COMMERCIAL REAL ESTATE MARKET UPDATE

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- China's Economy Grows at Slowest Rate in More Than Two Years

  出口緊縮、樓市降溫，中國經濟以兩年多來的最低速增長

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  Luxury shopping outlets are continuing to post robust results despite U.S. economic woes, while middle-class malls see retailers closing stores that have been open for decades. Sears plans to close as many as 120 Sears and Kmart stores across the U.S.

- Wal-Mart Plans to Open Grocery Store in L.A.'s Chinatown

  大型超市 Wal-Mart 計劃在洛杉磯唐人街一老人公寓一層開其首家社區超市

  Wal-Mart has a deal to build its first Neighborhood Market in Los Angeles, a 33,000-square-foot grocery store. The store is slated to open on the ground floor of a senior housing complex in the city's Chinatown neighborhood.

- Restaurant Sales Expected to Grow 4.2% in 2012

  2012 年餐館行業銷售額預計增長 4.2％

  The Foodservice Landscape in the U.S., its outlook report for the restaurant industry, projects that sales will grow 4.2 percent to $487 million in 2012, on the heels of 6.1 percent market growth in 2011.

- [Shopping Centers Challenged by E-Commerce]

  購物商場里中型房客大受電子商務衝擊

  E-commerce is having an impact on companies that locate in mid-sized retail storefronts, such as junior tenant spots, according to comScore. These companies' customers are increasingly shopping online for better deals. In Q4, national e-commerce spending totaled nearly $50 billion.

- [Nordstrom Profit Rises Once Again]

  高檔購物商場 Nordstrom 截止一月底季度銷售額提升 12.5%，並將繼續擴張實體和網路店鋪

  Nordstrom reported a 12.5% rise in sales during the quarter ended Jan. 31, as wealthy consumers boosted holiday spending even as less-affluent consumers tightened their belts. The luxury department store plans to invest significantly in its e-commerce efforts this year, open one new full-line store and 15 outlets, and continue to search for the right location for its first store in Canada, executives said.

MULTIFAMILY
公寓樓

- [Multifamily Buildings to Lead U.S. Construction Gains]

  公寓樓和連體別墅的建造預計較去年增長 45%，有望拉動建築業走出低迷

  Multifamily construction will pull the construction industry out of the doldrums, according to Michelle Meyer and Celia Chen, economists at Bank of America and Moody's Analytics, respectively. This year, 260,000 apartment and townhouse developments are expected to begin construction, a 45% increase from last year.

HOTEL
酒店

- [US Hotel Transactions Gaining Speed]

  美國酒店買賣交易增速，交易量由一年前的 86 億美元增至 140 億美元

  The dollar volume of U.S. hotel transactions is gaining speed, according to LW Hospitality Advisors LLC's Select Major 2011 U.S. Hotel Sales Survey. The total hotel property transactions for the year amounted to US$14 billion, up from US$8.6 billion a year ago.

INDUSTRAIL

工業倉庫

- [Industrial Development Being Built Near Long Beach Airport]

價值九千五百萬的工業倉庫建造工程正在 Long Beach 機場附近進行。這一地區工業地產市場狀況良好，促使開發商敢於在尚無買家或房客排隊的情況下開始建造

Construction is underway on a $95-million collection of industrial buildings at Douglas Park, a former aerospace manufacturing base next to the Long Beach Airport. The developer is building on speculation without a buyer or tenant lined up. It is a sign of how healthy the regional industrial property market has become.

MANAGEMENT

資產管理

- Rent Watch: How To Get A Tenant To Leave Before The Lease Is Up

如何在租約到期前送走房客?

Is there any way I can remove the tenants and replace them before the lease expires?

FINANCING

貸款與資金

- Office & Retail Delinquencies Hit New Highs; Could Go Higher

辦公樓和購物商場貸款拖欠率創新高，並可能繼續攀升

Delinquencies for office and retail loans have hit their highest-ever levels while overall U.S. CMBS delinquencies fell for the sixth straight month. The downturn in office and retail performance comes as multifamily and hotel loans have shown the best performance rebound during the past 24 months.

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

消費者市場利率：房貸、基本利率、等等

China's Economy Grows at Slowest Rate in More Than Two Years

出口緊縮、樓市降溫，中國經濟以兩年多來的最低速增長

By David Pierson (LA Times)

Reporting from Beijing— In the final quarter of 2011, China's economy grew at its slowest pace in 2½ years because of shrinking exports, tighter bank lending and a cooling real estate market.

Compared with the same period a year earlier, the country's gross domestic product grew by 8.9% in the fourth quarter of 2011, down from 9.1% in the previous quarter, China's National Bureau of Statistics said Tuesday.

For the year, the world's second-largest economy expanded by 9.2%, off from 10.4% in 2010.

Though blazingly high by international standards, China's economic growth is likely slipping uncomfortably fast for the country's leadership.

Quarter-on-quarter growth slowed to 8.2% between the third and fourth quarters compared with 9.5% between the second and third quarters.

Many analysts expect conditions to worsen as Europe, China's biggest export market, shows no signs of stabilizing. Consensus is growing that China's growth could falter further, to around 7.5%, in the first quarter of this year.

That would mark a significant decline because China's communist government has traditionally eyed 8% as the rate necessary to maintain social stability.

Fears of widespread unrest abounded after China's economic growth slumped to 6.8% during the depths of the 2008 financial crisis and an estimated 20 million migrant workers were out of jobs.

Beijing responded to that crisis by introducing an unprecedentedly large stimulus package that ultimately fueled the property bubble and high rates of inflation that bind policymakers today.

Inflation grew at a 15-month low in December, but still remains above the government's target.

With little room for more aggressive stimulus, the central government will likely target policy with greater efficiency to blunt the effects of any serious global economic slump, experts say.

That may include lowering taxes, boosting loans to the private sector and investing more in social services such as healthcare -- in short, anything to wean China off investment as a major engine of growth and to rebalance toward consumption.

"At this juncture, the challenge for policymakers is to implement measures that boost domestic demand without setting back progress made in curbing inflation," said Jing Ulrich, chairman of Global Markets for JP Morgan.

Such reform will require an acceptance of slower growth in a country that still considers itself in the early stages of development. At $7.4 trillion, China’s economy is still half the size of the United States'.

California Leads Nation in Green-Tech Venture Capital Funding

全國環保科技企業風險投資基金中，加州的表現遙遙領先

By Ashley Lutz (Bloomberg)

For the past decade, Michael Gould says he's watched with envy as a "stupefying" number of Chinese tourists lined up outside the doors of high-end boutiques in Paris, Rome, and other European cities.

"We find it frustrating to see business going elsewhere," says the chief executive officer of Macy's Inc. (M)'s Bloomingdale's chain. Luring more foreign shoppers to New York is more complicated than just spiffing up store windows, though. Post- Sept. 11 security policies mean some wealthy foreign shoppers have to wait months for travel visas to the U.S.

So last May, Gould and his counterparts at Macy's and Saks Inc. (SKS) began lobbying the federal government to make it easier for tourists to enter the U.S. from China and Brazil. Retailers say shoppers from both countries have become big spenders when they visit, and demand for visas among Chinese and Brazilians has increased, Bloomberg Businessweek reports in its Feb. 13 issue.

The average Chinese tourist spends $6,000 while in the U.S., according to the Commerce Department. In January, President Barack Obama gave the State Department 60 days to come up with a way to decrease the time that Chinese and Brazilian tourists have to wait for a visa from four months to three weeks.

'Highly Respected' Brands

"We have the kind of brands that are highly respected by these visitors," says Gould, "and the faster they can get here the better."

About 40 percent of foreign travelers to the U.S. need a visa to pass through customs. Before the Sept. 11 attacks, applicants filled out paperwork and waited about three weeks for an answer. Afterward the federal government also began requiring travelers to submit to an interview with a State Department employee and to answer questions such as: Have you booked your tickets? and, How much will you spend in the U.S.?

Even with the long wait for travel papers, the sagging dollar had would-be tourists from China and Brazil lining up at American embassies last year, with officials issuing 34 percent more visas to Chinese and 42 percent more to Brazilians than in 2010.

"This is a winning situation for retailers because a key reason overseas visitors want to come is to shop," says David French, chief lobbyist for the Washington-based National Retail Federation. The group's president, Matthew Shay, visited U.S. officials at the embassy in Beijing last year to ask for help in speeding up the process.

Stringent Security

America's share of global tourism dropped 30 percent from 2000 to 2010, in part because of the "more stringent security requirements imposed after 2001," according to the Obama administration's executive order calling for consular officials to interview 80 percent of the visa applicants from China and Brazil within three weeks of receiving their paperwork.

The president also ordered State to issue 40 percent more visas for Chinese and Brazilian tourists in 2012.

"The more folks who visit America, the more Americans we get back to work," Obama said.

The State Department says it's starting a pilot program to cut down on interviews of "low-risk" tourists, such as those who received visas in the past, a change that Peter Boogaard, spokesman for the Homeland Security Department, says "does not diminish the security of the United States."

With roughly 1.4 million Chinese and more than 1 million Brazilians expected to come to the U.S. this year under the new program, Bloomingdale's is preparing for the influx by hiring more multilingual sales staff, planning overseas advertising campaigns, and increasing orders of iconic American brands with prominently placed logos --- think Ralph Lauren (RL) -- that store managers say foreign tourists like to show off back at home.

"We're expecting an enormous uptick in growth," says Gould.

Luxury Shopping Malls Thriving: Taubman Sees Rising Sales, While Kmart, Sears Cut Back

高檔購物商場逆勢生機蓬勃，而中檔商場如 **Kmart** 和 **Sears** 計劃關閉部分店面

By Alice Hines (Huff Post Business)

In a still-ailing economy, shopping centers are the latest incarnations of the widening wealth gap.

Indeed, go to a luxury mall owned by Taubman Centers Inc. -- like Short Hills in New Jersey or Beverly Center in California -- and you might easily forget a recession ever happened. At the Mall at Short Hills, shoppers relax in leather armchairs and browse handbags at the newly opened Hermes boutique. Bubbling fountains, tasteful shrubbery, and filtered light keep you hermetically sealed from the headaches of the outside world.

"High quality regional malls continue to be alive and well," proclaimed CEO Robert Taubman, son of founder A. Alfred Taubman, on a conference call with analysts Thursday.

Late last week, Detroit-based Taubman reported record sales of $641 per square foot in its 27 U.S. properties, up 26.1 percent over the past two years. In the last three months of 2011, its malls were 95.5 percent occupied, another record for Taubman, even as the company raised rents.

Luxury malls have remained largely insulated from economic conditions thanks to their affluent client base. According to the most recent data from the Congressional Budget Office, the incomes of the top 1 percent of Americans have grown 275 percent over the past 30 years. Meanwhile, the poorest fifth of Americans has seen their incomes rise by less than 20 percent.

In much of the country, middle-class malls are also falling out of sync with contemporary shopping habits. Built to satisfy a limitless 1950s consumer appetite, malls ultimately turned cannibalistic, losing business to each other as new locations were constructed too close together. Today, many shoppers favor outlet malls or outdoor "lifestyle centers," not large regional malls.

The recession was a nail in the coffin for struggling malls, bringing a drop in foot traffic and a flight of retailers. Even now, in a supposed economic recovery, malls continue to lose tenants: in December, iconic retailer Sears announced plans to close 100 to 120 of its Sears and Kmart stores, many in malls where they had resided for decades.

Once-prosperous malls are now so desperate for business that they are considering unconventional tenants, like evangelical churches and art galleries. Devoid of shoppers, some malls have become the favorite haunts of elderly "mall-walkers," who savor empty hallways for the opportunity they provide to exercise in quiet.

Today, the shopping scene is becoming increasingly bifurcated into value and luxury stores, according to Ben Yang, analyst at Keefe, Bruyette & Woods. "You have a situation where, for a big portion of society, the economy is not in great shape," he said. "Those people trade down. Rather than shopping at Macy's, they go to a J.C. Penney, dollar store, or outlet."

Indeed, like luxury retail, dollar stores and deep discounters have also been thriving of late, seeing sales numbers that are the envy of the industry. Taubman, which owns three "value" properties, is also seeing strong sales at these locations, according to executives on Thursday's conference call.

"It's the middle-income consumer that is being squeezed," Yang said.

Despite its own success, Taubman, which is currently expanding in Asia, is not optimistic about the future of the American mall.

"Our view is there's only going to be 15 to 20 shopping centers built in the United States over the next 10 years," Taubman said. "And we think that maybe half of those, we'd want to build."

For the moment at least, malls remain relevant to the most desirable of clientele. On the second Saturday in December, Stephanie Lyle drove all the way down from the Bronx to check out the Dolce & Gabbana boutique at the Mall at Short Hills, where she purchased a sweater.

"It's better than Manhattan," Lyle said. "They have all the same stores as Soho but under one roof. We love coming here."

Wal-Mart Plans to Open Grocery Store in L.A.'s Chinatown

大型超市 **Wal-Mart** 計劃在洛杉磯唐人街一老人公寓一層開其首家社區超市

By David Zahniser (Los Angeles Times)

Retail giant Wal-Mart said Saturday that it planned to open a market in a multi-story apartment building on the edge of L.A.'s Chinatown, setting the stage for a major struggle with the city's labor unions and advocacy groups.

Wal-Mart spokesman Steven Restivo said his company planned to open a 33,000-square-foot grocery store next year at the northwest corner of Cesar Chavez and Grand avenues, on the ground floor of a residential complex for seniors.

The store would be roughly one-fifth the size of a typical Wal-Mart store and the first of the company's so-called Neighborhood Markets to open in Los Angeles County, he said.

The news drew a furious response from the Los Angeles Alliance for a New Economy, an advocacy group that has long been at odds with the retailer.

James Elmendorf, the group's deputy director, accused the company of providing low-quality, low-paying jobs and said his organization has already begun researching the history of the building where Wal-Mart plans to open the grocery store.

When that building opened in 1992, the developer promised to provide 196 jobs within three years, two-thirds of them for low-income residents, Elmendorf said. That promise, along with a handful of others, helped the developer win millions in taxpayer funds, he said.

"This store shouldn't open until all the requirements that were imposed on the development by the city are fully satisfied," Elmendorf said.

Restivo said Wal-Mart pays an average hourly wage of $12.69 to its full-time workers in California and gives those employees, as well as those who work 24 hours per week, access to a healthcare plan.

"Our wages and benefits are competitive with a majority of our California competitors," he said.

The Wal-Mart spokesman said the store would provide affordable grocery options as well as a pharmacy, to downtown residents. "Right now, they've got one full-service supermarket serving a 30-block radius. So our store is going to be part of the solution for folks who want fresh food options close to where they live or work," he said.

Wal-Mart's plans, first reported by the Los Angeles Business Journal, were revealed days after United Food and Commercial Workers Local 770, which represents supermarket workers, held a rally to oppose approval of a Wal-Mart store in Burbank.

Wal-Mart has a history of conflict with elected officials in Los Angeles. In 2004, the City Council approved an ordinance that made it more difficult for the company to open one of its "superstores" — which combine the traditional discount offerings with groceries. That ordinance required retailers wanting to build a store larger than 100,000 square feet with 10% of its sales floor devoted to food and other nontaxable items to provide an economic analysis showing whether the store would depress wages or hurt nearby businesses.

Restivo said Wal-Mart has a lease with the owner of the building in Chinatown. The company plans to start construction work this summer and has secured some of the building permits needed to remodel the site. That work will not require any approval from the council, he said.

There are 28 Wal-Mart stores in Los Angeles County, employing about 12,000 people. Five of those stores are in the city of Los Angeles, company officials say.

Restaurant Sales Expected to Grow 4.2% in 2012

2012 年餐館行業銷售額預計增長 4.2％

Source: Restaurant Management

While the U.S. economic recovery remains fragile, there is much for the restaurant industry to celebrate, according to market research firm Packaged Facts. "The Foodservice Landscape in the U.S.," its outlook report for the restaurant industry, projects that sales will grow 4.2 percent to $487 million in 2012, on the heels of 6.1 percent market growth in 2011.

Despite forecasting moderate restaurant industry growth in 2012 and 2013, Packaged Facts warns that operators must continue to experiment aggressively with menu pricing strategies and focus on courting minority racial/ethnic groups-and prepare for profit margin compression.

The onus of food commodity price increases is sizeable enough to threaten the restaurant recovery, unless restaurant operators are prepared to bite the bullet on profit margins.

Continuing a trend that gathered momentum in 2011, many operators will need to maintain menu prices at the expense of higher margins or risk losing customers.

Moreover, according to David Sprinkle, publisher of Packaged Facts, "demographic-specific employment trends will continue to have disproportionate consequences and create distinct opportunity micro-climates by restaurant industry segment and geographic zone."

Although the housing market remains in a trough, consumer spending is rising modestly. Household debt ratios have declined, which bodes well for the discretionary income growth needed to increase guest traffic and perk up guest check averages.

Food and accommodations spending is outpacing other personal consumption expenditures.

Moreover, restaurant companies will increasingly leverage the technological and marketing power inherent in the smartphone. Location-based services such as Foursquare are a relatively new aspect of social media, but Packaged Facts expects quick uptake to continue among consumers and foodservice operators.

By segment, full-service restaurants posted the highest growth rate, at 8.1 percent. Fine dining had a moderate rebound in 2011, though the hill back to 2007 spending levels remains very steep.

Growth in the restaurant breakfast (5 percent) and snack (8 percent) customers has outpaced population growth since 2008, and the overall percentage of consumers using restaurants for these occasions has increased–although the reverse trend holds among Generation X.

All-natural and organic are not only the most prevalent health-related claims on restaurant menus, but their menu presence also grew during 2007-2011. In 2011 menus, 15.7 percent of restaurants featured a natural claim and 13.5 percent featured an organic claim, with the tendency to market these claims rising with restaurant price points.

Consumers age 65 or older are spending significantly more (13 percent) on limited-service restaurants than they did in 2007. Millennial generation consumers, at the other end of the age spectrum, are spending significantly more on limited-service restaurants as well as full-service restaurants.

By household income level, those with an income of $100K or more generate more than one-third of spending on meals at restaurants, even though they comprise only 17 percent of all households.

The number of higher-income households and of lower-income households has grown since 2007, while the number of middle-income households declined. Because restaurant spending correlates to household income, the crimping of the middle class is a major hurdle for the industry, as it is of course for the national economy overall.

Packaged Facts estimates that the number of restaurant visits grew by 3 percent from 2008 to 2011, based entirely on population growth, not usage increase. Even then, restaurant operators across restaurant segments contend with the increased numbers of lower-spending guests and decreased numbers of higher-income guests, which has translated to higher volume but lower guest check averages.

Food commodity price increases could set the restaurant industry back, according to "Foodservice Landscape in the U.S.," threatening the modest sales recovery seen in 2010 and 2011.

Such price increases have the potential to erode the pricing gains restaurants have made relative to grocery prices. This creates increased incentive for consumers to eat at home, and throws menu strategies into disarray. Menu strategies rely on hitting the appropriate pricing and food margin mix.

Facing reduced consumer discretionary income and higher rates of unemployment, some of the industry's major chains are pursuing sales growth by creating sister brands or new brands that are cut from fast casual cloth. Enticements include expansion opportunities, reduced capital investment, and new customer bases.

Most importantly, further employment gains are needed to spur overall restaurant industry growth. Consumers age 18-24, those without high school diplomas, and African-American consumers in particular remain saddled with unemployment rates much higher than the average.

Shopping Centers Challenged by E-Commerce

購物商場里中型房客大受電子商務衝擊

By Rob Sabo (Northern Nevada Business Weekly)

RENO, Nev. — The growth of Internet retailing — up 15 percent to more than $161 billion nationwide in 2011 — is stifling many of the companies that typically locate in mid-sized retail spaces, northern Nevada retail specialists say.

Mid-sized retailers, or junior-anchor tenants, usually occupy spaces ranging from roughly 20,000 to 60,000 square feet. Junior tenants often are located near larger anchor tenants, such as a Target, Lowe's or Walmart.

But junior retail businesses face increased competition from savvy consumers who are shopping online in growing numbers for better deals. National e-commerce spending in the fourth quarter of 2011 totaled nearly $50 billion, says comScore, a Reston, Va.-based company that tracks digital business statistics. The fourth-quarter spending represents a 14 percent rise from the same quarter a year earlier. Stores that sold books, movies or music — many of them junior-sized tenants — have been decimated by the growth of e-commerce and digitalization. Gone are venerable companies such as Borders, Blockbuster and Hollywood Video.

Electronics is another industry heavily impacted by Internet retailing, and the sector has consolidated with the departure of Circuit City and The Good Guys to leave just Best Buy standing alone in northern Nevada.

It's not the first time the retail landscape has undergone seismic changes, says Kelly Bland, senior vice president with the retail properties group at NAI Alliance. Several decades ago, Bland says, mom-and-pop stores evolved into the larger formats and national formats seen today.

Contraction is a natural part of the retail industry, he says. Despite the dark retail storefronts plaguing shopping centers throughout the Truckee Meadows, there always will be a need for brick and mortar stores, Bland says.

“If (stores) can provide good service, maintenance and give a complete package, they have an opportunity to compete. But it is making people look at the priorities of customer's needs and wants,” he says.

Overall retail vacancy in the Reno-Sparks market was nearly 16 percent at the end of 2011, says a recent market report compiled by the Colliers International retail team. Empty mid-size boxes — many of which are expected to stay dark for several years — include the two former Safeway locations in Reno and Carson City, the old Circuit City and Good Guys stores, Borders and DBShoes. In the Meadowwood submarket alone there is more than 300,000 square feet of mid-size box space available, says Rick Casazza, senior vice president with the retail properties group at Colliers International.

Vacancy rates could improve with the addition of some new brands in the region. A great deal of the mid-size retail space in primary and secondary markets throughout much of neighboring California has begun to fill, Casazza says.

Some of those concepts eventually may spill over into northern Nevada (Fresh & Easy Neighborhood Market has long planned a store at Pyramid Highway and Eagle Canyon Road) but many retailers have a tough time seriously considering expanding into Nevada due to the state's protracted economic downturn.

"California, with the exception of the Central Valley, a good portion of its boxes are filling up," Casazza says. "We are seeing a lot of grocers — Sprouts, Sunflower and Henry's Farmers Markets — backfill some of that stuff, as well as Hobby Lobby. The question is: Are we over-retailed for our population? Is that why they aren't filling?"

Ken Mattison, senior vice president of retail division of Coldwell Banker Commercial Clay & Associations, says Legends at Sparks Marina and Summit Sierra added many new brands to the market, but most national retailers seek a bigger pond in which to swim.

"We are really a tertiary market," Mattison says. "The MSA we have here is 500,000 and under, and that is not really big on lot of national guys' radar."

Excluding malls and retail spaces under 10,000 square feet, there was 15.4 million square feet of retail space in the Reno-Sparks market at the end of 2011, with another 360,632 under construction, the Colliers market report says. Lowe's at Legends and Walmart in Lemmon Valley account for 77 percent of new construction.

Casazza says northern Nevada may see some smaller grocers come into town, as well as some of the junior-anchor spaces subdivided and leased to dollar store concepts such as Dollar Tree and Family Dollar.

"Eventually they will fill with some existing concepts or with concepts that aren't in the market, but it will take a while," Casazza says.

Mattison of Coldwell Banker Commercial Clay & Associations estimates that there are at least 20 mid-size spaces available throughout the Truckee Meadows, and getting the lights back on in those locations could take several years.

"A book is a book, and the print industry has been hit pretty hard by e-commerce," he says. "Books don't change from one location to next, and price wars are very telling of sales.

"But nothing can replace trying on something to see how it looks on you. People always will want to try on clothing, or look at sporting goods; some of those things are not going to change. There will be lot of products that will continue to hold their own in the brick-and-mortar approach."

Nordstrom Profit Rises Once Again

高檔購物商場 **Nordstrom** 截止一月底季度銷售額提升 **12.5**%，並將繼續擴張實體和網路店鋪

By Amy Martinez (The Seattle Times)

Even in the midst of economic turmoil, holiday shoppers apparently could not turn away Nordstrom's pricey handbags, makeup and designer labels.

The Seattle-based retailer posted a 12.5 percent increase in retail sales for the three months ending in January, marking its fifth consecutive quarter of double-digit, year-over-year revenue growth.

Once again, Nordstrom seemed to benefit from an affluent customer base that's less affected by a sluggish economic recovery than the lower-income shoppers of some other department-store chains.

"Our regular-price selling remains at historically high levels," President Blake Nordstrom told analysts in a conference call Thursday.

The company reported a fourth-quarter profit of $236 million, or $1.11 a share, representing a 1.7 percent increase from a year ago. Although that beat expectations, Wall Street was disappointed with Nordstrom's cautious outlook, and shares slid in after-hours trading after the earnings report.

Nordstrom projected a 4 to 6 percent increase in sales at stores open more than a year for 2012, down from a 7.2 percent rise in 2011.

The biggest gain came from its direct-to-consumer business, up nearly 30 percent from the year before.

Nordstrom, which has been spending heavily to secure its online future, told analysts Thursday it plans to continue investing in its e-commerce business over the next year.

The company is testing a local same-day delivery service and working to improve its website, adding personalization features and expanding its merchandise selection, executives said. That's on top of the company's launch last August of free shipping for online orders of any size and the purchase of Los Angeles "flash-sale" website HauteLook a year ago.

"It's going to be a period of investment, and that will depress earnings growth a little bit in 2012," said analyst Dan Geiman of McAdams Wright Ragen in Seattle. "But it should pay off in the long-term."

Nordstrom plans to spend $140 million, or 30 percent of its capital expenditure budget, on e-commerce improvements this year. That's up from $100 million, or 20 percent, last year.

As a result, it expects to add nearly 400 employees to its e-commerce operations in Seattle.

The company said it will open one new full-line clothing store and 15 off-price Rack stores this year. It currently has 117 full-line stores and 105 Racks.

Although it's been looking for more than a year to expand to Canada, the company has yet to find a suitable location there, said Erik Nordstrom, president of stores.

"It's a real-estate question, and at this point, we haven't answered that one," he said.

Nordstrom released its results after Thursday's regular trading session. The stock closed up $1.18, or 2.3 percent, to end at $52.18. Shares slid 11 cents, or less than 1 percent, to $51.78 in after-hours trading. The stock has traded between $37.28 and $53.35 in the past 52 weeks.

Multifamily Buildings to Lead U.S. Construction Gains

公寓樓和連體別墅的建造預計較去年增長 **45**%，有望拉動建築業走出低迷

By Bob Willis (Bloomberg)

Construction of multifamily units will lead the U.S. building industry again this year, allowing housing to contribute to growth for the first time in seven years, according to economists Michelle Meyer and Celia Chen.

Work will begin on about 260,000 apartment buildings and townhouse developments in 2012, up 45 percent from last year and the most since 2008, according to Meyer, a senior economist at Bank of America Corp. in New York. Chen, an economist at Moody's Analytics Inc. in West Chester, Pennsylvania, is even more optimistic, projecting a record 74 percent jump to 310,000.

Home ownership rates, which have declined to the lowest levels since 1998, may keep dropping as the foreclosure crisis turns more Americans into renters. In addition, household formation will probably accelerate as an improving economy and growing employment embolden more people to stop sharing residences and strike out on their own.

"Given the ongoing shift from owning to renting, there is increasing demand for multifamily construction," Meyer said in an interview. "Foreclosures are transitioning people out of ownership."

Stocks rose today as Greece approved austerity plans to secure rescue funds. The Standard & Poor's 500 Index climbed 0.3 percent to 1,346.58 at 10:45 a.m. in New York.

In Europe today, the Confederation of British Industry said the U.K. economy will escape a recession and the recovery will gain momentum this year, avoiding the need for more quantitative easing by the Bank of England.

Japan Contracts

Japan's economy shrank an annualized 2.3 percent in the fourth quarter, more than economists estimated, as slumping exports undermined a recovery from last year's record earthquake, other data showed today.

The projected increases in U.S. multifamily construction extend gains in that began with a 6.8 percent increase in 2010 and a 54 percent surge last year to 178,300 units, according to figures from the Commerce Department. That portion of the market reached a record-low of 108,900 units in 2009 after declining for four consecutive years.

By contrast, starts on single-family homes fell last year to 428,600, the fewest in five decades of data. Bank of America's Meyer projects single-family construction will grow 5 percent this year.

Federal Reserve Chairman Ben S. Bernanke last week highlighted the weakness in housing as limiting the economic expansion that began in June 2009.

Bernanke's View

"The state of the housing sector has been a key impediment to a faster recovery," Bernanke told the annual convention of homebuilders in Orlando, Florida, on Feb. 10. "Homebuilding remains depressed in most areas," he said. "In contrast to the situation for owner-occupied homes, rental markets around the country have strengthened somewhat. Rents have been increasing and the construction of apartment buildings has picked up."

A lack of investment in residential real estate subtracted 0.03 percentage point from economic growth last year, the smallest decline since the industry last expanded in 2005.

A report later this week may show housing starts opened the year on a positive note. Builders broke ground on 675,000 houses in January, up 2.7 percent from the prior month, according to the median forecast of economists surveyed by Bloomberg News before Commerce Department data on Feb. 16.

One reason why multifamily units may rebound faster than single-family houses is the drop in demand. The homeownership rate fell in the fourth quarter to 66 percent, according to Commerce Department data. It peaked at 69.2 percent in the second quarter of 2004 and fell to a 13-year low of 65.9 percent in the second quarter of 2011.

More Foreclosures

An increase in foreclosures may push the rate down even more. Lenders had slowed the pace of home seizures as they negotiated with attorneys general in all 50 states for more than a year over allegations of faulty and fraudulent paperwork used to repossess homes. That delayed the clearing of the market necessary to any recovery and increased demand for rental units.

The rental vacancy rate fell to 9.4 percent in the last three months of 2011 from 9.8 percent in the previous three months, according to data from the Census Bureau. It reached a nine-year low of 9.2 percent from April through June of last year.

Rental payments climbed 2.5 percent in 2011, the biggest gain since 2008, Labor Department figures showed.

Apartment real estate investment trusts such as AvalonBay Communities Inc. (AVB) have profited from the turn to rentals. It's up 235 percent since its recession low on March 2, 2009, through Feb. 10. During the same period, the Standard & Poor's 500 Index is up 92 percent.

Strengthening Demand

"Apartments should benefit once again in 2012 from a combination of gradually improving labor market, a weak for-sale market, favorable demographics and modest levels of new supply," Tim Naughton, chief executive officer at AvalonBay, said on a Feb. 2 earnings call. "We expect that demand will outpace supply again this year, which would propel operating performance and result in another strong year for AvalonBay."

The jobless rate dropped to 8.3 in January, the lowest level in three years, and employers in the world's largest economy add 243,000 workers to payrolls, according to a Labor Department report this month.

The improvement will contribute to an increase in the number of households being formed, further stoking demand for rental housing, according to economists like Patrick Newport at IHS Global Insight in Lexington, Massachusetts.

"We will see a surge in household formation because of pent-up demand as people move away from their parents," Newport said. "We will see a pickup in housing where there is a much stronger pickup in multifamily."

IHS forecasts 1.5 million households will be formed in the 12 months through March 2013 from an estimated 972,000 in the year through March 2012.

US Hotel Transactions Gaining Speed

美國酒店買賣交易增速，交易量由一年前的 **86** 億美元增至 **140** 億美元

By Shawn A. Turner (Hotelnewsnow.com)

REPORT FROM THE U.S.—The dollar volume of U.S. hotel transactions is gaining speed, according to LW Hospitality Advisors LLC's Select Major 2011 U.S. Hotel Sales Survey.

The survey recorded 130 single-asset sales of more than US$10 million that were not part of a portfolio transaction. The deals totaled approximately US$8.9 billion and comprised approximately 41,000 rooms. In comparison, LWHA's 2010 survey identified 84 transactions totaling more than US$5 billion comprising 24,000 rooms.

Total hotel property transactions for the year amounted to US$14 billion, up from US$8.6 billion a year ago, according to data compiled by STR Analytics, sister company of HotelNewsNow.com.

Despite a hiccup during the second half of 2010 caused by a breakdown in the capital markets, Daniel Lesser, president and CEO of LWHA, expects the 2012 transactions market to continue gaining momentum.

"At the end of the day, you have a tsunami of debt coming due in the next 18 to 24 months," Lesser said. "That's going to trigger a lot of activity."

Chad Crandell, president and co-founder of asset-management company Capital Hotel Management, said there is a lot of "pent-up demand" on the part of buyers and sellers that will manifest itself once the public markets regain stability.

"Having the public companies on the sidelines … took a lot of the wind out of the sails," he said.

Deals this year will involve large headline deals and lower-priced transactions, Lesser said. "Smart money is discovering in the secondary and tertiary markets there are great opportunities to be had as well," he said.

Buyers likely will include private equity and real-estate investment trusts, which backed away from deals during the capital markets chaos in 2011, but could return to the buying game this year.

"There's no question they will come back to the market," Lesser said of the REITs. "The only question is when."

Foreign capital (from countries such as France, Germany, Spain, Israel and China) looking for safety and discounts on hotel trades also could be a factor in this year's deal market.

The largest deal on LW's list is Host Hotels & Resorts' US$570-million buy of the 1,625-room Manchester Grand Hyatt San Diego. The estimated price per room of that transaction was US$350,769.

That acquisition notwithstanding, the U.S. market represents cheaply priced deals on a "per-pound relative basis" compared to regions such as Europe and Asia/Pacific, Lesser said. Such a development is one reason why foreign investors could become more active in the United States during 2012, he said.

"It's a great time to buy," Lesser said. "There's a broad range of opportunities, from fresh equity on a project to … portfolio (deals) to foreclosures."

Industrial Development Being Built Near Long Beach Airport

價值九千五百萬的工業倉庫建造工程正在 **Long Beach** 機場附近進行。這一地區工業地產市場狀況良好，促使開發商敢於在尚無買家或房客排隊的情況下開始建造

By Roger Vincent (Los Angeles Times)

Construction is underway on a $95-million collection of industrial buildings at Douglas Park, a former aerospace manufacturing base next to the Long Beach Airport.

Sares-Regis Group is constructing seven buildings with a combined 667,000 square feet that it hopes to sell. The fact that the Irvine developer is building on speculation — without a buyer or tenant lined up — is a sign of how healthy the regional industrial property market has become.

"We expect a great deal of buyer interest because the Long Beach and South Bay area is one of the nation's tightest industrial markets," said Larry Lukanish, senior vice president at Sares-Regis.

The South Bay industrial market, which includes Long Beach, has one of the lowest vacancy rates of any major market in the United States, Lukanish said. South Bay vacancy settled at 3.4% at the end of last year, according to data from brokerage CB Richard Ellis, which is marketing the project.

When completed this summer, the buildings will range from 33,455 square feet to 170,673 square feet. The complex will be known as Pacific Pointe.

The 260-acre Douglas Park was approved by city leaders in 2004. It was intended to revive the site of the defunctBoeing Co.aircraft manufacturing plant, built by Douglas Aircraft Co., which once employed about 50,000 people. Aviation entrepreneur Donald Douglas founded the company that merged with McDonnell Aircraft Corp. in 1967 to form McDonnell Douglas Corp., which was acquired by Boeing in 1997.

A Boeing facility that makes the C-17 military aircraft still operates adjacent to Douglas Park.

Skid row hotel is renovated

A skid row hotel notorious for being one of the worst drug-trafficking locales in Los Angeles has been transformed through a $28-million makeover into housing for low-income residents.

SRO Housing Corp. bought the Ford Hotel in 2008 and renovated it. It now contains 150 studio units with kitchenettes and full bathrooms — an upgrade from the communal restrooms of the past.

Residents have access to computers, a television lounge and a private tiled courtyard.

The Ford was built in 1925 as a six-story residence hotel with 295 units. As the neighborhood deteriorated in the mid 20th century, the Ford grew into one of the most dangerous housing complexes in the city.

In 2004, The Times reported that police had taken 111 crime reports there during the previous 19 months and made 21 arrests for offenses such as drug sales, domestic violence, shoplifting, robbery and homicide. They removed four bodies.

The badly deteriorated structure at 1002 E. 7th St. had to be gutted during the renovation and even required replacement of its rotted support columns, said architect Wade Killefer of Killefer Flammang Architects, the Santa Monica firm that redesigned the Ford.

Hotel occupants include formerly homeless people suffering from mental illness and low-income residents.

The renovation was funded by grants from the Los Angeles County Department of Mental Health, Los Angeles Community Redevelopment Agency and tax credits, Joseph Corcoran of SRO Housing said.

Inter/Media will relocate to Woodland Hills

Marketing firm Inter/Media Group of Cos. will relocate to Woodland Hills from Encino next month as it becomes the largest tenant in two buildings the company bought.

Inter/Media will occupy two of the three floors in the larger of two buildings encompassing 40,000 square feet at 22110 and 22120 Clarendon St. The value of the purchase and improvements is $10 million, the company said.

The curving design of Inter/Media's new offices mimics the sound wave for the word "yes."

"We love the voiceprint embodied in our new headquarters that is a positive expression of engagement," Chief Executive Robert Yallen said.

Rent Watch: How To Get A Tenant To Leave Before The Lease Is Up

如何在租約到期前送走房客？

By Martin Eichner (LA Times)

Question: I just bought a single-family home as a second property. A tenant and his family are living in the home. They have a one-year lease that has about five months left on it. As far as I know, he is paying the rent on time and otherwise abiding by the lease. But I bought the house in order to move my in-laws into it. Is there any way I can remove the tenants and replace them with my in-laws before the lease expires?

Answer: Landlords and tenants choose to document their relationship with a lease rather than a month-to-month rental agreement because both sides have decided to lock in that relationship for the life of the lease. Neither side has a unilateral right to terminate the lease, even if there is an unexpected event such as a tenant losing his job or a landlord needing to find housing for his or her in-laws.

There are some exceptions to this general rule. If either side violates the lease, the other party can treat the lease as void. For example, if the tenant fails to pay rent, the landlord can treat the lease as void and proceed to evict the tenant, subject to serving a proper three-day notice first.

If the landlord significantly violates the duty to provide a habitable premises, for example by not providing adequate plumbing, heating or electric power after being notified of the deficiency, the tenant can treat the lease as void and vacate.

Some leases have a cancellation clause allowing either party to terminate the lease after giving notice. Some of these clauses have a "break lease fee" that a tenant must pay in order to vacate.

Unless one of these exceptions exists, your only alternative is to negotiate with your tenant to arrive at a mutual agreement to terminate the lease. You might have to offer a financial incentive to get your tenant to do so. A local mediation program may be available to help with negotiations if you decide to pursue them.

Office & Retail Delinquencies Hit New Highs; Could Go Higher

辦公樓和購物商場貸款拖欠率創新高，並可能繼續攀升

By Mark Heschmeyer (CoStar)

Delinquencies for office and retail loans have hit their highest-ever levels while overall U.S. CMBS delinquencies fell for the sixth straight month, according to the latest index results from Fitch Ratings.

CMBS late-pays declined five basis points (bps) in January to 8.32% from 8.37% a month earlier. The improvement was driven by multifamily loans, which saw a 165-bp plunge in its rate month-over-month to 12.77%. The delinquency rates for office and retail rose to all-time highs of 7.30% and 7.21%, respectively.

January marked the first time post-recession that the office delinquency rate surpassed that of retail. Office is the only major property type that Fitch Ratings has a negative outlook on for 2012. Office delinquencies are expected to continue rising as leases made at the height of the real estate boom roll to market, impacting income available to cover debt service.

New delinquencies were led by 5-year, interest-only loans from the 2007 vintage that failed to pay off at maturity and have subsequently stopped paying interest. Notably, no new loans of more than $100 million were added to the index in January. In part, this was due to Fitch Ratings excluding from the index several large loans (over $500 million in total) that were reported as non-performing matured balloons for the first time in January, but which remained current on interest despite not satisfying their scheduled balloon payments.

The downturn in office and retail performance comes as multifamily and hotel loans have shown the best performance rebound during the past 24 months.

In fact, the multifamily delinquency rate has fallen 4.63 percentage points from one year ago to 12.77% from 17.40%. Month-over-month, the decline was led by the $375 million loan on The Belnord, a luxury apartment building on Manhattan's Upper West Side, dropping out of the index. Previously, the loan was more than 90 days delinquent, but the borrower was able to use reserve funds to bring the loan current. Based on the remaining reserve balance and in-place cash flow, Fitch Ratings expects the loan to remain current for roughly four more months, with the loan likely to re-enter the index sometime over the summer unless cash flow improves.

Current and prior month delinquency rates for the major property types are as follows:

Multifamily: 12.77% (from 14.42% in December),

Hotel: 12.21% (from 12.02%),

Industrial: 10.40% (from 10.25%),

Office: 7.30% (from 6.84%), and

Retail: 7.21% (from 6.89%).

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	0.49	0.49	0.58	0.25	0.18	-0.76
Money market, annual yield	0.46	0.47	0.65	0.46	-0.15	-1.11
Five-year CD, annual yield	1.33	1.34	2.01	1.32	-0.68	-1.41
30-year mortgage, fixed	4.05	4.00	5.02	3.95	-0.91	-1.46
15-year mortgage, fixed	3.35	3.31	4.27	3.29	-0.92	-1.69
Jumbo mortgages, $417,000-plus	4.58	4.55	5.86	4.50	-0.99	-2.28
Five-year adj mortgage (ARM)	3.08	3.04	3.74	3.00	-0.64	-2.16
New-car loan, 48-month	3.85	4.03	5.13	3.62	-1.28	-3.29
Home-equity loan, $30,000	4.76	4.76	5.16	4.71	-0.40	-0.53