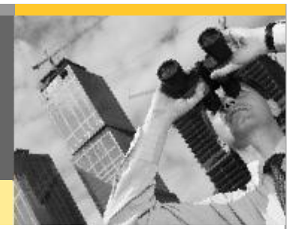
THE WATCH LIST



MARK HESCHMEYER, EDITOR | DECEMBER 9, 2013 | 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:

Investors Eating Up Fast Food Properties

Rising Interest Rates Could Take a Bite Out of Deal Pace, However

The appetite for fast food restaurants continues with sales of such properties on pace again this year to exceed more than $1.2 billion as they did last year. Those amounts top the combined totals for 2010 and 2011.

In the latest major acquisition, Centre Partners, a leading middle market private equity firm, acquired Captain D's Holding Corp. a leading national chain of 521 seafood-themed fast-casual restaurants in 26 states. Terms of the private transaction were not disclosed.

Captain D's senior management team will own a significant stake in the business and continue to serve in their current roles.

The seller was Sun Capital Partners Inc.

In another notable set of deals that closed just before this past Thanksgiving, an entity affiliated with New York-based American Realty Capital Trust V Inc. purchased and leased back 41 Burger King restaurants across Illinois, Ohio and Pennsylvania for a total of $63.2 million, averaging $1.54 million per eatery.

The leases were 20-year, absolute NNN deals.

A cap rate of 7.04% was reported by a market source with knowledge of the transaction.

The seller/lessee, affiliates of Toms King Services LLC, originally rolled up ownership of the properties mostly in the spring of 2012.

Not only is the volume of deals running at a significant pace, the average sales price is increasing rapidly.

In the second quarter of 2012, the average sale price per eatery was coming in at $405/square foot. So far this quarter, they have been averaging $580/square foot. That is a 43% increase, according to CoStar COMPs data.

The only thing inhibiting investor demand at this point is a limited availability of product, according to Cassidy Turley's Single Tenant Net Lease Overview issued last month.

Going forward, the trend of rising prices could slow or flatten if interest rate hikes hit next year as many anticipate, the report noted.

The average capitalization rate for fast food deals that closed in the third quarter of 2013 was 6.9%, according Cassidy Turley. That compares to an average of 6.5% in the second and a reading of 7 a year ago.

"In general, we are seeing first-tier fast food properties moving with cap rates below the 6% mark nationally, though we have seen some top quality assets (great location in strong market) with the most desirable long-term tenancy in place (McDonald's., Chick fil-A, In-N-Out, etc.) trade with caps heading into the 4% range," the report noted.

Second-tier fast food properties are averaging in the 6% to 8% rate nationally. Third-tier and/or value-add fast food properties are generally trading with cap rates above the 8% mark everywhere.

Cap rates too could likely increase by the final half of 2014 if interest rates rise. However, continued intense competition for first-tier fast food opportunities will mean less of an uptick for these properties, Cassidy Turley noted.

NorthStar Shines a Little Light on Pending Multi-Billion Dollar NYC Deal

New Non-Traded Investment REIT Focused on NYC Property Market in the Works

As year-end 2013 fast approaches, firms and investors are busy prepping to close out their acquisition and disposition pipelines. One deal in particular has attracted outsize interest as it involves a doozy of a major New York properties deal being lined up by NorthStar Realty Finance Corp., a $10 billion New York-based diversified commercial, real estate and asset management company.

NorthStar has plans to spend millions investing in an undisclosed New York-based private real estate company.

"A company that I would imagine most of you in this room, you and many in the audience will be familiar with, especially if they have owned equity REITs in the past," Albert Tylis, co-president and COO of NorthStar, told a roomful of attendees at this week's FBR Capital Markets & Co.'s Fall Investor Conference.

The transaction has not closed, but Tylis said it is moving in that direction and "we certainly assume it will," he added. The initial investment closing is expected to occur in two weeks or so.

Tylis added that it will be both a debt and equity investment - a little more on the debt side but with a substantial equity component.

Tylis said NorthStar would be buying an undisclosed percentage of the company. It then plans to fold that ownership into a new several billion dollar, non-traded REIT focused on the New York City market early next year.

"This business is both an owner of real estate but as much as that, it's a manager of funds that own real estate, and this group has a great track record, both publicly and privately they have had great success raising institutional capital in their private funds," Tylis said.

"I think there is an opportunity to grow the asset management through this, it's a way to get good exposure to Class A real estate in New York City, which given our cost of capital isn't always something that's available and we couple that with the ability to do multiple billions of dollars in the non-traded REIT space of this group, I think there's sort of a great strategic fit there that we like."

In addition to forming a new non-traded REIT, NorthStar said it expects to raise an additional $800 million to $1 billion of capital next year for two vehicles that it is currently marketing. It would also start a couple of more.

Tylis said the company has the capacity to be raising funds for "as many as four [funds] at any given time, and I certainly hope by next year that's what we are doing."

"Next year I think there is significant amount of business in this private equity space, I think there will be a lot of sellers out there," he said.

CoStar Launches New Multifamily Offering Backed by Largest Database of U.S. Apt. Properties

Comprehensive Property Data and Analytics Give Owners, Lenders and Investors More Accurate View of Hot Multifamily Sector

With the launch this week of CoStar Multifamily(TM), CoStar adds a valuable new dimension to its service, making the same powerful information tools for office, retail and industrial property now available for the multifamily sector.

The new service follows a massive effort by CoStar's research team to aggregate and confirm details on apartment communities containing five or more units. CoStar's 1,200-plus researchers have proactively captured and verified such information as multifamily-specific submarkets, building quality, effective rents, concessions, occupancy levels, ownership, unit sizes, bed/bath mix, amenities, images and more.

As a result, CoStar now says it offers the largest and most comprehensive multifamily database in the U.S., with coverage on nearly 300,000 apartment communities for a total of over 16 million apartment units, believed to be more than twice the number of properties found in any other multifamily data source.

Just as with its information on office, retail and industrial property, subscribers to the CoStar Property Professional service can search and analyze multifamily properties in stunning detail. Key information features available in CoStar's new multifamily offering include:

- Apartment building details and quality
- Asking rents, effective rents, concessions and occupancy rates
- Over 1 million sales comps (dating back to 1995)
- Site-verified construction locations and delivery schedules
- Apartment floor plans and high-resolution property images
- Detailed information on amenities, unit sizes and mixes
- A team of 50 real estate economists providing market analysis and forecasting in 210 markets

In addition to the new multifamily information being available for queries and analysis on CoStar's desktop software, it also is available on CoStarGo, CoStar's revolutionary iPad app for accessing information and insight on multifamily market trends outside the office.

CoStar Founder and CEO Andrew C. Florance said the new CoStar Multifamily offering fills a great need for comprehensive data in the multifamily sector.

"Multifamily is a $2 trillion asset class and is currently the hottest sector in commercial real estate. Over $95 billion of transactions were completed in this sector during the past year," said Florance. "Whether you are buying, selling, underwriting or developing multifamily properties, CoStar Multifamily should be your number one source for making confident multifamily investment decisions."

The information and analytic tools available in CoStar Multifamily can be put to use by a broad range of multifamily real estate professionals. Investors and developers can analyze key drivers of supply and demand to make better informed decisions on potential new projects and investments.

For example, lenders can leverage CoStar's inventory of sales comps and for-sale inventory to analyze and forecast market conditions to make more accurate and informed lending decisions. Portfolio managers use the sales comps, market analytics and forecasting tools to more accurately measure apartment portfolio performance and potential.

And because CoStar's multifamily database is property-specific (and not a partial sample or subset,) users can analyze multifamily markets and trends at the macro level, and zoom in to view the most granular details for individual properties.

In addition, CoStar's Property & Portfolio Research (PPR) subsidiary, which provides forecasts and advisory services to owners and institutional investors, can now offer even more detailed and specific strategies for investing in multifamily markets using the same researched and verified data.

Hilton Expects To Raise Up to $2.7 Billion in IPO

By: Randyl Drummer

Blackstone-controlled Hilton Worldwide, Inc. revealed in a regulatory filing Monday it will seek to raise as much as $2.7 billion in one of the largest initial public offerings of the year -- and the largest IPO ever for a hotel chain.

The McLean, VA-based hotel firm estimates it will offer over 64 million shares at a range of $18 to $21 a share, with the selling stockholder, Hilton Global Holdings LLC, offering an additional 48.7 million shares, according to an amended U.S. Securities and Exchange Commission registration filing. Hilton’s amended revealed that Blackstone will not sell any stock and will retain a 76.2% interest in the chain.

Overall proceeds would total about $2.2 billion in the mid-point of the price range -- and just under $2.4 billion at the high end, which could rise to more than $2.7 billion if underwriters exercise their option to buy up to 16.9 million shares from Hilton Global Holdings. A previous S-1 filing in September anticipated proceeds at $1.25 billion.

The deal, which could come to market as early as this week, is among a trio of hotel IPOs backed by Blackstone Group that could go public before the end of the month as the private equity giant and alternative assets manager again taps Wall Street to take advantage of the surging stock market. A Nov. 12 offering by Extended Stay America Inc., owned by Blackstone, Centerbridge Partners and Paulson & Co., raised about $565 million, nearly 20% above its debut price.

Last week, Wall Street buzzed with reports that Blackstone, perhaps encouraged by the warm market reception to Extended Stay, would go the IPO route with its La Quinta Inns & Suites chain rather than sell it in a private-market transaction.

A successful IPO would be a stunning reversal of fortune for Blackstone’s 2007 investment in Hilton. The private-equity giant acquired Hilton in a leveraged buyout, the largest deal to take a hotel company private, in a transaction valued at nearly $27 billion including assumed debt, just before the financial market meltdown. The debt became a heavy burden as Blackstone was unable to complete an $8.4 billion commercial mortgage-backed securities offering when lead advisor Bear Stearns collapsed in 2008.

Following a strategy similar to its Extended Stay IPO, Blackstone is attempting to refinance all of Hilton's more than $13 billion in debt through a variety of vehicles, most significantly through another attempted CMBS issue, this time backed by a $3.5 billion first mortgage loan secured by 23 hotels totaling 18,623 rooms in 13 states, Washington, D.C. and Puerto Rico.

The IPOs and refinancings have also benefitted from a more than three-year recovery in lodging occupancies, average daily room rates and other fundamentals. In its filing, Hilton noted that U.S. lodging demand has growth by an annual average of 4.9% over the last three years, well above the 25-year average of 1.8%, according to data from Smith Travel Research.

During the same period, supply has grown by just 0.9% annually, well below the long-term 2% average, contributing to annual 6.8% revenue per available room (RevPAR) growth over the last three years, well above the 25-year average of 2.7%.

Total U.S. lodging industry RevPAR is expected to increase 7.2% in 2014 and 8.1% in 2015, according to PKF-HR. Global lodging demand has shown similar strength.

"We believe these attractive supply/demand fundamentals provide the potential for continued global RevPAR growth in the coming years," Hilton said in its filing.

Hilton’s value would be over $32 billion, including debt, at the targeted price.

The company, which will list on the New York Stock Exchange under the ticker symbol HLT, plans to use IPO proceeds to reduce $7.5 billion in outstanding term loan debt left over from Blackstone's leveraged buyout.

Deutsche Bank AG, Goldman Sachs Group Inc., Bank of America Merrill Lynch and Morgan Stanley are serving as main underwriters for the IPO.

In Play? Two REITs Face Decisions as Suitors Come Knocking

BRE Properties Urged To Explore Strategic Alternatives; Global Income Trust Hires Sale Advisor

As investors expand their search for deals, perceived “underperforming” REITs are drawing more and more attention. That was the case this past week for BRE Properties and Global Income Trust.

Land and Buildings, an investment firm specializing in publicly traded real estate and real estate related securities, last week urged BRE Properties’ to explore a sale of the company in light of reports by Bloomberg on Dec. 4th that Essex Property Trust had offered to purchase BRE “for about $5 billion.”

While Essex and BRE are both public reporting companies, neither firm filed notice of the offer nor had confirmed the offering

“BRE has chronically underperformed its closest comparables by a number of measures, including total returns, net operating income growth, FFO growth and dividend growth,” said Jonathan Litt, founder and CEO of Land and Buildings. “Selling the company to a best-in-class operator such as Essex would present an opportunity for BRE Properties’ shareholders to realize the potential of the company’s intrinsic value.

“We believe that our high level of frustration with the company’s poor track record is reflective of the views of many of BRE’s shareholders,” Litt continued “We have been engaged with BRE’s management for over a year and BRE’s board since August about ways to drive shareholder value, including full operational and strategic reviews.”

San Francisco-based BRE develops, acquires and manages apartment communities in the West's most sought-after markets. BRE directly owns 75 multifamily communities totaling 21,396 units and has a joint venture interest in an additional apartment community totaling 252 homes.

GLOBAL INCOME TRUST

Global Income Trust Inc. hired SunTrust Robinson Humphrey Inc. to serve as its financial advisor as the company begins to explore strategic alternatives in connection with a potential sale or merger.

The non-traded REIT completed its public offering earlier this year in April from which it raised $84 million from investors. The Orlando-based firm owns a portfolio of nine properties in the U.S. and Germany, with approximately 1.3 million square feet leasable space, which are 99.8% leased. Its U.S. holdings include distribution centers and office buildings in Jacksonville, FL; and Fort Worth and Austin, TX.

The company is externally advised and managed by affiliates of CNL Financial Group LLC.

Last month, CMG Partners LLC launched an unsolicited offer to purchase up to 500,000 shares of common stock of Global Income Trust Inc. at a price of $3 per share in

'Ravenous' Investor Demand Drives NYC Retail Property Sales Surge

Fueled by intense investor demand and rising retail rents across the five boroughs, the New York City retail property market continued its healthy volume of activity with $445 million in sales in the third quarter, according to Eastern Consolidated's December 2013 Retail Pulse report.

Not only did the third quarter volume more than triple from the first quarter, but if activity remains healthy, as expected, year-end retail property sales totals for New York City has the potential to reach $1 billion, with even higher totals likely in 2014.

"This year's volume was the true reflection of New York City's strong and resilient retail property market," said Peter Hauspurg, Eastern Consolidated's chairman and CEO. "We've seen a steady increase in retail property listings because of the ravenous demand from investors who want to take advantage of robust rent growth. We expect the upward trend to continue in the coming year."

Allstate Looking for Emerging CRE Investment Management Firms

The Allstate Corp. launched its first emerging manager program to invest with smaller private equity and private real estate equity asset managers, with a focus on minority- and women-owned firms.

The Allstate program will be administered by the Customized Fund Investment Group (CFIG).

Allstate and CFIG are seeking managers with strong investment track records and who are raising their first, second or third institutional funds and with less than $500 million in assets under management.

In addition, at least 33% of a participating firm will be owned or controlled by women and/or minorities, or at least 50% of fund carried interest will be paid to women or minority staff.

The program's fund managers will identify investments in the United States that meet Allstate's desired risk-return profile.

"We believe Allstate is leading the insurance industry in establishing this emerging manager investment program," said Edgar Alvarado, Allstate's group head of real estate equity. "We see this program as our farm team – a way to identify the next generation of investment stars, break down the high barriers to entry for these talented managers, and have Allstate be a catalyst in the success of emerging managers. Just as important, Allstate expects its socially responsible investments to achieve strong returns – we truly can say we do well by being a force for good."

Allstate's investment portfolio totaled $80.48 billion in assets under management as of Sept. 30.

Searching for Higher Rents Near Higher Education

By: Brian Kerschner, Real Estate Economist

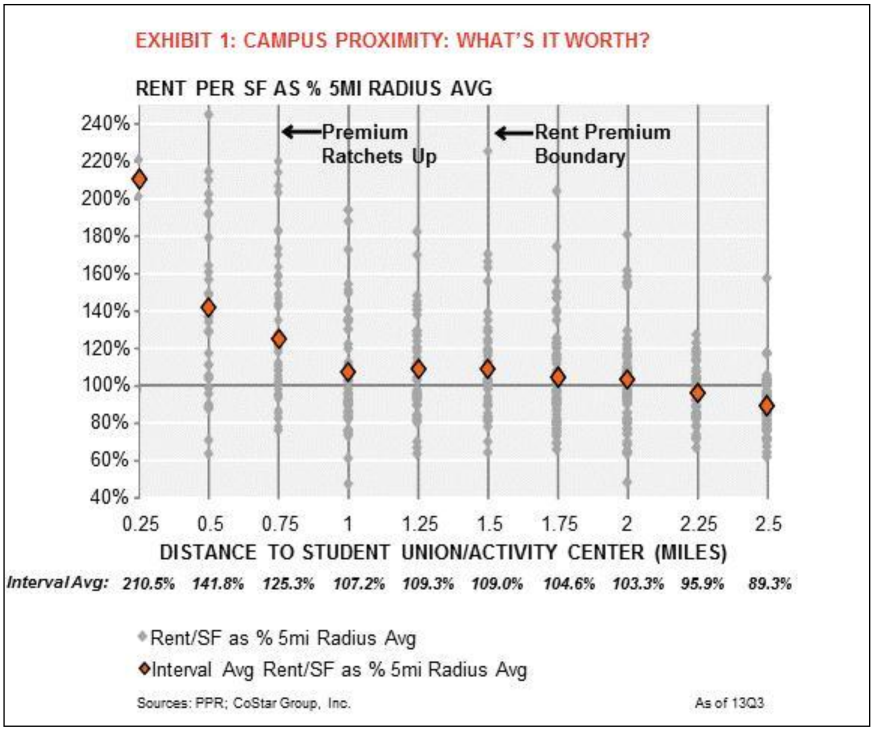
Regardless of how students choose to get to campus—be it on foot, bike, subway, or accompanied by an assistant on a golf cart (see critically acclaimed film "Van Wilder")—they overwhelmingly prefer to live close by.

Proximity to the center of student life means easier access to friends, dining options, educational resources, and the like.

Multifamily investors looking at deals with a higher education angle should understand how campus proximity translates into returns.

In order to quantify a campus proximity rent premium,(1) PPR has mined CoStar's multifamily data exclusively in college towns where the relationship between rents and campus proximity is less likely to be distorted by additional demand drivers.

Exhibit 1 displays rent premiums for multifamily properties near campuses in 10 of the largest U.S. college towns(2) for which CoStar collects multifamily data.



Each property represented in grey has been categorized in quarter-mile intervals away from its respective campus center,(3) and the average rent premium for each distance is represented in orange. (Note that CoStar building ratings do not vary meaningfully with campus distance, so renters are paying for similar-quality product within each interval.)

For assets less than 1.5 miles away from one of these 10 campuses, average rents are statistically higher than rents for the five-mile-radius average. Investors should take note, however, that these premiums remain modest until a distance of three-quarters of a mile is reached, at which point rents ratchet up considerably.

And though data is sparse within a quarter-mile from campus, the average asset between a quarter-mile and a half-mile commands a 40% premium compared to the five-mile-radius average.

So what does all this mean? It means that for average assets, students (or their parents) will be coughing up significantly more rent only for those apartments that allow for a walking commute of 13.6 minutes or less to class (three-quarters of a mile at a pace of 3.3 miles/hour). This calculation does not, of course, apply to Fridays, during which time there is no such thing as class.

FOOTNOTES

(1) The campus proximity premium compares each building's average rent level to that of all buildings within a five-mile radius from the campus center.

(2) Schools within the sample include: Arizona State University – Tempe, AZ; Florida State – Tallahassee, FL; Ohio State – Columbus, OH; University of Michigan - Ann Arbor, MI; University of Wisconsin – Madison, WI; University of Colorado – Boulder, CO; University of Maryland – College Park, MD; California Institute of Technology – Pasadena, CA; Duke University – Durham, NC; Syracuse University – Syracuse, NY.

(3) The center of each campus was assumed to be its respective student union, or in the absence of a student union, its respective student activity center.

Brian Kerschner is a real estate economist with CoStar Group.

Downsizing Dominates Federal Market as Leased Inventory Decreases

As federal agencies adapt to the government's budgetary environment, federal real estate will enter a transitional period, with leasing decisions emphasizing operational efficiency and long-term cost savings, according to the annual Federal Perspective report released last week by Jones Lang LaSalle.

"The impact all these changes will have on the market remains to be seen," said Joe Brennan, managing director, Jones Lang LaSalle. "Leases up for renewal may no longer favor the incumbent landlord, so it is imperative that ownership groups stay on top of what is happening with the federal government's leasing efforts."

In the interim, the General Services Administration (GSA) has started to focus on trimming overhead and reducing real estate expenditures. The square footage allotted to each government employee has fallen from 280 square feet per person to about 125 square feet per person, a statistic most evident at the GSA's headquarters building, where 4,400 people now work from the same amount of space that used to house 2,500.

The effects of additional workspace efficiency trends—including open floor plans, shared workspaces and telecommuting—are evident from leasing decisions in the Washington, DC submarket of Ballston, where two agencies announced plans to vacate a combined 1 million square feet and relocate to lower-cost areas, downsizing by 15.9% in the process.

The report says that, looking forward, bipartisan support for expense reduction and mandates to improve operational efficiency will drive federal real estate decisions in 2014. This includes replacing short-term extensions with longer-term leases for reduced space. Alternative workplace strategies—including teleworking, desk sharing and open space plans—will be prioritized, as will space givebacks and moves into federally owned space.

Federal real estate dispositions will likely grow, and the government will show an increased willingness to explore creative solutions, including public-private partnerships, to address budget shortfalls for agencies and relocations.

Capital Markets Round-Up

Munich, Germany-based **Allianz Real Estate** has acquired a majority ownership stake in 484-490 Fulton St., a retail property located in Brooklyn, NY, in joint venture with the Crown Acquisitions Inc. Crown and an institutional investor were the sellers. Crown will continue to act as leasing agent. The building was completely refurbished in 2012 and includes retail tenants Express, Planet Fitness, furniture chain Raymour & Flanigan, and Swarovski, a producer of luxury cut lead glass. There is approximately 57,000 square feet available to lease.

Chambers Street Properties, a net lease industrial and office real estate investment trust, was assigned a Baa3 investment grade rating from Moody’s Investors Service. The rating reflects, but is not limited to, the company’s moderate leverage, high fixed charge coverage ratio, manageable near-term debt maturities and sound liquidity. In addition, Moody’s cited Chambers Street’s high-quality and well-diversified property portfolio. The receipt of a Baa3 rating will result, in reduced interest rates on its outstanding loans and credit facilities.

Dividend Capital Diversified Property Fund entered into a contract to sell a portfolio of 12 industrial properties comprising 3.4 million net rentable square feet. The buyer reportedly is JP Morgan Asset Management.

The New Jersey Division of Investment is investing $100 million in **Hammes Partners** II LP Fund. The fund is being established to capitalize on the strategic shift undertaken by health care systems around the U.S. in adopting an “asset-light” approach in order to streamline their operations and focus on allocation of capital to expand their networks. Hammes has developed more than 500 health care facilities and manages 4 million square feet of health care real estate.

Mesa West Capital successfully closed its Mesa West Real Estate Income Fund III LP with $752 million in equity commitments. With a target of $650 million, Mesa West Capital exceeded its fund raising goal for the second time in the last three years.

The New Jersey Division of Investment is investing $200 million in **Northwood Real Estate Partners** LP (Series IV). Northwood Investors LLC (“Northwood”) manages its assets through a series of fund raises and co-investments. As of June 30, 2013, Northwood has invested approximately $2.1 billion of equity to achieve a 17% gross internal rate of return (“IRR”) Northwood is structured to invest through market cycles by opportunistically investing in multiple property types and across the capital structure. The Division previously made a $75 million commitment in Northwood Real Estate Partners LP (Series III) and $75 million commitment in Northwood Real Estate Co-Investors LP for a total of $150 million in December 2012.

Ontarget360 Group Inc., doing business as **American Housing REIT Inc**., agreed to purchase a portfolio of 37 single family houses from American Real Estate Investments LLC, a Missouri limited liability company. The properties are all in the Dallas and Houston metropolitan regions. The total purchase price is $5.215 million

Hong Kong-based **Sheung Wan** acquired 38 condominiums in bulk at the Waterside at Cranes Roost in Altamonte Springs, FL. Occupancy was 96% at time of closing. CBRE exclusively represented the seller in the transaction.

Tokyo-based **Sumitomo Corp**. acquired 450B Street for $73 million in the heart of the business district of downtown San Diego. The office tower was renovated in 2009 and sits on over 1.22 acres of land. The 20 story building features 290,000 square feet of office space which is currently 81% occupied with the major tenants being Bank of America and the County of San Diego. It is walking distance to the historical Gaslamp Quarter, Petco Park, San Diego Bay and minutes from San Diego International Airport.

Vornado Realty Trust completed a $450 million refinancing of Eleven Penn Plaza, a 1.1 million-square-foot Manhattan office building. The 7-year loan is interest-only at 3.95%. The company realized net proceeds of approximately $107 million after repaying the existing loan on the property and closing costs.

Welk Resort Group Inc. closed a $158.67 million securitization backed by notes receivable from vacation ownership interests. Welk Resorts develops, builds and operates vacation ownership resorts with five properties currently open, and two additional locations in development. The securitization allowed the company to refinance a portion of its warehouse facilities with its existing commercial lenders, creating a fixed low-rate cost of funds for the term of the facility. The transaction has also provided additional capital for the company, which will aid in the future development of the Welk family of resorts.

Closures & Layoffs

The **Natural Markets Food Group**, parent company of **Fresh & Green**’s grocery stores, will close its six Fresh & Green’s stores in Washington, DC, and Maryland. The stores will wind down operations and all will be closed by the end of December 2013. NMFG acquired the former SuperFresh stores from A&P in 2011 and reopened them under the Fresh & Green’s banner, operating one location on 48th Street, NW in the District and five stores in Baltimore, Chestertown, Arnold, Brunswick and Cambridge.

Company	Address	City	State	Closure or Layoff	No. of Layoffs	Impact Date
Kaiser Foundation Health Plan	3100 Thorton Ave.	Burbank	CA	Layoff	58	12/31/2013
Bank of America	1655 Grant St.	Concord	CA	Layoff	37	12/22/2013
Bank of America	2000 Clayton Road	Concord	CA	Layoff	52	12/22/2013
DirecTV	2230 E. Imperial Highway	El Segundo	CA	Layoff	66	12/20/2013
Xerox Corp.	555 S. Aviation Blvd.	El Segundo	CA	Closure	47	12/20/2013
Chromalloy	2100 W. 139th St.	Gardena	CA	Closure	108	12/31/2013
Technicolor	1763 Flower St.	Glendale	CA	Closure	50	12/21/2013
Hollywood Park Racetrack	1050 South Prairie Ave.	Inglewood	CA	Layoff	539	12/22/2013

Company	Address	City	State	Closure or Layoff	No. of Layoffs	Impact Date
Broadcom Corp.	5300 California Ave.	Irvine	CA	Layoff	84	12/20/2013
Discover Financial Services	173 Technology Drive	Irvine	CA	Layoff	74	12/12/2013
Hyatt Regency Irvine	17900 Jamboree Road	Irvine	CA	Layoff	327	12/15/2013
MetLife	5 Park Plaza	Irvine	CA	Layoff	53	12/31/2013
Rushmore Loan Management Services	2301 Campus Drive, Suite 100	Irvine	CA	Closure	101	12/31/2013
Suntrust Mortage	133 Technology Drive, Suite 250	Irvine	CA	Layoff	89	12/31/2013
CoreLogic Tax Services	177 Holston Drive	Lancaster	CA	Closure	74	12/15/2013
Atlantic Express of California	2450 Long Beach Blvd	Long Beach	CA	Closure	160	12/31/2013
Atlantic Express of L.A.	201 W. Sotello St.	Los Angeles	CA	Closure	307	12/31/2013
Shoedazzle.Com	3530 Wilshire Blvd., Suite 210	Los Angeles	CA	Layoff	52	12/31/2013
Post Foods	901 E. Whitmore Ave.	Modesto	CA	Layoff	49	12/13/2013
2K Games	8550 Balboa Blvd, Suite 100, Lobby 2	Northridge	CA	Closure	48	12/16/2013
Natural Balance Pet Foods	12924 Pierce St.	Pacoima	CA	Closure	92	12/31/2013
Electronic Arts	5510 Lincoln Blvd.	Playa Vista	CA	Layoff	59	12/30/2013
Bank of America	10850 White Rock Road	Rancho Cordova	CA	Layoff	110	12/22/2013
Monterey Care Center	1267 San Gabriel Blvde.	Rosemead	CA	Closure	100	12/31/2013
Broadcom Corp.	16340 W. Bernardo Drive	San Diego	CA	Layoff	68	12/20/2013
Moondoggies	832 Garnet Ave.	San Diego	CA	Closure	52	12/31/2013
Phil's BBQ	3750 Sports Arena Blvd.	San Diego	CA	Layoff	144	12/29/2013
Goodby Silverstein & Partners	720 California St.	San Francisco	CA	Layoff	47	12/31/2013
Bank of America	2880 Steven Creek Blvd.	San Jose	CA	Layoff	108	12/22/2013
Broadcom Corp.	3151 Zanker Road	San Jose	CA	Layoff	17	12/20/2013
Broadcom Corp.	2451 Mission College Blvd.	Santa Clara	CA	Layoff	16	12/20/2013
Broadcom Corp.	3975 Freedom Circle	Santa Clara	CA	Layoff	11	12/20/2013
Avnet Integrated	4201 Guardian St.	Simi Valley	CA	Layoff	68	12/27/2013
Onyx Pharmaceuticals	249 E..Grand Ave.	South San Francisco	CA	Layoff	58	12/31/2013
Broadcom Corp.	190 Mathilda Place	Sunnyvale	CA	Layoff	64	12/20/2013
Amgen	One Amgen Center Drive	Thousand Oaks	CA	Layoff	68	12/31/2013

Company	Address	City	State	Closure or Layoff	No. of Layoffs	Impact Date
Novartis Pharmaceuticals Corp.	2010 Cessna Drive	Vacaville	CA	Layoff	36	12/31/2013
Vista Honda	6450 Auto Center Drive (Leland Street)	Ventura	CA	Closure	87	12/23/2013

CRE / Multifamily Mortgage Delinquency Declines Reflect Economic Gains

Delinquency rates for commercial and multifamily mortgage loans continued to decline in the third quarter of 2013, according to the Mortgage Bankers Association's (MBA) Commercial/Multifamily Delinquency Report.

During the third quarter of 2013, the 60+ day delinquency rate for commercial and multifamily mortgages held in life company portfolios decreased 0.02 percentage points to 0.06%. The 60+ day delinquency rate for multifamily loans held or insured by Freddie Mac decreased 0.04 percentage points to 0.05%. The 60+ day delinquency rate for multifamily loans held or insured by Fannie Mae decreased 0.10 percentage points to 0.18%. The 90+ day delinquency rate for loans held by FDIC-insured banks and thrifts decreased 0.23 percentage points to 1.95%.

The 30+ day delinquency rate for loans held in commercial mortgage-backed securities (CMBS) decreased 0.3 percentage points to 7.51%.

"Commercial and multifamily mortgage performance continues to reflect overall economic gains," said Jamie Woodwell, MBA's vice president of commercial real estate research. "Improvements in underlying property performance and property values, and the continued availability of commercial and multifamily mortgage financing, led to declines in delinquency rates for every major investor group."

The third quarter 2013 delinquency rate for commercial and multifamily mortgages held in life insurance company portfolios was 7.47 percentage points lower than the series high (7.53%, reached during the second quarter of 1992). The delinquency rate for multifamily loans held by Freddie Mac was 6.76 percentage points lower than the series high (6.81%, reached in the fourth quarter of 1992).

The delinquency rate for multifamily loans held by Fannie Mae was 3.44 percentage points below the series high (3.62%, reached during the fourth quarter of 1991).

The rate for commercial and multifamily mortgages held by banks and thrifts was 4.63 percentage points lower than the series high (6.58%, reached in the second quarter of 1991). The rate for loans held in CMBS was 1.51 percentage points below the series high (9.02%, reached in the second quarter of 2011).