

# THE BOTTOM LINE

BY DONNA MITCHELL

## MARKET SCANNER

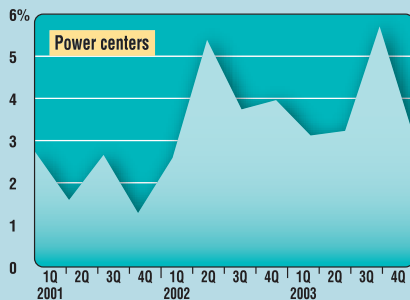
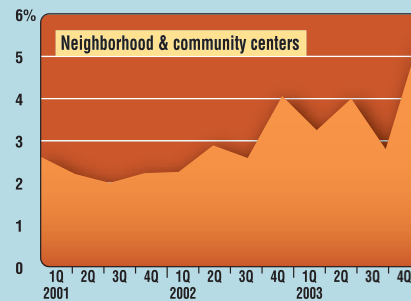
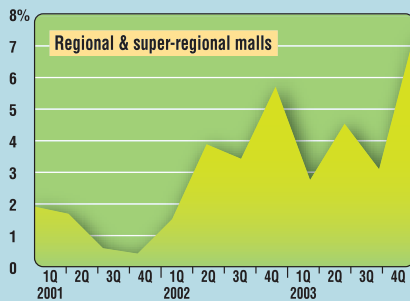
Good news for retailers, and by extension their landlords: Americans have more money at hand to spend. The Federal Reserve Board says that total net worth for U.S. households rose to a record \$44.41 trillion in the fourth quarter. This marks the fifth-consecutive quarterly rise.

In addition, household net worth grew as a percentage of disposable personal income to 5.3 times personal income from 5.1 percent

the previous quarter.

In company news, in March commercial real estate lender CWCapital Investments began originating loans on its own, breaking away from partnerships with other lenders. The move allows the Needham, Mass.-based firm to exercise more discretion and respond better to borrowers, says Chuck Spetka, president of CWCapital Investments.

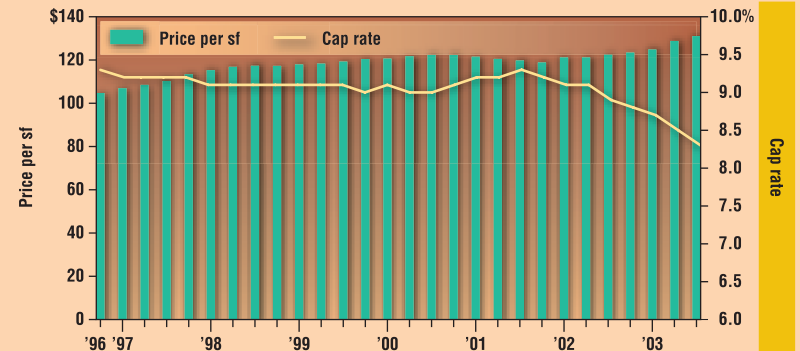
## NCREIF property index: Total quarterly returns



Malls and community centers maintained their favor in the eyes of investors, helping to boost their combined total return numbers from the third quarter. Power centers, however, are an increasing source of concern for some investors, who believe the properties are vulnerable to encroachment from Wal-Mart. For the third quarter of 2003, preliminary returns on malls were 7.27 percent, up from an adjusted 3.10 percent; community and neighborhood center returns were 5.48 percent, up from an adjusted 2.80 percent; and returns on power centers were 3.07 percent, down from an adjusted 5.71 percent.

Source: NCREIF

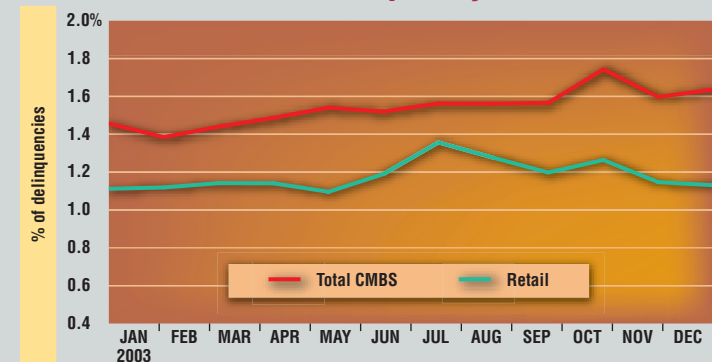
## Retail property: Values up, cap rates down



There were plenty of power center transactions in the third quarter, analysts say — enough to tug overall retail property cap rates down.

Source: The Global Real Analytics National Real Estate Index

## CMBS delinquency\* trends



Delinquency rates on retail property CMBS deals were just over 1 percent in December. That was healthier than the 1.6 percent for CMBS transactions overall.

\*Defined as principal outstanding (including amounts capitalized for interest, foreclosure costs and advances made to protect collateral) at time of foreclosure, minus the recovered collateral value.

Source: Intex Solutions, ACLI (American Council of Life Insurers) Wachovia Securities