
Wall Street and Commercial Real Estate

Everett (Allen) Greer
Greer Advisors, LLC

January 8, 2015 – CCIM Greater SoCal Chapter

Goals of Presentation

- New News!
- Market Drivers
- Real Estate Trends – National
- Real Estate Trends - OC
- Capital Markets
- Conclusions

What's New with EAG

- Daniel Michael Greer
- November 12, 2014
- 4 lbs. 13 oz.



^ Dad next day ^

<<Diana seconds after birth

Greer Advisors, LLC

■ Market Drivers

Market Drivers

Supply / Demand – Drives Vacancy & Rents

- Most Demand ties to Jobs – Results Impact Rent & Vacancy
 - Office – FIRE Employment, Portion of Service Employment
 - Retail – Household Formations, Income Growth
 - Industrial – Manufacturing & Distribution (Logistics)
 - Multifamily – Households, non-Top 25% HH Income
 - Hotel – Corporate Travel – Office & Industrial Employment

Financing –DRIVES VALUE!

- Availability
- Leverage
- Rate and Term
- Recourse

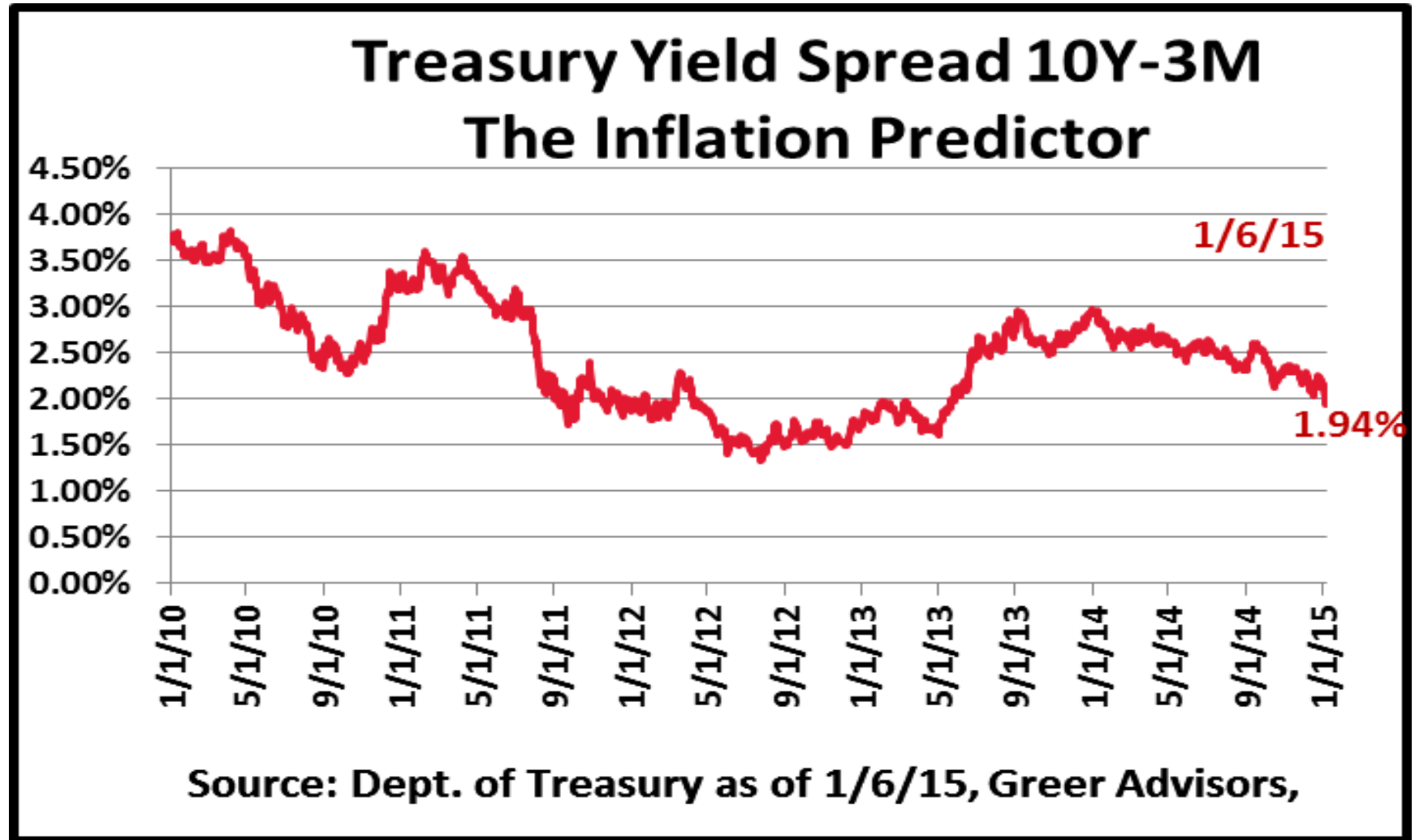
Interest

10 Year Treasury Yields

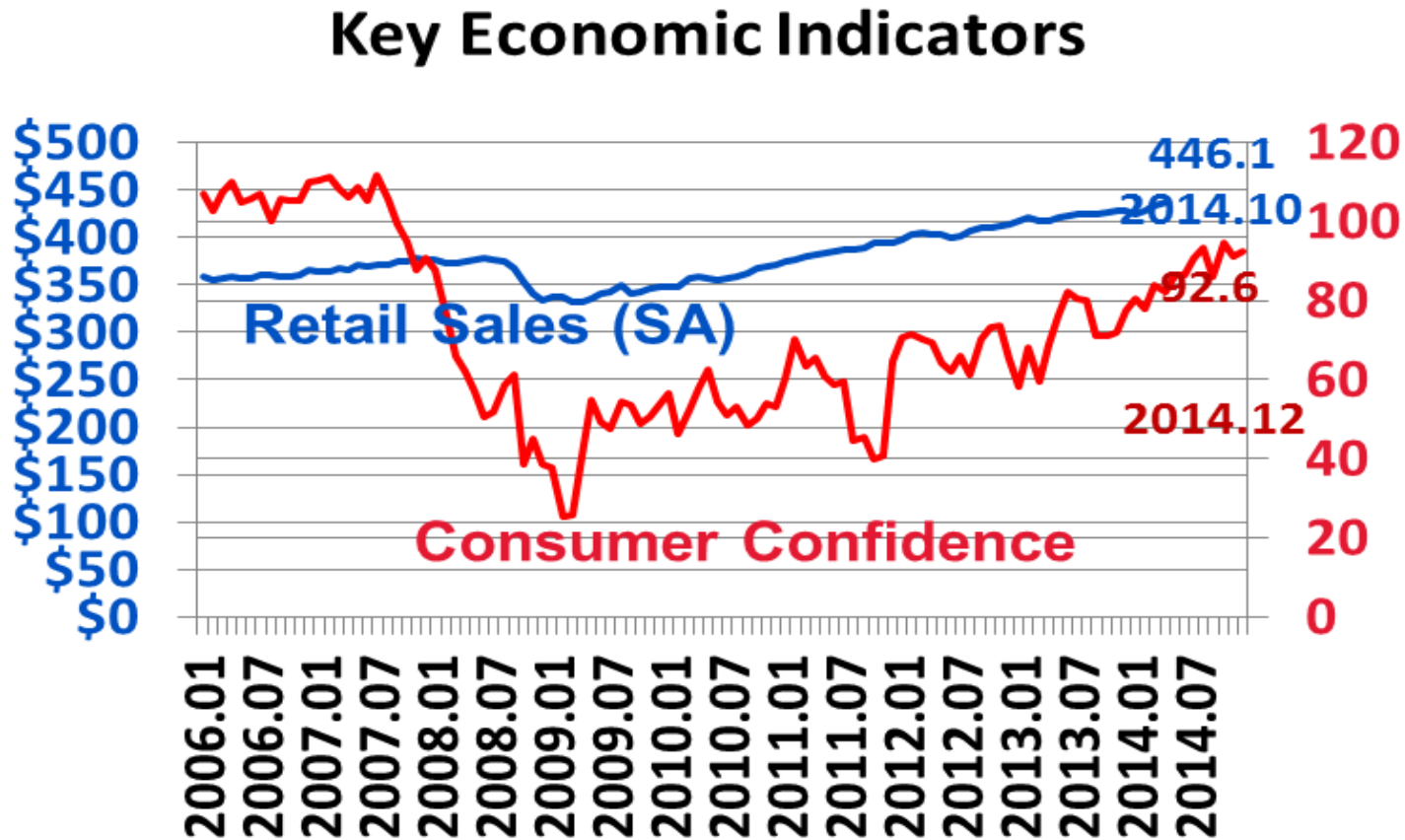


Source: Dept. of Treasury as of 1/6/15, Greer Advisors,

Inflation



Key Economic Indicators



Source: Conference Board, Census, Greer Advisors, LLC

■ Real Estate Trends

National Retail – Vacancy Drops / Rents Rise

Total Retail Market Statistics*											Third Quarter 2014	
Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates	
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA		
2014 3q	854,818	10,090,518,823	619,922,329	638,738,899	6.3%	22,127,845	447	11,310,996	1,270	48,005,215	\$ 15.47	
2014 2q	854,461	10,083,205,886	634,808,402	653,553,807	6.5%	19,214,315	507	10,579,784	1,452	50,809,577	\$ 15.44	
2014 1q	854,103	10,074,856,266	644,788,572	664,418,502	6.6%	19,214,180	710	11,647,859	1,518	50,185,947	\$ 15.26	
2013 4q	853,529	10,064,851,656	653,749,943	673,628,072	6.7%	17,251,644	704	13,136,297	1,633	50,729,192	\$ 15.21	
2013 3q	853,008	10,057,081,696	663,172,174	683,109,756	6.8%	18,915,857	743	14,672,354	1,856	53,842,877	\$ 15.16	
2013 2q	852,421	10,044,221,802	667,792,297	689,165,719	6.9%	19,074,426	636	9,914,657	1,991	52,769,814	\$ 15.12	
2013 1q	851,914	10,036,276,655	678,264,715	700,294,998	7.0%	16,787,691	693	11,782,284	1,789	47,445,439	\$ 15.10	
2012 4q	851,373	10,027,188,977	685,710,692	707,995,011	7.1%	24,844,877	821	14,821,831	1,650	40,480,056	\$ 14.99	
2012 3q	850,684	10,013,705,911	696,441,410	719,356,822	7.2%	11,474,293	535	10,400,033	1,887	43,609,985	\$ 15.04	
2012 2q	850,255	10,005,362,277	699,211,230	722,487,481	7.2%	1,258,297	518	8,501,096	1,756	42,368,988	\$ 15.07	
2012 1q	849,846	9,998,493,625	694,146,490	716,877,126	7.2%	20,745,789	814	13,303,978	1,566	37,330,018	\$ 15.12	
2011	849,173	9,987,494,230	703,565,584	726,623,520	7.3%	52,361,494	2,641	47,070,619	1,660	36,577,146	\$ 15.12	
2010	847,046	9,948,608,106	715,205,037	740,098,890	7.4%	58,375,714	2,913	52,841,662	1,834	40,189,028	\$ 15.44	
2009	844,510	9,901,225,177	719,893,922	751,091,675	7.6%	(1,299,922)	5,175	10,129,491	2,283	48,655,266	\$ 16.33	
2008	839,664	9,804,033,484	623,802,183	652,600,060	6.7%	117,666,658	9,703	198,106,547	4,107	91,943,993	\$ 17.37	
2007	830,391	9,614,011,144	560,629,599	580,244,378	6.0%	200,901,137	10,737	209,333,522	7,330	171,118,839	\$ 17.08	

Source: CoStar Property® *Select markets included in this historical chart - see Methodology page. *Select markets included in this historical chart - see Methodology page.

National Office – Vacancy Drops / Rents Rise

Total Office Market Statistics*											Third Quarter 2014	
Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates	
	# Blds	TotalRBA	DirectSF	TotalSF	Vac %		# Blds	TotalRBA	# Blds	TotalRBA		
2014 3q	318,651	7,790,598,747	879,261,155	915,953,519	11.8%	21,838,630	160	10,357,153	634	95,373,277	\$24.15	
2014 2q	318,515	7,783,218,427	893,881,940	930,411,829	12.0%	19,408,502	152	9,502,772	702	91,748,983	\$23.97	
2014 1q	318,403	7,775,439,984	905,524,055	942,043,288	12.1%	12,899,295	203	11,238,118	718	88,960,994	\$23.83	
2013 4q	318,255	7,767,172,420	910,673,330	946,675,019	12.2%	17,881,921	150	11,988,862	718	77,163,617	\$23.67	
2013 3q	318,162	7,758,147,142	918,615,861	955,531,662	12.3%	17,570,682	181	11,529,015	711	75,795,816	\$23.34	
2013 2q	318,033	7,749,243,853	925,871,090	964,199,055	12.4%	16,376,071	180	10,716,716	725	70,738,444	\$23.17	
2013 1q	317,904	7,741,805,425	934,589,670	973,136,698	12.6%	8,012,886	153	6,717,919	734	71,433,264	\$22.92	
2012	317,790	7,736,693,038	938,027,157	976,037,197	12.6%	51,192,850	636	32,962,929	655	65,308,425	\$23.11	
2011	317,337	7,716,347,980	965,501,750	1,006,884,989	13.0%	43,956,459	666	28,190,768	585	51,472,206	\$22.94	
2010	316,811	7,697,379,992	982,344,191	1,031,873,460	13.4%	21,084,307	981	44,895,570	629	43,691,721	\$23.12	
2009	315,937	7,656,708,391	948,690,495	1,012,286,166	13.2%	(40,706,201)	2,141	90,878,475	951	65,508,695	\$23.29	
2008	313,944	7,569,534,648	825,278,973	884,406,222	11.7%	26,520,824	3,976	125,050,758	2,056	122,940,541	\$24.99	
2007	310,159	7,452,020,497	740,455,562	793,412,895	10.6%	93,109,855	4,975	124,397,386	3,723	167,653,329	\$24.87	
2006	305,413	7,337,354,719	715,714,585	771,856,972	10.5%	134,079,711	4,802	110,390,969	4,779	163,727,975	\$23.38	
2005	300,788	7,235,266,993	739,592,660	803,848,957	11.1%	149,048,534	4,303	91,675,439	4,547	142,358,246	\$22.16	
2004	296,651	7,151,580,515	786,103,280	869,211,013	12.2%	110,295,741	3,738	84,747,565	3,928	117,549,608	\$21.70	

Source: CoStarProperty® *Select markets included in this historical chart - see Methodology page.

National Industrial – Vac. Drops / Rents Rise

Total Industrial Market Statistics*											Third Quarter 2014	
Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates	
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA		
2014 3q	417,383	14,833,062,261	1,080,636,141	1,108,122,116	7.5%	54,735,409	154	28,532,061	553	121,027,967	\$ 5.92	
2014 2q	417,265	14,806,924,576	1,110,122,906	1,137,553,197	7.7%	50,145,407	192	32,432,437	525	108,625,649	\$ 5.88	
2014 1q	417,145	14,782,721,999	1,136,863,799	1,163,496,027	7.9%	39,276,126	207	25,070,821	525	106,385,991	\$ 5.82	
2013 4q	417,052	14,765,878,158	1,157,737,462	1,185,928,312	8.0%	58,550,586	141	18,466,784	560	104,881,695	\$ 5.78	
2013 3q	416,994	14,753,299,036	1,201,074,308	1,231,899,776	8.3%	49,486,435	165	28,459,736	510	89,194,627	\$ 5.72	
2013 2q	416,894	14,731,834,099	1,226,573,680	1,259,921,274	8.6%	38,136,546	148	19,663,159	483	83,785,116	\$ 5.65	
2013 1q	416,798	14,716,172,166	1,248,393,189	1,282,395,887	8.7%	39,235,391	152	15,965,080	434	78,554,531	\$ 5.60	
2012	416,732	14,710,094,725	1,277,986,070	1,315,553,837	8.9%	131,152,242	529	53,827,218	383	58,001,749	\$ 5.54	
2011	416,467	14,677,398,877	1,371,798,736	1,414,010,231	9.6%	118,805,177	464	35,928,180	352	37,494,563	\$ 5.44	
2010	416,238	14,660,702,094	1,462,330,621	1,516,118,625	10.3%	19,553,044	607	35,780,433	348	30,316,203	\$ 5.48	
2009	415,829	14,645,265,222	1,456,660,216	1,520,234,797	10.4%	(156,979,991)	1,557	101,414,794	471	31,060,843	\$ 5.77	
2008	414,497	14,557,616,698	1,220,196,565	1,275,606,282	8.8%	73,868,622	3,460	223,402,842	1,249	92,097,198	\$ 6.31	
2007	411,304	14,356,241,887	1,105,115,785	1,148,100,093	8.0%	209,823,041	4,144	221,159,932	2,570	182,018,525	\$ 6.23	
2006	407,434	14,154,447,241	1,108,573,375	1,156,128,488	8.2%	242,035,476	4,551	238,278,841	3,187	188,687,811	\$ 6.03	
2005	403,173	13,933,958,196	1,126,515,247	1,177,674,919	8.5%	235,685,782	4,417	206,402,410	3,564	198,147,788	\$ 5.80	
2004	399,009	13,749,309,090	1,163,531,085	1,228,711,595	8.9%	178,762,720	4,086	174,755,861	3,477	173,394,505	\$ 5.60	

Source: CoStar Property® *Select markets included in this historical chart - see Methodology page.

OC Office – Vacancy Drops / Rents Rise

Total Office Market Statistics											Third Quarter 2014	
Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates	
	# Blds	TotalRBA	DirectSF	TotalSF	Vac %		# Blds	TotalRBA	# Blds	TotalRBA		
2014 3q	6,073	153,362,232	17,076,382	17,523,936	11.4%	611,735	4	513,817	5	164,362	\$24.07	
2014 2q	6,069	152,848,415	17,104,596	17,621,854	11.5%	1,123,124	2	387,671	9	678,179	\$23.62	
2014 1q	6,067	152,460,744	17,913,770	18,357,307	12.0%	(43,137)	1	469,000	10	1,023,299	\$23.29	
2013 4q	6,066	151,991,744	17,395,492	17,745,170	11.7%	77,312	0	0	10	1,470,988	\$22.95	
2013 3q	6,066	151,991,744	17,428,450	17,822,482	11.7%	71,449	2	129,548	9	1,461,988	\$22.67	
2013 2q	6,065	152,029,196	17,461,174	17,931,383	11.8%	748,990	3	139,960	8	1,335,840	\$22.35	
2013 1q	6,063	152,158,456	18,295,452	18,809,633	12.4%	527,954	3	94,504	11	1,475,800	\$22.23	
2012	6,060	152,063,952	18,735,255	19,243,083	12.7%	1,851,269	6	222,344	12	1,228,183	\$22.15	
2011	6,056	151,866,014	20,367,058	20,896,414	13.8%	2,501,977	9	433,115	7	797,948	\$22.60	
2010	6,050	151,637,500	22,473,864	23,169,877	15.3%	(359,621)	6	141,409	8	503,676	\$23.12	
2009	6,045	151,513,091	21,483,279	22,685,847	15.0%	(3,183,702)	18	577,537	6	173,026	\$25.21	
2008	6,030	150,966,324	17,569,732	18,955,378	12.6%	(1,016,482)	68	2,382,495	19	655,947	\$28.61	
2007	5,965	148,804,971	14,243,916	15,777,543	10.6%	(856,890)	148	5,100,470	69	2,281,335	\$31.17	
2006	5,822	143,904,836	8,416,611	10,020,518	7.0%	1,337,659	75	1,805,095	182	5,852,109	\$29.50	
2005	5,753	142,236,184	8,759,650	9,689,525	6.8%	4,699,386	60	1,029,150	92	3,761,287	\$26.37	
2004	5,699	141,327,360	12,039,490	13,480,087	9.5%	3,868,020	90	1,118,029	61	1,046,949	\$23.72	

Source: CoStarProperty®

OC Retail – Vacancy Drops / Rents Rise

Total Retail Market Statistics							Third Quarter 2014				
Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	TotalGLA	DirectSF	TotalSF	Vac %		# Blds	TotalGLA	# Blds	TotalGLA	
2014 3q	10,013	141,005,883	6,341,818	6,687,333	4.7%	250,685	3	32,040	14	1,060,630	\$ 22.83
2014 2q	10,015	141,045,675	6,571,005	6,977,810	4.9%	601,562	6	290,473	16	1,078,186	\$ 22.37
2014 1q	10,011	140,761,849	6,880,825	7,295,546	5.2%	108,174	4	27,000	19	974,529	\$ 22.10
2013 4q	10,008	140,743,535	6,922,247	7,385,406	5.2%	350,961	12	103,856	21	963,609	\$ 22.28
2013 3q	9,997	140,645,835	7,243,450	7,638,667	5.4%	397,113	6	53,606	28	1,016,682	\$ 22.10
2013 2q	9,992	140,602,529	7,569,363	7,992,474	5.7%	208,649	3	23,900	22	448,157	\$ 22.28
2013 1q	9,991	140,585,784	7,782,775	8,184,378	5.8%	(64,936)	2	7,050	16	411,631	\$ 22.14
2012 4q	9,990	140,581,491	7,772,944	8,115,149	5.8%	307,439	6	37,326	13	286,010	\$ 22.25
2012 3q	9,989	140,636,431	8,145,755	8,477,528	6.0%	180,689	8	117,861	14	131,351	\$ 22.20
2012 2q	9,982	140,522,156	8,166,875	8,543,942	6.1%	30,690	4	168,903	18	237,100	\$ 22.14
2012 1q	9,978	140,353,253	7,977,037	8,405,729	6.0%	16,831	8	93,860	17	367,026	\$ 22.39
2011	9,971	140,267,976	7,929,328	8,337,283	5.9%	330,408	16	294,902	17	407,142	\$ 22.40
2010	9,961	139,993,094	7,927,345	8,392,809	6.0%	(108,243)	11	283,054	13	142,890	\$ 22.67
2009	9,960	140,022,040	7,740,006	8,313,512	5.9%	(2,040,668)	22	410,032	9	293,901	\$ 25.05
2008	9,939	139,617,778	5,742,325	5,869,182	4.2%	(95,525)	44	1,496,575	12	370,352	\$ 27.98
2007	9,900	138,143,030	4,061,987	4,198,909	3.0%	1,935,341	54	1,677,857	31	1,362,850	\$ 29.95

Source: CoStarProperty®

OC Industrial – Vacancy Drops / Rents Rise

Total Industrial Market Statistics							Third Quarter 2014				
Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	TotalRBA	DirectSF	TotalSF	Vac %		# Blds	TotalRBA	# Blds	TotalRBA	
2014 3q	12,584	301,811,847	10,965,082	11,345,386	3.8%	1,516,073	5	339,445	4	625,950	\$ 8.93
2014 2q	12,579	301,472,402	12,146,471	12,522,014	4.2%	589,853	1	13,530	9	965,395	\$ 8.81
2014 1q	12,579	301,585,547	12,942,301	13,225,012	4.4%	578,591	2	240,813	10	978,925	\$ 8.79
2013 4q	12,579	301,491,615	13,505,426	13,709,671	4.5%	655,616	1	6,200	12	1,219,738	\$ 8.71
2013 3q	12,578	301,485,415	14,183,816	14,359,087	4.8%	1,004,376	4	411,800	5	356,951	\$ 8.48
2013 2q	12,579	301,656,523	15,320,880	15,534,571	5.1%	1,044,267	2	92,078	7	724,123	\$ 8.36
2013 1q	12,579	301,608,148	16,194,531	16,530,463	5.5%	731,956	0	0	6	503,878	\$ 8.24
2012	12,579	301,608,148	16,871,958	17,262,419	5.7%	525,965	2	31,225	5	402,078	\$ 8.08
2011	12,580	302,048,676	17,705,207	18,228,912	6.0%	2,277,793	0	0	2	35,000	\$ 8.03
2010	12,584	302,438,560	20,076,163	20,896,589	6.9%	(53,817)	6	701,161	0	0	\$ 7.82
2009	12,579	302,237,399	19,400,380	20,541,611	6.8%	(7,035,019)	0	0	2	196,500	\$ 8.64
2008	12,579	302,237,399	12,496,967	13,506,592	4.5%	(997,348)	66	1,359,836	1	184,000	\$ 10.26
2007	12,518	301,467,220	10,715,069	11,739,065	3.9%	938,314	86	1,551,308	58	1,328,647	\$ 10.40
2006	12,436	300,347,497	10,541,177	11,557,656	3.8%	2,174,137	69	1,869,278	79	1,559,032	\$ 9.84
2005	12,381	299,377,538	11,694,286	12,761,834	4.3%	3,560,279	120	1,521,676	74	1,644,884	\$ 9.16
2004	12,268	298,201,313	13,675,548	15,145,888	5.1%	6,218,833	88	1,514,286	113	1,369,069	\$ 8.37

Source: CoStar Property®

OC Office Submarket Performance Top 10/B 5

Total Office Submarket Statistics						Third Quarter 2014			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldg	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Seal Beach	29	621,715	24,381	24,381	3.9%	8,627	0	0	\$33.63
Fountain Valley	65	2,341,155	99,677	99,677	4.3%	504,625	476,671	0	\$22.08
East Orange	325	3,396,817	164,437	167,566	4.9%	8,594	0	0	\$23.61
Westminster	107	1,268,048	74,310	74,310	5.9%	9,843	0	16,000	\$21.99
Irvine Spectrum	382	12,101,606	723,467	769,762	6.4%	173,315	0	0	\$26.20
Tustin (South of I-5)	51	1,614,538	104,983	104,983	6.5%	36,035	0	0	\$21.77
Garden Grove	194	2,828,507	194,550	196,144	6.9%	13,836	0	0	\$17.26
Civic Center Area	348	6,547,354	504,328	504,328	7.7%	(27,198)	0	0	\$17.23
Los Alamitos/Stanton	123	1,640,118	145,019	145,019	8.8%	224	79,000	0	\$27.03
Laguna Niguel/Laguna	142	2,764,489	254,634	254,634	9.2%	29,293	0	0	\$31.10
Santa Ana	252	5,805,513	891,719	904,928	15.6%	(17,776)	0	0	\$19.06
Main Place Area	87	3,125,580	489,094	498,189	15.9%	(21,420)	0	0	\$24.89
Stadium Area	91	3,694,137	656,579	807,994	21.9%	(57,820)	0	0	\$22.47
Anaheim Hills	53	1,388,569	321,647	325,475	23.4%	(17,615)	0	0	\$23.74
South Santa Ana	15	2,418,120	618,749	618,749	25.6%	(36,151)	0	0	\$25.05
Totals	6,073	153,362,232	17,076,382	17,523,936	11.4%	1,591,722	1,370,488	164,362	\$24.07

Source: CoStar Property®

OC Retail Submarket Performance Top 10/B 5

Total Retail Submarket Statistics						Third Quarter 2014			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
South Santa Ana	3	45,446	0	0	0.0%	5,982	0	0	\$22.85
The City Area	13	884,848	3,324	3,324	0.4%	3,597	0	0	\$17.40
Seal Beach	170	1,415,287	25,139	25,139	1.8%	8,392	0	0	\$30.22
Newport Beach	556	4,943,856	108,352	112,627	2.3%	27,692	12,263	51,085	\$46.20
Laguna Niguel/Laguna .	332	4,360,031	107,562	107,562	2.5%	137,877	150,000	0	\$34.26
Costa Mesa	593	8,349,440	211,078	211,828	2.5%	11,896	0	0	\$27.49
East Orange	563	6,503,642	192,721	196,327	3.0%	62,994	3,000	0	\$21.97
Cypress	164	2,099,957	59,305	64,105	3.1%	13,930	0	0	\$17.71
San Juan Capistrano	565	6,162,117	150,801	195,801	3.2%	(19,686)	0	345,000	\$28.30
Fountain Valley	167	3,389,311	117,299	117,299	3.5%	88,319	0	0	\$21.93
Laguna Hills/Aliso V.	196	4,715,321	395,648	399,298	8.5%	(43,068)	40,440	0	\$27.02
Pacifica/Orange Lind.	204	3,132,289	208,945	277,100	8.8%	27,853	0	0	\$18.67
Stadium Area	73	1,025,055	106,448	106,448	10.4%	(23,686)	0	0	\$18.13
Main Place Area	89	2,363,150	356,816	356,816	15.1%	(54,641)	0	0	\$22.11
Huntington Beach Com .	1	6,000	2,274	2,274	37.9%	3,726	6,000	0	\$0.00
Totals	10,013	141,005,883	6,341,818	6,687,333	4.7%	960,421	349,513	1,060,630	\$22.83

Source: CoStar Property®

OC Industrial Submarket Performance T10/B5

Total Industrial Submarket Statistics						Third Quarter 2014			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldg	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Newport Beach Ind	62	1,071,705	0	0	0.0%	(96,117)	0	0	\$17.23
Seal Beach Ind	17	988,339	0	0	0.0%	0	0	0	\$8.76
Fountain Valley Ind	238	5,199,828	44,797	44,797	0.9%	2,024	0	0	\$8.74
La Palma Ind	17	1,859,689	22,288	22,288	1.2%	(22,288)	0	0	\$6.35
Westminster Ind	176	2,902,391	39,598	39,598	1.4%	6,750	0	0	\$11.13
Laguna Niguel/Laguna Beach	64	881,823	24,168	24,168	2.7%	(5,903)	0	0	\$15.13
Santa Ana Ind	1,830	35,804,465	1,101,429	1,126,976	3.1%	262,325	0	0	\$8.23
Anaheim Ind	2,116	50,040,297	1,590,582	1,676,739	3.4%	858,615	549,160	625,950	\$7.96
Los Alamitos/Stanton Ind	339	5,309,637	229,825	229,825	4.3%	23,320	0	0	\$9.29
Irvine Spectrum Ind	572	19,960,017	852,112	865,734	4.3%	387,417	0	0	\$11.39
Laguna Hills/Aliso Viejo Ind	208	4,339,029	175,969	196,924	4.5%	(40,528)	0	0	\$11.97
San Juan Capistrano Ind	347	5,257,139	218,518	260,246	5.0%	87,094	0	0	\$12.65
Fulerton Ind	509	19,213,290	961,162	994,852	5.2%	(16,473)	0	0	\$7.12
Irvine Ind	617	19,691,969	965,383	1,054,912	5.4%	180,312	13,530	0	\$9.85
Pasadena East Ind	1	4,890	4,890	4,890	100.0%	(4,890)	0	0	\$0.00
Totals	12,584	301,811,847	10,965,082	11,345,386	3.8%	2,684,517	593,788	625,950	\$8.93

Source: CoStar Property®

LA Office – Vacancy Drops / Rents Rise

Total Office Market Statistics											Third Quarter 2014	
Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates	
	# Blds	TotalRBA	DirectSF	TotalSF	Vac %		# Blds	TotalRBA	# Blds	TotalRBA		
2014 3q	17,700	424,571,500	48,544,872	49,723,998	11.7%	1,151,356	7	187,566	49	2,222,713	\$29.72	
2014 2q	17,697	424,711,239	49,856,423	51,015,093	12.0%	778,093	5	130,971	55	2,400,736	\$29.63	
2014 1q	17,694	424,809,268	50,598,709	51,891,215	12.2%	187,111	3	172,958	42	1,886,682	\$29.26	
2013 4q	17,696	424,746,177	50,520,340	52,015,235	12.2%	711,707	17	226,909	26	910,078	\$29.22	
2013 3q	17,682	424,780,796	51,173,486	52,761,561	12.4%	1,820,805	7	610,558	39	1,008,752	\$28.67	
2013 2q	17,678	424,359,354	52,586,605	54,160,924	12.8%	205,786	6	141,997	38	1,333,164	\$27.87	
2013 1q	17,674	424,233,245	52,597,278	54,240,601	12.8%	(1,043,296)	12	534,447	35	1,317,583	\$27.89	
2012	17,664	423,710,409	51,202,409	52,674,469	12.4%	1,758,180	32	1,370,023	34	1,652,738	\$28.32	
2011	17,646	423,063,263	51,682,329	53,785,503	12.7%	30,514	33	870,026	34	2,307,186	\$27.97	
2010	17,623	422,555,402	50,564,295	53,308,156	12.6%	(2,455,110)	45	1,280,523	37	1,719,787	\$27.77	
2009	17,591	421,811,589	46,234,061	50,109,233	11.9%	(6,313,804)	121	3,580,942	50	1,990,505	\$28.61	
2008	17,482	418,836,991	36,857,848	40,820,831	9.7%	(6,278,316)	194	3,548,340	128	4,628,740	\$31.23	
2007	17,311	416,073,138	29,016,685	31,778,662	7.6%	951,673	109	3,641,944	210	5,248,725	\$31.08	
2006	17,234	413,984,991	28,386,951	30,642,188	7.4%	4,095,780	85	2,236,526	138	4,629,293	\$27.79	
2005	17,175	412,791,716	30,978,568	33,544,693	8.1%	9,707,702	78	2,221,444	84	3,172,421	\$25.52	
2004	17,112	410,971,470	37,697,625	41,432,149	10.1%	5,981,582	72	2,454,278	78	3,382,723	\$24.11	

Source: CoStar Property®

LA Retail – Vacancy Drops / Rents Rise

Total Retail Market Statistics											Third Quarter 2014	
Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates	
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA		
2014 3q	45,382	455,923,656	21,390,408	22,103,161	4.8%	706,774	23	338,209	61	1,823,820	\$24.58	
2014 2q	45,368	456,141,863	22,317,359	23,028,142	5.0%	389,145	12	235,357	81	1,614,918	\$24.27	
2014 1q	45,362	456,065,995	22,456,797	23,341,419	5.1%	746,439	25	461,207	73	1,441,836	\$24.37	
2013 4q	45,342	455,623,648	22,782,420	23,645,511	5.2%	750,866	28	396,757	71	1,530,415	\$24.26	
2013 3q	45,327	455,355,515	23,279,021	24,128,244	5.3%	713,042	16	208,328	80	1,564,327	\$24.40	
2013 2q	45,316	455,259,186	23,849,527	24,744,957	5.4%	788,031	14	145,554	73	1,472,110	\$24.19	
2013 1q	45,306	455,189,481	24,612,735	25,463,283	5.6%	(10,154)	17	217,904	62	1,139,748	\$24.47	
2012 4q	45,302	455,079,646	24,446,602	25,343,294	5.6%	808,779	27	574,469	53	922,777	\$24.02	
2012 3q	45,285	454,591,166	24,766,141	25,663,593	5.6%	(588,450)	14	180,447	59	1,180,901	\$23.92	
2012 2q	45,275	454,446,069	23,992,628	24,930,046	5.5%	(1,330,569)	21	214,007	63	1,153,481	\$24.18	
2012 1q	45,263	454,307,506	22,492,241	23,460,914	5.2%	793,650	16	154,599	69	1,177,154	\$24.27	
2011	45,260	454,281,688	23,259,403	24,228,746	5.3%	2,152,134	84	2,077,511	63	876,806	\$24.15	
2010	45,222	453,001,792	23,934,866	25,100,984	5.5%	2,381,522	109	2,017,360	57	1,799,650	\$24.89	
2009	45,147	451,334,479	23,979,060	25,815,193	5.7%	(3,005,629)	156	2,804,171	102	2,263,052	\$26.37	
2008	45,021	449,034,726	19,615,600	20,509,811	4.6%	(1,292,858)	294	6,381,701	140	3,297,594	\$28.68	
2007	44,774	443,323,847	12,951,288	13,506,074	3.0%	5,234,566	275	5,433,609	239	6,305,066	\$29.93	

Source: CoStar Property®

LA Industrial – Vacancy Drops / Rents Rise

Total Industrial Market Statistics										Third Quarter 2014	
Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	36,963	986,525,966	34,678,064	36,192,564	3.7%	3,048,453	5	868,091	17	1,842,072	\$ 8.11
2014 2q	36,958	985,657,875	36,875,563	38,372,926	3.9%	4,199,557	9	292,023	20	2,355,739	\$ 7.96
2014 1q	36,956	985,644,599	40,957,555	42,559,207	4.3%	3,114,605	9	309,508	22	2,160,028	\$ 7.77
2013 4q	36,954	985,527,474	43,806,231	45,556,687	4.6%	3,849,038	9	1,081,300	21	1,338,450	\$ 7.61
2013 3q	36,951	984,572,524	46,809,935	48,450,775	4.9%	2,256,501	4	753,761	23	2,079,803	\$ 7.46
2013 2q	36,951	984,032,031	47,973,186	50,166,783	5.1%	(578,716)	10	892,875	20	2,637,213	\$ 7.25
2013 1q	36,949	983,282,919	46,632,203	48,838,955	5.0%	451,495	5	387,683	23	3,316,800	\$ 7.25
2012	36,950	983,034,287	46,940,781	49,041,818	5.0%	3,699,609	36	3,013,258	18	1,107,351	\$ 7.13
2011	36,946	982,131,993	49,590,373	51,839,133	5.3%	1,821,990	24	1,972,130	21	1,959,342	\$ 6.92
2010	36,945	981,612,247	49,870,335	53,141,377	5.4%	(3,210,260)	34	987,144	13	1,558,375	\$ 6.99
2009	36,946	981,698,895	46,649,090	50,017,765	5.1%	(8,365,570)	101	3,684,969	28	643,821	\$ 7.52
2008	36,891	980,686,992	37,321,272	40,640,292	4.1%	(8,809,363)	134	4,292,414	75	2,939,888	\$ 8.61
2007	36,800	977,983,948	26,770,642	29,127,885	3.0%	1,362,537	177	6,077,310	105	4,092,468	\$ 8.67
2006	36,678	975,130,477	25,726,251	27,636,951	2.8%	13,268,324	228	9,185,860	139	5,187,631	\$ 7.80
2005	36,499	968,072,290	32,461,643	33,847,088	3.5%	14,200,835	231	10,680,485	171	7,094,612	\$ 7.43
2004	36,315	959,357,846	37,175,237	39,333,479	4.1%	12,359,338	218	8,354,795	195	8,580,113	\$ 7.43

Source: CoStar Property®

LA Office Submarket Performance Top 10/B 5

Total Office Submarket Statistics						Third Quarter 2014			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	TotalRBA	DirectSF	TotalSF	Vac %	Absorption	Deliveries	ConstSF	Rates
Santa Paula/Som is	76	282,328	7,325	7,325	2.6%	15,190	0	0	\$14.08
Film ome/NE County	34	99,669	2,697	2,697	2.7%	0	0	0	\$15.60
Ojai/NW County	96	380,679	11,068	11,568	3.0%	(4,579)	0	0	\$17.00
Studio/Universal Cit.	289	4,141,062	212,888	230,460	5.6%	(5,060)	0	0	\$36.20
Santa Monica Mountain	47	870,602	49,092	52,092	6.0%	(3,981)	0	0	\$41.48
Western SGV	767	12,120,356	756,962	759,212	6.3%	19,899	0	0	\$23.61
Mid-Cities	1,005	10,342,507	652,470	658,415	6.4%	54,217	0	41,000	\$21.67
Hollywood/SilverLak.	698	10,689,491	696,962	699,220	6.5%	(4,355)	0	691,234	\$38.19
Santa Monica	559	15,122,342	969,447	1,048,906	6.9%	152,444	0	0	\$47.50
Southeast Los Angele.	589	8,555,625	603,935	605,335	7.1%	18,901	0	0	\$21.23
Cam arillo/Point M ugu	142	2,903,772	463,335	464,004	16.0%	47,044	0	0	\$21.52
El Segundo	195	16,281,151	2,583,050	2,605,676	16.0%	(311,287)	31,449	209,518	\$32.55
Mid-Wilshire	310	13,750,386	2,209,688	2,223,868	16.2%	185,850	0	0	\$20.15
Marina Del Rey/Venice	359	8,749,557	1,418,893	1,584,908	18.1%	292,930	0	70,299	\$39.86
LAX	242	6,152,413	1,839,405	1,876,601	30.5%	(40,933)	0	0	\$18.68
Totals	17,700	424,571,500	48,544,872	49,723,998	11.7%	2,116,560	491,495	2,222,713	\$29.72

Source: CoStarProperty®

LA Retail Submarket Performance Top 10/B 5

Total Retail Submarket Statistics						Third Quarter 2014			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Century City	4	924,093	0	0	0.0%	0	0	0	\$0.00
El Segundo	163	2,244,838	26,983	26,983	12%	10,554	0	82,606	\$46.43
Orange County	183	691,839	9,994	9,994	14%	1,074	0	0	\$2125
West Los Angeles	635	4,367,620	84,770	84,770	19%	37,573	0	0	\$3155
Camden/Point Mugu	246	3,882,437	76,825	76,825	2.0%	9,651	0	7,600	\$24.29
Culver City	1,230	11,401,297	233,541	233,541	2.0%	(3,064)	1,600	64,225	\$27.27
North Hollywood	891	6,305,785	126,033	131,576	2.1%	3,257	0	1,500	\$26.77
Sherman Oaks	340	3,423,011	71,988	72,888	2.1%	32,038	0	3,850	\$37.69
Glendale	1,877	13,817,057	368,208	368,208	2.7%	113,207	12,385	15,870	\$26.96
Santa Monica	764	6,499,918	182,659	188,067	2.9%	30,934	32,803	675	\$56.15
Antelope Valley	1,114	15,639,827	1,139,542	1,441,242	7.3%	109,934	11,200	80,563	\$14.04
Long Beach: Downtown	931	6,612,404	479,757	483,577	7.3%	(38,674)	0	0	\$26.06
Greater Downtown	1,911	22,087,066	1,708,472	1,722,119	7.8%	47,447	0	148,147	\$26.24
Tarzana	235	2,089,816	169,104	170,728	8.2%	3,052	0	0	\$26.32
Olympic Corridor	198	2,084,884	201,852	201,852	9.7%	(61,933)	0	0	\$33.35
Totals	45,382	455,923,656	21,390,408	22,103,161	4.8%	1,842,358	1,034,773	1,823,820	\$24.58

Source: CoStar Property®

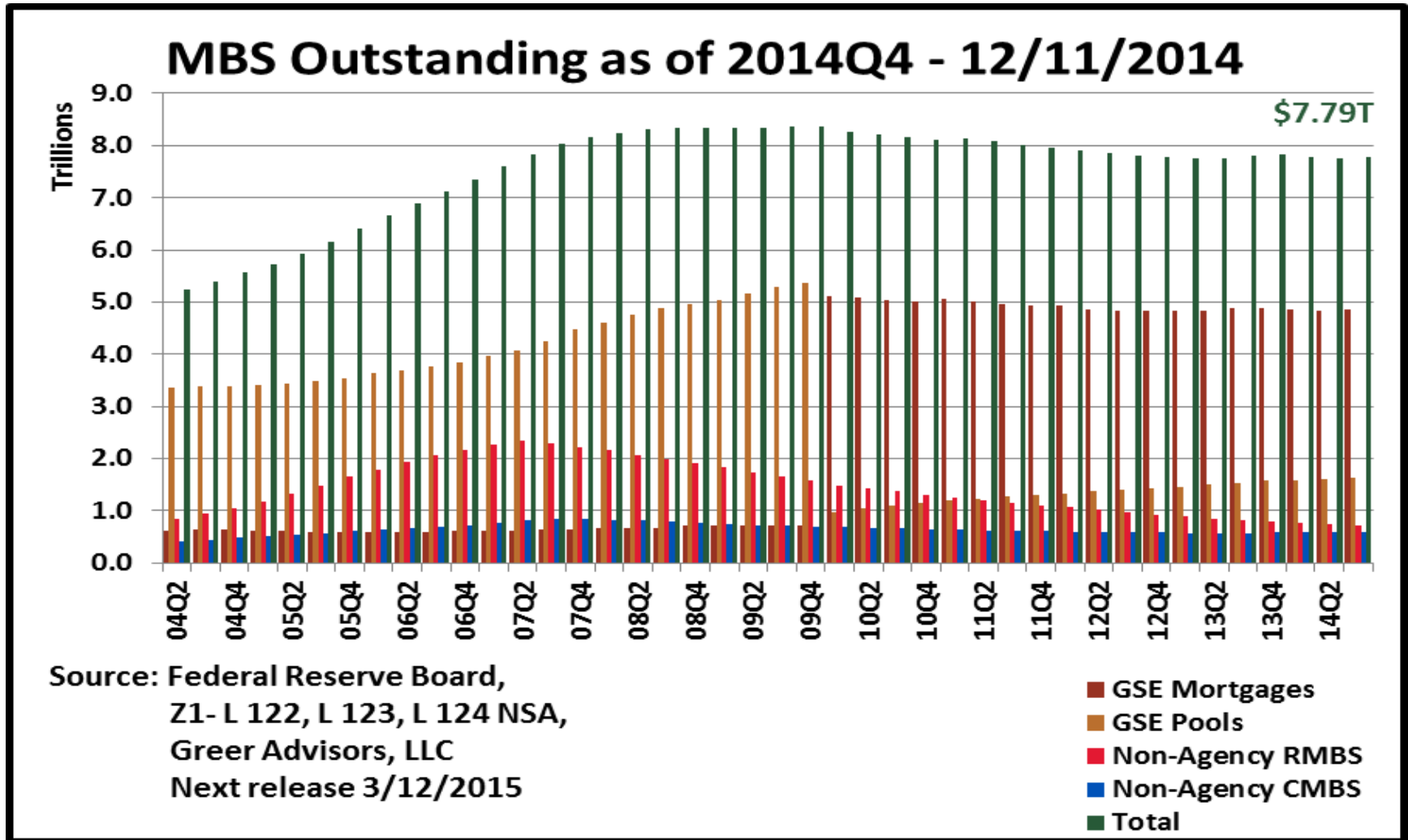
LA Industrial Submarket Performance T10/B5

Total Industrial Submarket Statistics						Third Quarter 2014			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	TotalRBA	DirectSF	TotalSF	Vac %	Absorption	Deliveries	ConstSF	Rates
Topanga/Malibu .	1	2,271	0	0	0.0%	0	0	0	\$0.00
Lakewood Ind	21	360,177	500	500	0.1%	0	0	0	\$7.80
San Gabriel Ind	94	1,305,559	3,800	3,800	0.3%	27,758	0	0	\$10.00
Rosemead Ind	77	1,569,570	5,193	5,193	0.3%	2,496	0	0	\$4.36
Torrance Central .	173	2,849,342	20,790	20,790	0.7%	63,461	0	0	\$8.28
South El Monte .	566	6,292,908	58,670	58,670	0.9%	89,506	0	7,500	\$7.99
Wilmington Ind	186	3,110,208	32,932	32,932	1.1%	104,314	0	0	\$6.67
Lynwood Ind	184	5,536,390	83,076	83,076	1.5%	(32,971)	0	0	\$6.34
South El Monte .	280	2,624,025	41,264	41,264	1.6%	(15,594)	11,700	0	\$7.67
West Covina/Wal	145	3,202,642	53,697	53,697	1.7%	2,864	0	0	\$11.36
Moorepark/Silver .	426	12,431,729	786,524	798,024	6.4%	464,204	0	0	\$7.45
Temple City Ind	26	320,611	21,706	21,706	6.8%	(2,150)	0	0	\$7.84
La Habra Ind	221	13,686,728	972,756	978,167	7.1%	(58,287)	0	0	\$6.35
Torrance NE Ind	283	15,048,659	1,436,654	1,456,125	9.7%	(16,523)	0	0	\$7.41
Pasadena Ind	263	3,670,735	525,866	594,499	16.2%	(94,246)	0	0	\$18.88
Totals	36,963	986,525,966	34,678,064	36,192,564	3.7%	10,362,615	1,469,622	1,842,072	\$8.11

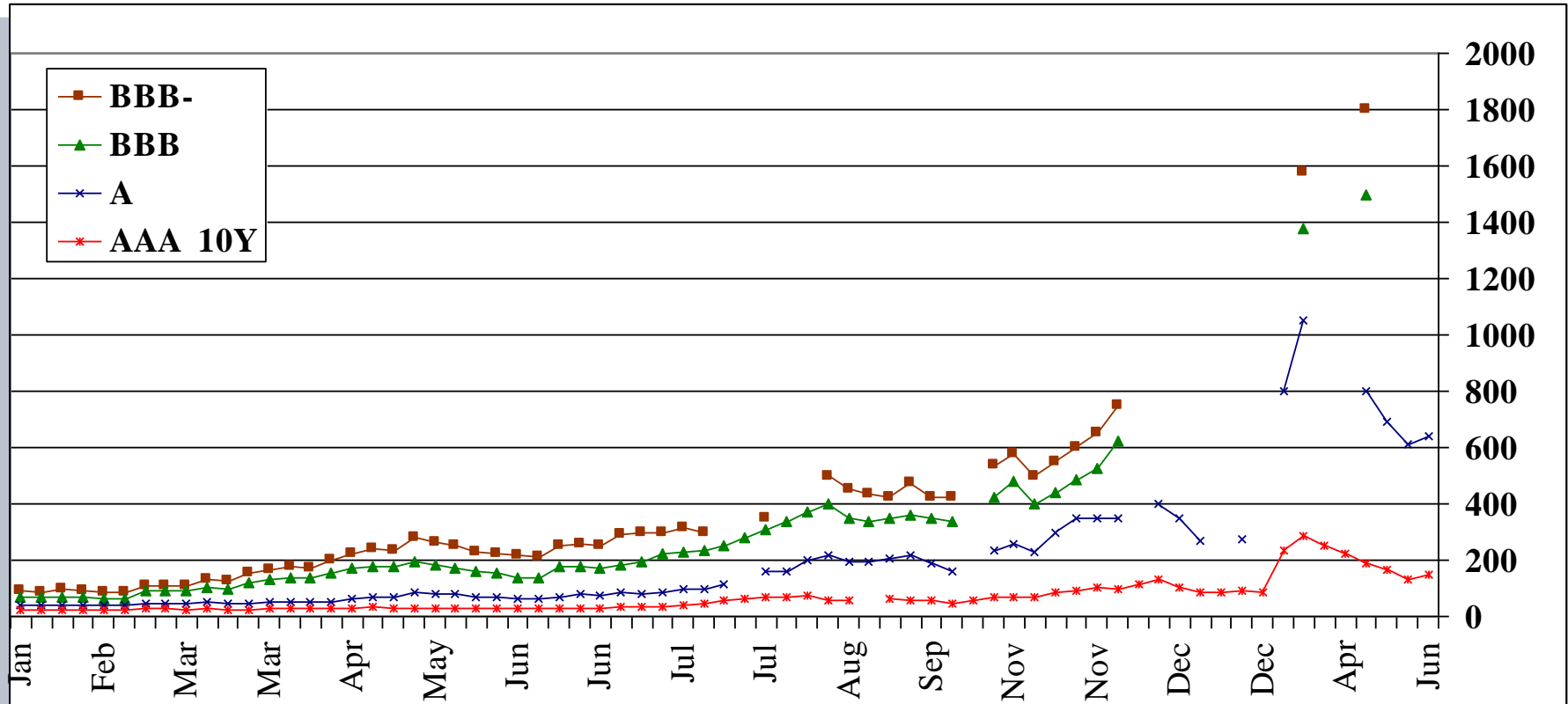
Source: CoStarProperty®

- Real Estate Capital Markets

MBS Outstandings



CMBS Yield Spreads (Spread to Swap)



Source: CM Alert, Greer Advisors, LLC

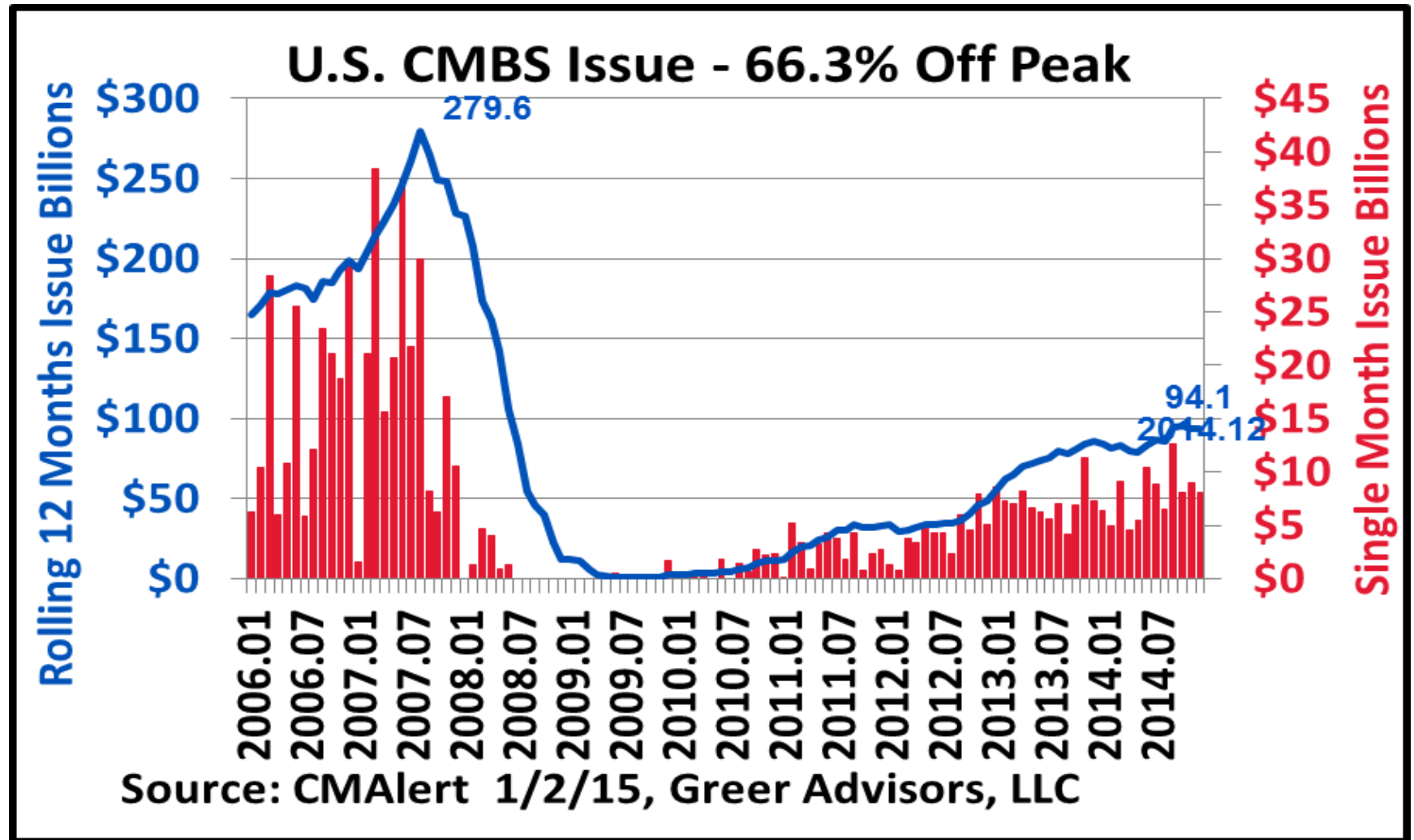
Note: X-axis not to scale. Spreads are "over swaps" for 10-year Treasuries.

Note: Last this is what I sent throughout BofA in mid 2007.

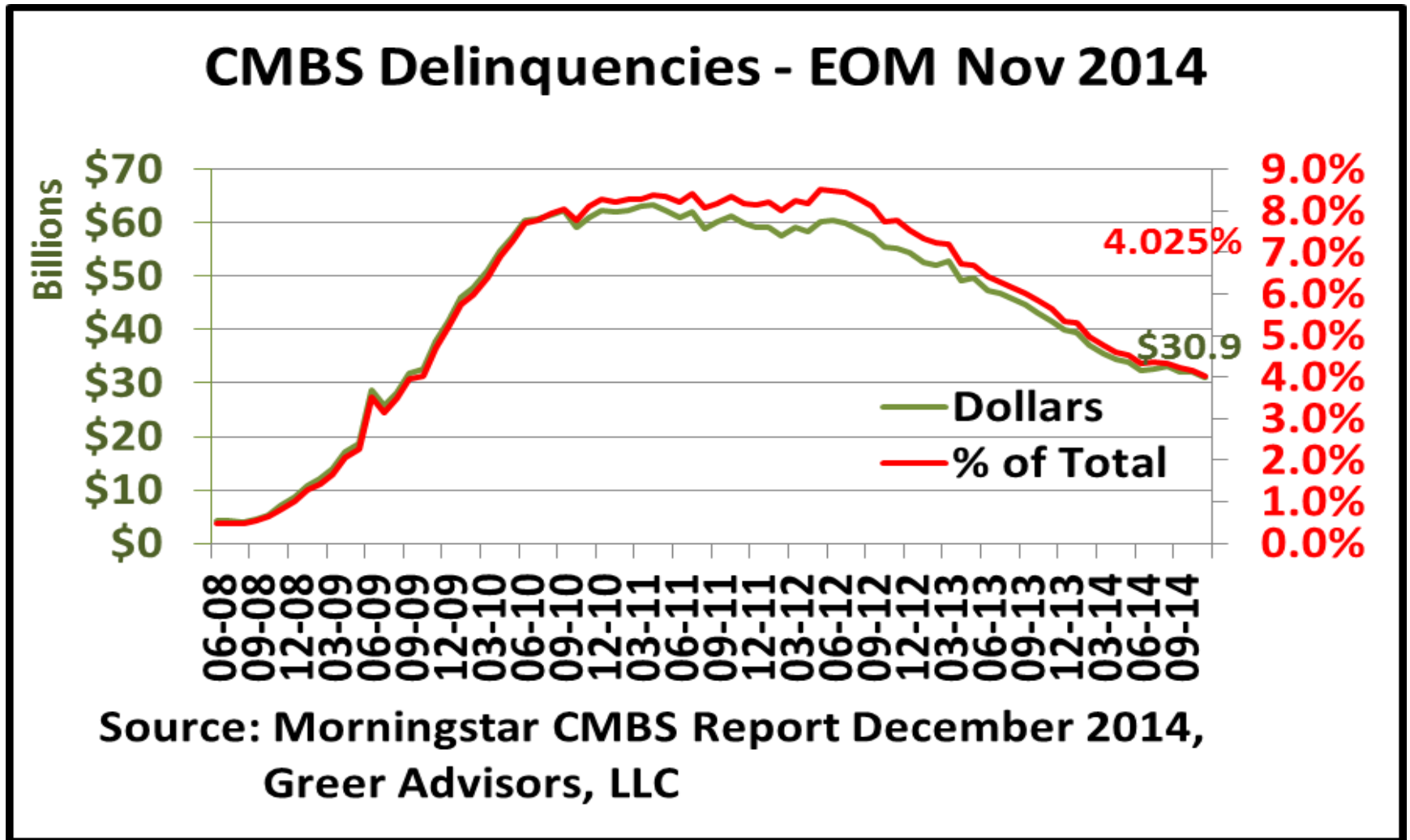
27 Also sent prior versions early 2007

Greer Advisors, LLC

CMBS Issuance - Rising from Floor



CMBS Delinquencies – Rise & Fall



Synthetic CMBX Yields (Spreads to Swaps) – See Risk

Greer CMBS / CMBx Yield RateTM				
Tranche	Yield	Suboord	% of Capital Stack	Contribution to Total
CMBX.NA.AAA.6	2.59%	30.9%	69.1%	1.79%
CMBX.NA.AS.6	3.09%	21.1%	9.8%	0.30%
CMBX.NA.AA.6	3.58%	15.7%	5.4%	0.19%
CMBX.NA.A.6	4.07%	12.1%	3.6%	0.15%
CMBX.NA.BBB-.6	5.09%	6.9%	5.2%	0.26%
CMBX.NA.BB.6	7.10%	5.3%	1.6%	0.11%
All others	13.00%	0.0%	5.3%	0.69%
Implied Overall Debt Yield (Interest)			100.0%	3.50%

Notes: ① The table is somewhat complicated, as evidenced by the numerous footnotes. Several conclusions can be drawn. 1) If the 'Implied Overall Debt Yield' is greater than loan rates in the marketplace, the CMBS market CAN NOT recover because the required bond yields are too high to make debt affordable to borrowers. 2) When the spread between AAA and BB tranches is high, say above 500 bps (now at 451 bps), the market can't recover because of risk aversion for lower-rated tranches. In January 2007, spreads between the AAA Sr tranche and BB tranches were around 65 bps. For most of late 2008 through 2012 and most of 2013, spreads were near 10,000 bps. Lastly, the yields for each tranche provide tremendous insight into the pricing of risk premiums for each layer in the capital stack.

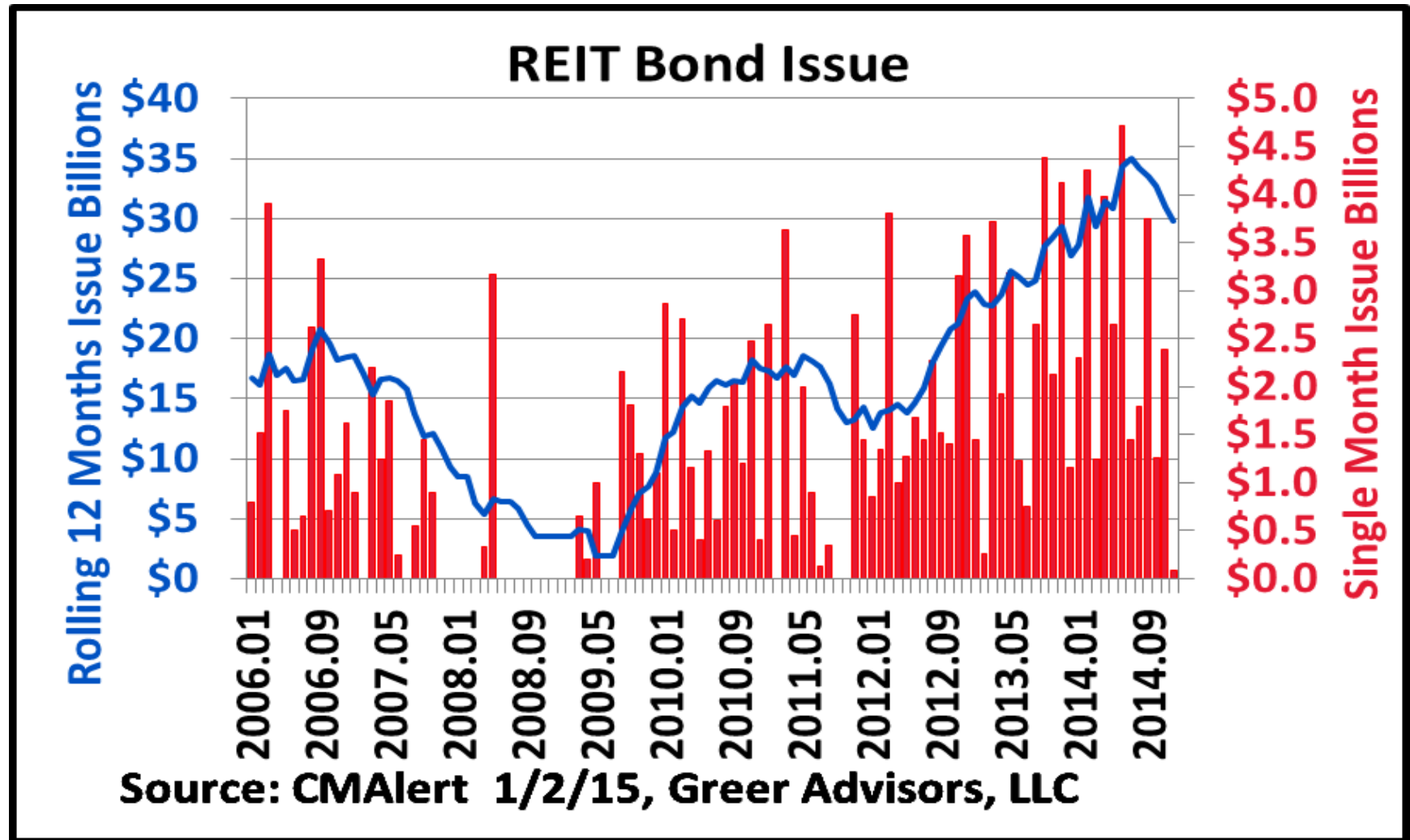
② MarkitTM Data and Calculations based on close of 1/7. Swap (10Yr) as of 1/6. CMBx prices are based on Series 6 data. Subordination levels are based on average credit enhancement.

③ Coupon and Price data were from MarkitTM for AAA Senior through BB bonds. MarkitTM data was used as part of the calculations by Greer Advisors, LLC to determine yields.

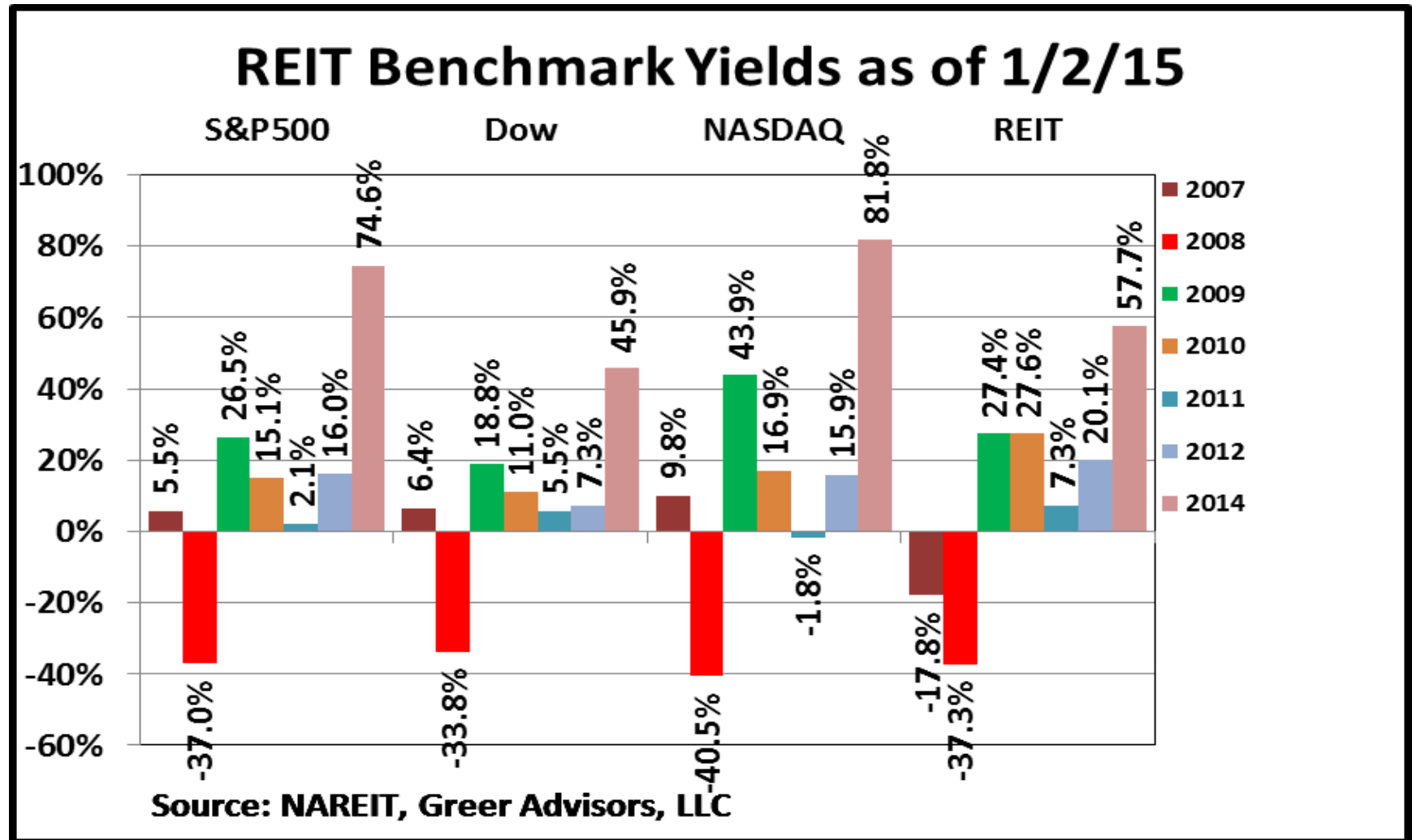
④ Profit / arbitrage opportunity for the issuer was ignored.

⑤ The yield for 'All Others' class was based on the yield spread between the BB yield (7.10%) and the BBB- yield (5.09), times 4.0 (8.02), plus the yield on the BBB- class, rounded to the nearest bp.

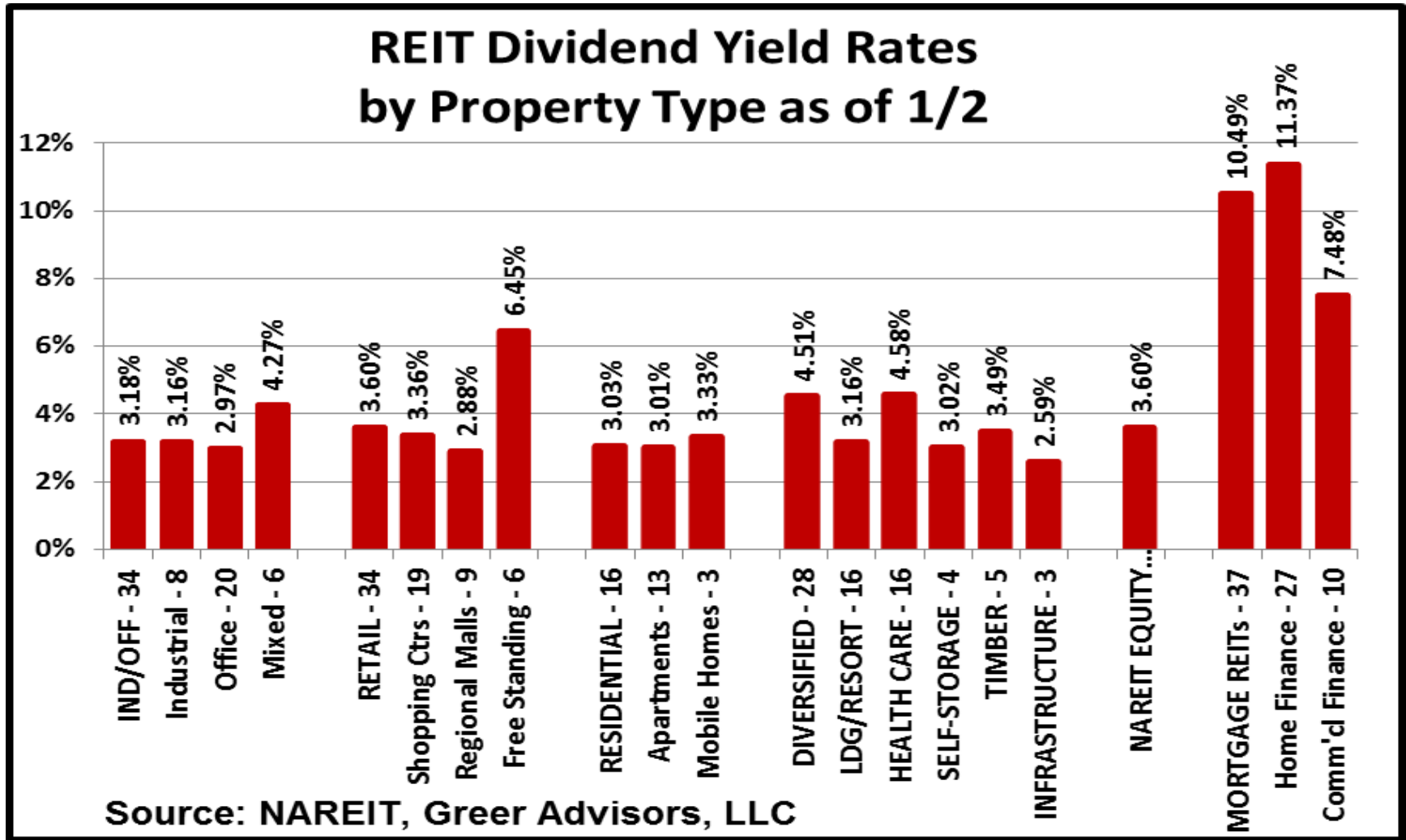
REIT Bond Issuance



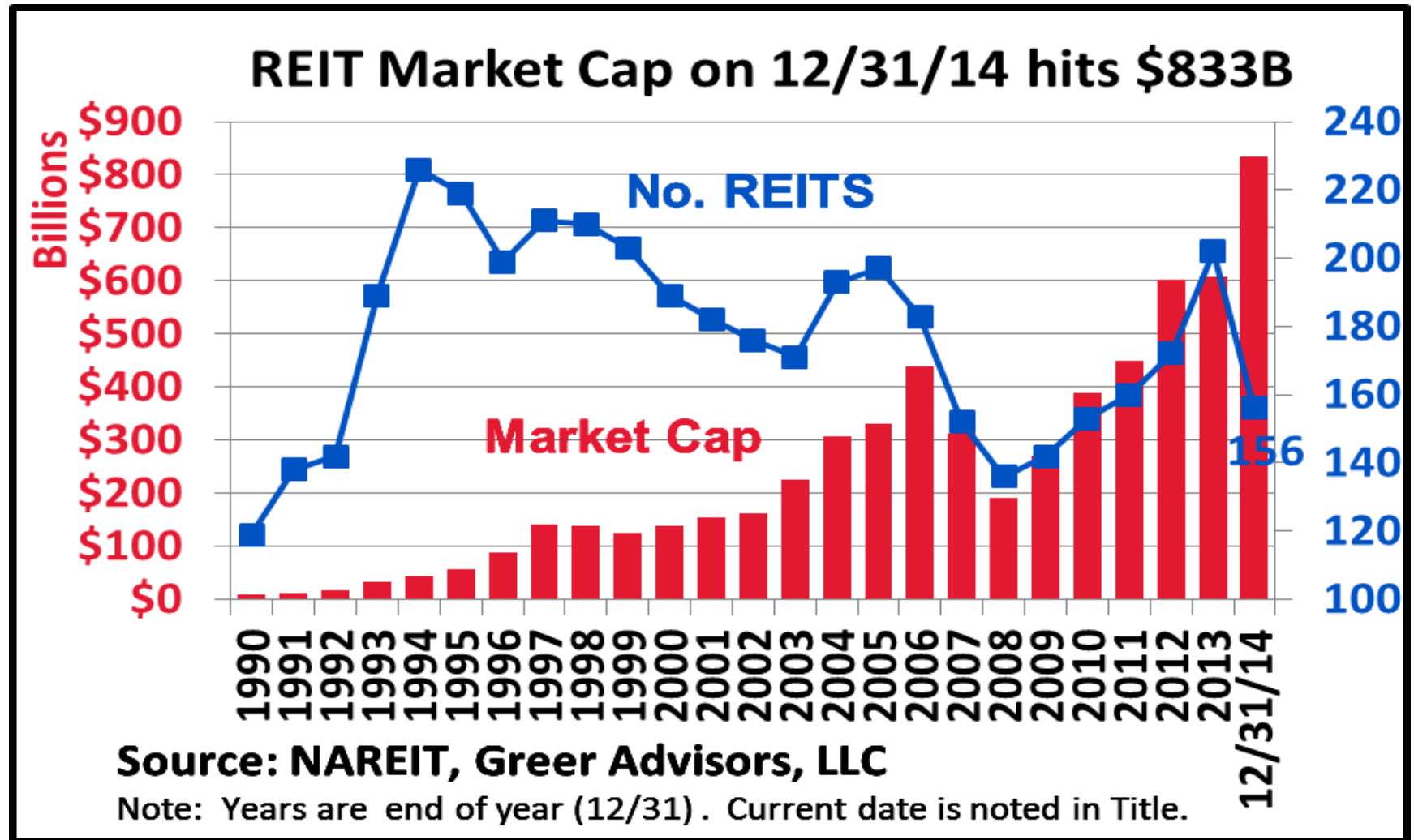
REIT Benchmark Yields



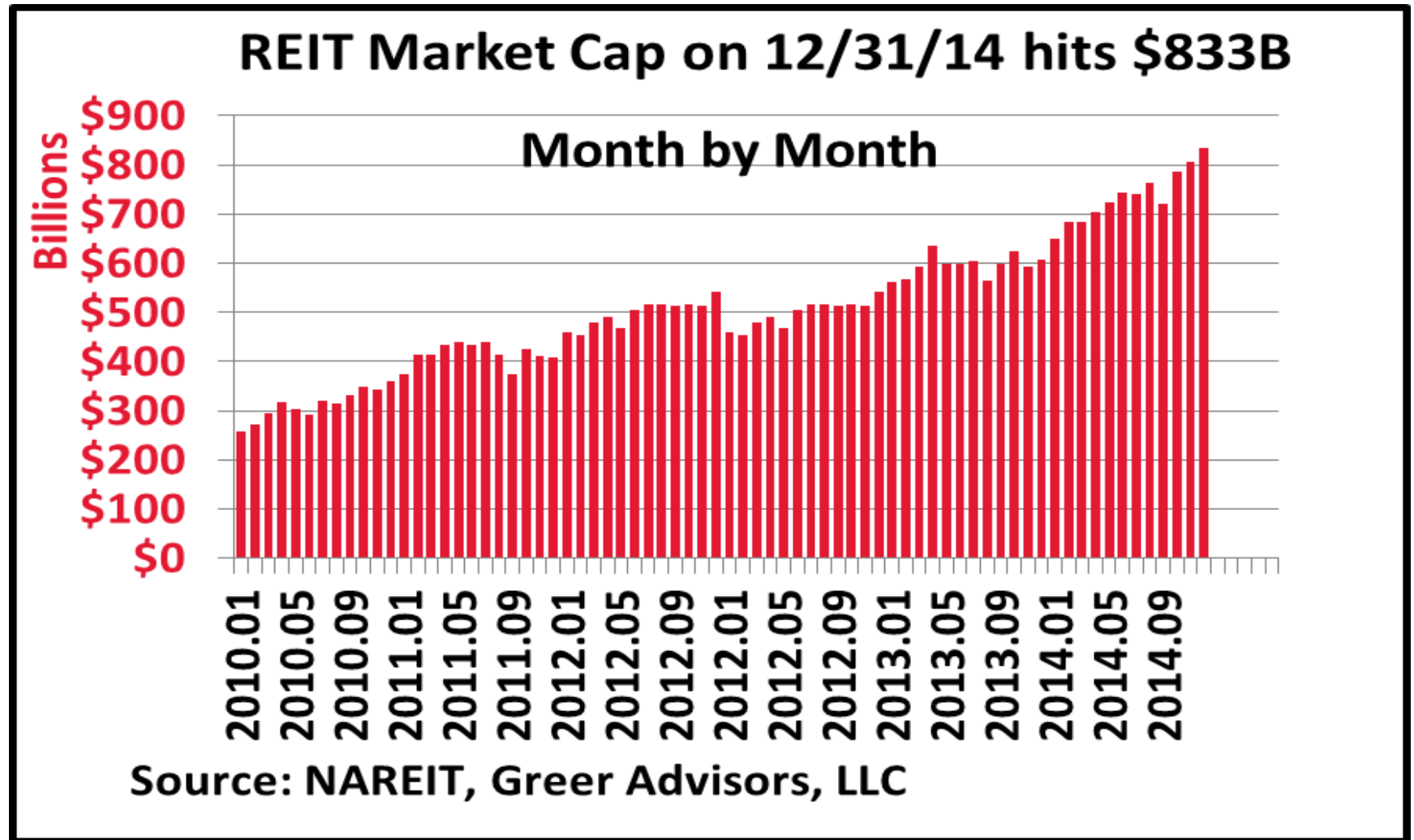
REIT Yields by Property Type



REIT Market Capitalization – Long Term



REIT Market Capitalization – Short Term



Conclusions

- Rents & Vacancies have Improved Across the Country
- Rents & Vacancies have Improved in SoCal
- Tech & Oil Markets have Improved the Most
- CMBS is still is finally recovering
- REITs are “Off the Charts”

Questions / Answers

A red and black road bicycle is the central focus, positioned on a light-colored tiled floor against a plain white wall. The bike features a red frame with black accents and 'GIRO' branding. It is equipped with black wheels, a black saddle, and black handlebars with red grips. A white water bottle is mounted on the handlebars. In the foreground, a black and red Giro helmet and a pair of red and black cycling shoes are placed on the floor. The text 'Greer Advisors, LLC' is overlaid on the image in a large, black, serif font, flanked by horizontal lines.

Greer Advisors, LLC

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