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Commercial Values Begin to Stabilize

NEW YORK CITY-The rate of decline for commercial real estate valuations is slowing across the country, says Integra Realty Resources in its fourth-quarter Commercial Property Index, issued Tuesday. Jeffrey Rogers, president and COO of Integra, tells GlobeSt.com the deceleration in declines has happened sooner than some experts had assumed. The reason is that, "We had such a steep drop to begin with," says Rogers. "From peak to trough, we're off about 42%. You're not going to fall to zero; there's going to be some base level in line where the economy is right now, and we just see it leveling out." Even with that rapid descent, says Rogers, "we are projecting further declines into next year, and the reason is that we have not seen demand come back yet." One factor behind that, he says, is that "we have too much of everything. We overbuilt during this run-up, and it will take some time to absorb all of that." Integra projects that valuations will continue easing downward until the end of the second quarter in **2010, with a 5% decline over the next six months, compared to the 11% to 17% drops seen this year.**

Complete article located at

http://www.globest.com/news/1554_1554/newyork/182563-1.html

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