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# AIR 20<sup>th</sup> Annual Market Review & Forecast

Everett (Allen) Greer  
Greer Advisors, LLC

January 23, 2013

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**Greer Advisors, LLC**

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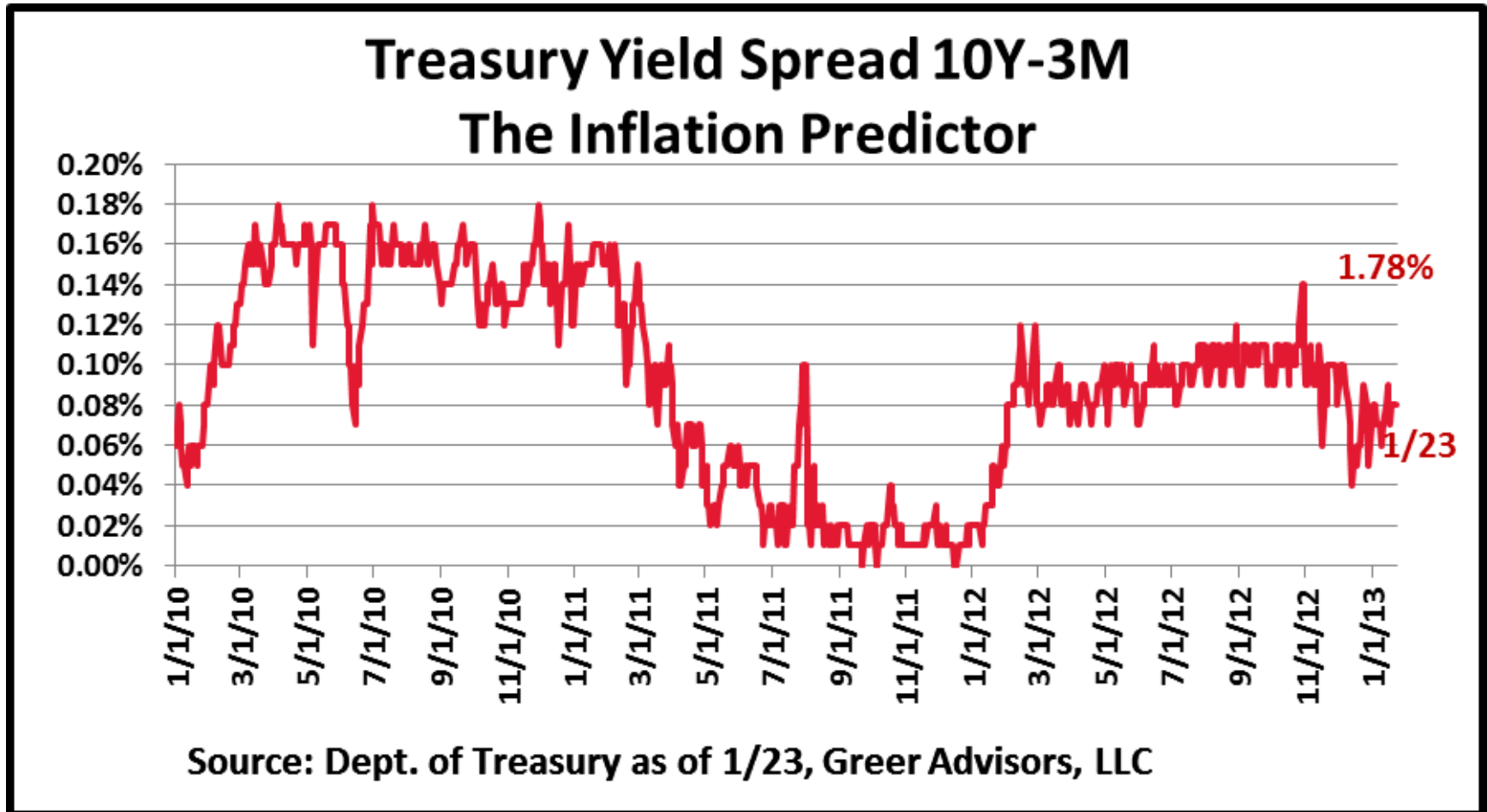
# Interest & Inflation

## 10 Year Treasury Yields



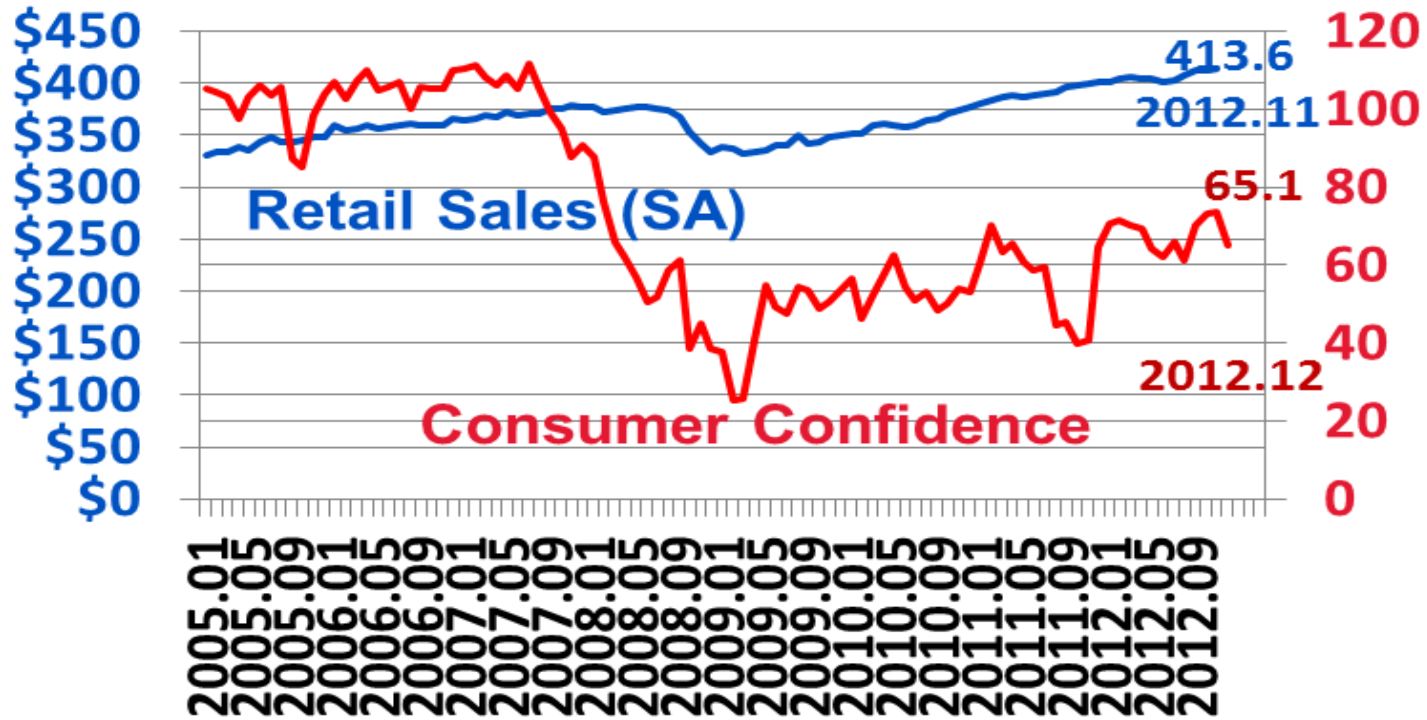
Source: Dept. of Treasury as of 1/23, Greer Advisors,

# Interest & Inflation



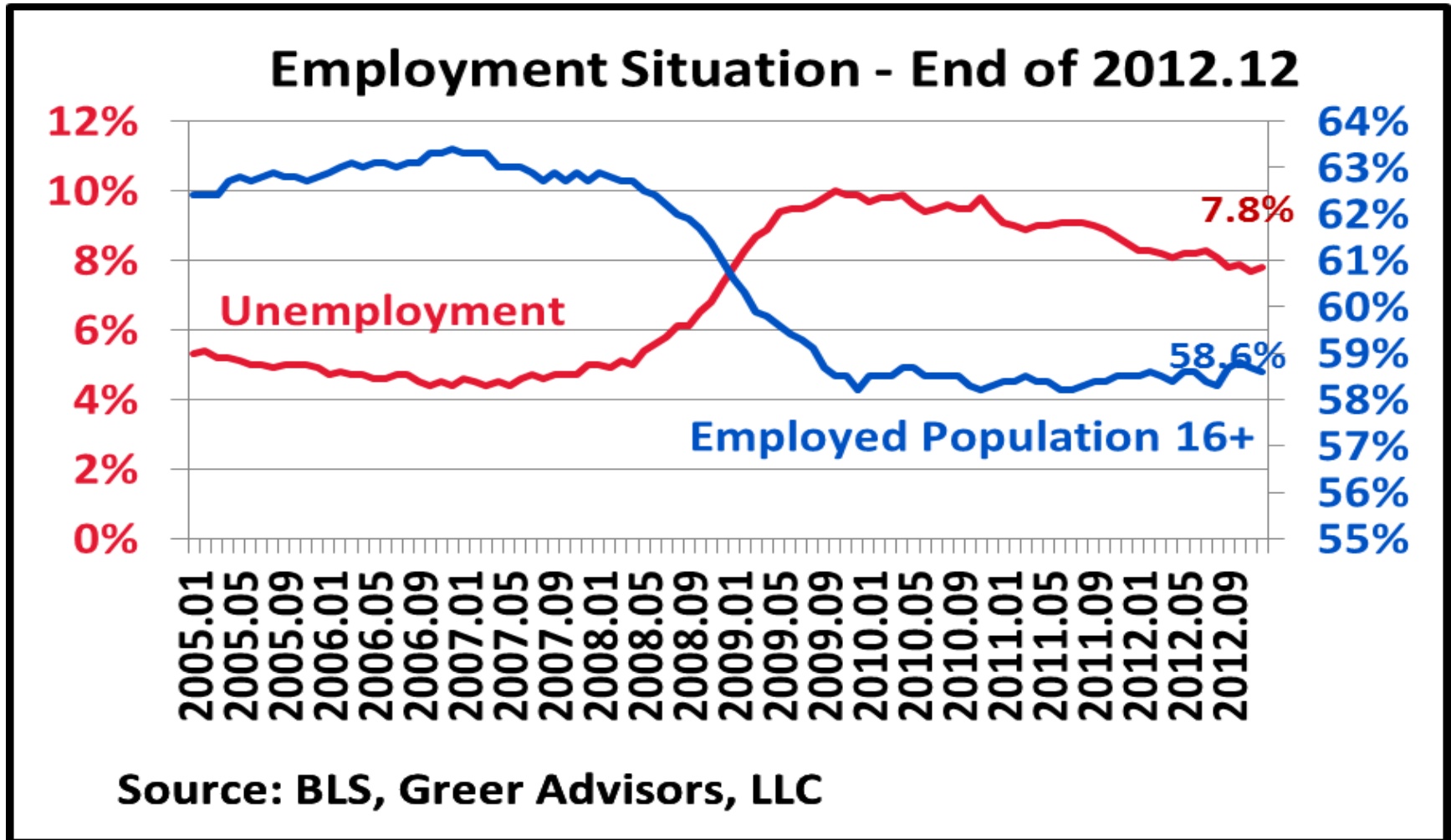
# Economy – Consumer Confidence & Sales

## Key Economic Indicators



Source: Conference Board, Census, Greer Advisors, LLC

# Economy – Employment



Los Angeles 10.9% as of November

# Top 5 - Bottom 5 U.S. Markets by Vacancy

Industrial				Office				Retail			
	Metro	Vac %	Rent \$		Metro	Vac %	Rent \$		Metro	Vac %	Rent \$
1	Los Angeles	5.0%	\$7.09	1	Salt Lake City	6.9%	\$18.27	1	San Francisco	2.8%	\$28.82
2	Houston	5.2%	\$5.49	2	Albany/Schenec	7.3%	\$14.34	2	Miami-Dade Cou	3.9%	\$28.57
3	Salt Lake City	5.3%	\$4.57	3	New York City	7.4%	\$49.48	3	Boston	4.4%	\$15.59
4	Orange County (Ne)	5.6%	\$8.01	4	Pittsburgh	7.9%	\$18.76	4	Pittsburgh	4.5%	\$11.49
5	Long Island (Ne)	5.9%	\$10.27	5	Long Island (Ne)	8.0%	\$26.42	5	Salt Lake City	4.5%	\$12.78
6	Seattle/Puget Sc	6.0%	\$7.18	6	Nashville	8.5%	\$18.48	6	Washington	4.6%	\$23.19
7	Minneapolis	6.4%	\$5.95	7	Oklahoma City	8.7%	\$14.11	7	Albany/Schenec	4.7%	\$11.87
8	Kansas City	6.5%	\$4.00	8	Minneapolis	9.3%	\$17.53	8	South Bay/San J	4.8%	\$26.11
9	Indianapolis	6.7%	\$4.02	9	Indianapolis	9.3%	\$16.27	9	San Diego	4.8%	\$20.84
45	Washington	11.0%	\$9.06	45	Washington	13.5%	\$34.37	45	West Michigan	8.4%	\$9.13
46	Stockton/Modes	11.1%	\$3.88	46	Tampa/St Peter	13.6%	\$18.09	46	Cincinnati	8.5%	\$9.75
47	Detroit	11.3%	\$4.35	47	Chicago	14.2%	\$23.04	47	Inland Empire (C	8.9%	\$16.57
48	Westchester/So	11.3%	\$7.17	48	Northern New J	15.4%	\$23.09	48	Kansas City	9.0%	\$12.44
49	Charlotte	11.8%	\$3.84	49	Dallas/Ft Worth	15.5%	\$19.70	49	Birmingham	9.3%	\$9.69
50	Atlanta	12.0%	\$3.80	50	Sacramento	15.9%	\$19.80	50	Memphis	9.6%	\$10.06
51	Phoenix	12.4%	\$6.23	51	Atlanta	15.9%	\$18.77	51	Sacramento	9.6%	\$16.08
52	Memphis	12.5%	\$2.71	52	Palm Beach Cou	15.9%	\$25.49	52	Atlanta	9.8%	\$12.81
53	Las Vegas	13.0%	\$5.83	53	Detroit	18.1%	\$17.82	53	Detroit	9.9%	\$11.94
54	Sacramento	13.2%	\$5.17	54	Las Vegas	18.3%	\$19.48	54	Las Vegas	10.3%	\$15.83
55	Dayton	13.4%	\$3.24	55	Phoenix	19.4%	\$19.95	55	Phoenix	11.2%	\$14.32
	National Avg	8.8%	\$5.18		National Avg	11.9%	\$21.63		National Avg	6.8%	\$14.43
1	Los Angeles	5.0%	\$7.09	34	Los Angeles	12.4%	\$28.26	14	Los Angeles	5.2%	\$24.02
	Was #2				Stayed #34				Was #12		
	Min	5.0%	\$2.71		Min	6.9%	\$12.44		Min	2.8%	\$9.13
	Max	13.4%	\$12.92		Max	19.4%	\$49.48		Max	11.2%	\$28.82
	Spread	8.3%	\$10.21		Spread	12.4%	\$37.04		Spread	8.5%	\$19.69
Note: 1) Rents are Quoted Rents, 2) National Totals Cover all 140+ Markets, 3) Rankings limited to Top 55 Markets based on RBA											
Source: CoStar Group, Inc. Greer Advisors, LLC											

Source: CoStar as of End of 2012

Greer Advisors, LLC

# Top 20 Local Submarkets by Vacancy

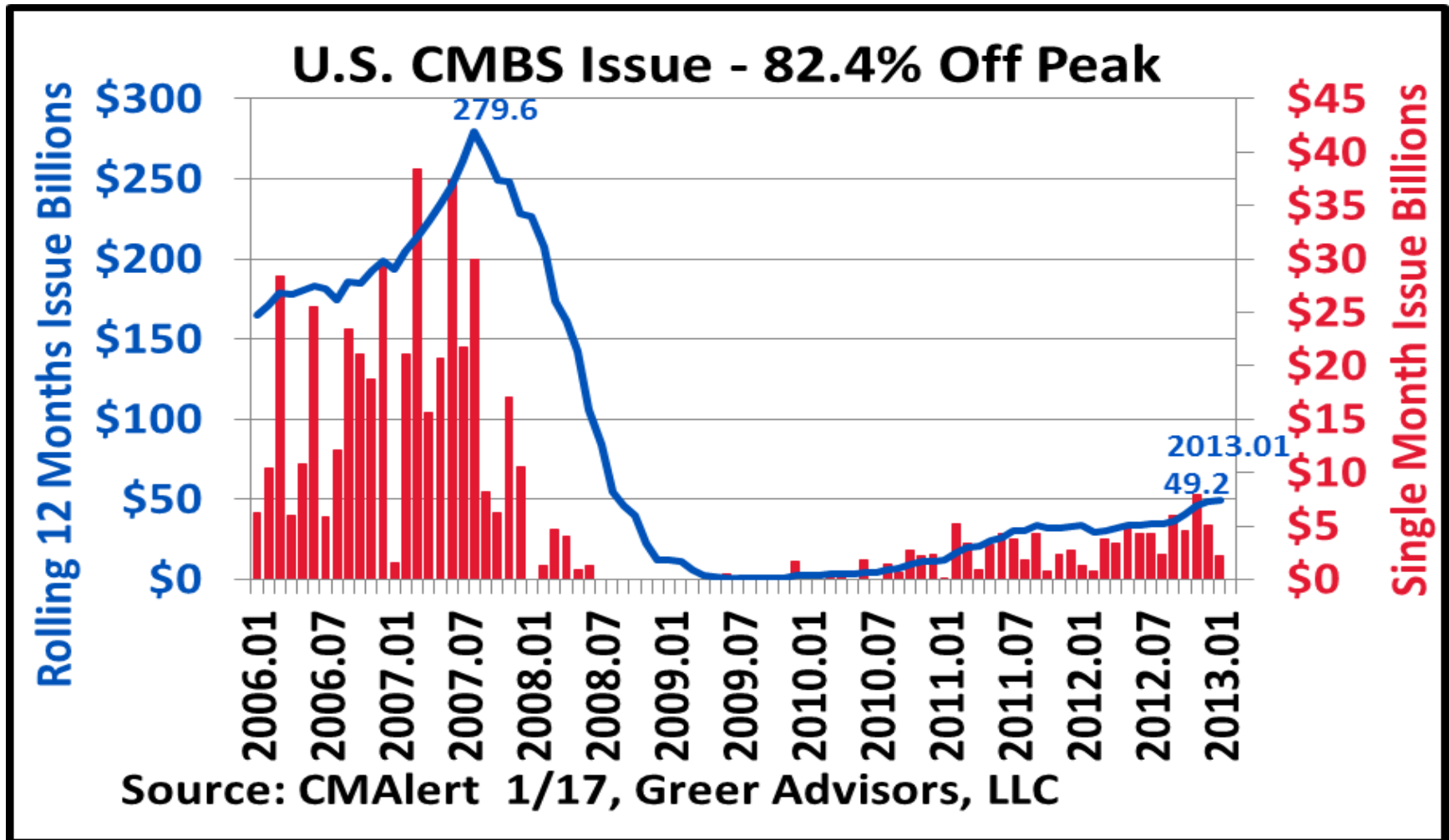
Industrial				Office				Retail			
	Metro	Vac %	Rent \$		Metro	Vac %	Rent \$		Metro	Vac %	Rent \$
1	Central Los Ang	3.6%	\$9.25	1	Western SGV	5.9%	\$22.77	1	Woodland Hills/A	2.7%	\$22.77
2	Vernon Ind	3.3%	\$5.96	2	Hollywood/Silve	6.5%	\$33.22	2	Culver City	2.7%	\$25.46
3	Santa Fe Spring:	4.8%	\$6.23	3	Mid-Cities	7.8%	\$21.37	3	Mid-Wilshire	3.1%	\$27.43
4	East San Ferndo	3.9%	\$7.59	4	Santa Monica	8.0%	\$45.79	4	West Hollywood	3.7%	\$51.05
5	Commerce Ind	4.6%	\$5.78	5	Southeast Los /	8.2%	\$20.88	5	Torrance	3.8%	\$24.44
6	Montebello/Whit	4.0%	\$5.85	6	Eastern SFV	9.5%	\$21.93	6	Pasadena/Arcad	3.9%	\$28.07
7	Oxnard/Pt Huen	8.2%	\$6.79	7	Burbank	9.8%	\$31.48	7	Glendale	4.1%	\$24.83
8	Santa Clarita/La	5.6%	\$7.39	8	Pasadena/Arcad	9.9%	\$28.15	8	Hollywood/Silve	4.3%	\$29.72
9	City of Industry	6.9%	\$5.73	9	Westwood	10.2%	\$36.74	9	Hawthorne/Garc	4.4%	\$20.20
10	Rancho Doming	6.5%	\$6.07	10	Torrance	10.7%	\$24.06	10	Long Beach: Sul	4.5%	\$19.40
11	Westside Ind	4.0%	\$18.54	11	Beverly Hills	11.3%	\$42.46	11	Western SGV	4.7%	\$22.75
12	Carson Central	2.2%	\$6.58	12	El Segundo	11.8%	\$29.50	12	Greater Downto	4.9%	\$24.20
13	Chatsworth Ind	8.7%	\$7.57	13	Eastern SGV	11.9%	\$21.61	13	Western SFV	5.2%	\$20.52
14	Northridge Ind	5.7%	\$8.08	14	Glendale	12.4%	\$28.35	14	Southeast Los /	5.2%	\$19.98
15	Burbank Ind	2.8%	\$11.55	15	Greater Downto	12.8%	\$31.26	15	Santa Clarita Val	6.4%	\$21.35
16	Industry/Hacien	5.9%	\$5.96	16	Long Beach: Sul	14.8%	\$23.34	16	Mid-Cities	6.4%	\$19.21
17	Torrance NE Ind	8.3%	\$7.55	17	Woodland Hills/A	15.4%	\$24.32	17	Eastern SFV	6.4%	\$19.85
18	Compton West I	9.1%	\$5.93	18	Century City	16.4%	\$47.13	18	Oxnard/Port Hue	6.6%	\$18.93
19	Cerritos Ind	5.3%	\$5.99	19	Mid-Wilshire	17.5%	\$19.82	19	Eastern SGV	7.1%	\$18.36
20	La Mirada Ind	7.9%	\$5.85	20	Marina Del Rey/A	23.9%	\$33.89	20	Antelope Valley	8.1%	\$16.47
	Market Average	5.0%	\$7.09		Market Average	12.4%	\$28.26		Market Average	5.2%	\$24.02
	Min	0.0%	\$5.73		Min	0.0%	\$0.00		Min	0.0%	\$0.00
	Max	23.4%	\$18.54		Max	27.5%	\$47.13		Max	14.0%	\$76.96
	Spread	23.4%	\$12.81		Spread	27.5%	\$47.13		Spread	14.0%	\$76.96

Note: 1) Rents are Quoted Rents, 2) Mix, Max includes "non-Top 20" submarkets. Only Top 20 submarkets on size are shown.  
Source: CoStar Group, Inc. Greer Advisors, LLC

Source: CoStar as of End of 2012

Greer Advisors, LLC

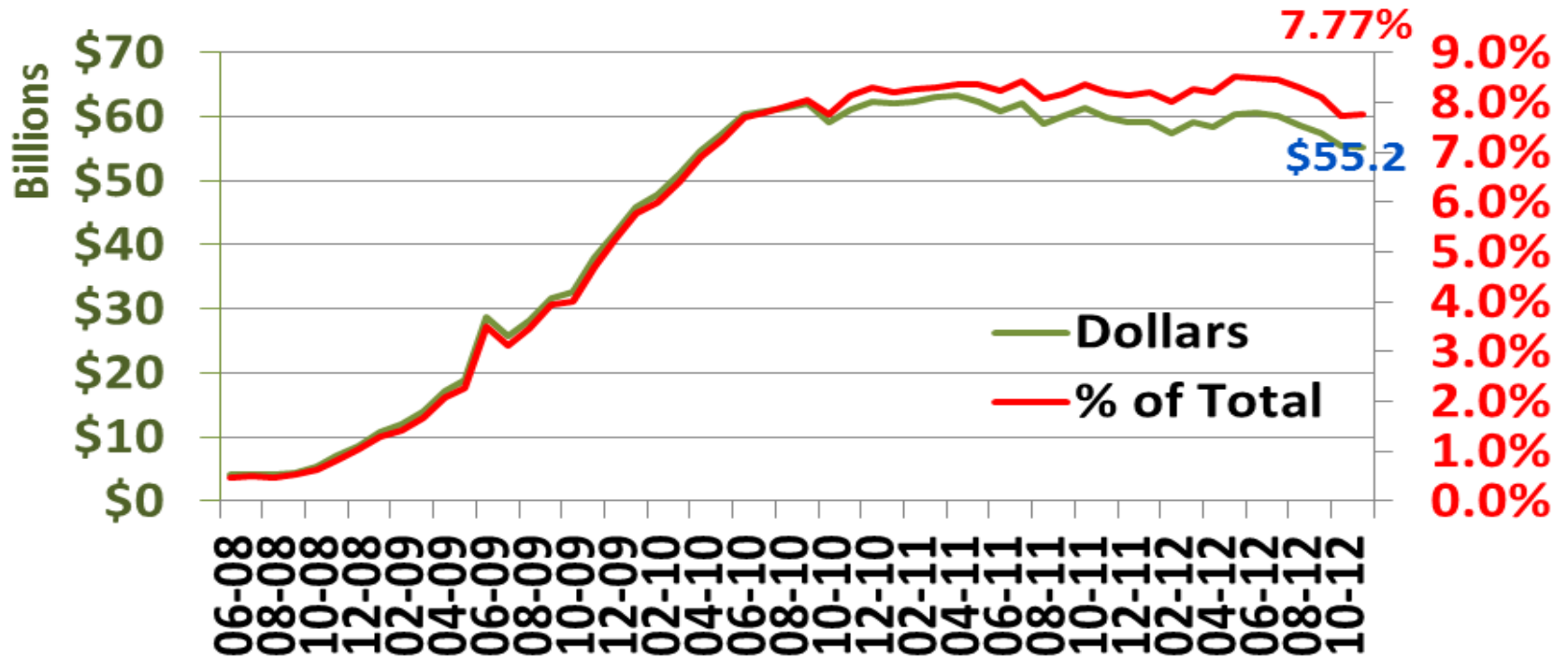
# CMBS Issuance – Still Off





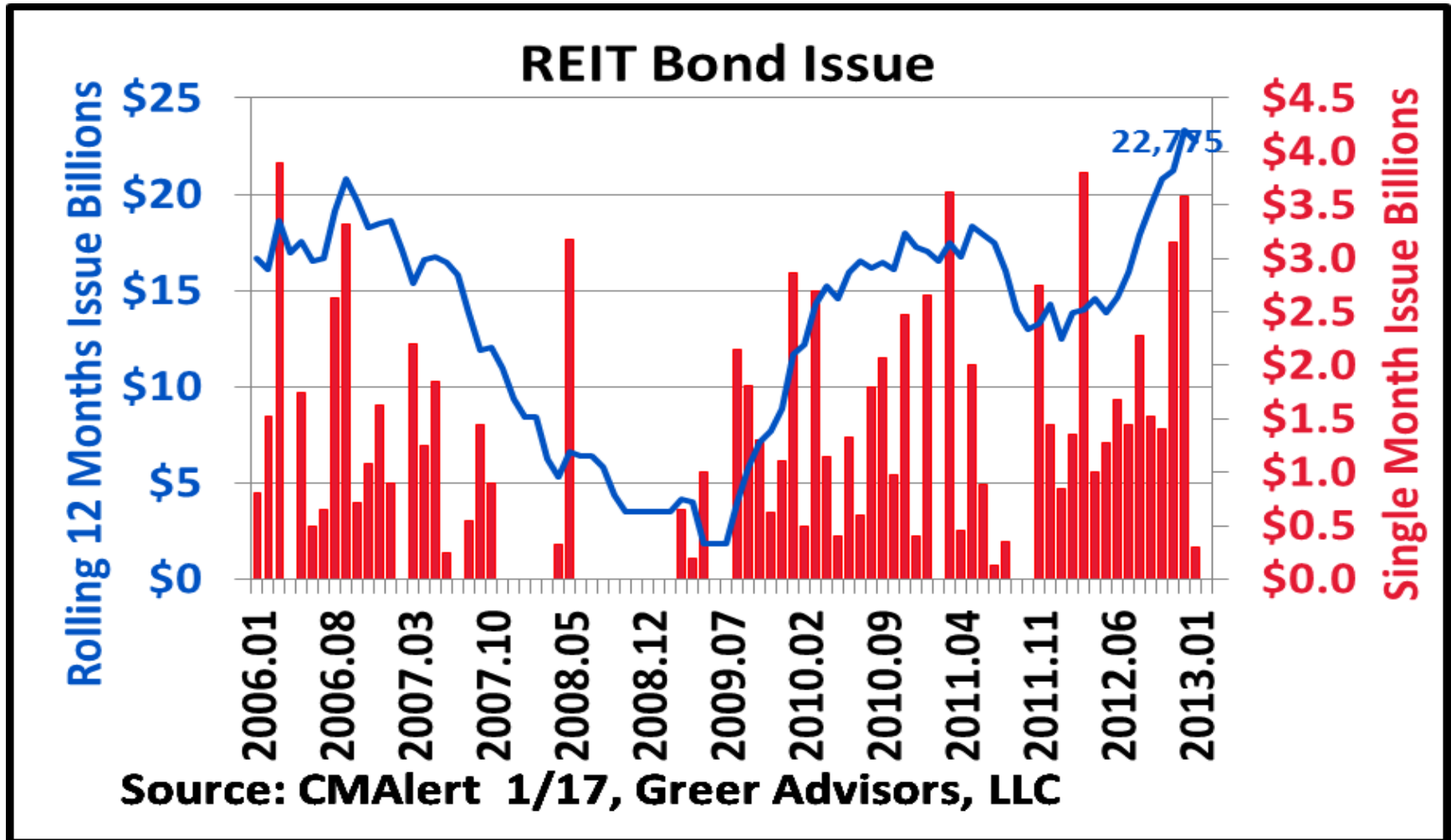
# CMBS Delinquencies

## CMBS Delinquencies - EOM Nov 2012

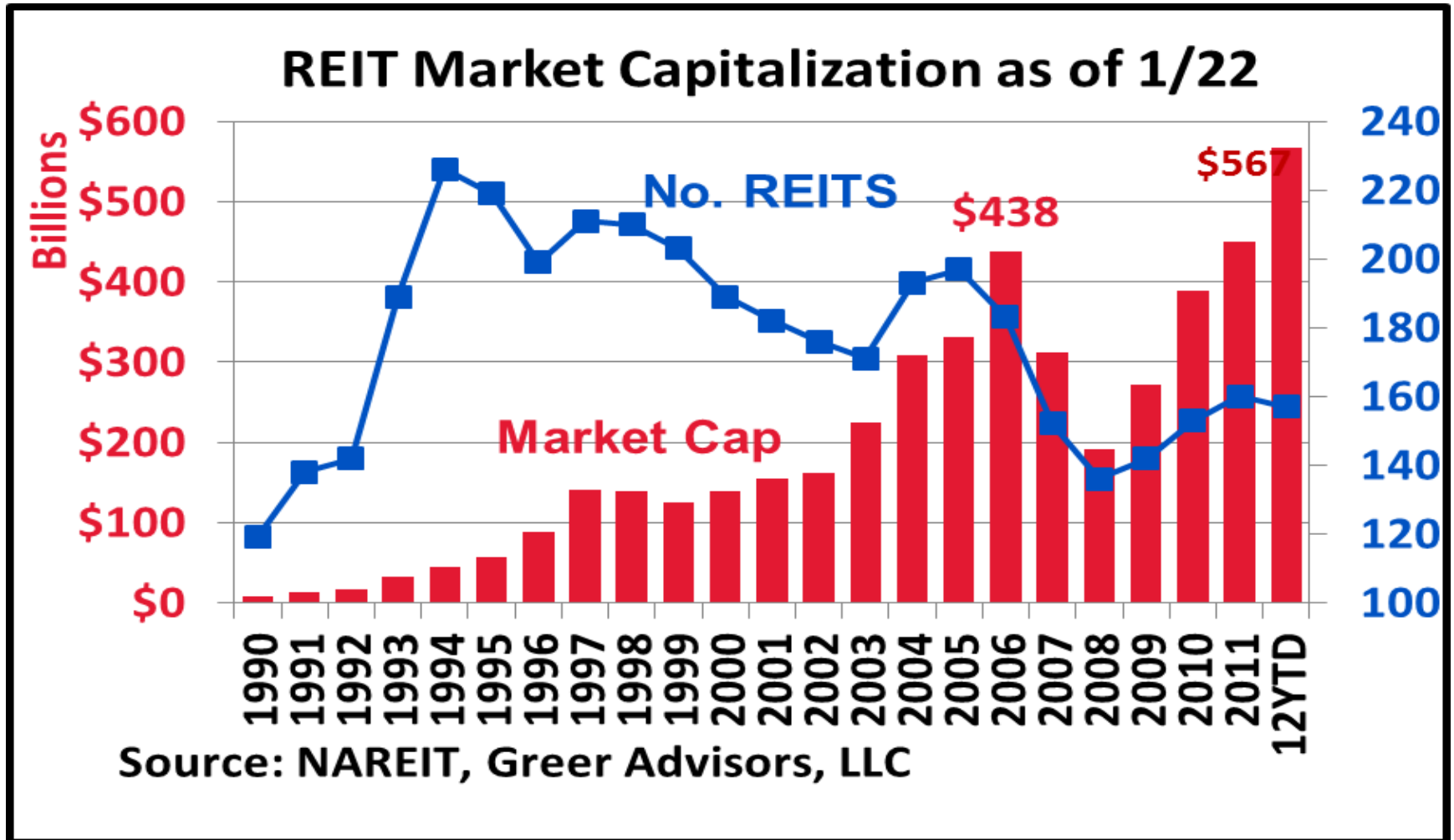


Source: Realpoint (fka Morningstar) , Greer Advisors, LLC

# REIT Bond Issuance – New High



# REIT Market Capitalization – Long Term



# Issues:

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**Fiscal Cliff (capital gains)**

**E.U. – Will England depart**

**U.S. Deficit – Local Deficits**

**Alternate Logistics Routes – Canada, Mexico, Panama Canal**

**Dodd Frank**

# Questions / Answers

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**Greer Advisors, LLC**

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