

**April 15, 2010**

## **Handler Thayer 2010 Real Estate Outlook**

Family offices, real estate funds, and private investment partnerships are the likely buyers of distressed real estate assets. Institutional money will be slower to get back into the market and will stay focused on existing performing loan opportunities. Money for new construction, vacant land, and other more speculative real estate opportunities will also have to come from private funding sources, such as private investors and family offices. Access to the capital markets will depend upon whether or not Wall Street can restore investor confidence in the market for Commercial Mortgage-Backed Securities (CMBS).

Three of the biggest factors that will impact the market for commercial real estate in the balance of 2010 include:

- 1) Community bank failures;
- 2) Commercial loan maturities; and,
- 3) Interest rates on commercial loans.

Increases in all of these factors will drive more commercial real estate activity. One of the remaining issues facing real estate investors is determining whether or not distressed properties can be turned around to create additional value. Experts disagree on whether or not we are in store for another round of devaluation. Many predict that interest rates will determine whether or not properties take another valuation hit. Higher interest rates will cause more defaults and make new financing more difficult, putting downward pressure on real estate values. Legislative changes, November elections, and other factors will also contribute to an interesting year in real estate.

“The bid/ask spread between distressed buyers and sellers is still too far apart to see a significant amount of real estate trading” noted Steven J. Thayer, Chairman of the Commercial Practice Group at Handler Thayer, LLP. Mr. Thayer also noted, however, that “we will see a flurry of activity once community lenders are forced to liquidate their real estate assets.” Handler Thayer’s real estate practice includes the representation of family offices, real estate funds, banks, and private investors in the acquisition, development and disposition of real estate assets.

Mr. Thayer will be speaking at the [Opal Financial Group: Real Estate Investors Summit – Deal Maker’s Conference](#), in Sunny Isles Beach, Florida, at the Trump International Beach Resort, on April 25-27, 2010. Mr. Thayer will be moderating a panel of leading commercial real estate professionals discussing the current state of the market for commercial financing.

The conference is being offered to developers, investors, banks, family offices, and other real estate participants and will focus on financing solutions for residential and commercial real estate markets. Registration information for the conference is available

at [www.opalgroup.net](http://www.opalgroup.net). You may also register for the conference by contacting Kim Tadaldi, at 212-532-9898, extension 272.

**About Handler Thayer, LLP**

[Handler Thayer, LLP](http://www.handlerthayer.com) is one of the premier private client law firms in the U.S. Its national and international practice, based out of Chicago, Illinois utilizes interdisciplinary teams of advanced planning attorneys. Handler Thayer, LLP is dedicated to providing distinctive, technologically-current and responsive services to affluent families, privately held businesses and family offices. The firm's practice is concentrated in Corporate, Real Estate and Securities Law, Sports & Entertainment Law, Federal, State and International Taxation, Trusts & Estates, and Financial & Estate Planning. Firm clientele include foundations, multinational corporations, professional athletes, prominent entrepreneurs, celebrities, and family offices.

**For More Information Contact:**

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