to companies that operate the schools.

"We don't find a lot of competition right now, and we like that," David Brain, chief executive officer of Entertainment Properties, said in an interview. "We'll be ahead of the curve when other people finally wake up to the idea and come to the party."

The real estate investment trust, primarily a movie theater landlord, owned 34 charter-school properties as of Sept. 30, accounting for $280.3 million of its $2.9 billion portfolio. Entertainment Properties spent $36.4 million on charter schools last year through the third quarter, the Kansas City, Missouri- based company said in a regulatory filing.

'Capacity to Grow'

Charter schools "are going to be a substantial portion of the market and we have a huge capacity to grow there," Brain said.

More than 400,000 children nationwide are on waiting lists for the schools, the national alliance said in a December statement. Demand has increased as parents seek alternatives to traditional public schools. About 2 million students were enrolled in charter schools for the 2011-12 school year, according to the alliance.

The schools charge no tuition. They receive funding from municipal, state and federal tax dollars and operate under a charter that's granted by the state or a local authority, according to a May report by Ernst & Young LLP. Each school has its own governing board.

Academic Focus

Charters are able to offer longer days than traditional public schools and may adopt a focus, such as the arts or preparing for careers, according to the alliance. Like public schools, they're subject to state and federal academic standards.

For Entertainment Properties, the charter-school investment yield is 9 percent to 10 percent, according to Keith Bokota, an analyst at Principal Global Investors. That compares with November's 7 percent average capitalization rate for commercial- property deals of more than $5 million, according to Real Capital Analytics Inc., a New York-based property research company.

The Canyon-Agassi Charter School's Facilities Fund appeals to investors seeking a good return on their money while doing something positive for education, said Glenn Pierce, its chief executive officer. Investors in the Los Angeles-based fund -- which lists Citigroup Inc., Intel Corp., the Ewing Marion Kauffman Foundation and the University of Michigan among its backers -- can expect yields in the "low teens after fees," he said.

Fund's Goal

The fund has about $200 million in equity and will use loans to reach its goal of $500 million to spend on developing campuses, according to Pierce. It's investing about $5.1 million in the Milwaukee project, he said. The North Point Lighthouse Charter School will have an art room, library and computer lab.

"We're taking a former warehouse building and turning it into a state-of-the-art school," Pierce said in a telephone interview.

The fund gives a school the option to purchase the campus once it has matured to the point where it can obtain financing. "Our whole premise is not to be a long-term owner of these assets," Pierce said.

While school landlords may eventually profit from a sale, income primarily comes from long-term lease agreements with operating companies.

Inland Purchases

In 2010, a unit of Inland American Real Estate Trust Inc., a public, non-traded REIT based in Oak Brook, Illinois, bought seven charter-school properties for $61 million from operator Imagine Schools Inc. Arlington, Virginia-based Imagine, which runs 75 schools in 12 states and the District of Columbia, agreed to lease back the properties from Inland over a 20-year period.

For Entertainment Properties, income from Imagine accounted for 9 percent of revenue from continuing operations in the third quarter.

Charter schools are "going to be a bigger piece of the business" for the landlord in the long term, Craig Mailman, a New York-based analyst at KeyBanc Capital Markets Inc., said in a telephone interview.

Box office sales in U.S. and Canadian theaters fell 3.4 percent last year, while attendance dropped 4.2 percent to a 16- year low, according to Hollywood.com Box-Office.

Entertainment Properties said it planned to start construction on as many as four campuses in the fourth quarter, according to a Nov. 2 statement.

Investor Risk

Leasing properties can entail risk because schools may be shut down for reasons including poor student achievement, low enrollment and financial troubles. About 150 U.S. charter schools didn't reopen this academic year, according to the charter-school alliance.

"That's just not a risk that's typical of property owners," said Bokota of Principal Global Investors. Its parent company, Des Moines, Iowa-based Principal Financial Group Inc., owned 1.6 million shares of Entertainment Properties at the end of September, according to data compiled by Bloomberg.

Investors may try to reduce risk by leasing to experienced companies that operate a number of schools. The Milwaukee school is part of Lighthouse Academies Inc., a nonprofit network of 19 schools in five states. The Framingham, Massachusetts-based operator was founded in 2003.

Even large operators can run into trouble. Last month, the charter for one of Imagine's schools in St. Louis was revoked and four other schools were placed on probation partly because of poor academic performance. Entertainment Properties is the landlord for those schools' campuses.

Master Lease

Entertainment Properties has a master lease "that covers all the Imagine properties in our portfolio and ensures payment should a school close," Brain, the CEO, said in an e-mailed statement. "We have a variety of options with the facility to continue to serve the education market in St. Louis."

The school is scheduled to close in June.

Improving academic performance "is vital to the schools coming off probation" and the 11-year-old company has taken steps to raise students' test scores, Lori Waters, a spokeswoman for Imagine, said in a telephone interview.

Charter schools' budgets are initially small and the schools often prefer to lease because obtaining financing for a building project is difficult and seen as risky. Many schools start out in temporary space, such as an existing public school building, shuttered retail store or former offices, said Jim Griffin, president of the Colorado League of Charter Schools.

"That's generally their lot in life," he said. "It's kind of get what you can."

Starting Small

Most new charter schools start with just a few grades and try to build enrollment over a number of years. The Lighthouse school in Milwaukee will open for the fall semester with kindergarten through fourth grade and plans to add one class each year until it reaches the 12th grade.

Demolition on the Milwaukee warehouse's interior started last month. Classrooms and offices are expected to be finished in July, a month before classes begin, said Anna Hammernik, the North Point Lighthouse principal.

Hammernik moved back to her native Milwaukee to lead the new school, after working in New Orleans. She's spent the past year helping to plan the curriculum and get the word out.

The old warehouse's transformation will be a "great boost to the community," Hammernik said.

"A lot of our kids go to school in really old buildings," she said. "I'm super-excited for our kids to have a brand-new building."

Self-Storage REITs Post Record Gains for Second Year in a Row

自用倉庫投資信託基金連續第二年盈利

By A.D. PRUITT (Wall Street Journal)

One of real estate's least-exciting businesses—warehouses that allow people to store their unused sofas, lamps and other household goods—have become a hit with investors.

The widely watched reality-TV show, "Storage Wars," which follows investors as they bid on repossessed storage lockers in search of hidden treasure, put self-storage on the pop-culture map.

But the storage companies themselves have turned out to be winners, too, as their stock prices surge. Last year, the stocks of real-estate investment trusts in the self-storage business posted a total return of 35.4%, the strongest gain of any REIT sector for the second consecutive year. Those results greatly outpaced the 8% return for all REITs, as measured by the Dow Jones All REIT Equity Index.

Profits in storage "far exceeded where most thought they would come in," said Michael Knott, an analyst at Green Street Advisors. "Almost every situation in life can create demand for self-storage, like moving, divorce and getting married, [that is] irrespective of where the economy may be."

The foreclosure crisis also has boosted demand for storage space as families downsize into smaller rental housing.

Among the four self-storage REITs tracked in the Dow Jones index, Extra Space Storage Inc., the second-largest public storage operator with 882 facilities in 34 states, packed the biggest punch, with a 2011 total return of 43%. Public Storage, the largest operator, had a return of 36%. Sovran Self Storage Inc. returned 21.35%, and CubeSmart returned 14.97%.

While most self-storage companies performed well, analysts said that Extra Space, based in Salt Lake City, benefited more than others because customers are drawn to its newer facilities located in densely populated markets. That allowed the company to increase occupancy 3.4% in the third quarter to 89.1%, the company's highest-rate ever for a third quarter. Extra Space asking rents jumped 3% in the third quarter compared to the same period a year earlier and discounts dropped 9%

"Along with the rest of the industry, [Extra Space] had a very good year, including increased occupancy and rising rents," said Paul Adornato, an analyst at BMO Capital Markets. He said he anticipates a favorable business environment for the company this year. Mr. Adornato also is a satisfied customer. He is renting an Extra Space facility in Brooklyn, N.Y., for six months as he remodels his home.

Still, Mr. Adornato has an "underperform" rating on the stock partly because he doesn't believe occupancy can rise much higher. "We think some of the easy gains from increasing occupancy may no longer be available to the company," Mr. Adornato said. "Investors may look elsewhere…in the REIT world for better returns."

Self-storage has long been viewed as a stable business because it is an expense borne out of necessity. "We are a solution to a problem or a challenge that has been life-changing for an individual," said Spencer Kirk, chief executive of Extra Space. "It's not glamorous, but it's stable," he said. "It's recession-resistant. and if properly managed, it can produce a great return for an investor."

Mr. Kirk noted that during the downturn, public-storage companies only suffered mild revenue declines compared with the double-digit drops by other commercial landlords. And, while Extra Space did drop rents for new tenants, it continued to raise rental rates for existing customers every month.

The company wasn't completely unscathed by recessionary pressures. Like its rivals, Extra Space saw an exodus of longer-term tenants of seven to 10 years who ditched the storage facilities to save money.

The company also was the most-vulnerable among the four storage REITs because it used hefty amounts of leverage to fund an ambitious development pipeline.

Extra Space repaired its balance sheet by securing bank loans on some 800 properties that it used as collateral. In addition, the company also permanently closed its development business in 2009 because it couldn't get financing to build new facilities.

Mr. Kirk says the business will continue to benefit from higher rents in part due to the absence of new competition. "There has been virtually no new supply added over the last few years. As an existing operator for self-storage, it bodes well for the future," he said.

Is Apple the Answer to Target's Problems?

Apple 計劃在連鎖零售店 Target 設立店中店

By: Christina Cheddar Berk (CNBC)

In the wake of a disappointing December sales report, it is clear Target has its work cut out.

The discount retail chain has tried to hit up designers such as Missoni and Jason Wu to try and reignite the fashionable image that once drove its business. Its next move may be to partner with retail's latest darling: Apple.

The Apple Insider blog is reporting that Apple will be opening new store-within-a-store locations in select Target locations this year. This will enable Apple to expand its retail reach into smaller metro areas.

It's also a great way for Target to juice its electronics business. After all, weak electronics sales were one reason behind Target's latest shortfall in sales, which prompted the retailer to cut its earnings forecast.

According to Apple Insider, which cited an unnamed source familiar with Apple's plans, Apple plans to begin operating branded areas within 25 larger Target stores in locations that can't support a standalone Apple store.

Target, the second-largest discount retail chain in the U.S. after Wal-Mart Stores, operates more than 1,700 stores in the U.S., while Apple operates about 245 stores in the U.S.

Apple already operates a "store within a store" at more than 600 Best Buylocations, according to the report.

But a partnership with Apple isn't a silver bullet. After all, Apple once had partnerships with Sears, Circuit City, Computer City, Office Max, and CompUSA, and some of those retailers aren't even operating any longer.

And Target has been selling Apple's iPod and iPad already. Still, the partnership will likely give Target access to a wider range of Apple products, including laptops, and the partnership even may be beneficial for Apple, by making Apple products more available to new consumers that the company hasn't been targeting aggressively.

The bigger debate for Target investors to consider is whether the discounter's PFresh grocery format is working out the way the retailer intended. The company has been devoting about 50 percent to 200 percent more space in its stores to fresh produce, meats, and baked goods.

Target has argued that offering more food will drive more shoppers to the store and once there they will buy more merchandise, but that doesn't appear to be happening.

It also may be limiting how much space Target can dedicate to higher-margin items such as the apparel and home furnishing categories, which traditionally had been one of the Target's points of strength.

Also, categories such as food put more of an emphasis on price, and with Wal-Mart looking to reinforce its image as the low-price leader, it may not be the position Target wants to be in. In the past, Target's attraction was that it offered trendy styles for less.

Target wasn't immediately available for comment.

Macy's Plans Store Openings and Closings

梅西百貨店面開關計劃

By Mark Heschmeyer (CoStar)

Macy's Inc. is planning a series of store openings and closings as part of its efforts prune underperforming locations and fill in gaps in local markets or take advantage of new opportunities at both Macy's and Bloomingdale's.

"We continue to be committed to maintaining a healthy portfolio of stores that allows us to focus on growth from our best and most productive locations," said Terry J. Lundgren, Macy's chairman, president and CEO. "This requires us to make some difficult decisions to close stores that no longer meet our performance requirements, as well as to open stores where we see opportunity."

Macy's will close the following five Macy's And four Bloomingdale's stores in early spring 2012.

Macy's, West Ridge Mall, Topeka, KS (193,000 square feet; opened in 1988; 60 associates);

Macy's, Laurel Mall, Laurel, MD (123,000 square feet; opened in 1981; 76 associates);

Macy's, Parmatown, Parma, OH (288,000 square feet; opened in 1960; 94 associates);

Macy's, Hickory Hollow, Antioch, TN (181,000 square feet; opened in 1979; 77 associates);

Macy's, Mall of the Mainland, Texas City, TX (151,000 square feet; opened in 1994; 68 associates).

Bloomingdale's, Perimeter Mall, Atlanta, GA (234,000 square feet; opened in 2003; 128 associates);

Bloomingdale's, Oakbrook Home and Furniture, Oak Brook, IL (93,000 square feet; opened in 2003; 50 associates);

Bloomingdale's, White Flint, North Bethesda, MD (259,000 square feet; opened in 1977; 158 associates); and

Bloomingdale's, Mall of America, Bloomington, MN (233,000 square feet; opened in 1992; 127 associates).

Five new Macy's stores, as well as one replacement store, are currently planned and/or under construction. New Macy's stores will be in:

Victorville, CA (103,000 square feet; to open mid-2013; approximately 140 associates);

Gurnee, IL (140,000 square feet; to open in spring 2013; approximately 200 associates);

The Bronx, NY (160,000 square feet; to open in fall 2013 or spring 2014; approximately 225 associates);

Salt Lake City, UT (150,000 square feet; opening in March 2012; approximately 116 associates); and

Greendale, WI (150,000 square feet; to open in March 2012; approximately 160 associates).

A replacement store will be built in Bay Shore, NY (200,000 square feet; to open in fall 2013; approximately 180 current associates).

Bloomingdale's is planning to open one new store (previously announced) and one replacement store.

As previously announced, a new Bloomingdale's is planned to open in Glendale Galleria in Glendale, CA (120,000 square feet; to open in fall 2013; approximately 175 associates).

In addition, the company is announcing that an all-new Bloomingdale's will be built in Stanford Shopping Center in Palo Alto, CA, to open in spring 2014, subject to completion of a public approval process. The new Stanford Shopping Center store will be built in a smaller format similar to highly successful Bloomingdale's stores opened in recent years in SoHo (New York), Chevy Chase, MD and Santa Monica, CA.

The new 120,000-square-foot store in Palo Alto will replace an existing Bloomingdale's of 229,000 square feet in the same shopping center. The current Bloomingdale's will remain in operation until the new store is constructed and opened. At that point, the current store will be razed and replaced by new specialty retail development by Simon Property Group, developer and manager of the shopping center which is owned by Stanford University. Bloomingdale's Stanford Shopping Center store currently employs about 180 associates and the company plans to maintain a similar workforce in the new store when it opens.

In addition, five new Bloomingdale's Outlet stores will open in 2012, each with about 25,000 square feet and 35 associates:

Paragon Outlets Livermore Valley in Livermore, CA (to open in fall 2012);

Merrimack Premium Outlets, Merrimack, NH (to open in spring 2012);

The Gallery at Westbury Plaza, Westbury, NY (to open in fall 2012);

The Shops at Park Lane, Dallas, TX (to open in spring 2012); and

Paragon Outlets Grand Prairie in Grand Prairie, TX (to open in summer 2012).

Fresh & Easy to Close 7 Stores in California

一度高速擴張的 Fresh & Easy 超市將在加州關閉 7 家店

By Shan Li (LA Times)

Like the redcoats of yesteryear, British retail giant Tesco is finding America hard to win over.

Seven California grocery stores are among 12 underperforming locations nationwide to be closed by Tesco's Fresh & Easy Neighborhood Market in an effort to boost profitability.

The stores in California — in Anaheim, Bakersfield, Baldwin Park, Fountain Valley, Fresno, Hemet and Ontario — will close within the next few weeks, along with four stores in Phoenix and one in Las Vegas, company spokesman Brendan Wonnacott said.

"At this time, there is simply not enough growth in sales and customers at those stores to keep them open," Wonnacott said. "We will reopen them when economic and business conditions warrant."

The El Segundo-based chain plans to retain the leases on the closed stores, Wonnacott said. The 200 or so affected employees will be offered jobs at other locations.

Fresh & Easy, a subsidiary of Tesco, opened in the U.S. with much fanfare in 2007 with plans to create a network of hundreds of smaller-format stores on the West Coast. It aimed to have 200 stores open by 2009.

But the chain has been hampered by cultural norms imported from Britain that proved mystifying to U.S. shoppers, said Jim Hertel, a managing partner at food retail consulting firm Willard Bishop.

Some of the stores' private-label products, for example, are even more expensive than their brand-name counterparts, Hertel said. Much of the fresh produce is also tightly wrapped in cellophane for freshness.

But most Americans think that "produce in a plastic bag is probably not as high quality as those in bulk," Hertel said. "People who shop produce are used to picking up a tomato and squeezing it."

The chain's computerized ordering system also had some bugs initially, so even low-turnover stores ran out of stock on everyday items.

"When you start to stack those kinds of things up, there are differences, and those differences didn't really translate well," Hertel said. "It may have worked in the U.K., but it didn't translate well here."

More than three years later, the chain operates 184 stores in California, Arizona and Nevada.

Wonnacott said the economy has hampered some of the company's plans, especially in markets such as Los Angeles, the Inland Empire and Phoenix where "entire developments didn't end up coming to fruition where we intended to put stores," Wonnacott said.

Despite the store closings, Wonnacott said, Fresh & Easy will maintain a brisk pace of expansion, with an average of 50 stores opening per year.

More than two dozen new stores will open their doors through March, including seven smaller-format Express stores in Los Angeles and Orange counties and five stores in Sacramento.

Technology, Energy Hubs to Outperform the National Office Market in 2012

科技、能源公司密集的辦公樓 2012 年有望表現突出

By SA Commercial Prop News

After generating strong momentum in the first half of 2011, the national office sector will experience slow growth in 2012.

The financial crisis in Europe, coupled with government budget-cutting in the U.S., will put a damper on demand for new office space next year, except for the select markets that serve as homes to technology firms and energy companies.

By the end of 2011, the average office vacancy rate for the U.S. as a whole will stand at 16.8 percent, according to research by Grubb & Ellis, a national real estate services firm. Over the course of 2012 it will likely budge just 110 basis points, to 15.7 percent. What's more, average rents will continue to stagnate. Asking rents on class-A properties might rise 0.7 percent next year, while rents on class-B buildings will go up 0.2 percent, according to Robert Bach, senior vice president and chief economist with Grubb & Ellis.

“In some ways, it's the best case scenario. It's hard to fathom right now how what's going on in Europe is going to affect the financial markets and exports,” Bach notes. “The U.S. economic indicators seem to be picking up, but at the same time, some of the global indicators are softening. Growth in the U.S. won't be robust if they rest of the world isn't participating, and that will carry over into leasing demand for commercial real estate.”

Research from real estate services firms Jones Lang LaSalle and Cushman & Wakefield supports this thesis.

Jones Lang LaSalle estimates that today, the vacancy rate in the U.S. office market stands at 17.5 percent. Over the course of next year, it might reach 16.5 percent, but is unlikely to drop further.

“Twelve months ago, we would have predicted that it would come down below 16 percent, but we don't see that as a result of companies being a little more conservative in their hiring,” says John Sikaitis, director of office research with the firm.

The most recent Bureau of Labor Statistics employment report, issued on Dec. 2, estimates the national unemployment rate in November at 8.6 percent, its lowest level since March 2009. However, the job openings rate in October, the most recent month for which data is available, stood at 3.3 million—a decline from 3.4 million in September.

"The level of leasing activity we saw in the first half of 2011 has tapered off," says Maria T. Sicola, executive managing director for Americas research at brokerage firm Cushman & Wakefield. "We just don't see the demand there and the strong employment growth yet."

EMPLOYMENT HUBS

The markets that have a high concentration of technology and energy firms might see a different picture next year. Because technology and energy sectors have been experiencing strong growth lately, leasing demand in such cities should begin to fall in line with supply. The outperformers will likely include San Francisco, Seattle, Houston, Oklahoma City and Pittsburgh.

In San Francisco, the heart of Silicon Valley, Cushman & Wakefield expects the vacancy rate for class-A office buildings in the Central Business District (CBD) to fall to 8.8 percent, from 9.5 percent today. In 2013, the vacancy rate in San Francisco's CBD will likely drop further, to 7.4 percent.

"It's not necessarily the banks and the law firms that have been responsible for the office sector recovery: it's technology and sciences and energy," Sicola notes. "It's the Googles and the Twitters, and their employees have been driving where they want to be. It will be very interesting to keep an eye on Silicon Valley in particular. That's a market that's very, very strong."

Nevertheless, Cushman & Wakefield expects rents to stay flat throughout most markets in the country in 2012. So does Jones Lang LaSalle.

"Many markets are still bouncing around the bottom," says Sikaitis. "Nationally, we might see a slight uptick, but it's going to be very minor."

ROOM FOR MORE?

In view of a muted outlook for office sector fundamentals, investments sales activity next year will show only moderate growth.

There is plenty of capital still waiting to be deployed, according to Sikaitis, so class-A office buildings in primary and secondary markets will continue to get traded. But given that the industry posted a 45 percent increase in office sales this year, a 15 to 20 percent increase next year will look more measured by comparison.

It will also be more within historical norms. Part of the reason investment sales showed such strong growth in 2010 and 2011 was because the industry was coming off almost no activity in 2009, according to Bach. But real estate investors still remember the consequences of risky deals made in 2006 and 2007, so they will continue to look carefully at property fundamentals before plunking down their money.

"What we are really doing here is returning to normal," Bach says. "There is a good amount of liquidity, both debt and equity, there is price transparency and fairly reasonable expectations on the part of sellers. It will be like something we saw in 2004."

In 2004, the U.S. office market saw $74.5 billion in investment sales, according to Real Capital Analytics, a New York City-based research firm. The average cap rate on office transactions that year was 7.99 percent.

Creating a Crime Free Property

如何打造零犯罪的物業

By NANCYE J. KIRK (JOURNAL OF PROPERTY MANAGEMENT)

Noel's stark reminder that no property is immune from criminal activity put the spotlight on property managers, who have a duty to address illegal activity—not after it happens, but before it happens and the damage is done—by becoming adept at identifying the warning signs of criminal activity.

A program developed by the IFCA is designed to do just this. The ICFA's Crime-Free Program calls on the active participation and collaboration of three stakeholders—law enforcement, property management and tenants/residents—all working toward the common goal of making a property reasonably safe and improving the quality of life for residents by preventing problems before they become crime statistics.

Initially launched by Tim Zehring, an officer with the Mesa,

Ariz., police department in 1992, the Crime-Free Program—which includes three phases that must be completed under the supervision of the local police department— has spread to nearly 2,000 cities in 44 U.S. states, five Canadian provinces, as well as Mexico, England, Finland, Japan, Russia, Malaysia, Nigeria, Afghanistan and Puerto Rico. Property managers become individually certified after completing training in each phase, and the property becomes certified upon successful completion of all three phases.

THREE'S A CRIME

PHASE 1—SURVEY

As part of the Crime-Free Program, a Crime Prevention Through Environmental Design (CPTED) survey is conducted. The CPTED survey rests on the idea that the proper design and effective use of the built environment can lead to a reduction in both crime itself, and the fear surrounding crime. The CPTED survey takes into account how a property's design features, landscaping and natural access can become an invitation to the criminal element or can be corrected to create a barrier against illegal and inappropriate behavior.

PHASE 2—INSPECT

Noel said that the second phase of the Crime-Free Program is to conduct a thorough inspection of the property. The CPTED survey incorporates an inspection to ensure that doors, windows and locks are in compliance with minimum standards, an evaluation of exterior lighting and landscape maintenance standards, and a review of key control procedures.

We look at peepholes, auxiliary locks for windows, deadbolts, three-inch screws in strike plates, landscaping and lighting," said Noel.

"How you trim your bushes and trees can be a huge factor in eliminating—or inviting—criminal activity."

Speaking to the comprehensiveness of the survey, Noel pointed out that [the CPTED survey incorporates] both a day inspection and a night inspection. At nighttime, we're looking at lighting.

PHASE 3—MAINTAIN

The CPTED survey also contains a maintenance review. A poorly maintained, deteriorating property indicates lack of concern by the tenants and owner and is regarded as a welcome mat to unwanted prospective tenants. A property that appears to be maintained, on the other hand, projects an image of a community that is safe, quiet and clean, and thus attracts good tenants. An effective maintenance program incorporates such practices as removing graffiti quickly, discouraging vandalism by prompt repair of damages and keeping the property well-tended and litter-free.

"Your maintenance staff can be your eyes and ears," said Noel. "They need to know what to look for when they go into apartments or learn to recognize suspicious items being thrown into the garbage. That's why maintenance employees are part of the Crime-Free Program."

The following are indicators of illegal activity:

AN INCREASE IN PEDESTRIAN AND VEHICULAR TRAFFIC, OR UNUSUAL TRAFFIC PATTERNS. An increase in traffic activity by people who stop for only a brief period of time, or observing rental moving vans, which can be used as meth labs.

STRANGE OR UNUSUAL ODORS EMANATING FROM A UNIT. A strong ammonia smell, similar to that from a cat litter box, or the odor of chloroform, can be a sign of a methamphetamine drug laboratory.

CLOTHING "COLORS" AND INSIGNIA WORN BY TENANTS AND VISITORS. Red is a gang color. If it seems that everyone who visits a unit is wearing red, be suspicious. Observing tenants wearing a webbed belt, particularly with the end hanging down, could indicate they are "flying" colors to other gang members.

TRASH AROUND AN APARTMENT OR HOME. If your maintenance staff are finding a lot of trash, especially right outside of the door, be concerned.

SUSPENDED LICENSE PLATES. This is one of the reasons you should not permit cars to back into parking space. You want to be able to see all license plates and make it easy for law enforcement officers to see license plates.

SUSPICIOUS PERSONAL BEHAVIOR. Pay attention to nervousness, body ticks, intense scratching, sores and watery eyes, particularly when tenants come to pay their rent. These behaviors are why meth users are called "tweakers."

EXCESSIVE AMOUNTS OF OTHERWISE UNSUSPICIOUS NORMAL HOUSEHOLD ITEMS. Common household items can be used to create meth labs: large cans of acetone, copper wiring, glass containers, glass coffee carafes containing strange red residue, large quantities of brake fluid and matchbooks with their striker pads removed.

According to Noel, learning to identify the warning signs of criminal activity is of the utmost importance. While law enforcement officials are trained at this, property managers may not be as familiar with how to identify such activity.

SCREENING AND EVICTING

Acknowledging that crime-free properties attract and retain the kind of tenants that property managers want at their properties and contribute to a more solid bottom line, the implications of premises liability should not be ignored.

Noel issued a reminder that property owners, property management companies and property managers can be held liable for what occurs on their properties. Taking steps to eliminate criminal activities through a training program, such as the ICFA Crime-Free Program, can go far in the event of a lawsuit by demonstrating management is doing all it can to eradicate crime.

Police service calls and written police reports are the two key metrics used to measure the success of the Crime-Free Program. According to the IFCA, properties that have adopted the program have seen an average 37-percent reduction in police calls for service and a 48-percent decrease in written police reports. In many cities, the decreases have been much greater, reaching as high as 85 percent. The implication to property managers is undeniable. Reducing crime, according to Noel, “can lead to a more stable and satisfied tenant base, lower maintenance and repair costs and increase a property’s value.”

In addition to helping property managers learn to identify signs of criminal activity and to discourage it, the program also offers insights into securing a more stable tenant base through screening and credit checks, as well as advice on what to do when a tenant engages in criminal activity. Many areas are now incorporating into their ordinances that the owner and manager are legally responsible for the criminal activity at a property.

“Under most of these ordinances, you are responsible for knowing what happens on your property and cleaning up your property when it comes to your attention that criminal activity is occurring,” said Noel, who added that managers who don’t take action could see their properties going into abatement.

“Once you find out that a tenant is doing something criminal, immediately start eviction proceedings,” said Noel. “Don’t be a manager who has blinders on and ignores the situation so long as the tenant is paying rent.”

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	0-0.25	0-0.25	0-0.25	-	0.00
Prime rate*	3.25	3.25	3.25	3.25	-	0.00
Libor, 3-month	0.56	0.58	0.58	0.25	0.26	-0.58
Money market, annual yield	0.51	0.51	0.65	0.49	-0.13	-1.43
Five-year CD, annual yield	1.42	1.46	2.07	1.42	-0.64	-1.52
30-year mortgage, fixed	4.01	4.05	5.16	4.01	-0.82	-1. 33
15-year mortgage, fixed	3.38	3.39	4.43	3.38	-0.77	-1.57
Jumbo mortgages, $417,000-plus	4.72	4.77	5.86	4.72	-0.98	-2.03
Five-year adj mortgage (ARM)	3.04	3.08	3.79	3.00	-0.53	-2.63
New-car loan, 48-month	4.07	4.19	5.19	3.75	-1.11	-3.03
Home-equity loan, $30,000	4.89	4.89	5.17	4.71	-0.22	-0.30