

# Pumpkin Carving Day at the Co-op

Provided by Tracey O'Shea



El Segundo Co-op's new Halloween friend, Grumpy.



On your mark, get-set, carve!



Carving pumpkin fun with Amanda Moreno, Truman Hedding, Arijun Chandra, and Natalie Hedding.

## Frankly

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who is a Yankee fan. I support all you are, dear, but find it hard to root for the Yanks nowadays.

Switching to the senior circuit, nice story surfaced after the all-important game four of the Dodger/Philly series. You know, the one that humongo reliever Jonathan Broxton lost in the bottom of the ninth? With two outs. Jimmy Rollins split the gap in right-center, sending a rocket to the wall to score the tying and winning runs. Did you see where Man-Ram was in the bottom of the ninth? He had been replaced in the outfield by Juan

Pierre, for defensive purposes, which is kinda funny in its own way.

So where was the steroid-cheater? Watching intently from the bench, cheering on his teammates? Pacing back and forth in the dugout, too nervous to watch Broxton blow the save? Or abandoning his teammates, taking a shower, preparing to get the hell out of the clubhouse and ballpark as fast as he could? Numero tres, folks. More of the Manny being Manny crap, fans. When will it end? How long does this guy have a free pass? •

## Downturn

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Recent studies suggest the overall office vacancy in Southern California pushed over 17 percent in the third quarter, up from 13 percent a year earlier, while leasing prices over the last 12 months dropped about seven percent. Data from market researcher Foresight Analytics LLC, based in Northern California, shows the national office vacancy rate has jumped 170 points to about 16.2 percent, while commercial rental prices have slipped about 4.4 percent across the country.

“Demand drivers for all asset classes of commercial real estate stink right now,” Allen Greer, managing member of Greer Advisors LLC in Los Angeles and a former official with Bank of America Corp., told Bloomberg.com last week. Greer said any recovery in the commercial market would be tied directly to the nation’s job market, which earlier this month saw unemployment rates rise in 23 states. “I see no end in sight for the lack of job growth...With no jobs, you have no demand.”

According to several different studies, California’s unemployment rate was about 12.2 percent last month, above the national average of 9.8 percent. The state actually saw a one percent drop from the unemployment claims counted in August, but a 4.4 percent rise over the jobless numbers in September 2008.

Jobs, agreed Laikin, figure prominently into the health of commercial real estate, as does the level of consumer confidence --- or lack thereof. “Consumers stop spending and stop expanding and buying houses. Eventually it trickles down to the manufacturing and the office space and the retail space,” Laikin said.

The lack of commercial credit is another giant reason for the slump. Despite the hints of positive growth in other sectors of the economy, commercial lenders are generally holding on to their money. The numbers from Foresight Analytics also show defaults on commercial real estate loans nationwide totaled an estimated \$110 billion in the sec-

ond quarter, more than 10 times the level in the last quarter of 2006. Researchers expect defaults to reach upwards of \$170 billion by the fourth quarter of 2010. A “tsunami” of commercial foreclosures, said Laikin, will likely hit the market sometime “in the middle to the end of next year.”

Laikin has so far seen little if any improvements in his market resulting from the government’s heralded efforts to stimulate the economy. Yes, he said, there are still some SMA funds available to owner-occupants to buy their own buildings, “but if you’re going to try to develop a project or buy an investment, there’s no money.”

Of course, the tons of money being spent by government officials in the name of saving the economy has resulted in a tripling of the national deficit, which will somehow need to be paid down and will no doubt result in higher prices for everybody, complained Laikin. “I don’t know anyone who’s positive on our government,” he said.

The current slump has prompted companies to look for more ways to cut costs. As a result, Laikin and his other Lee & Associates compatriots have refocused their recent attention on showing clients how to “go green” and become more energy-efficient, re-finance their existing holdings and either find other properties that they can lease or learn how to lease their spaces to other interests.

Commercial investors, asserts Laikin, will have to ride out their troubled market for at least several more months. “We’re going to be still in this for another year. It’s my guess at least a year,” he said.

Then, hopefully, the commercial market will once again be able to welcome back interested consumers. And when that happens, said Laikin, “that will come eventually to people who need office space, to the big retailers and the warehouses and manufacturing and importers.”

When spending resumes, he said, “that will trickle down to the commercial world.” •



A closer look at the pulp and seeds.