Crittenden Real Estate Buyers™

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MALLS REGAIN ALLURE AMID CONTINUED ECONOMIC GLOOM

Mall buyers will focus either on well-performing and stabilized properties, or anemic and value-added space in coming months. Until financing becomes readily available for all mall types, there won't be much room for anything between the two extremes. Core asset buyers such as **Glimcher Realty Trust** and **Miller Capital Advisory/Institutional Mall Investors** should make further strides in and independent of joint venture partnerships nationwide. Value-added mall buyers **Boxer Property Management, Morris Capital Partners** and **Real Estate Development Advisors** will scoop vacant properties that core buyers won't touch and, in doing so, move closer to first-time acquisitions and new market entries. Count on buyers to scout mall deals in the 6% to 7% cap rate range for stabilized assets, up to 9%-plus for value-added deals.

Glimcher Realty Trust moves closer to striking an initial market entry into Hawaii in its first mall purchase of the year that's expected to close by late October. The REIT and joint venture partner Blackstone Real Estate Advisors will acquire the 1 million s.f.-plus Pearlridge Center in Honolulu at an 8% cap rate. Insiders say the deal, which involves a ground lease, is the state's largest since 2008. The Blackstone Group and Glimcher Realty Trust became better acquainted with each other earlier this year, when the private equity investor scooped up majority interest in two Glimcher Realty Trust malls: Lloyd Center and West Shore Plaza in Portland and Tampa, Fla., respectively. Anticipate additional ventures between the REIT and its partner. Moving forward, The Blackstone Group will likely take an 80% ownership stake in future JV buys, similar to its position in the purchase of the 99%-occupied Pearlridge Center.

Count on Glimcher Realty Trust's continued interest in stabilized, high-occupancy properties following sales of under- and non-performing properties during 2007-08. Look for the company to acquire properties in and independent of joint ventures. It counts a 22-mall portfolio comprising properties in Arizona, California, Florida, Kentucky, Minnesota, New Jersey, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Washington and Wyoming.

Since re-entering the market earlier this year, Miller Capital Advisory — through the Institutional Mall Investors joint venture with the California Public Employees' Retirement System — will seek additional purchases of existing, cash-flowing malls. Look for buyer interest in dominant regional mall or lifestyle centers in primary and secondary markets nationwide. It wants malls producing sales per square foot of more than $500. It made a market re-entry with the majority interest purchase of the Houston Galleria, for an estimated $250M. Company dealmakers have looked at paper deals but haven't yet found anything compelling. Expansion into the United Kingdom is also a possibility. The investor manages more than $3B worth of assets.

Seeking Value in Value-Added

More activity for value-added properties will be attributed to entrepreneurial regional and national buyers. Poorly maintained malls that are underwater or unable to secure financing have, as a result, spiraled deeper and deeper toward the point of no return. This is where buyers like Boxer Property Management, Morris Capital Partners and Real Estate Development Advisors, among others, enter the picture.

Boxer Property Management has $100M to $200M for acquisitions during the next 12 months and will take aim at value-added malls and office buildings. Look for the investor to follow its first mall deal of the year, a $2M initial market entry into North Carolina known as the Eastland Mall, with additional assets nationwide.

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Boxer Property Management looks at enclosed malls measuring from 300,000 s.f. to more than 1 million s.f., especially in Arizona, Colorado, Texas and other markets nationwide. Returns greatly exceeding 10% unleveraged internal rates of return are sought, depending on risk.

Competing against Boxer Property Management could be six-month-old private investor Morris Capital Partners, which is on its way to sealing its first mall acquisition in Columbus, Ohio. The investor seeks value-added retail and malls in primary and secondary U.S. markets. With an estimated $25M to $35M for purchases during the next 12 months, look for buyer interest in redevelopment-grade properties and underperforming, capital-starved centers.

Morris Capital Management, with JV partner Real Estate Development Advisors, contracted to acquire the 50%-leased, 168,666 s.f. Worthington Square Mall. The mall is located about five miles from Glimcher Realty Trust's Polaris Towne Center, which was one of three properties refinanced with a non-recourse, 10-year loan at 6%. The defaulted asset will likely trade at a dramatic discount to its assessed 2008 value of $15.9M. The Columbus retail market is slowly tightening to a 9.6% vacancy rate; the north/northeast submarket where Worthington Square Mall is located averages a 7% vacancy rate.

DISTRESSED APARTMENTS GAIN STEAM

Private investors gain momentum with distressed apartment purchases. Helping stimulate the market will be keener oversight from the FDIC that will motivate community banks to sell. An increasing number of private investors and local investment groups should move into the sector, as more deals become available. Especially Arizona and California will get a jolt of activity, especially if several recent deals from larger private investors **The Bascom Group**, **Hamilton Zanze & Co.** and small investors such as **FLAG Property Management**, mark a trend.

The Bascom Group's focus on distressed apartment purchases should tighten as the buyer eyes potential expansions into Florida and Nevada. It may dip into a $500M acquisitions purse for deals during the next 12 months. So far this year the company has acquired $51M worth of properties, including a recent Class A purchase in San Antonio formerly owned by bankrupted **MBS Management Services** Don't be surprised to see the buyer hunt for additional Class A properties through distressed or value added deals, in addition to Class B and C assets, in existing and targeted markets of Arizona, California, Colorado, Georgia, Hawaii, Nevada, Oregon, Texas, Utah and Washington. Larger deals in the in the $25M-plus range will likely be pursued.

No stranger to distress, Bascom Group principals will acquire performing and non-performing notes secured by apartments, industrial, land, office and retail. The buyer generally adheres to a $5M to $500M deal size range for Class A through Class C garden-style, high-rise and mid-rise apartment complexes that are newly constructed to 80 years old.

Hamilton Zanze & Co. enters Tucson for the first time through a recent seven-property deal acquired at high discounts to replacement costs. The investor, which has partnered with various investors including The Praedium Group, paid an estimated $30,000 for each of the 1,566 units comprising part of the former **Bethany Group** portfolio. Replacement costs are pegged at $100,000 per door. The portfolio has an 86% blended occupancy rate. Insiders notice that Tuscon's popularity is rising due to the area's lack of new apartment construction and a vacancy rate hovering in the 10% range. Although the area is known for single-family overbuilding, observers see tougher single-family mortgage underwriting boosting demand for apartment complexes throughout the area. Hamilton Zanze & Co. could pursue additional purchases from receivers and banks. Blends of seller financing and agency debt should further attract the buyer. Hamilton Zanze & Co. has acquired properties in the $25M-plus range.

More sales from the defaulted Bethany Group portfolio are expected in coming weeks. One of the slices, a 2,759-unit, seven-property portfolio of assets throughout the Phoenix metro area is under contract, for an estimated $44,581 per-unit, to the **Standard Austin** partnership.

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Receiver Trigild credits the per-unit price to its work in petitioning an Arizona judge to allow receiver sales prior to lender foreclosures. The portfolio consists of properties in the Arizona cities of Chandler, Glendale, Mesa and Phoenix.

Watch for smaller local and regional investors to grab hairy deals on the heels of FLAG Property Management's estimated $41,667 per unit purchase of a 72-unit property in Los Angeles. The property was about 95% leased and was on the Los Angeles city and county watch lists for health code and other violations. The property likely traded at an 8% cap rate. Don't be surprised if FLAG Property Management seeks additional hard-to-finance commercial deals throughout the Los Angeles area, including lender short sales.

HEALTHY COMPETITION IN MEDICAL OFFICE

As medical office further heats up, expect new faces and strategies to compete for properties. Funds and private investors will increase profiles in a sector currently dominated by public and non-traded REITs. Some buyers will gain a foothold through redevelopments and distressed-asset purchases. As the cycle matures, joint ventures between hungry REIT medical office buyers and private equity may become reality. REITs **Health Care Property Investors (HCP)**, **Health Care Trust of America** and private investors **Noyack Medical Partners** and **Sunvest Properties** are among those striking deals coast-to-coast. They'll likely compete against newly formed **American Realty Capital Healthcare Trust** and **KBS Strategic Opportunity REIT** for assets.

More opportunity funds should follow KBS Strategic Opportunity REIT's inaugural $52 per s.f. purchase of a distressed medical office building in suburban Atlanta; the properties are 51% leased. Clearly the buyer is gingerly testing the asset class. This deal isn't KBS Realty Advisors' first medical-office building purchase, however, so don't be surprised to see more acquisitions.

New Investor Enters the Ring

American Realty Capital Healthcare Trust aims to raise up to $1.5B in a blind pool offering to acquire assets at discounts to replacement costs, and make debt and equity purchases. Look for the month-old investor to operate in the $10M to $50M average price range for acquisitions of medical-office buildings occupied by such businesses as rehabilitation centers and hospitals, surgery centers and senior housing. Also considered will be properties leased to health-related tenants such as diagnostic-service providers, health insurers and pharmaceutical companies.

Besides asset buys, look for eventual dealmaker interest in stock purchases, loan purchases and writing new loans. Concerning debt activity, anticipate action on first mortgages, bridge and mezzanine loans, plus securitized paper. Joint ventures will be considered, although the company won't be in the market for land acquisitions or development. There's a forecasted three- to five year initial hold period. Sponsor American Realty Capital V/American Realty Capital Advisors is known for various REITs including net-lease buyer American Realty Capital Trust. American Realty Capital Healthcare Properties will manage and lease properties acquired by American Realty Capital Healthcare Trust, which aims to qualify as a REIT by December 2011.

Among potential competitors is Noyack Medical Partners' $300M fund, which eyes medical office as part of a broader focus on health care-related buildings nationwide. Half of the fund could be used for medical office building acquisitions. Anticipate interest in properties in high-population areas from Maine south to Virginia, with typical price ranges from $5M to $75M. Both multi-tenant and single-tenant properties occupied by physician groups and hospitals are considered, as are diagnostic properties and long-term acute care and specialty hospitals. Portfolio and one-off acquisitions of well-leased on- and off-campus properties will be considered. Noyack Medical Partners counts medical condominiums, medical office, headquarter buildings and research and development assets in Indiana, Maine, New Hampshire and New York as part of its portfolio.

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The investor could compete against Seavest Properties and a host of active REITs in the sector. The private buyer and developer will use capital from its year-old, $100M Seavest Properties III fund for acquisitions of on campus and specialty center properties in fast-growing California, Louisiana, North Carolina and Texas markets. The buyer is evaluating nearly $60M worth of deals that could close in coming months. Assets sought will typically range from 50,000 s.f. to more than 250,000 s.f. Dealmakers scan smaller markets for 8%-plus cap rates or better. For credit properties in larger markets, cap rates of below-8% would be considered in on and off-market deals.

On the REIT side, competitors include HCP — with an estimated $300M in cash. The REIT's recent off-market deals, which include a pair of properties in San Antonio and Bountiful, Utah, at an 8.8% cap rate, augur additional off-market deals ahead. Look for interest in areas with a concentration of company-owned properties. Dallas, Houston, Nashville and Florida markets will be a focus. Drawing the investor to these and other deals will likely be a proximity to existing assets.

Healthcare Trust of America, on the heels of a recent Pittsburgh acquisition, should scout additional assets through various structures including sale/leasebacks. Additional interest is stabilized assets is certain as the public, non-traded REIT could exceed its estimated $500M acquisitions volume during 2009. Typically the long-term buyer looks for stable yields and deals offering turnaround with upside potential nationwide.

DEALMAKER DATABANK™

Company/Address	Contact/Phone/Fax	Property Type	Buying Criteria
American Campus Communities 805 Las Cimas Parkway Suite 400 Austin, TX 78746	Bill Bayless (512) 732-1000 Fax: (512) 732-2450	Student Housing	Public investor acquires distressed, partnership assets.
American Realty Capital Healthcare Trust 405 Park Ave. New York, NY 10022	Nicholas S. Schorsch William. M. Kahane (212) 415-6500 Fax: (212) 421-5799	Medical Office	Month-old company aims to strike debt and equity deals for medical office, senior housing and other health care-related real estate.
BayNorth Capital 1 Financial Center Floor 23 Boston, MA 02111	Charles Wu (617) 570-4400 Fax: (617) 570-4404 cwu@baynorthcapital.com	All types	Investment adviser could invest remaining fund capital within a year.
Boxer Property Management 720 N. Post Oak Road Suite 500 Houston, TX 77024	Andrew Segal (713) 777-7368 Fax: (713) 780-9708 andrews@boxerproperty.com acquisition@boxerproperty.com	Malls	Private investor acquires distressed retail and other property types nationwide.
Blue Vista Capital Management 111 S. Wacker Drive Suite 3300 Chicago, IL 60606	J.D Goering (312) 578-0033 Fax: (312) 578-0139	Student Housing	Private investor and equity partner acquires student housing
Capstone Development 431 Office Park Drive Birmingham, AL 35223	Eric Higgins (205) 414-6400 Fax: (205) 414-6405 ehiggins@capstonemail.com	Student Housing	Private investor acquires value-added student housing nationwide. It would selectively consider note purchases.
CPPIB One Queen St. East Suite 2600 P.O. Box 101 Toronto, Ontario, CAN M5C 2W5	David Denison (416) 868-4075 Fax: (416) 868-8689	Retail	Canadian pension fund invests with various U.S. investors.
FLAG Property Management 1900 S. Sepulveda Blvd. Suite 212 Los Angeles, CA 90025	Frederick Leeds (310) 826-2466 Fax: (310) 826-3505	Apartments	Private investor acquires hard-to-finance distressed property in Los Angeles.
Glimcher Realty Trust 180 E. Broad St. 21st Floor Columbus, OH 43215	George Schmidt Christopher Ellis (614) 621-9000 gschmidt@glimcher.com cellis@glimcher.com	Malls	Public investor to joint venture on Hawaii mall acquisition.

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Hamilton Zanze & Co. The Presidio of San Francisco P.O. Box 29454 San Francisco, CA 94129	Kurt Houtkooper (415) 561-6800 Fax: (415) 561-6801 kurt@hamiltonzanze.com	Apartments	Private investor acquires distressed asset, a new-market entry into Tucson.
Healthcare Trust of America 16427 N. Scottsdale Road Suite 440 Scottsdale, AZ 85254	Mark Engstrom (480) 998-3478 markengstrom@htareit.com	Medical Office	Public REIT acquires medical buildings nationwide.
Teachers' Retirement System of the State of Illinois Investment Division – Real Estate Department 2815 West Washington Street Springfield, IL 62702	reanalyst@callan.com real.estate@trs.illinois.gov	Real Estate	Fund to invest an estimated $400M in real estate in coming months.
Indiana Public Employees' Retirement Fund 143 W. Market St. Indianapolis, IN 46204	David Cooper Barbara Badanek (317) 234-2038 Fax: (317) 232-1614	Real Estate	Acquires real estate through various companies including Walton Street Capital and Colony Capital.
Invesco Real Estate 13155 Noel Road Suite 500 Dallas, TX 75240	Greg Kraus (972) 715-5837 Fax: (972) 715-5814	Real Estate	Adviser could acquire additional properties with increased allocations.
KBS Realty Advisors/ KBS Strategic Opportunity REIT 620 Newport Center Drive Suite 1300 Newport Beach, CA 92660	Chuck Schreiber (949) 417-6500	Medical Office	Investment adviser acquires medical office in distressed purchase.
Kimco Realty 1631-B South Melrose Drive Vista, CA 92081	Matt Golden (760) 598-2032 Fax: (760) 727-1430	Retail	Joint ventures with the Canadian Pension Plan Investment Board and other investors.
Miller Capital Advisory Institutional Management Investors 5750 Old Orchard Road Suite 400 Skokie, IL 60077	Andrew Miller (847) 966-9600 Fax: (847) 966-9628 contacts@miller-capital.com	Malls	Private investor's Institutional Management Investors JV with CalPERS seeks stabilized malls nationwide.
Morris Capital Partners 3437 West 7th Street Suite 164 Fort Worth, TX 76107	William Morris Walter Floyd (817) 366-6630 bill@morriscp.com	Malls	Value-added buyer considers high-vacancy malls and some industrial assets nationwide.
Noyack Medical Partners 6 West 20th St. Fifth Floor New York, NY 10011	C.J. Follini (212) 929-5414 Fax: (212) 929-6220 cjf@noyackmedical.com	Medical Office	Private investor rolls out fund to acquire medical office and other types of health care related buildings.
Parkway Properties 188 E. Capitol St. Suite 1000 Jackson, MS 39201	Jim Ingram (601) 948-4091 Fax: (601) 949-4077 jingram@pky.com	Office	Public REIT to acquire distressed and value-added offices.
Place Properties Two Live Oak Center 3445 Peachtree Road NE Suite 1400 Atlanta, GA 30326	Robert Clark (404) 495-7500 Fax: (404) 495-7501 contact@placeproperties.com	Student Housing	Is focused on all types of student housing buys.
Seavest Properties 707 Westchester Ave. Suite 401 White Plains, NY 10604	Douglas Ray (914) 683-8474	Medical Office	Private investor prepares for activity through December.
The Bascom Group 26 Corporate Park Drive Suite 200 Irvine, CA 92606	Jeffrey R. Fuller (949) 955-0888 Fax: (949) 955-0188 jfuller@bascomgroup.com	Apartments	Private investor acquires distressed multifamily nationwide.
The Dinerstein Cos. 3411 Richmond Ave. Suite 200 Houston, TX 77046	Brian Dinerstein (832) 209-1200 Fax: (832) 209-1201	Student Housing	Private investor acquires housing through Sterling University Housing affiliate.

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U.S. Realty Advisors 1370 Ave. of the Americas 21st Floor New York, NY 10019	Matthew Snyder (212) 581-4540 Fax: (212) 581-4950 msnyder@usrealtyadvisors.com	All types	Pension-fund adviser and institutional investor acquires properties.
Walton Street Capital 900 N. Michigan Ave. Suite 1900 Chicago, IL 60611	Jeffrey S. Quicksilver (312) 915-2843 Fax: (312) 915-2881 quicksilver@waltonst.com	Real Estate	Institutional investor gets cash from The Indiana Public Employees Retirement Fund for Walton Street R.E. Fund VI.

STUDENT HOUSING REVIVAL AHEAD

A student-housing renaissance approaches as the market becomes more active with niche and diversified investors. An uptick in joint ventures between private equity and established operators will grow, now that 2010-11 leases have been signed. While the sector hasn't been as hard hit by defaults as some sectors, expect companies to seize assets through note and REO purchases and JV partner buyouts. Investors to watch include **American Campus Communities**, **Blue Vista Capital Management**, **Capstone Development** and **The Dinerstein Cos./Sterling University Housing.**

Looking ahead, expect to see increasing numbers of buyers hone in on secondary market properties near four-year and community colleges. Though investors don't typically hunt properties near two-year community colleges, that could change as more two-year schools are expected to offer bachelor degree programs in the future. Overall cap rates have slightly compressed to the 6% range for Class A assets, generally speaking, and trending upwards of 7%-plus for Class A-/B properties and assets located farther from campus.

American Campus Communities should blend more distressed asset purchases into its search for properties in stabilized and growing university markets nationwide. Additional deals beyond an estimated $74.5M cash/$180.9M of debt assumption for a more than 8,000-bed portfolio, plus the acquisition of Sanctuary Lofts near Texas State University at San Marcos, likely at a cap rate in the high-6% to low-7% range, could be powered with additional cash from a $310M stock raise that occurred before the acquisition.

A likely competitor is Blue Vista Capital Management, which looks to raise upwards of $150M equity in coming months, for student housing acquisitions nationwide. A couple of additional deals are possible through its current, $280M fund. Additional acquisitions beyond the company's first purchase of the year — a majority interest in the 900-bed Stadium View Place four blocks from the University of Minnesota — are likely. The investor, which counts **Place Properties** among JV partners, hones in on housing near four-year universities with 12,000-plus enrollment. Further piquing company interest will be properties in the Northeast and Northwest, where the investor doesn't hold any assets. It continues to scan existing markets of California, Mid-Atlantic and the Southeast for additional beds.

Value-added buyer Capstone Development plans a return to acquisitions with a contract to acquire a $75M package of value-added properties in existing markets. The investor/developer hasn't acquired a property since last year, but it has been quite busy on the development front with an estimated $600M worth of new projects during the past three months. The investor looks for 150 unit-plus properties to reposition. Capstone Development dealmakers will acquire beds in existing markets and could take smaller properties in markets with economies of scale. The company is completing renovations at an asset it acquired last year near Duke University.

Additional value-added student housing buys are likely on The Dinerstein Cos./Sterling University Housing's plate following a $13.95M purchase of the 442-bed McMillan Manor in Auburn, Ohio, in a distressed deal. Don't be surprised if The Dinerstein Cos./Sterling University Housing uses some of an estimated $250M worth of capital to acquire apartments and student housing.

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The Dinerstein Cos./Sterling University Housing will acquire properties through fee-simple and foreclosure transactions. The Lane Co. isn't focused on student housing buys, although it recently introduced a management division. Look for the buyer to focus on market-rate apartment acquisitions during the next 18 months through a joint venture with Lubert-Adler.

Competitor **Education Realty Trust** eyes acquisitions and development fueled by property-level debt, construction loans and credit revolving loan facility for acquisitions in coming months. Look for interest in one-off, portfolio and development projects. REIT dealmakers are among those noticing decreased cap rates due to heightened competition in the segment.

PENSION-BACKED INVESTORS DIVE INTO ACQUISITIONS

Pension funds and their partners will ramp up acquisitions despite retirement fund shortages nationwide. And, depending on their comfort level, more PFs and their advisers could delve into the market for distressed and paper acquisitions. Plenty of investors will adhere to acquiring core and core-plus properties, however. **Invesco Real Estate**, **Kimco Realty**, **Lone Star Funds**, **Parkway Properties** and **Walton Street Capital** are among companies to watch in coming months.

If rumors are correct, Lone Star Funds could eye up to a $10B combined equity raise for its Lone Star Real Estate Fund II and VII vehicles. Those targets are half the size originally planned by the private equity and pension fund adviser. Word on the street says the investor cut its targets in response to market challenges. Fund investors include such PFs as the Dallas Police & Fire Pension System, New York State Teachers' Retirement System and the Oregon Public Employees Retirement System. The investor is known for distressed asset purchases nationwide.

Competing for Core Assets Nationwide

Invesco Real Estate, with $362M from the Illinois Teachers' Retirement System, should seek out additional core asset purchases nationwide. The PF and investment adviser has a core and value-added focus spanning various core- and separate-account client funds. Generally, it seeks unleveraged returns in the 8% to 9% range for core properties and returns in the 9% to 12% range for value-added purchases during a typical five- to seven-year hold. For a value-added strategy, Invesco considers recapitalizations, preferred equity and subordinated debt positions, among other structures. The buyer this year could exceed an estimated $200M worth of properties acquired throughout the U.S. during 2009.

Illinois Teachers' Retirement System asset sales plan — to cover retiree pensions —shouldn't impact real estate. The pension fund last month allocated more than $400M to various advisers, including KBS REIT. Real estate investments comprise an estimated 9.6% — or $3.2B — of the fund's $33.7B portfolio.

Walton Street Real Estate Fund VI, in search of distressed debt, works with up to $75M of capital from the **Indiana Public Employees' Retirement Fund** and the **Indiana State Teachers' Retirement Fund**, through value added and opportunistic plays. For its part, Walton Street is busy raising a $3B fund targeting U.S. acquisitions and balanced with assets in India and Mexico.

Additional Kimco Realty ventures with the Canadian Pension Plan Investment Board could be forthcoming following an inaugural five-property retail portfolio transaction. The $370M partnership includes $160M of debt and measures 2.1 million s.f. of space in California, Florida and Virginia. REIT Kimco Realty retains a 45% ownership position.

Look for Parkway Properties to advance office acquisitions with a possible expansion into suburban Washington, D.C., using capital from its as-yet untapped $750M discretionary Parkway Properties Office Fund II venture with Teacher Retirement System of Texas that expires in May 2012. Acquisitions will likely emphasize multi-tenant office buildings throughout the South and a new-market entry into Washington, D.C., and the Sun Belt. Value-added properties are pursued. More acquisitions should follow a $33M note purchase secured by the Rubicon Park I property.

INSTITUTIONAL INVESTORS, ADVISERS TO QUICKEN PACE

Look for institutional real estate investors and advisers to further ramp up acquisitions plans after taking a pass following the market crash. **BayNorth Capital** looks toward raising a successor fund. **U.S. Realty Advisors** plans to boost volume for additional acquisitions in the net-leased arena. These and other investors signal the approaching flood of investors, advisers and managers into the market. Insiders would agree with assertions that the next six months are critical to set the foundation for acquisitions growth.

BayNorth Capital, which sat out of the market for two years, will use for acquisitions an estimated $150M remaining in its $470M BayNorth Capital VII fund. The investor will begin raising the BayNorth Capital VIII fund in 2011; that fund could equal the current fund. During the past nine months, the investor has acquired a couple of hotels, a new shopping center, and a pair of home loans from banks. Note purchases secured by commercial properties nationwide also will be considered. Company dealmakers always have considered commercial property debt purchases, but it hasn't closed on such a deal in some time. Leveraged IRRs in the mid teens-plus range are sought for investments.

U.S. Realty Advisors has an estimated $350M to $400M of equity for deals but is working to raise additional cash to add to its fund that was dormant until last year. Look for investor interest in retail and bulk warehouse/distribution properties, in addition to office, restaurants, hotels and entertainment-related assets, located in urban and suburban markets nationwide. Owing to economic swings, sale/leasebacks could play a more prominent role in coming months. Additionally, company dealmakers remain focused on net-lease properties with triple-net, double-net- and bondable leases with 10 to 15 years remaining on terms.

With a typical $10M to $1B acquisitions price range, look for U.S. Realty Advisors to employ all-cash to seller and sale/leaseback structures in deals where going-in cap rates range from 7.5% to 9%. The buyer isn't interested in distressed debt. The fund, which was rolled out in 2007, remained dormant until July 2009. Typical annual acquisitions volume averages more than $500M.

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