

MARKET UPDATE – AS OF JANUARY 18, 2010

New on-line access to News and Market Updates

Keeping up with market changes and forecasts is becoming a full time job... for me and you. Just read a few relevant comments;

Federal Reserve and Treasury officials are scrambling to prevent the commercial-real-estate sector from delivering a roundhouse punch to the U.S. economy just as it struggles to get up off the mat - Wall Street Journal

Today's distressed assets attract well-capitalized investors.

Capital that is now on the sidelines is likely to return to the market as a floor on asset pricing emerges and values become attractive once again. – Commercial Investment Real Estate magazine

And this is one of the best;

“The market can stay irrational longer than one can stay solvent.” - John Maynard Keynes

To meet the growing need for up to date information I am adding an on-line **“News and Market Update”** feature where documents and links to information will be posted to help commercial real estate owners, users, and investors alike. You can reach the feature at any time by going to www.charlesclifton.com.

Investors are looking at deals but only first class properties with national or regional credit tenants and usually at cap rates 9-10% or higher. Older properties with a minimum of deferred maintenance but local credit tenants go at even higher cap rates or a function of replacement cost. Lease terms are critical as financing almost always requires remaining terms at or near 5 years.

Users are looking more for leases now, not purchases unless the property is priced to reflect their perceived market pricing. Flex and industrial categories have gotten the most play in recent experience. Retail is still in weak demand. Small to mid size office spaces are attracting professional users. One specialty category we have gotten calls for is restaurants.

Don't get caught in a **re-financing squeeze**. If your loan comes due in the next year or so, get a head start now and make a plan. We can always help with custom market analysis, leasing services, and marketing for sale if that becomes the objective.

Charles M. Clifton, CCIM, Senior Certified Associate, Coldwell Banker Commercial NRT
Email charles@cbcworldwide.com Web www.charlesclifton.com/