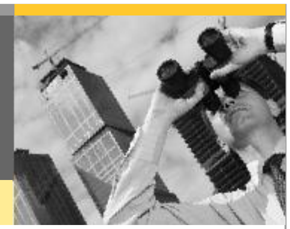
THE WATCH LIST



MARK HESCHMEYER, EDITOR | OCTOBER 11, 2012 | WWW.COSTAR.COM

A WEEKLY NEWSLETTER FOCUSING ON CHANGING MARKET CONDITIONS, COMMERCIAL REAL ESTATE, MORTGAGES AND CORPORATIONS PUBLISHED BY COSTAR NEWS

IN THIS WEEK'S ISSUE:

Land Sales Rising for First Time in Seven Years

Residential Developers, Value-Add Funds Leading the Return to Land

Spurred by a strong multifamily market and a stabilizing single-family market, land sales are (finally) on the rise again.

Through the first six months of this year, CoStar has tracked nearly $11.9 billion in land sales compared to $9.9 billion for the same time last year - a 20% increase. Data collection for the third quarter is not yet completed, but already year-to-date sales are also well ahead of the first nine months of last year.

To be sure, while the pace of activity is picking up, the total volume of sales is no where near the the peak market activity in 2006 when land sales totaled $62 billion a year. But on a pace that could see more than $23 billion in sales this year, 2012 is likely to be the first year since 2005 that the volume of land sales will have increased year over year. In addition, the volume is getting much closer to the 5-year average of $27.8 billion in sales annually.

Large national publicly held single-family homebuilders Lennar Corp., KB Home, Hovnanian Enterprises and Toll Brothers together have invested more than $313 million for more than 598 acres already this year.

However, the biggest spender on land so far this year in the U.S. has been Toronto, Canada-based Tricon Capital Group, which has acquired more than 2,500 acres around Dallas and Houston, spending more than $138 million.

NEW MONEY FLOWING TO LAND BUYERS

Tricon Capital this past month raised $125 million for its new U.S. distressed residential real estate fund Tricon XI LP to "capitalize on 'once in a generation' investment opportunities in distressed U.S. residential real estate that have arisen out of the 2007-10 credit crisis and related economic recession."

The fund will provide financing to real estate developers for the acquisition, repositioning and potential development of distressed properties.

"This fund marks the continuation of an investment strategy which began with Tricon IX in 2008 and we continue to see a strong pipeline of investment opportunities in all of our target markets," said David Berman, Tricon's chairman and CEO. "I believe that our timing could not be better to both acquire distressed assets and participate in the eventual recovery of the U.S. economy and housing market."

Charlotte, NC-based Crescent Resources LLC has also become an active land buyer over the past couple of weeks after raising $350 million in a secured notes offering. In addition, it closed on $50 million of a $100 million equity commitment from its existing principal equity holders, Anchorage Capital Master Offshore and MatlinPatterson Global Opportunities Partners, and entered into a new $50 million revolving credit facility.

This week, in partnership with Taylor Duncan Interests Inc., a Dallas-based land developer, Crescent acquired 250 acres for a new single-family residential community in Oak Point, TX, just north of Dallas. Planning is under way for a master-planned community of 700 to 800 single-family homes, and development is expected to begin in the next 18 to 24 months.

Also late last month, Crescent Resources acquired 258 acres in Winter Garden, FL, from Castle & Cooke for $12.5 million.

Houston-based The Lionstone Group is another investment firm raising money for land deals. It has raised $100 million for its Lionstone U.S. Land Two fund with a goal of $250 million in equity raised by November.

Lionstone's U.S. land investment strategy is to invest in large infill land sites in select U.S. cities, hold for capital appreciation, and sell land opportunistically to developers and users.

"We believe investing in infill land is one of the best large-scale real estate investment strategies available today," said Tom Bacon, a founding partner of Lionstone.

In most cases, Lionstone plans to partner with local operating partners with demonstrated experience sourcing and managing land investments. The target investment size is $10 million or larger.

APARTMENT BUILDERS ALSO BECOMING MORE ACTIVE

Multifamily developers have also been active. Carmel Partners, The Irvine Co. and Interland Corp. have each invested about $75 million this year in land slated for multifamily development.

Carmel Partners this past month closed its fourth discretionary institutional real estate investment fund, Carmel Partners Investment Fund IV, with total commitments of $820 million.

Through Fund IV, Carmel will continue to invest in value-add multifamily opportunities in the country's supply-constrained markets with high barriers to entry. Carmel also invests in new development and high-yielding multi-family debt opportunities. Since initiating investment activity in March 2012, Fund IV has committed approximately $250 million (30%) of equity.

Also this week, New Jersey-based office REIT, Mack-Cali Realty Corp. took a big plunge into the multifamily business and agreed to acquire the real estate development and management businesses of Roseland Partners LLC, a multifamily residential community developer and operator in the Northeast.

The deal includes Roseland's interests in 13 in-process development projects, which include nine multifamily properties totaling 2,149 apartments and interests or options in land parcels which may support 5,980 apartments. Roseland also owns six operating multifamily properties totaling 1,769 apartments.

The Roseland business and real property interests will be acquired for up to $134.6 million, subject to adjustment. The properties extend from New Jersey to Massachusetts with majority in New Jersey, in particular, at its flagship development at Port Imperial in Weehawken and West New York, in addition to the Jersey City Waterfront and other urban in-fill and transit-oriented locations.

IT'S A FAMILY AFFAIR

More private investors are also upping their holdings in undeveloped land with the 100 largest landowners having grown their investments 20% over the last five years.

(Please continue reading on page 4)

(Land Sales continued from page 2)
The fall issue of The Land Report 100 reports that the total acreage owned by the 100 largest private landowners is up by 18.6% over the past five years, from 27.2 million acres in 2007 to 32.3 million in 2012.

"Look at farmland prices. Look at energy assets. Look at the rise in minerals and commodity prices. Each of these elements is tied to the land, which is why so many savvy investors are anchoring their portfolios with this asset," said Eric O'Keefe, Land Report editor.

"At a time when finding a place to put cash has become increasingly tough, once again land is the savvy play," said land broker Greg Fay, whose company Fay Ranches is The Land Report 100's sponsor. "Today's ranch investor understands the importance and interconnectivity of agricultural production, healthy ecosystems and quality recreation and how it affects value better than anyone."

There are several landowners new to this year's 100 list, including No. 20 Malone Mitchell, a billionaire oil and energy entrepreneur who owns the iconic Longfellow Ranch. Many of Mitchell's 350,000-acre holdings are in Texas' Brewster and Terrell counties.

Another new addition to the Land Report 100 presented by Fay Ranches is No. 25 the Flitner Family. This husband-and-wife team owns The Hideout, a working ranch with deluxe guest accommodations east of Yellowstone National Park. David Flitner is a third-generation Wyoming rancher and many of his family's 300,000 acres are near the Bighorn National Forest.

Also new to the list is No. 86 Roxanne Quimby, an entrepreneur and healthy living visionary who has become a well-known philanthropist and woodland conservationist. Quimby owns 119,000 acres, mostly in the North Woods of Maine. She was a co-founder of Burt's Bees, a best-selling brand of natural personal-care products that was sold to a multinational firm.

The Great Land Price Swing

While land rushes of the late 1800s left an indelible impression on the settling of the American frontier, the land grab of the late 1900s and early 2000s may not soon be forgotten either.

Using a large dataset of land sales collected by CoStar Group dating back to the mid-1990s, Stephen D. Oliner, senior fellow at UCLA Ziman Center for Real Estate and senior economist for UCLA Anderson Forecast, concluded that the run up in land values in that time have proved more volatile than even housing and commercial real estate prices rises and collapses. Joseph B. Nichols, an economist with the Federal Reserve Board, and Michael R. Mulhall, an economist with J.P. Morgan Chase, co-authored the study with Oliner.

Oliner's analysis shows a dramatic increase in both commercial and residential land prices over several years prior to their peak in 2006-'07 and a steep descent since then. These wild swings in value have exceeded those in well-known indexes of home prices and commercial real estate prices.

At the height of the real estate boom in 2006, land in the U.S. (excluding farmland and land held by the government) was estimated to have been valued more than $17 trillion. This figure represents about 40% of the value of commercial real estate and housing in the country. Of course, much of that wealth dissolved over the next few years as real estate markets crashed, Oliner said.

"The new research… documents the huge swing in land value over the recent cycle, showing that land is indeed a high-risk investment," Oliner said. "We put together a dataset with 180,000 sales of commercial or residential land parcels in 23 metropolitan areas from the mid- or late 1990s through mid-2011. The 23 metropolitan areas encompass the major population centers in the United States and some smaller cities."

"Land prices trended up at a moderate pace from the mid-1990s through 2002 and then accelerated sharply," Oliner said. "Over the next four years, the composite index jumped nearly 135%. These gains, however, were short-lived, as land prices tumbled in 2008 and the first half of 2009, when the economy was mired in a severe recession. As of mid-2011, the composite index had fallen more than 50% from its peak."

"There were especially large swings for the residential index, likely because the excesses that led to the financial crisis were centered in the housing market," he said.

The metro-area analysis shows that the swing in land prices generally was larger on the East Coast and in the far West than elsewhere in the country.

For example, from the second half of 2002 to the peak, the composite land price index rose more than 160% in Los Angeles and San Francisco and nearly 150% in San Diego and Sacramento, compared with 90% in Atlanta and less than 60% in Dallas.

"These regional differences mirror what we've observed in house prices over the past decade," Oliner said. "The ups and downs in land prices make the movements in house prices seem tame."

According to Oliner's research, residential land prices rose roughly three times as much as house prices during the boom period and then gave back the entire gain. In individual metro areas, land prices rose and then fell much more than house prices in every case.

"Real estate investors and mortgage lenders need to recognize the inherent volatility of land prices," Oliner said. "Lenders in all metro areas should be conservative in lending against land value, especially after a large run-up in land prices."

"In addition, metro areas in which land represents a large share of property value - which includes many areas in California - are especially susceptible to booms and busts in real estate markets," he said. "Consequently, prudent lending practices dictate that loan-to-value ratios for home mortgages and commercial real estate loans should be kept relatively low in areas where land is a large share of property value."


REAL ESTATE AUCTION
NOVEMBER 15
There's a glorious place where the river bends…
RioGrande Plaza
HOTEL AND SUITES
One South Main Ave, Laredo, TX
Possible Alternative Uses Include:
Assisted Living, Office & Residential or Commercial Condominiums
Ideally located in the heart of downtown Laredo's future master planned development, which includes a new convention center and entertainment district!
Saunders
• Airport
Houston
35
59
Laredo
83
Guadalupe
Santa Maria
Water
Bob Bullock Loop
359
TEXAS
Rio Grande
20
83
Nuevo Laredo
MEXICO
· 207 Guest Rooms & Suites
· Outdoor Pool
· Plaza Club Restaurant & Bar
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Trouble In the Heartland? Rapid Rise in Farmland Values Poses Risks for Investors and Ag Lenders Alike

Over the past two years, farmland investing has attracted major investor interest. In fact, some believe farmland investing has reached an unprecedented level of interest among institutional investors looking for higher returns on their investments.

"Back in the 1990s and 2000s, when stocks were earning double-digit returns, a farmland investment return of 7% to 9%, including income, didn't generate much interest," said Jamie Shen, senior vice president and head of Callan's Real Assets and Alternative Investments consulting groups.

"Now, with investors looking at a bond market where the prospective yields are very low, an estimated 7% to 9% return over the next 5 to 10 years is suddenly more appealing," added Shen.

Investor interest in farmland is also increasing because the asset class is no longer considered a stand-alone investment or part of a real estate allocation, which usually required a meaningful portfolio allocation of approximately 5%, according to Shen. Now that farmland has been re-categorized to the real assets category (which includes timber, infrastructure, private energy, real estate, commodities and TIPS), a 1% allocation to farmland is considered notable.

"Farmland returns have been remarkable and we haven't seen a correction in farmland values like we did in real estate," Shen said.

Callan's research concluded that simple supply and demand also contributes to the increased attention to farmland. The global population, which is expected to grow from 7 billion to 9 billion over the next 40 years, is likely to heighten demand for agricultural land and the goods it produces.

Another factor is the growth in global population. The number of people is increasing worldwide and farmers may find it increasingly difficult to produce enough food to outpace rising demand. Research indicates that the U.S. often fills that unmet demand and U.S. farmland provides a way to take advantage of global and emerging market growth without having to invest in those markets.

In addition to being a good portfolio diversifier, farmland is an effective inflation hedge, Shen said.

"Whenever an extended inflationary period becomes a real possibility, investors look for alternative assets that have a demonstrated record of growing in price faster than inflation rises," says Shen. "Typically hard assets are considered strong inflation hedges, and farmland is no exception."

Callan found that the greatest obstacle to institutional investment in farmland is actually getting invested. Farmers are reluctant to sell their land, and very often when they do, it is as a result of a generational change.

"With more than $2 billion in investor capital on the sidelines and ready to be invested, if a $200 million farmland portfolio came on the market today, it would likely trade very, very quickly," said Shen.

However, Shen cautioned that investors still need to be patient and committed to this asset class.

"Farmland has many implementation challenges, it's an illiquid asset class and it takes a long time to become invested. And though this investment has held a steady return track record, farmland probably won't always generate a 15% return."

His is not the only note of caution.

RAPID FARMLAND APPRECIATION POSES RISKS FOR AG LENDERS

The sharp run-up in U.S. farm real estate values in recent years could cause credit problems for agricultural lenders should prices reverse quickly, according to Fitch Ratings.

Farmland prices continued to rise in the first half of 2012, particularly in the Corn Belt and Northern Plains, despite the fact that these regions have been hardest hit by this summer's drought. The U.S. Department of

Agriculture (USDA) reported that farm real estate values nationwide increased by an average of 10.8% year over year, to $2,650 per acre as of June 2012.

Land price increases in the Corn Belt and Northern Plains have been far higher than the national average, with estimates of 17% and 26%, respectively. This comes on the heels of similar price increases in the 2010-2011 period. Cumulative increases since 2000 in the Corn Belt and Northern Plains regions have been 188% and 225%, respectively. Some subsegments of these regions containing prime cropland have seen increases far in excess of regional averages.

The critical drivers of the surge in farmland values over the last decade have been low interest rates and high commodity prices. Tight supply of available for-sale farmland is also driving up prices, as the commodity price boom has had a large positive impact on agricultural sector wealth in recent years. As a result, farmland owners have had few incentives, other than high prices, to sell.

This has created a market where there is a relative abundance of wealthy farmers and agricultural companies with comparatively few investment options bidding up farmland values to potentially unsustainable levels. Importantly, buyers are using limited leverage in their purchases, given their wealth and the fact that banks, on average, appear to be reluctant to lend at standard loan-to-value terms against potentially inflated collateral.

"In the event that the long-term trends of low interest rates and rising commodity prices reverse themselves relatively quickly (a scenario not considered unreasonable), we would expect a large correction in farmland values," Fitch analysts said. "Lenders with significant exposure to the agricultural industry in general, and those with substantial amounts of farmland serving both as collateral and as the primary repayment source, would likely report large credit losses in such a scenario."

The four Farm Credit System banks dominate the U.S. agricultural lending space. Roughly half of their combined loan portfolio consists of long-term real estate mortgage loans that are secured with farmland. Of the four system banks, AgriBank is the most exposed to a farmland price correction, as its footprint includes the Northern Plains and Corn Belt regions, according to Fitch.

Recognizing these risks, AgriBank and its related association lenders have been lowering their loan-to-value limits substantially below their 85% regulatory limit. In some instances, acreage value caps are being implemented, whereby the Association will not lend against values in excess of a predetermined sustainable value, according to Fitch.

"These are important risk-mitigating tools," Fitch said. "However, given the high levels of price appreciation over such a long time period, a large correction could leave many loans secured by farmland underwater and negatively affect cash flows on a large segment of the system banks' loan portfolios."

More, Smaller Funds Competing for Dwindling Investment Dollars

The total amount of funds raised from investors for real estate acquisitions continues to dwindle. Companies and funds reported raising $30.28 billion from investors in the third quarter of 2012 for commercial real estate-related deals and refinancings. That amount is approximately 9% less than in the second quarter, and a significant 33% lower than the first quarter when $44.88 billion was raised.

CoStar Group tracks the fundraising activity of thousands of entities on an ongoing basis and adds about 125 new entities per month.

Of the money raised in the third quarter, more than $17.9 billion was targeted primarily for investments and acquisitions. The remainder was primarily targeted for repaying debt.

Of that amount targeted for new investments, an estimated $12.6 billion was earmarked for property-related investments, the remainder for debt, mortgage or securities purchases.

Of the total amount raised in the third quarter, $23.7 billion was from publicly offered shares in REITs and real estate operating companies.

The other $6.5 billion raised in the third quarter came from private fund-raising efforts. This was a huge drop off from the $19.4 billion raised in the second quarter as more, smaller private investors competed in the market for funds.

In the third quarter, a total of 449 private real estate-related entities reported raising $14.5 million on average. By contrast in the second quarter, just 333 funds were active in the market raising nearly $53 million on average.

The largest bulk of funds raised in the third quarter (an estimated 27%) was earmarked primarily for retail investments. Debt and securities was the second most targeted investment type at 17%. Funds targeting multifamily, health care and office investments raised about 13% each of the total; lodging and industrial property investment made up 8% each of targeted investments.

Only two sponsoring firms raised more than $1 billion in the third quarter, compared to eight in the second quarter.

Health Care REIT Inc. in Toledo, OH, completed two public common stock offerings in the quarter raising $2.45 billion. In August, the REIT agreed to acquire Sunrise Senior Living through a merger. When that merger closes Health Care REIT will have acquired $3.2 billion in senior housing properties.

American Realty Capital Partners-sponsored funds raised $1.63 billion in the third quarter, with the bulk of that coming from American Realty Capital Trust III Inc. (ARCT III). Late last month, ARCT III closed its fund raising following the successful achievement of its target equity raise of $1.7 billion from the start of the year.

From Aug. 21 through Sept. 21, ARCT III acquired 91 single-tenant, freestanding properties with 700,000 leasable square feet in 19 states, at an aggregate purchase price of $111.7 million. The acquisitions increased the portfolio's size, at cost, to $846.6 million, comprised of 326 properties. Its portfolio pipeline includes $404.0 million of acquisitions under contract.

OTHER NOTABLE FUND RAISINGS

Almanac Realty Investors LLC committed to invest $100 million in RAIT Financial Trust. The capital will be used to fund RAIT's expanding loan origination and investment activities, including CMBS and bridge lending.

The Bascom Group closed its first fully discretionary real estate investment fund. The fund, Bascom Value Added Apartment Investors LLC, has up to $185 million of buying power, with leverage, for value added multifamily acquisitions across an 11-state region. To date the fund has acquired three multifamily roperties: Veranda Apartments in Fullerton, CA - 128 units; Hyland Park in Denver, CO - 492 units; and Coldwater Springs in Phoenix, AZ - 301 units.

Vulcan Investment Partners, which was founded by a group of leading Mexican businessmen, will invest $150 million on purchasing 1,200 repossessed and foreclosed homes in South Florida. Vulcan administers Vulcan Dynamic Realty Fund LP, a fund dedicated to purchasing and renovating distressed properties at 50% of their original construction cost.

Watch List: Specially Serviced Office Loans with Lease Expiration Issues

Information for these lead listings was provided by CoStar Group and Trepp LLC, an industry leader in providing surveillance data on loan and commercial real estate performance underlying the CMBS market.

Property	Address	Cur. Loan Bal.	Net Rentable SF; % of SF Orig. Sched. to Exp. 1-12 months	CMBS; Special Servicer	Comment

Property	Address	Cur. Loan Bal.	Net Rentable SF; % of SF Orig. Sched. to Exp. 1-12 months	CMBS; Special Servicer	Comment
Bank of America Plaza	600 Peachtree Tree, Atlanta, GA	$263,000,000	1,253,499; 40%	JPM 2006-CIBC17; CWCapital	Paul Hastings with 138,185 SF comprising 10.7% of the property's nrsf, expires 10/31/2012.
Connecticut Financial Center	157 Church St., New Haven, CT	$130,400,000	466,049; 48%	BofA 2007-2; Helios AMC	A major lease expired on 6/14/2012 causing occupancy to drop to 70%. Workout negotiations are in process.
Glendale Center	611 N. Brand Blvd., Glendale, CA	$125,000,000	382,841; 58%	Wach C27; LNR Partners	Bank of America with 89,409 SF comprising 23.1% of the property's nrsf, expires 4/30/13.
Aegon Center	400 W. Market St., Louisville, KY	$104,493,746	759,650; 28%	GCC 2004-GG1; CWCapital	Loan transferred to special servicing effective 3/8/12 for Imminent Monetary Default based on a large tenant's lease expiry in late 2012.
Penn Mutual Towers & Washington Square Garage	510-530 Walnut St. & 249 S.h 6th St., Philadelphia, PA	$101,980,761	853,840; 26%	ML-CFC 2006-2; CWCapital	The property is 78% leased as of August 2012. SS is pursuing a foreclosure strategy.
Harbor Plaza	181-290 Harbor Drive, Stamford, CT	$75,889,460	731,202; 31%	JPM 2004-CIBC8; Orix	A major tenant vacated a long time ago and continued to pay rent, but lease expired 10/31/11, precipitating the payment default.
Millennium in Midtown	10 10th St., Atlanta, GA	$71,483,928	410,624; 60%	GS 2006-GG6; Torchlight	Transferred to special servicing 8/17/2012 due to imminent default anticipated from vacancy of PWC in October (37% of the building).
One Orlando Center	800 N. Magnolia Ave., Orlando, FL	$68,250,000	355,856; 23%	LB 2007-C3; LNR Partners	Hanover Life Reassurance with 26,590 SF comprising 7.5% of the property's nrsf, expires 12/31/2012.
2400 Ogden Avenue	2400 Ogden Ave., Lisle, IL	$18,116,562	120,815; 32%	CS 2007-C5; C-III	The loan was transferred to special servicing effective 6/29/2012 due to the borrower's statement that it is unable or unwilling to remit future loan payments.
Crown Point Corporate Center	400 Professional Drive, Gaithersburg, MD	$14,831,084	129,030; 31%	MS 2003-T11; C-III	The borrower has indicated that the property is not generating sufficient cash flow to fund operating expenses and debt service payments and has requested a loan modification.
Raintree Office Center	8801 and 8901 E. Raintree Drive, Scottsdale, AZ	$9,247,968	111,126; 22%	JPM 2004-C1; Torchlight	A new lease has been executed for 22% nrsf bringing occupancy to 69%. Special sServicer and borrower are negotiating a potential restructuring.
Bel Air Park II	2970 Cottage Hill Road, Mobile, AL	$5,493,922	123,192; 80%%	GMAC 2001-C1; Berkadia	The borrower stated that the building is worth significantly less than loan balance if sold on an all-cash basis and requested for the modification of the loan.

Bakers Footwear Files Ch. 11; To Let Go of 107 Stores

Bakers Footwear Group Inc. is restructuring its business operations through a formal Chapter 11 reorganization process following a string of quarterly losses and and recent lower than planned sales.

The St. Louis, MO-based company operates 215 stores nationwide and employs 459 full-time employees and 3,463 part-time employees.

Bakers Footwear incurred net losses of $11 million and $9.3 million in fiscal years 2011 and 2010, respectively. 2012 comparable-store sales have decreased 5.9%, which increased liquidity pressures on the firm.

Bakers Footwear has agreed to sale and assign leases for up to 52 stores to Aldo U.S. Inc. for up to $6.375 million in cash, which is intended to close in three stages from January 2013 through June 2013. The retailer also identified 55 other store locations in which it does not intend to continue operations long-term.

The retailer will conduct closing sales at the combined 107 stores.

Property, City, State

- Pinnacle Hills Promenade, Rogers, AR
- Chandler Fashion Square, Chandler, AZ
- Arrowhead Towne Center, Glendale, AZ
- Westfield Santa Anita, Arcadia, CA
- Valley Plaza Mall, Bakersfield, CA
- Topanga Plaza (Wild Pair), Canoga Park, CA
- Topanga Plaza (Bakers), Canoga Park, CA
- Stonewood Center, Downey, CA
- Imperial Valley Mall, El Centro, CA
- Fresno Fashion Fair, Fresno, CA
- Glendale Galleria (Bakers), Glendale, CA
- Irvine Spectrum Center, Irvine, CA
- The Shops at Montebello, Montebello, CA
- Plaza Bonita, National City, CA
- Northridge Fashion Center, Northridge, CA

- Ontario Mills, Ontario, CA
- The Outlets at Orange, Orange, CA
- Stoneridge Shopping Center, Pleasanton, CA
- Arden Fair Mall, Sacramento, CA
- Shops at Tanforan, San Bruno, CA
- San Francisco Centre, San Francisco, CA
- Del Amo Fashion Center, Torrance, CA
- West Farms Mall, Farmington, CT
- Connecticut Post Mall, Milford, CT
- Stamford Town Center, Stamford, CT
- Crystal Mall, Waterford, CT
- Christiana Mall, Newark, DE
- Altamonte Mall, Altamonte Springs, FL
- Aventura Mall, Aventura, FL
- Brandon Town Center, Brandon, FL
- Coral Square, Coral Springs, FL
- Edison Mall, Ft. Myers, FL
- Miami International Mall, Miami, FL
- Dadeland Mall, Miami, FL
- Coastland Mall, Naples, FL
- Broward Mall, Pleasanton, FL
- International Plaza, Tampa, FL
- Perimeter Mall, Atlanta, GA
- Northlake Mall, Atlanta, GA
- Gwinnett Place, Duluth, GA
- Boise Towne Square, Boise, ID
- Fox Valley Center, Aurora, IL
- Promenade, South, Bolingbrook, IL
- Ford City Shopping Center, Chicago, IL
- State Street, Chicago, IL
- Orland Square SC, Orland Park, IL
- Woodfield Mall, Schaumberg, IL
- White Oaks Mall, Springfield, IL
- Circle Centre Mall, Indianapolis, IN
- Mall of Louisiana, Baton Rouge, LA
- Mall of Acadiana, Lafayette, LA
- Braintree Mall, Braintree, MA
- Burlington Mall, Burlington, MA
- Emerald Square, North Attleboro, MA
- Westfield Annapolis, Annapolis, MD
- The Mall in Columbia, Columbia, MD
- Great Lakes Crossing, Auburn Hills, MI
- Woodland Mall, Kentwood, MI
- Lakeside Mall, Sterling Heights, MI
- Oakland Mall, Troy, MI
- Chesterfield Mall, Chesterfield, MO
- Battlefield Mall, Springfield, MO
- Mall at Rockingham, Salem, NH
- Menlo Park (Wild Pair), Edison, NJ
- Menlo Park Mall (Bakers), Edison, NJ
- Newport Centre, Jersey City, NJ
- Livingston Mall, Livingston, NJ
- NewPark Mall, Newark, NJ
- Rockaway Town Square, Rockaway, NJ
- Willowbrook Mall, Wayne, NJ
- Coronado Center, Albuquerque, NM
- Miracle Mile Shops (Bakers), Las Vegas, NV
- South Shore Mall, Bay Shore, NY
- Fulton Street, Brooklyn, NY
- Roosevelt Field Mall, Garden City, NY
- Smith Haven Mall, Lake Grove, NY
- 30-72 Steinway St., Queens, NY
- Green Acres Mall, Valley Stream, NY
- Palisades Center, West Nyack, NY
- Jefferson Valley Mall, Yorktown Heights, NY
- Beachwood Place, Beachwood, OH
- Kenwood Towne Centre, Cincinnati, OH
- Easton Town Center, Columbus, OH
- The Mall at Tuttle Crossing, Dublin, OH
- Franklin Park Mall, Toledo, OH
- Woodland Hills, Tulsa, OK
- Park City Center, Lancaster, PA
- Lehigh Valley Mall, Whitehall, PA
- Providence Place, Providence, RI
- Columbiana Centre, Columbia, SC
- Haywood Mall, Greenville, SC
- Hamilton Place, Chattanooga, TN
- La Palmera, Corpus Christi, TX
- Cielo Vista Mall, El Paso, TX
- Baybrook Mall, Friendswood, TX
- Memorial City Mall, Houston, TX
- The Houston Galleria, Houston, TX
- Willowbrook Mall, Houston, TX
- Collin Creek Mall, Plano, TX
- The Shops at La Cantera, San Antonio, TX
- Rivercenter, San Antonio, TX
- The Woodlands Mall, The Woodlands, TX
- Fair Oaks, Fairfax, VA
- Tysons Corner Center, McLean, VA
- Potomac Mills, Prince William, VA
- Short Pump Town Center, Richmond, VA
- Mayfair Mall, Wauwatosa, WI

Applied Materials To Let Go Up to 1,300 Workers

Applied Materials Inc. approved a restructuring plan that includes a realignment of its global workforce.

Under the plan, Santa Clara, CA-based Applied Materials will implement a voluntary retirement program and other workforce reduction actions that are expected to affect from 900 to 1,300 U.S. workers, or 6% to 9% of its global workforce.

In addition, Applied plans to implement other workforce reduction actions globally across multiple business segments and functions, the extent of which will depend on the number of employees who participate in the voluntary retirement program and other considerations.

Applied expects to substantially complete the plan by the end of the third quarter of fiscal 2013.

Job Cuts Slowing Notably

Employers may not be hiring but at least they're not laying off nearly as many as they have in years past. September brought to an end one of the slowest job-cut quarters in more than a decade.

Employers announced 102,910 job cuts in the third quarter, down 27% from the previous quarter (139,997), and 56% lower than the third quarter of 2011 (233,258). It was the lowest quarterly total since the second quarter of 2000, when planned layoffs numbered 81,568, according to the latest report by global outplacement firm Challenger, Gray & Christmas Inc.

Employers have now announced 386,001 planned job cuts in 2012, which is 19% fewer than the 479,064 job cuts recorded by this point last year. One has to go back to 1997 to find fewer job cuts announced through the first nine months of the year. That year, employers announced 281,496 job cuts through September.

Contributing to the decline in monthly job cut figures is the significant drop-off in the number of layoffs announced by the government sector. These employers announced just 14,186 job cuts through September, compared to 119,027 by this point in 2011.

The biggest job-cutting industry last month was energy, which announced 3,393 job cuts in September. To put that figure in perspective, the top job-cutting sector a year ago (government) announced 54,182 layoffs.

"Layoffs are definitely at pre-recession levels. Unfortunately, hiring has not returned to those levels. A combination of factors, including the upcoming election, ongoing instability in Europe, growing signs of weakness in Asia and a host of other issues, are keeping companies from making any major expansion or hiring moves" said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

MetLife Forming Third-Party Real Estate Management Business

Seeking to leverage its extensive investment in real estate, commercial mortgages and private bonds, MetLife Inc. plans to launch a third-party asset management business that will arrange and manage investments in those areas for other institutional investors, including insurance companies, public and private pension plans and sovereign wealth funds.

The business, branded MetLife Investment Management, will be structured as two separate divisions: MetLife Real Estate Investors and MetLife Private Capital Investors.

"Today, MetLife is already one of the largest institutional investors in the world, with $500 billion in general account assets that we have managed for the long-term to generate strong returns for both our policyholders and shareholders," said Steven J. Goulart, executive vice president and chief investment officer of MetLife Inc. "Our extensive business platforms for originating commercial mortgages, investing in real estate equity and sourcing private placements are well established. We have the talent, scale, reputation and in-market presence to acquire high quality assets with the potential to create strong returns. We will leverage these strengths to meet the needs of third-party institutional investors who have demonstrated an increased demand for these private asset sectors where MetLife has proven capabilities."

As part of the new initiative, MetLife is making organizational changes within its real estate group. The new organization will be led by MetLife's global head of real estate investments, Robert Merck, and will manage investments for both institutional investors and MetLife.

In order to capitalize on its direct real estate investment capability, MetLife Real Estate Investors has created a real estate equity strategies group, and a real estate debt strategies group.

Mark Wilsmann, who has led MetLife's commercial mortgage operation since 2003, will head the equity strategies group.

"Our goal is to lever our industry-leading real estate platform to become a top five institutional real estate investment manager," Merck said.

Brian Casey, who previously headed up MetLife's Washington, DC, regional real estate office, will lead MetLife Real Estate Investors' debt strategies group.

MetLife has been the largest life insurance company lender since 2004; it originated more than $11 billion in commercial mortgages in 2011 and currently holds a $43 billion loan portfolio. It also owns and manages a $10 billion global portfolio of direct equity real estate investments, including office, apartment, retail, industrial and hotel properties. MetLife's real estate platform includes regional origination and asset management offices across eight cities in the U.S., as well as London, Mexico City, Tokyo and Santiago.

Oaktree Packages 700 Distressed Assets into a New CMBS

Hoping to capitalize on investor interest in distressed real estate, Oaktree Capital Management and its real estate opportunities funds unloaded a bulk of their non-performing loans and other real estate in their first-ever securitization of distressed assets.

The single class, $195 million offering, rated Baa3/BBB- by Moody's and Fitch, was backed by 700 loans and 78 properties.

Oaktree Real Estate Investments / Sabal Series 2012-LV1 is collateralized by 615 mortgage loans, 22 non-real estate loans, 49 unsecured loans, and 78 real estate owned (REO) properties. The total unpaid principle balance (UPB) of the loans and properties represented in the pool is approximately $704.6 million.

The Oaktree funds purchased the assets for $299.9 million (or 42.6% of UPB).

The properties collateralizing the portfolio consist of income producing commercial real estate (68.3% of allocated basis for purchase), residential, commercial, and agricultural land (19.3%), residential real property (9.1%), other non-real estate assets (3.1%), and unsecured liens (0.2%).

Philip Feder, the head of Paul Hastings' global real estate practice, and Christine Spletzer, who heads the law firm's securitization practice, led Paul Hastings' efforts on the acquisition of the portfolios comprising the assets and on the capital markets offering, aided by real estate partners Robert Keane and John Cahill, and tax partners Andrew Short and Kristen Chang Winckler.

American Eagle Trimming its Full-Line Store's Wings

As with many retailers, American Eagle Outfitters plans a shift away from brick and mortar full-line locations to more e-commerce and factory outlet sales. American Eagle detailed new financial goals at an investor conference this past week.

American Eagle's e-commerce business currently accounts for 14% of net sales; The company said it will now target 20% penetration over time.

Factory stores generate sales per square foot over $600 (well above company average and currently account for 10% of net sales). The company will target increased penetration of 15%.

The increased penetration of the factory and e-commerce channels will take a bite out of mainline stores, which currently account for 76% of sales, with a new target penetration of 65%.

The company opened 16 stores in 2010 and 2011, 10 of which were factory stores. In the first 12 months of operation, these stores averaged net sales of $4.6 million. The company said it believes it still has room for significant U.S. store openings, with the outlet store base potentially increasing to 150 to 200 from about 70 currently.

The company said there is still an opportunity to open full-line stores in major cities such as Las Vegas, New York, Miami and Los Angeles where about three to seven new locations in each city have been identified.

Family Dollar Sets Goal of 500 New Stores in Next 12 Months

Family Dollar Stores Inc., which opened 475 stores in its fiscal year ended Aug. 25, has set a goal of opening up to 500 stores this fiscal year.

In fiscal 2012, Matthews, NC-based Family Dollar opened 475 new stores, including 41 stores in California; it renovated, relocated or expanded 854 stores; and opened its 10th distribution center and began construction of our 11th distribution center.

"These accomplishments position us well for continued growth in fiscal 2013 and beyond," said Howard R. Levine, Family Dollars' chairman and CEO. "This year, as we work to drive further benefit from the investments we made in fiscal 2012, we will focus on enhancing the shopping experience in our stores, increasing inventory productivity, improving store-level processes, and driving greater profitability."

Commenting on expectations for fiscal 2013, Levine said, "Our financial goals over the next three to five years are to consistently deliver: 5% to 7% net new store growth; mid-single-digit comp sales growth; operating margin expansion," Levine said.

Levine said the company expects to open 500 new stores, while closing 70 to 90 locations.