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COMMERCIAL REAL ESTATE MARKET UPDATE

GENERAL
市場概括

- Retail Property Prices Did Not Fluctuate Wildly in Recession

  CoStar的報告稱，購物商場的價格在經濟不景氣期間僅下探不到20%，並未出現大幅波動

  Commercial real estate property prices are no longer at the bottom of the cycle, but they also haven't reached the peaks seen in 2007, according to the CoStar Commercial Repeat Sale Indices. Retail and apartment properties did not dip too much during the recession, CoStar also reports. These properties tended to decline by less than 20% and now are only less than 10% below the earlier highs.

- Grubb & Ellis Faces Uncertain Future

  申請破產保護的商業地產公司Grubb & Ellis將被經紀公司BGC收購，前途未卜

  The acquisition by fast-growing BGC may be 'highly complementary' with Newmark Knight Frank but they must deal with a legacy of past financial woes.

RETAIL
購物商場

- US Strip-Mall Vacancy Falls 1st Time in 7 Years

  美國購物商場空置率 7 年來首度下降，由去年第四季度的 11%降至10.9%

  Retail vacancy rates dipped in Q1 for the first time in seven years, Reis reports. Preliminary figures show vacancies dropped to 10.9% from 11% in Q4 2011.

- Retailers Seek Small Spaces as Big Boxes Decline

  網路購物促使大型零售商縮小店面，預計較小空間的店鋪將大受歡迎

  As the fate of the big-box stores hangs in the balance, commercial real estate professionals may soon see more demand for smaller spaces. Online shopping has taken a bite out of big-box stores, forcing some such as Circuit City to close altogether. Even successful big boxes such as Wal-Mart and Target are downsizing in some areas. "The effect on the commercial market is that I think we'll see more interest in small spaces and less on big spaces. And we may see more interest in warehousing.

- Best Buy Closing 50 Big Box Stores in 2012

  電器銷售商Best Buy將在 2012 年關閉 50 間大型店鋪，增開百間專營手機產品的小型店鋪

  The company intends to remodel key stores and to continue to build out the successful Best Buy Mobile small format stores throughout the U.S. by opening as many as 100 smaller format stores.

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- [Pressed From All Sides, Toys 'R' Us Fights to Reinvent Itself]

  四面楚歌的連鎖玩具零售商Toys R Us 進行自我改造

  Increased competition from brick-and-mortar rivals, including Wal-Mart Stores, and online giant Amazon ate into holiday sales at Toys R Us. The 1,500-store chain is working to reinvent itself. This is a very crucial year for [Chairman and CEO] Jerry Storch and Toys R Us -- there have been expectations for them going public, and it hasn't happened yet.
- [Franchising is Key to Denny's Growth]

  餐廳品牌Denny's依靠特許加盟商快速增長

  Denny's has added 50 new franchisees since 2007, and the casual chain aims to operate eventually with 90% franchised units and only 10% corporate stores. The 59-year-old company also is focused on building a bigger base of nontraditional restaurants as part of a diversification strategy launched in partnership with Flying J two years ago.
- [Linking Store and Web Inventory is Key for Walgreens]

  緊密聯結實體店和網路商店的存貨是藥妝店Walgreens的成功關鍵

  Linking inventory from Walgreens' 8,000 brick-and-mortar stores to the chain's website had been a challenge, but one that's paid off in increased foot traffic, says vice president Ron Kelly. "What retailers are learning is that people use the web for information, but still, a vast majority of people spend most of their money in our stores.

MULTIFAMILY
公寓樓

- [U.S. Apartment Vacancy Rate Falls to Decade Low]

  第一季度美國公寓空置率降至 4.9%，為十年來最低點

  The first-quarter apartment vacancy rate in the U.S. fell to its lowest figure in more than 10 years, according to data provider Reis. The overall vacancy rate declined to 4.9%, the lowest level since the fourth quarter of 2001, the company said. Also, apartment rents increased by the biggest amount in four years.

FINANCING
貸款與資金

- [Rising Rates: Some Business Owners Face Increase]

  貸款利率上揚，一些小企業主面臨更高償貸壓力

  Wells Fargo is raising its interest rates on credit lines by 2.5 percentage points for some of its small-business customers. Small-business owners are in a tough spot, said Pepperdine University finance professor John K. Paglia. "Those who have funding are grateful. In this environment, they have to hold on to it," he said.
- [Small Businesses Face Tougher Standards for Loans]

  小企業貸款門檻升高

  Lenders are looking for higher revenue and profit levels when approving loans these days, and medium-sized businesses are most likely to have

success finding credit, says Jeff Stibel, CEO of Dun & Bradstreet Credibility. Having survived the recession isn't enough to secure a loan, he said. But for those businesses that do obtain loans, terms are longer than in the past few years, and interest rates remain low.

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

  消費者市場利率：房貸、基本利率、等等

Retail Property Prices Did Not Fluctuate Wildly in Recession

CoStar 的報告稱，購物商場的價格在經濟不景氣期間僅下探不到 20%，並未出現大幅波動

By Stephanie Hession (Washington Post)

Prices for commercial real estate property have been on a wild ride in recent years. As was the case in the single-family housing market, commercial property prices increased rapidly during the middle of the past decade but then took a nose dive during the Great Recession.

According to the CoStar Commercial Repeat Sale Indices, which uses a similar methodology as the S&P/Case-Shiller Home Price Indices, commercial prices have moved up from the bottom, but remain below their credit-inflated peak in 2007.

However, trends vary greatly across property types and markets. As of the end of 2011, apartment pricing has seen the strongest gains, followed by office, retail and warehouse. Increasing numbers of renters and rising rents have bolstered multifamily property values, and fundamentals for the other property have also begun to improve.

The Washington area has compared favorably with the national trends, with smaller declines in commercial property prices followed by stronger gains so far in the recovery. Average pricing for apartment and retail properties declined by less than 20 percent during the recession, and are currently less than 10 percent below their previous highs.

While Washington office properties saw a massive 34 percent price decline from their peak, the revival of investor interest over the past two years has caused prices to stage a significant recovery. Local warehouse pricing has seen the weakest increase from the trough, but with prices only 17 percent below the 2007 peak, Washington area industrial property prices are closer to their previous peak than the national average.

As one might expect, pricing varies widely based on asset-specific characteristics, including the location, building quality and type of tenant. For instance, the median office price in 2011 here in the Washington region was $230 a square foot. However, seven major office buildings in the District have sold at prices in excess of $800 a square foot since late 2009, (near peak pricing for this market.)

At the other end of the spectrum, a half-vacant, 23-year-old property in Greenbelt sold for less than $70 a square foot in early 2012. While prices for large, well leased, high quality properties are near peak levels, there are still opportunities for buyers to take advantage of low prices for assets requiring renovations or located in less sought after locations.

To learn more about the CoStar Commercial Repeat Sale Indices, visitwww.costar.com/CCRSI/.

Grubb & Ellis Faces Uncertain Future

申請破產保護的商業地產公司 Grubb & Ellis 將被經紀公司 BGC 收購，前途未卜

By Randyl Drummer (CoStar)

This week a bankruptcy court judge approved the sale of the venerable but cash-strapped Grubb & Ellis Co. to BGC Partners, Inc., ushering in the latest in a series of changes that have roiled the commercial real estate brokerage business. Next comes the hard work involved in exiting bankruptcy and integrating the new acquisition.

Among the challenges the two firms face are preserving Grubb & Ellis's property and facilities management and brokerage business, retaining its remaining brokers, satisfying the claims of certain unsecured creditors, and merging the offices and cultures of Grubb and Newmark Knight Frank, the CRE services firm acquired by BGC last year.

Despite the recent loss of contracts with Kraft and Microsoft, Grubb & Ellis still has significant property management business. Between Newmark Knight Frank and Grubb & Ellis, the pair of BGC-owned service providers would have 250 million square feet in property and facilities management under contract and more than 100 offices in North America, as well as a national appraisal business.

U.S. Bankruptcy Judge Martin Glenn on Tuesday morning approved BGC's bid to acquire substantially all of the assets of Grubb & Ellis, and BGC said it expects to close on the buyout shortly. A court filing by Grubb & Ellis last week set the anticipated closing of the transaction at March 30, although the announcement of the sale approval did not didn't specify a date.

As the bankruptcy winds down, the court is expected to consider the claims of several remaining objectors to the sale, including brokers who say they are owed earned commissions. Glenn is expected to weigh those claims at a court hearing on April 18.

According to various media reports, BGC has offered to retain current salaries and commission structures for Grubb & Ellis staff and management in exchange for an agreement to stay with the new entity for a certain period of time.

"There are a lot of question marks that still need to be addressed, and with that leaves the potential for uncertainty, not only for the acquirer, but also the agent and most importantly, the client," said Edward Indvik, CEO of Lee & Associates, which has hired several former Grubb & Ellis brokers in recent months. "Grubb & Ellis has a long history as an entreprenueral house for brokers with a brand that has had real currency over many decades. But certainly, that has deteriorated somewhat due to the financial issues over the last several years."

Countering that view, BGC and Newmark Knight Frank executives outlined the opportunities and strengths of the combined firms.

"We intend to apply our financial strength, powerful proprietary technology and deep marketplace relationships to provide Grubb & Ellis and its professionals with the resources they need to thrive and grow," said Howard W. Lutnick, chairman and CEO of BGC. "Alongside Newmark Knight Frank, the acquisition of Grubb & Ellis creates a game-changing platform that further positions BGC as one of the most innovative and dynamic players in commercial real estate."

"As BGC continues to attract the best talent, invest in our world-class technology, and apply capital to build and expand into new markets, we are committed to providing Grubb & Ellis with the right tools and support to increase its strength and scale," Lutnick added.

Michael Lehrman, global head of real estate at BGC, said "the expansion of BGC's commercial real estate platform creates exciting new opportunities for our entire organization, including the talented Grubb & Ellis real estate professionals who are coming on board, as well as new opportunities for them to provide outstanding value to their clients."

Lehrman described the joining as "creating one of the most exciting platforms in the real estate market."

Barry M. Gosin, CEO of NKF, said his firm's strategic consultative approach to creating value for clients and its leading position in the New York market, combined with Grubb & Ellis' strength in transaction, management and valuation services, makes the joining of the two organizations "highly complementary."

"We share a client-focused culture, and together, Grubb & Ellis and Newmark Knight Frank create a powerhouse in real estate with a significant competitive advantage, built upon the foundation of BGC's proven and powerful model," Gosin said.

NKF President James D. Kuhn said the company has benefited substantially from BGC's capital strength, proprietary technologies and relationships with leading global financial institutions and other organizations since joining with BGC last fall.

"The addition of Grubb & Ellis will dramatically increase our footprint and expand our business lines, including Grubb & Ellis' prominent industrial practice. We are firm in our conviction that Grubb & Ellis will deepen its capabilities, attract the best talent, and deliver outstanding performance just as Newmark Knight Frank has as part of the BGC platform," Kuhn said.

Many of the Grubb & Ellis business lines, including the hotel, multifamily, private-client investment sales and the financial asset strategic management groups, will enhance NKF's capital markets program, Kuhn added.

The transaction was executed as a debtor-in-possession asset sale under Section 363 of the U.S. Bankruptcy Code. Cantor Fitzgerald & Co., an affiliate of Cantor Fitzgerald, L.P. acted as a financial adviser to BGC in connection with this transaction.

Grubb & Ellis filed for bankruptcy protection on Feb. 20 and entered into a letter of intent in which BGC Partners, acting as a stalking horse buyer, acquired the brokerage's outstanding secured debt and submit the minimum bid to acquire substantially all of Grubb's assets, providing debtor-in-possession financing of $4.8 million to fund its operations during the bankruptcy process.

No other bidder besides BGC, the parent company of Newmark Knight Frank, emerged to buy the CRE services firm by the March 20 deadline, prompting Grubb & Ellis to cancel a planned auction.

US Strip-Mall Vacancy Falls 1st Time in 7 Years

美國購物商場空置率 7 年來首度下降，由去年第四季度的 11%降至 10.9%

By Ilaina Jonas(Reuters)

NEW YORK, April 5 (Reuters) - The average vacancy rate at U.S. strip malls fell for the first time in nearly seven years in the first quarter and rents inched up, but it is too early to call a rebound for a sector battered by the housing bust and recession, a report by Reis Inc showed.

The real estate research firm said vacancies at large U.S. regional malls continued to decline in the near-absence of new supply, but consumer spending is not strong enough to lift retail real estate out of its slump.

"The tide of the economy is not rising quickly enough to raise all the ships in the ocean of retail," according to the report released Friday.

The retail real estate sector, which includes big regional malls, open-air lifestyle centers, strip malls and power centers that are home to big-box stores, have been among the hardest hit of all types of commercial real estate. At the mercy of consumer spending, these types of real estate have reflected the diverse pressures and changes in consumer spending.

Big-box stores, which sell mass-market items like electronics and household goods, have been hit not only by the economic downturn but also by online retailers which compete on price. Recently Best Buy Co Inc said it would close 100 big-box stores and open 50 smaller ones focused on mobile phones.

"They're going to be smaller and crop up in malls and neighborhood community stores," Reis senior economist Ryan Severino said.

During the first quarter, the national vacancy rate for strip malls fell to 10.9 percent from 11 percent the prior quarter, according to preliminary figures from Reis. Strip malls, also known as neighborhood shopping centers, are usually anchored by grocery or drug stores.

"This is really only the first quarter where the vacancy rate declined. We need to see something a little bit more sustained than just a quarter or two before it really signals the beginning of a trend," Severino said.

The housing bust killed many of these centers, which remained vacant when new neighborhoods failed to grow around them. Vacancies have been rising since bottoming at 6.7 percent in the second quarter of 2005. The first-quarter decline broke through the 11 percent cyclical high the national vacancy rate had been stuck at since the second quarter of 2011.

The average asking rental rate in the first quarter rose 0.1 percent, the same increase as in the fourth quarter, to $19.05 per square foot. Effective rent, which strips out months of free rent and other perks landlords offer to lure or retain tenants, also rose 0.1 percent to $16.57 per square foot.

"Although we have not seen consistent enough improvement to declare a turnaround in the sector, the decline in the vacancy rate, coupled with the increases in asking and effective rents, is the strongest evidence to date that the sector is beginning to stabilize and recover," the report said.

In fact, with supply of new strip malls at near-historic lows, a true resurgence of healthy demand would have created a bigger decline in vacancy, Reis said.

Reis expects the vacancy rate to continue to slowly decline throughout the year, but until the U.S. economy and labor market are stronger, Reis said the outlook remains unclear for these shopping centers.

At regional malls, the first-quarter vacancy rate fell to 9 percent from 9.2 percent the prior quarter. It was the second consecutive quarterly decline for the big malls. The average asking rent rose 0.2 percent to $39.00 per square foot. Reis does not track effective rent for regional malls.

The trend has benefited real estate investment trusts, which include Simon Property Group Inc, General Growth Properties, Macerich Co and Taubman Centers Inc , which collectively own more than 70 percent of the nation's so-called class A malls, which generate the highest sales per square foot.

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Retailers Seek Small Spaces as Big Boxes Decline

網路購物促使大型零售商縮小店面，預計較小空間的店鋪將大受歡迎

By Richard N. Velotta (Vegas Inc)

Big-box stores, the elephants of the suburban retail savanna, face growing threats to their survival.

The evolution of technology, combined with society's growing comfort with buying online, are taking their toll. It's a national trend that is most notable in so-called "category-killer" segments like consumer electronics, and it's playing out in the Las Vegas Valley.

As it does, Southern Nevada's commercial real estate brokers are watching closely and adjusting their sales tactics.

"The big boxes that handle merchandise that is readily sold online, those are the ones that are in trouble," said Jeff Waddoups, an economics professor at UNLV.

In addition, as products become smaller, many stores simply don't need as much floor space. Vinyl record albums, for example, are three to four times larger than a compact disc. And today, most consumers don't buy those, getting their music instead from online sources, which are loaded on devices many times smaller than the sound systems sold 10, 20 and 30 years ago.

"I think the real problem with the big-box store is that if you're going to get no service, you may as well buy it online," said Stephen Brown, director of UNLV's Center for Business and Economic Development.

Consumers have found that the delivery of goods in online transactions is getting better, and because dominant online merchants like Zappos.com and its parent company, Amazon.com, have fulfillment centers in Nevada, purchases arrive quickly, sometimes with shipment on the day of the order.

Some see the potential for local economic development in the trend. The fact that Nevada has a fiber-optic infrastructure, great transportation and shipping options, low tax rates and a business-friendly attitude lends some hope that warehouses and fulfillment centers like Amazon's facility in Fernley could find homes in the big-box sites that commercial real estate brokers are trying to market.

The consumer electronics sector is where most of the big-box downsizing is occurring, and Southern Nevada has seen the impact.

Circuit City is gone. So are Borders and Ultimate Electronics.

Last week, Best Buy announced that it would close 50 big-box stores and open 100 of what it's calling Best Buy Mobile stores by 2016. The company hasn't disclosed whether any of the closures or new stores would be in Nevada.

Some say the big-box concept isn't suffering in all categories, noting retail giants Wal-Mart, Target and Costco continue to open large stores — but Wal-Mart and Target also are opening smaller operations, primarily to compete with grocery stores.

In Southern Nevada, WinCo Foods, a supermarket that could be considered a big-box like outlet for groceries, opened two stores last month.

"The effect on the commercial market is that I think we'll see more interest in small spaces and less on big spaces," Brown said. "And we may see more interest in warehousing. We're in a good place to ship into California without actually being in California."

Las Vegas' location on Interstate 15 and Reno's position on Interstate 80 are ideal for shipping centers. Both cities also are on primary freight rail lines, and McCarran International Airport is unsurpassed as a cargo hub, with flights to more than 100 cities daily.

As the big-box trends play out, commercial real estate professionals in Southern Nevada are watching closely and adjusting their marketing efforts accordingly.

David Grant, senior vice president of the retail division of Colliers International in Las Vegas, is among those who are skeptical that the big-box era might be ending. "Unfortunately, in a down economy and a down real estate market, vacancies are going to occur," Grant said.

He cited the arrival of WinCo as an example of how not every category is being affected by an apparent big-box downturn. The trick, he said, is finding new customers to fill the spaces left behind by former tenants.

Grant agreed, however, that technology is changing the landscape. He cited the Hollywood Video and Blockbuster chains, which had several outlets in Southern Nevada. Today, Hollywood is gone and Blockbuster has a fraction of the stores it once had. Why? Because consumers who rent videos go to a more convenient place to rent them — like Red Box vending machines — or they take delivery of their movies through the mail or with online downloads.

"The Red Box model is so simple," Grant said. "You can rent a video at a McDonald's in the morning as you're going out of town, play it on a portable player on a plane and then drop if off at a Red Box machine in Chicago. That's great. But it really hurt Hollywood and Blockbuster brick-and-mortar stores."

Penny Mandlovic, a senior associate with CBRE, said the shifting trends force commercial real estate brokers to be more creative in their sales tactics.

Planet Fitness, Dollar General and Harbor Freight Tools now occupy a commercial center once anchored by a Vons store at Sahara Avenue and Nellis Boulevard.

“When Vons was the anchor, we never could have located a fitness center there,” she said. “We have to keep up on those restrictions as some of the big-box tenants look to mid-size and junior boxes.”

Mandlovic added that when the Great Recession hit, it scrambled plans. Brokers now have to be nimble to work out deals with compatible tenants.

“It’s like eHarmony, we have to match companies, and that’s hard to do when things change so rapidly,” she said. “We were working with a center at Fort Apache and Tropicana that was supposed to be anchored by a Smith’s (supermarket). Then, it was going to be a Raley’s and then it was going to be a furniture store. Eventually, Hobby Lobby located there and it’s been great for them, but we had to work to create potential where there might not have been any before.”

Trend shifts in big-box stores and the growth of online retail are pushing an old issue to the front burner: If Internet transactions continue to grow while terrestrial sales shrink, legislators are going to be asked to step in. Federal lawmakers have already drafted House and Senate versions of legislation addressing how — or if — online transactions should be assessed sales taxes.

Bryan Wachter, director of public and government affairs for the Retail Association of Nevada, said there are growing disputes about the sales tax issue, with online retailers saying they should be exempt and brick-and-mortar-only outlets arguing that they should be taxed at the rate of the buyer’s home. That likely would play against Nevada, which has a higher sales tax rate than most states.

Some online retail outlets have said they would relocate their warehouse and distribution centers if states were to impose a sales tax on their transactions.

Wachter said his association advocates that all companies operate on a level playing field and that online transactions shouldn’t warrant an exemption. But he said it’s too early to say whether the association would submit any proposals for the Nevada Legislature to consider in its 2013 session if federal lawmakers fail to act.

But the fact that online sales seem to be trending up as the number of big-box stores decline suggests that the issue will be something lawmakers will have to contend with soon.

Best Buy Closing 50 Big Box Stores in 2012

電器銷售商 Best Buy 將在 2012 年關閉 50 間大型店鋪，增開百間專營手機產品的小型店鋪

By Mark Heschmeyer (CoStar)

Best Buy Co. Inc. sent a shock through the retail real estate industry last week after it reported a $1.7 billion loss for its most recent quarter, which included 2011 holiday shopping sales, and announced plans to close 50 big box stores in the coming year and lay off 400 workers.

Media and industry analysts were quick to speculate that Best Buy might befall the same fate as former rival Circuit City chain, which filed for bankruptcy in November 2008. At the time, many analysts were caught off guard by Circuit City's abrupt departure. Five months before its bankruptcy filing, Circuit City reported that it planned to continue rolling out more superstores. Then one month before the filing, it put the brakes on expansion and skidded into bankruptcy operating 712 superstores; now all closed.

While there are parallels, Best Buy's competitive situation appears far different from the one Circuit City faced, according to several analysts.

While Best Buy was expected to have abetter time of it with Circuit City out of the way, things have not turned out as expected for the electronics retailer.

What changed and what's different?

According to The Wharton School, University of Pennsylvania marketing professors Best Buy's troubles are, in part, a sign of the weak economy.

Most of the products Best Buy sells are not necessities, and Best Buy has been facing fierce competition from other large retailers, such as Staples, Costco, Walmart and Target.

In addition, like Best Buy several other big chains are also trimming back their number of larger stores: Sears and Kmart, Gap and Abercrombie & Fitch.

Wharton marketing professor Stephen Hoch "I have admired the way that they [Best Buy] have survived when others have failed, such as Circuit City and that they have adapted to an unpredictable high tech market better than anyone else. They just don't need as many stores right now and don't need as much space in the stores that they keep - probably at least as difficult a problem as completely closing 50 stores."

Garrick Brown, director of research for Terranomics and the ChainLinks Retail Advisors Group, said Best Buy's announced plans also prompted many pundits to reflect on the "death of big box retail."

"To that, we would have to point out the fact that Best Buy is now selling almost as many iPhones as Apple itself… so that gloomy outlook may be jumping the gun," Brown said.

Unlike Circuit City, which was losing sales as consumers started switching from tangible movie and music disks to cloud-based downloads, the growing mobile technology field is all about gadgets, and Best Buy is aligning its store growth in that direction.

Best Buy's transformation strategy also consists of a series of actions to increase points of presence, while decreasing overall square footage. The company intends to remodel key stores and to continue to build out the successful Best Buy Mobile small format stores throughout the U.S. by opening as many as 100 smaller format stores.

Best Buy is testing the closing and expansion initiatives in the Minneapolis/St. Paul and San Antonio metro areas. The company expects total big box square footage in these combined test markets to be reduced by almost 20% through store downsizing and closures, while points of presence will increase by more than 20%.

The results in other markets won't necessarily match those in the Twin Cities and San Antonio, Best Buy's Jim Muehlbauer, CFO said.

"Our density of stores is much higher in the Twin Cities than it is in San Antonio that's part of the reason purposely we picked two different types of markets to focus on," Muehlbauer said. "We have many, many, many stores that provide well above our investment returns in the portfolio today. As a matter of the fact, of the - even of the stores that we're announcing from a closure standpoint they are just a handful of them that don't make money on NOP basis and even fewer that don't make money from a cash flow basis."

R. J. Hottovy, a director of equity analysis with Morningstar, likes the strategy.

"As we've advocated for some time, these decisions should help to lower the company's overall cost structure, which can be invested in more aggressive pricing to better compete with rivals like Amazon, Wal-Mart and Costco and improve the overall customer experience," Hottovy noted. "Some of the cost savings have also been earmarked to fund key growth initiatives, such as building out more productive small-box formats, expanding digital capabilities, and further penetrating the Chinese market--each of which strikes us as prudent sources of capital."

"Taken together, we view these initiatives as a step in the right direction for the beleaguered retailer, though it remains unclear whether they are sufficient enough to curtail and reverse recent market share losses, or whether the company needs to evaluate even more aggressive cost-cutting measures to stay competitive," Hottovy said.

However, the strategy going forward is no guarantee of success. Wharton marketing professor John Zhang noted this week: "I believe that Best Buy's struggle is just beginning."

Consumers looking to buy more expensive electronics are no longer subject to sales tactics at individual stores, because they are armed with mobile phones and can compare products and prices at will, he said.

"In the end, smart customers trick Best Buy into providing them free consulting services" on electronics they may ultimately purchase elsewhere, Zhang noted.

David Tobin, principal of Mission Capital Advisors, a financial advisory firm in New York that specializes in sale of CRE debt, said the Best Buy news is worrisome.

"We are concerned about the structural implications of the Best Buy store closure announcement," Tobin said. "This signifies continued erosion in the retail sector and we are challenged to think of who the replacement tenant is for these stores."

Using Trepp LoanAdvisor, CoStar Group found 269 CMBS loans backed by collateral with exposure to Best Buy as a tenant. The loans have an unpaid principal balance of about $6.26 billion. Of the loans, 18 are currently delinquent on their loan repayment and 10 of those loans are in special servicing. In addition, CoStar Group found 52 locations backing CMBS loans at which Best Buys lease was scheduled to expire in the next 12 months.

Pressed From All Sides, Toys 'R' Us Fights to Reinvent Itself

四面楚歌的連鎖玩具零售商 Toys R Us 進行自我改造

By STEPHANIE CLIFFORD and PETER LATTMAN (NY Times)

For nearly two years, Toys "R" Us has waited for the right moment to take itself public.

That moment might be slipping away.

The company is facing management defections, a decline in same-store sales and relentless competition from Walmart and Amazon. Last month, Moody's Investors Service put a negative watch on the company's debt.

With more than 1,500 stores worldwide, Toys "R" Us is part of a group of big, lumbering retailers trying to reinvent their businesses for a new era.

Sears is trying to turn around sales declines through customized offers to customers, in-store technology and an online push. Best Buy is adding small stores to balance its big-box ones. J. C. Penney is creating stores-within-a-store to give shoppers more variety.

And Toys "R" Us, the last of the big toy stores, is grappling with how to grow.

The company was bought in 2005 by a private equity group for $6.6 billion. By May 2010, when it filed for an initial public offering, its chief executive, Gerald L. Storch, seemed to have turned the once-struggling company around.

But today, the toy story isn't quite as cheerful.

After a lackluster holiday season, Toys "R" Us's domestic sales in 2011 were below what they were in 2008, one of the worst Christmases for retailers in recent memory.

Sales at stores open at least a year, a measure of continuing demand, dropped internationally and domestically in 2011. Earnings, by one measure, fell 5 percent from 2010 to 2011 after falling about 11 percent the previous year.

Management is churning as dissatisfaction deepens. The president of Toys "R" Us United States resigned in February after only 10 months, despite having signed a one-year contract. Earlier this year, the heads of both merchandising and administration left. The group of executives leading Toys "R" Us has experienced turnover in each of the seven years that Toys "R" Us has filed annual regulatory statements under Mr. Storch.

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Amid these challenges, Toys "R" Us's owners — two private equity giants, Kohlberg Kravis Roberts and Bain Capital, and the real estate developer Vornado Realty Trust — are facing the possibility that the window for an I.P.O. has closed, according to two people involved in the deal.

In 2011, because of stock market volatility, numerous offerings were delayed or canceled. The retailers that had successful I.P.O.'s last year were fast-growing companies like Michael Kors and Prada. Giant, slow-growth or no-growth chains might not have as much appeal.

"Since they announced the I.P.O. in May of 2010, the operating performance has weakened," said Charles O'Shea, an analyst at Moody's.

An offering would improve the company's debt-heavy balance sheet and give the owners a means to start cashing out of their investment, which private equity companies usually try to do after three to five years. It has been seven years since they bought Toys "R" Us.

"This is a very crucial year for Jerry Storch and Toys "R" Us — there have been expectations for them going public, and it hasn't happened yet," said Jim Silver, editor of TimetoPlayMag.com and an influential toy industry expert. "They need to come back."

Retailers were popular targets of private equity firms during the leveraged buyout boom of 2005-7. Companies including Lord & Taylor, Neiman Marcus and Michaels Stores fell into private hands.

In Toys "R" Us, the buyers saw an ailing franchise that was ripe for improvement and owned valuable real estate.

The company was founded in 1948 and went public in 1978. But by 2005, Walmart and Target had cut prices on toys to the point that other toy retailers went out of business. Toys "R" Us said it would seek a buyer.

The new private equity firms installed Mr. Storch, a former executive for McKinsey and Target, as chief executive.

His strategies included increasing private labels and exclusive toys at the retailer. The company bought the rights to the defunct KB Toys and eToys brands, as well as F.A.O. Schwarz, adding F.A.O.-branded toys to its regular stores.

"That now represents more than 50 percent of their toy sales, and it insulates them from competition," Lutz Muller, an analyst at Klosters Trading, said of the exclusive and private label products.

The company has also converted a quarter of its locations into combined Toys "R" Us and Babies "R" Us stores and plans to continue the makeovers, saying in a filing that they seem to be generating sales gains.

It added stores internationally, although international same-store sales have declined for the last three years. And it has pushed Internet sales, saying they grew 50 percent last Christmas versus the previous holiday season.

But the competitive pressures facing Toys "R" Us are stiffer than ever.

Over the holiday season, Walmart offered layaway on toys, which drew shoppers, while Amazon continued to slash prices. "It was clear that it was a very competitive year in the toy business," Mr. Storch said in an interview. "It's also very clear we held on very well."

A major challenge has been a sharp reversal in video game sales. Once an area of growth, thanks to Nintendo Wii and other consoles, they have fallen as children move to iPhone games and apps for iPads. Last year, about 8 percent of Toys "R" Us's business was in video game sales, down from 11 percent in 2009. (The company's fiscal 2011 ended Jan. 28, 2012.)

Its newborn category — staples like diapers and formula — also dropped, which the company said was because of a lower birthrate. Another factor was Amazon's aggressive entry into the baby category with its 2010 acquisition of Diapers.com.

Toys "R" Us made a misstep when it added too many pop-up stores — around 600 in 2010 — to serve holiday demand, said Mr. O'Shea, the Moody's analyst. It is still dealing with "hangover costs" from that effort, he said.

In March, Moody's lowered the outlook on Toys "R" Us from stable to negative, and Gimme Credit, a research firm focusing on corporate bonds, lowered its rating on Toys "R" Us's debt from outperform to underperform.

Thanks in large part to the private equity firms' leveraged buyout to acquire Toys "R" Us, it labors under $5.2 billion of debt, $1.4 billion of which comes due in 2013.

Last week, Toys "R" Us tapped the red-hot market for corporate debt markets by raising a $225 million loan that does not mature until 2018. It is expected to use these proceeds to pay off some debt that matures next year.

Yet Thomas C. Ferguson, an analyst at KDP Investment Advisors, said Toys "R" Us's weak financial results could hinder its ability to further restructure and push back its debt maturities.

About a year after Mr. Storch arrived at Toys "R" Us, a company newsletter profiled three senior executives — two of whom have since left — and repeated some words of advice the chief executive had given upon joining.

"Our competition is good, but we can't blame them. We are not victims! Our fate is in our own hands!"

Franchising is Key to Denny's Growth

餐廳品牌 Denny’s 依靠特許加盟商快速增長

By Brad Thomas (Forbes)

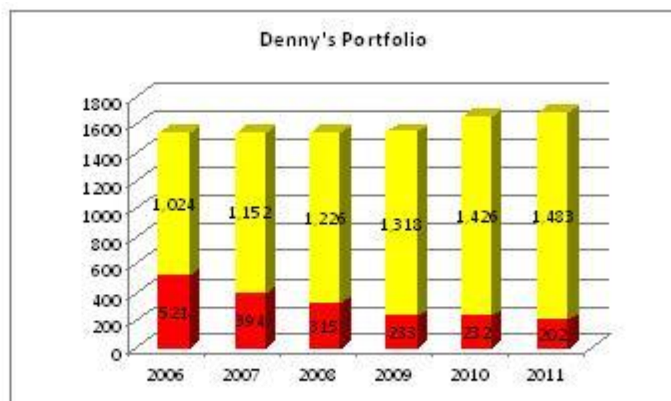
Founded in 1953 in Lakewood, California, the Denny’s chain has evolved into a globally recognized restaurant brand.

The chain was acquired by TW Corp. in 1987 and it 1992 TW Corp. and its private equity partner (KKR), decided to sell non-core businesses and the sole remaining brand was renamed Denny’s Corp.

Today Denny’s (DENN) has grown to significant scale with around 1,685 restaurants in 50 states and 9 countries (compared with 1,550 IHOP stores–which is owned by DineEquity–and more than 600 Cracker Barrel stores).

The strength of Denny’s brand has been the growth of the company’s strategic franchise model where the Spartanburg, South Carolina based operator has more than 265 franchisees with an average of 10 years of experience (with Denny’s).

As a result of the franchise-based growth, Denny’s has expanded the restaurant brand by adding almost 250 units over the last three years. With a current franchise base of 88 percent, Denny’s is targeting a franchise model that includes 90 percent franchisees and 10 percent company-owned stores. As the largest family dining chain (in units), Denny’s targeted franchise model is distinguished by a stronger balance sheet with increased financial flexibility.



Currently there is no franchise group that makes up more than 5 percent of the portfolio and 31 of the largest operators make up around 50 percent of system revenue. Since 2007, Denny’s has added 50 new franchisees including franchise operators with other high-quality quick-service chains like Jack In The Box and Carl’s Jr.

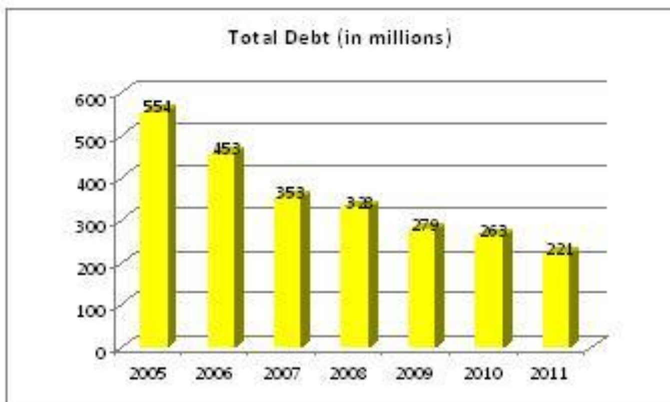
The growth in the Denny's brand has been an aggressive combination of both traditional and non-traditional expansion. Despite impressive market share in many of the top DMAs, Denny's has commitments to build around 217 new traditional restaurants. In addition, Denny's is continuing a diversification strategy that began in 2010 with 50 new Pilot Flying J sites in addition to 123 Flying J Travel Center conversions (completed in 2010 and 2011).

Denny's is continuing to grow other non-traditional units such as the University locations where Denny's has opened 11 sites by leveraging alternative food-service partners utilizing a variety of business models (food court, fast casual, and full service).

Since converting from a conglomerate brand of restaurants (in 1992) into one focused chain today, Denny's went through some very difficult periods. Over the past two decades, Denny's has stabilized management, reduced its debt, improved same store sales, and solidified its franchise-based model.

These key ingredients have created some appetizing results for shareholders. In the latest quarter (fourth quarter 2011), Denny's net income rose to $112 million from $22.7 million in 2010. For the year (ending 2011), Denny's revenue was down $10 million to $538 million (due to increased franchise expansion); however, franchise revenue is continuing to grow and that income reduces the risk-profile of the consolidated portfolio.

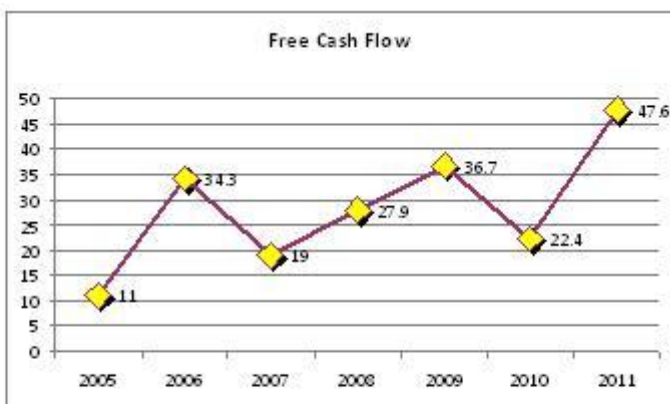
Perhaps the biggest impact to Denny's has been the balance sheet. Since 2005, Denny's has decreased its total debt by 60% and the Total Debt/Adjusted EBITDA has decreased from 5.1x (in 2005) to 2.7x (in fourth quarter 2011). As of the latest reporting period, Denny's had total debt of $221 million.



Over a year ago, Denny's announced the appointment of its new president and CEO, John C. Miller. The former CEO and president at Taco Bueno Restaurants and president of Brinkler International's Mexican concepts has been instrumental in directing the 59 year-old brand towards its strategically-aligned goals.

In addition, Miller brings "skin to the kitchen" as he recently (December 2011) invested $628,500 of his own funds to purchase 179,000 shares of Denny's stock. This is vote of confidence for investors as Miller's leadership and experience results are aligned with shareholders and investors.

Denny's franchise focused model has improved margins and cash flow. Due to lower capital requirements and reduced interest requirements, Denny's generated around $47.6 million in free cash flow for the year (2011). The company expects to continue to grow its earnings in 2012 with forecasted cash flow of around $50 million.



Denny's profits should continue to stack up in 2012 and the restaurant brand should make sound progress with restoring its place as the top restaurant brand in market share. Denny's has a market cap of $404 million and the stock is currently trading at $ 4.24 and the 52-week high was $4.55.

Linking Store and Web Inventory is Key for Walgreens

緊密聯結實體店和網路商店的存貨是藥妝店 Walgreens 的成功關鍵

By Stefany Moore(Internet Retailer)

Linking store inventory to its e-commerce site is no small task for Walgreen Co., as it has 8,000 physical stores worldwide. But since the retail chain enabled online customers to view local store inventory in the last year, customers have responded positively, says Ron Kelly, vice president of customer and pharmacy service, e-commerce.

"We did some surveying and found that roughly 50% of consumers who shopped on our e-commerce site said their next action would be to visit a store," he says. "That just speaks to how the consumer has changed their behavior. What retailers are learning is that people use the web for information, but still, a vast majority of people spend most of their money in our stores."

Kelly will address the details and benefits of Walgreens' multichannel strategy at the Internet Retailer Conference & Exhibition 2012 in June in Chicago in a session entitled "Coordinating store and web inventory to snag more shopper dollars."

For Walgreens, No. 73 in the Internet Retailer Top 500 Guide, shoppers who frequent stores and Walgreens.com and use the retailer's mobile apps are three times more profitable than those who opt for shopping just one channel, Kelly says. So fostering convenience and allowing consumers to shop where and when they want and has been a key strategy for Walgreens in recent years.

In addition to the availability of real-time inventory checking on Walgreens.com, shoppers can also purchase online and pick up items at 600 local stores. Most of those consumers can take advantage of curb-side delivery: A shopper can complete a purchase online, drive up to a Walgreens store, call inside and someone will bring out her items.

The retailer is planning to expand this program to more of its 8,000 stores.

"We have seen a lot of satisfaction on curb-side delivery from consumers who may not be as mobile as they used to be," he says. "They don't have to deal with getting out of the car or having their kids running down the candy aisle."

Internet Retailer's editors asked Kelly to speak because he has more than 17 years of experience in retail and e-commerce. Prior to his current position at Walgreens, he was vice president of customer and pharmacy services at drugstore.com, which was acquired by Walgreens in 2011. With drugstore.com since 1999, he held several positions in business development, procurement, logistics and merchandising.

U.S. Apartment Vacancy Rate Falls to Decade Low

第一季度美國公寓空置率降至 4.9%，為十年來最低點

By Ilaina Jonas (Reuters)

The national vacancy rate fell 0.30 percentage points in the first quarter to 4.9 percent, the lowest level since the fourth quarter 2001, according to preliminary results Reis released Wednesday.

Meanwhile asking rents jumped by 0.5 percent from the prior quarter to $1,070 per month. Stripping away months of free rent and other perks designed to lure or retain tenants, effective rent rose to $1,018 per month, up 0.9 percent, the largest increase since the first quarter 2008, Reis said.

"I think that rent growth will accelerate this year," said Victor Calanog, head of Research & Economics at Reis.

But that may be short lived. About 150,000-200,000 new units are expected be built next year. That supply likely will dampen rent growth next year, especially in cities such as Salt Lake City and Austin, where development is ramping up strongly.

"Once that supply hits the market next year, we may find that this is the year rent growth peaked," he said. "It's still going to be a great year for apartment landlords."

The U.S. apartment market has been the best performing sector of commercial real estate over the past year, helped by the move away from home ownership. Even though it is now cheaper to own than to rent, with interest rates at record lows and inventories at record highs, most consumers are still shut out of the market altogether.

Nearly half of homeowners who have mortgages are either in foreclosure, delinquent on their mortgage payments, owe more on their mortgage than their house is worth or have less than 20 percent equity in their home.

On top of that, would be first-time homebuyers, are contending with record-levels of student debt at the same time as they are trying to raise down payments and meet lenders' strict new guidelines to qualify for mortgages.

Young first-time buyers have also been the recipients of recent job growth numbers, swelling the demand for apartments.

That has helped landlords such as Equity Residential(EQR.N), Post Properties Inc(PPS.N), UDR Inc (UDR.N)and AvalonBay Communities Inc(AVB.N), which have large concentrations of high-end apartment buildings in urban areas.

Still, the increase in rent pales in comparison to the drastic fall in the vacancy rate, down from a cyclical high of 8 percent at the end of 2008, according to Reis.

"Most of the big gains in performance are in occupancy," Calanog said. "You're actually not seeing very strong or robust rent growth at the national level. Once vacancies dip below 5 percent you should expect rent growth to be stronger than this."

Outside the high-class properties in supply constrained urban markets, the effects of weak job creation and absence of wage growth is affecting rent.

"The vast majority of class B and C properties have been improving occupancy but are having difficulties in raising rents," he said.

In New York City, the largest U.S. apartment market, the vacancy rate fell to 2 percent in the first quarter, below the cyclical low of 2.1 percent last seen at the end of 2007.

Rents there remained the highest of the 82 markets Reis tracks, at $2,885 a month, up 0.3 percent for the quarter. It tied with Birmingham, Greesboro/Winston-Salem, and Northern New Jersey, as posting the second lowest increase. Rents in Fairfield County, Connecticut, fell 0.1 percent to $1,786 per month.

On a yearly basis, San Francisco apartment rent increased the greatest at 5.9 percent. In the first quarter, it rose 1.2 percent to $1,888 a month.

The cheapest place to rent? Wichita, Kansas at $503 a month, up 1.1 percent for the quarter, according to Reis.

Rising Rates: Some Business Owners Face Increase

貸款利率上揚，一些小企業主面臨更高償貸壓力

By EMILY MALTBY (Wall Street Journal)

Wells Fargo & Co., eager to lower its risk, is jacking up interest rates on some small-business credit lines— and that's got Mitchell Martin miffed.

"You make plans based on how much you are going to pay," said Mr. Martin, owner of The Bagel Café, an eatery and catering business in Herndon, Va.

He got a notice dated March 19 from Wells Fargo, upping his interest rate to 8.25% from 5.75%. The letter said the increase takes effect in May.

"It's hurting us at just the wrong time because I'm getting hit with rising food costs and gas prices," Mr. Martin added. "I'm flaming mad."

Mr. Martin's current interest payment is 2.5% over a prime rate of 3.25%, which yields a 5.75% interest rate. The new increase of 2.5 percentage points on Mr. Martin's line will effectively double the spread over the prime rate to 5%, yielding an 8.25% interest rate.

According to his own calculations, he'll pay $343 a month, up from about $240 a month. In total, he'll pay more than $1,200 in additional interest each year. He has held a $50,000 unsecured credit line with the 5.75% variable interest rate for more than 10 years, he said, adding that he has always paid the minimum balance on time.

Jim Seitz, a spokesman for the San Francisco-based bank, said all affected business owners are scheduled to see an increase of 2.5 percentage points but declined to say how many businesses might have been notified that their rates are going up.

Once the new rates phase in over May and June, the average rate for this group will remain below 7.75%, he added. The affected businesses are all, like Mr. Martin, former customers of Wachovia Corp., who have unsecured credit lines averaging $42,000, Mr. Seitz said. Wachovia Corp., based in Charlotte, N.C., merged with Wells Fargo in late 2008. Wachovia small-business customers were notified more than a year ago that their lines of credit would be phased out. They were able to transfer into Wells Fargo lines with the same interest rate, but were told that the terms could change after April 2012, Mr. Seitz added.

Michael Brozzetti of Philadelphia got a letter saying that the spread over the prime rate would jump to 4% from 1.5%, yielding a 7.25% rate come May, according to the notice he got from the bank on March 7. He received the $50,000 unsecured line in early 2008.

The owner of Boundless LLC, a training and consulting firm for risk management and compliance, said he previously has used the credit line for technology upgrades, operational improvements and marketing. Under the terms of the loan, he is only required to pay the interest each month, he said, but that he sometimes pays the principal, as well. He has never missed a payment, he said.

On March 22, Mr. Brozzetti sent a letter to the bank requesting an exemption from the increase "due to the substantial burden" he expects the higher rate would have on his business. The increased costs could take away from cash flow "to further invest in the growth of my small business," he said in an interview.

On Tuesday, after the Wall Street Journal contacted Wells Fargo, Mr. Brozzetti received a call from the bank, acknowledging his letter and offering to exempt him from the increase. Mr. Seitz declined to comment.

Small-business owners still struggle landing credit from commercial banks. Outstanding loans to small businesses fell 4.5% to $597.8 billion in 2011, from $626 billion in 2010, according to data from the Federal Deposit Insurance Corporation released last month. The figures do not include credit lines.

Unlike loans, credit lines are often not backed by collateral and are revolving, meaning that a company can borrow up to a set limit and free up credit by paying off existing debt. Many stay in undesirable financing situations rather than face no financing at all.

"Business owners are over a barrel," said John K. Paglia, finance professor at Pepperdine University who studies the credit markets. "Those who have funding are grateful. In this environment, they have to hold on to it."

It's not uncommon for a bank to increase interest rates on the customers they assume in a merger, said Erik Salmon, business credit advisor at BusinessCreditSuccess.com. Such a move could make those customers a more-favorable credit risk according to the bank's own underwriting standards, or it could deter the customer from staying with the bank.

In January, some small-business borrowers at Bank of America were asked to repay their credit lines in full. The customers were notified more than a year in advance and the change affected "only a very small percentage of our small business customers," said Don Vecchiarello, a Bank of America spokesman. "The vast majority of customers in this small group have been offered a renewal or come to another resolution."

Small Businesses Face Tougher Standards for Loans

小企業貸款門檻升高

By JOYCE M. ROSENBERG (Bloomberg Business Weekly)

Dan Mitchell has borrowed $3 million in the last year and a half to buy real estate and equipment to expand his brewery, Ithaca Beer Co.

It wasn't easy.

Mitchell went to at least four banks in his city of Ithaca, N.Y., looking for a loan to buy real estate and equipment to expand his business. His sales were growing 25 percent a year and the company had become profitable. His distributors wanted to buy more beer from him.

But most of the loan officers just handed him applications, told him to fill them out and to send the papers in. Even a bank that had already loaned Mitchell money wasn't interested. He says he still doesn't know why his own bank turned him down.

"The craft (beer) industry is really strong and our sales were strong because of it," he says, still mystified by the cold reception he kept getting.

Mitchell's experience isn't uncommon. Banks remain hesitant to lend, and when they do, they're asking for more information and toughening requirements. It's a trend that is stalling the pace of lending to smaller companies.

PayNet, a company that analyzes commercial loans has an index that tracks loan applications by small businesses. The index peaked in the fourth quarter of 2008 at 115 as the financial crisis hit and then dropped to 75 by the first quarter of 2010. Since then, it has fluctuated between 70 and 75.

But Mitchell's experience proves that there is some lending going on. He finally got the loans he wanted from M&T Bank. He met with several bank officials including the regional manager.

"They wanted to get the deal done," he says.

STRINGENT REQUIREMENTS

Before the recession, companies of all sizes were able to get loans like lines of credit, says Jeff Stibel, CEO of Dun & Bradstreet Credibility Corp., a service that evaluates the creditworthiness of businesses. These days, the most successful borrowers are ones that are almost medium-sized, he says. Generally, according to the Small Business Administration, a small business has fewer than 500 employees.

When banks do grant loans, the requirements are tougher. Often the company has to meet higher revenue and profit levels to get loans -- and to avoid paying them back early. Surviving the recession isn't going to score extra points with bankers, he says.

"They need to be making money, have sizeable revenue, longevity -- they have to have survived a handful of recessions, not just one," Stibel says.

Someone hoping to buy a well-established franchise also will find it hard to borrow, Stibel says. People looking to borrow funds for a franchise need to show a record of success as a business owner or guarantee that they'll repay a loan out of their personal funds.

GENEROUS TERMS

Even though it's harder to get a loan, successful applicants may find that some of the terms are more relaxed.

Loans are averaging 56 months in length, up from the low 50s during the recession, says William Phelan president of PayNet. Borrowers are also benefiting from low interest rates as the Federal Reserve keeps its benchmark interest rate close to zero.

Still, would-be borrowers aren't lining up at the door. Many remain skittish after the recession and are uncertain about the economic recovery. According to The Hartford's Small Business Pulse study, only 20 percent of the small business owners it surveyed feel "very optimistic" about the economy.

"You just don't see demand," Phelan says.

However, there are some lending bright spots. Agricultural businesses and the companies that serve them are more likely to get loans because their business is seen as more recession-proof, Phelan says. Transportation and construction companies aren't attractive to bankers because they were among the hardest hit in the recession.

SOME SUCCESS

There probably isn't a sure-fire formula you can follow to get a loan. But owners who have taken out loans recently were successful because they had built a relationship with bankers over time or they put together an application package that went well beyond the basics that a bank requires.

"You don't just ready, fire, borrow," says Kathryn Petty, who has gotten three loans totaling $300,000 in the last year from her long-time community banker and from a national bank. "You need to be ready and you need to communicate (with bank officers) along the way."

Petty, president of White Lion Tea, a manufacturer and retailer of teas in Scottsdale, Ariz., says the long-term relationship she had with her local bank made the process easier. But she also believes she was able to get loans because she had prepared a cost-benefit analysis that told bankers what she would do with the money, how it would help her business and in turn, how it would help her pay them back.

One loan officer told her, "you've done all my homework."

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

消費者市場利率：房貸、基本利率、等等

(Reprinted with Permission of the Wall Street Journal)

	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	0.47	0.47	0.58	0.25	0.18	-0.66
Money market, annual yield	0.48	0.47	0.65	0.44	-0.14	-0.85
Five-year CD, annual yield	1.39	1.42	2.00	1.30	-0.60	-1.26
30-year mortgage, fixed	4.14	4.13	5.02	3.95	-0.87	-1.20
15-year mortgage, fixed	3.37	3.39	4.24	3.29	-0.86	-1.43
Jumbo mortgages, $417,000-plus	4.63	4.68	5.57	4.50	-0.92	-1.90
Five-year adj mortgage (ARM)	3.08	3.09	3.67	2.83	-0.58	-1.92
New-car loan, 48-month	3.25	3.24	4.46	3.05	-1.11	-4.00
Home-equity loan, $30,000	4.65	4.70	5.10	4.65	-0.39	-0.87