

Real Estate Daily News Buzz

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✘ **Real Estate Daily News Buzz** is designed to give news snippets to readers that our (yet to be award winning) editors thought you could use to start your day. They come from various **business perspectives, real estate, government, the Fed, local news, and the stock markets** to save you time. Here you will find the headlines and what the news buzz of the day will be.

Thursday, the Dow Jones industrial average dropped 254.56 points, or 1.6%, to 15,660.18. The average had been down as much as 411 points. The Standard & Poor's 500 lost 22.78 points, or 1.2%, to 1,829.08. The NASDAQ composite fell 16.76 points, or 0.4%, to 4,266.84.

Benchmark U.S. crude oil fell for the sixth day in a row, sliding \$1.24, or 4.5%, to \$26.21 a barrel in New York. Brent crude, a benchmark for international oils, dropped 78 cents, or 2.5%, to \$30.06 a barrel in London. Natural gas fell 5 cents, or 2.5%, to \$1.99 per 1,000 cubic feet. Wholesale gasoline was little changed at 94 cents a gallon and home heating oil was flat at 98 cents a gallon.

[Yellen: Fed Not Likely to Reverse Course on Rates Despite Risks](#) "Tightening financial conditions and uncertainty over China pose risks to the U.S. recovery, but chances are slim the Federal Reserve would need to reverse the rate tightening cycle it began in December, Fed Chair Janet Yellen told U.S. lawmakers on Wednesday. Global risks have intensified and could slow the U.S. economy, but 'I don't expect the (Federal Open Market Committee) is going to be soon in the situation where it is necessary to cut rates,' Yellen said." (*Reuters*)

[Executive Bonuses at Issue in Brixmor's Admission of Altered](#)

Results “Bonuses could be behind the misconduct to which a real estate investment trust has admitted, resulting in the resignations of several top executives. On Monday, Brixmor Property Group said the company smoothed income items to achieve consistent growth in a metric called ‘same property net operating income.’ While that’s not a number that matters, according to Generally Accepted Accounting Principles, the standard for public companies, it is one that is paid attention to in the REIT business.” (*MarketWatch*)

Is a Home the New Luxury Item? “As finances and bad credit prevents homeownership for many, a single-family home may soon be considered a luxury item. Almost half of those people who don’t own a home said their financial situation is standing in the way, according to a report by Bankrate.com released Tuesday. Additionally, 29 percent said they can’t afford a down payment and 16 percent said their credit isn’t good enough to qualify for a mortgage.” (CNBC)

These Renters Were Hit the Hardest by the Financial Crisis “The financial crisis turned a lot of Americans into renters, because they couldn’t keep paying their mortgage, or because high unemployment and stagnant wages in the ensuing years forced them to put off home ownership. A new report from real estate website Trulia seeks to identify the groups that lost the most purchase on the dream of home ownership during the recession.” (*Bloomberg*)

Developer of Controversial Super-Tall Condo Tower Faces Foreclosure “The developer of a proposed supertall condo tower in Sutton Place that has drawn opposition from residents in the tony Manhattan neighborhood is facing foreclosure by one of its lenders. Gamma Real Estate, a real estate investment and lending firm operated by N. Richard Kalikow, has started to take steps to seize the project, located at 426-432 E. 58th Street and owned by Bauhouse Group. Gamma holds as much as \$128.8 million in loans against the property, including mezzanine debt.” (*Crain’s New York Business*)

San Francisco Real Estate Looking Like it did Before Dot-Com Crash in 2000 “Surging rents, skyrocketing real-estate prices and a booming tech sector. Sounds like San Francisco in 2016, right? It also describes the city just before the tech bust of 2000, according to a recent report. John Burns Real Estate Consulting of Irvine, Calif., and Pacific Union, a San Francisco real-estate brokerage, say that based on the appreciation (and apparent correlation) of venture-capital deals and rent prices, the Bay Area’s rapid property-value and rental-cost appreciation today is looking more like a repeat of the dot-com bust of 2000.” (*MarketWatch*)

America’s Emptiest and Fullest Cities “The start of the spring housing market is days away, but anyone pounding the pavement or putting up the for sale sign knows there is not a lot out there. Great for sellers, not so much for buyers. What about vacant homes? These may be the best bargains available. Sure, they’ll need some loving care in a lot of cases, but if the price is right, the work will come.” (CNBC)

Richard Meier on the Buildings He Wishes He’d Designed “WHEN YOU’VE WORKED as an architect for half a century, as Richard Meier has, finding new frontiers can be a struggle. In an interview, Mr. Meier—who’s produced so many achromatic spaces he rivals Moby-Dick when it comes to branding white—offered insights on an unexpectedly colorful painting in his home, arrogant buildings and the commissions he wishes he’d gotten.” (*Wall Street Journal*)

These 5 Buildings Could Become Chicago Tech’s Next Merch Mart “When you visualize the key spots on the Chicago tech map, you picture the Merch Mart, home of 1871, Motorola, Braintree, and Rise Interactive, or the Civic Opera House, which holds Tech Nexus and the ITA, or the spacious lofts in River North or the West Loop. Basically, you picture buildings that were once known for one thing – fashion, music, meatpacking, etc. – and have since been converted into hip, tech-friendly properties. So, what existing, stale buildings in the city will be the

future homes and hubs of the industry?" (*ChicagoInno*)

[Whole Foods is Undergoing a 'Fundamental Transformation,' Says Co-CEO](#) "If you want to see the future of Whole Foods, go check out the first of the company's new 365 line of stores when it opens in Los Angeles in May. The company has signed a total of 13 leases for the 365 chain, which executives say will 'leap frog' ahead of the flagship in areas like smarter service and technology." (*Fortune*)