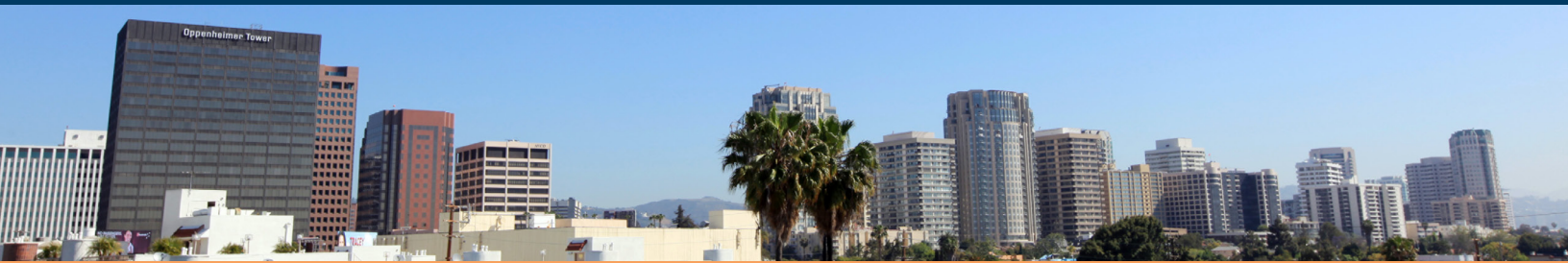




WESTSIDE

REAL ESTATE REVIEW



A summary of sales, transactions and development on the Westside.

Back from the brink Now where do we go from here...

We have endured a rough ride these past two years, both in our pocketbook and apartment properties. It is hard to believe we made it through these times – our economic hard drive having nearly crashed.

Yet, we DID persevere – banks are back to making billions, the stock market, while far off the original highs, has fought its way back from a deep freeze. And there are signs of economic activity – people are buying again, even increasing their debt! Nope – its not “back to normal” but we are back from the brink – we can ALMOST breathe a sigh of relief..

But yet, we do have a ways to go. It is clear that the bursting of the housing bubble will have a long lasting drag on our economy. The gains logged as a result of those erroneous home purchases have been wiped away. More importantly, they are not coming back anytime soon. Many of those who bought their homes should never have done so – they bought lots of stuff for those homes, creating a huge positive ripple effect which propelled the economic surge. Unfortunately, this was never real; the jobs, new companies, and new stores were all a mirage. We were drunk on consumption – we must now live with the hangover.

While job creation has begun, it is far from where it needs to be in order for an economic expansion to be sustained. We lost more than

8 million jobs – we need to see several hundred thousand jobs being created monthly, for an extended period of time, before we can see the fruits of an upswing. What’s most troubling is that the rate of “long term” unemployed is at the highest ever – a record 44% have been without a job for 6 months or more – this is bound to cast a pall over any recovery which gains traction.

Most apartment owners have felt their income depleted – rents have fallen dramatically throughout the Westside – anywhere from 10-25%, possibly more. Although the decline seems to have stabilized, there is still a large vacancy rate, with new “for rent” signs sprouting up daily. Again, unemployment is the culprit - until we see companies adding to their payrolls, let alone new businesses emerge, there will be slim pickings from the pool of prospective tenants. The expected lack of demand will result in rent levels remaining mostly flat. What’s more, I don’t see anything which will change these conditions in the near future.

So, the bottom line is that most owners will be needing some type (Continued on back...)

back page:

**YOUR
PROPERTY
MATTERS
& LOCAL
DEVELOPMENTS**



OUR STORY

Silton Properties is a full-service real estate company dedicated to serving Westside apartment owners.

As a family owned business, serving Los Angeles' Westside for over thirty years, owners have depended upon Silton Properties to effectively manage, lease and sell their investment properties.

Most important, we are an owner's ongoing real estate consultant, available to advise on many issues, well beyond managing your real estate.

As owners ourselves, we approach each building from an "owners perspective". It is our attention to your goals and the bottom-line that sets us apart from the rest!

Your Property Matters

RECENT ULI CONFERENCE – "People are talking about the need for housing, but they are not talking about demand. The composition of the population is changing dramatically, This is really favorable for multifamily because a larger portion of the population will never be able to afford a house," says Stephen D. Cauley, director of research for UCLA's Richard S. Ziman Center for Real Estate. Based upon this analysis, multi-family investments should be especially strong due to the favorable change in demographics. Want to know more... call us

UPDATE: MOLD – It appears mold is not the "four letter word" it once was. Take for example a recent California case where a tenant sued because of possible mold under a carpet due to a previous flood. The court stated "the implied warranty of habitability does not require a Landlord ensure that leased premises are in perfect, aesthetically pleasing condition, but it does mean that 'bare living requirements' must be maintained." It used to be landlords ran for cover whenever the word "mold" was uttered. Now, it seems courts are slowly turning the tables, especially because more studies are being published which downplays the effects of mold.

YOU MAY NEVER KNOW if an applicant has been successful in an eviction court case. That's because these records are sealed for 60 days after an owner files a case. And, if a tenant wins, they are PERMANENTLY sealed. What can you do? On your application, ask the question "Have you ever been a party an in unlawful detainer action?" Your application should have language that if they provide false information, these can be grounds for denying an application. By adding this question, you have the chance of learning some information that would otherwise be now left out of a credit report. And, if you would like assistance in evaluating a prospective resident, feel free to call.

RENT COMPS – Keeping a current rent survey is always an important tool in running a tight ship. Do you know what it takes to complete and maintain accurate information? Well, you start by "budding up" with neighboring owners and/or resident managers – they'll gladly share their information. Then, you will need to "map" the properties by comparing them to yours, and why the property is superior or inferior. If you need help in setting up this spreadsheet, feel free to call...

Local Developments

SO WHAT'S HAPPENING – It is no surprise that the Recession has stopped many key developments in their tracks. The Westside has seen its share of large proposed projects be mothballed – at least for awhile. Take for example, the former Robinson's/May store adjacent to the Beverly Hilton was foreclosed earlier this year. A British Conglomerate, Candy & Candy, had paid \$500 million for the prime land; they bought it from New Pacific Realty who paid \$33.5 million only a few years earlier. The lender which now owns the property is expected to begin marketing it shortly.

COMINGS AND GOINGS – Westwood Village keeps trying to get its act together. One big step forward was the saving of the much beloved Bruin and Fox Theaters. Regency Theater has stepped in and will continue to operate these venues, an integral part of Westwood's landscape. On the other hand, DSW Shoes closed their store, and both Is-shin and Chili's stopped serving food... Westwood continues its search of an identity – perhaps the newly approved Neighborhood Council will devote a portion of its work to creating a long term vision for the Village – it needs some directionand fast!!

Back from the brink (continued from front...)

of help in the leasing or management of their properties. With tough economic conditions, not to mention the continued tightening of governmental regulations, and with the prospect of the City of Los Angeles restricting annual increases (will other cities follow in their footsteps?), apartment owners are feeling abandoned and lonely. Need help?

We now offer a wide array of management, leasing, brokerage, and consulting services – we offer management support for you – as you need it, how you need it, and when you need it. It is our way of reacting to the complicated life which every owner faces – just reach out to us – we will throw you a lifeline to keep you from drowning.

MEMBER, Beverly Hills / Greater L.A. Association of Realtors, and the IREM, NAR, AOA, AAGLA, CAA and NAA.

