

LEASING & FINANCE NEWS UPDATE

July 2010

Let the Big Dogs Handle Your Collections

OFFICE VACANCY RATES KEEP CLIMBING

Vacant office space continued to accumulate in the second quarter, the latest indication that businesses aren't planning significant hiring in the near future. Office buildings across the U.S. lost 1.8 million square feet of occupied space in the quarter, pushing the national office vacancy rate to 17.4%, the highest level since 1993, according to New York-based research firm Reis Inc.

While the drop in occupied space was much smaller than in previous quarters, analysts said companies' continued reduction of office space meant they still lacked confidence in economic recovery. Job growth and office-space use are closely intertwined. While some major users of offices, such as federal regulatory agencies, have been expanding, big banks and corporations have lagged behind in increasing their real-estate footprint, according to some analysts. That is a sign that these larger companies have been slow to return to their pre-recession staffing levels, a contributing factor to the persistently high U.S. unemployment rate.

Las Vegas, Phoenix and Detroit remain the most distressed major markets, with vacancy rates around 25%. Washington, D.C., had the lowest vacancy rate, 10%, due partly to the expansion of the federal government. In New York City, the country's biggest office market, the vacancy rate stabilized at 11.7%, the second-lowest rate among major cities. Across the 82 metropolitan areas tracked by Reis, the total amount of occupied office space has dropped since early 2008 by 133 million square feet—the size of 2,300 football fields.

Landlords responded to rising vacancies by reducing rents for the seventh straight quarter. Effective rent, which is rent including concessions, declined 0.9% during the second quarter to an average of \$22.01 a square foot a year. Effective rent peaked at nearly \$25 per square foot in the second quarter of 2008. Significant rent declines continued in places such as Fort Lauderdale, Fla., and Orange County, Calif. In both areas, average effective rents fell 2.9% in the second quarter to about \$20 per square foot per year. New York and Washington retained their perch as the nation's most expensive markets, with rents at \$43.66 and \$41.09, respectively.

Source: Wall Street Journal

THE SCARIEST FINANCIAL CHART IN THE UNITED STATES



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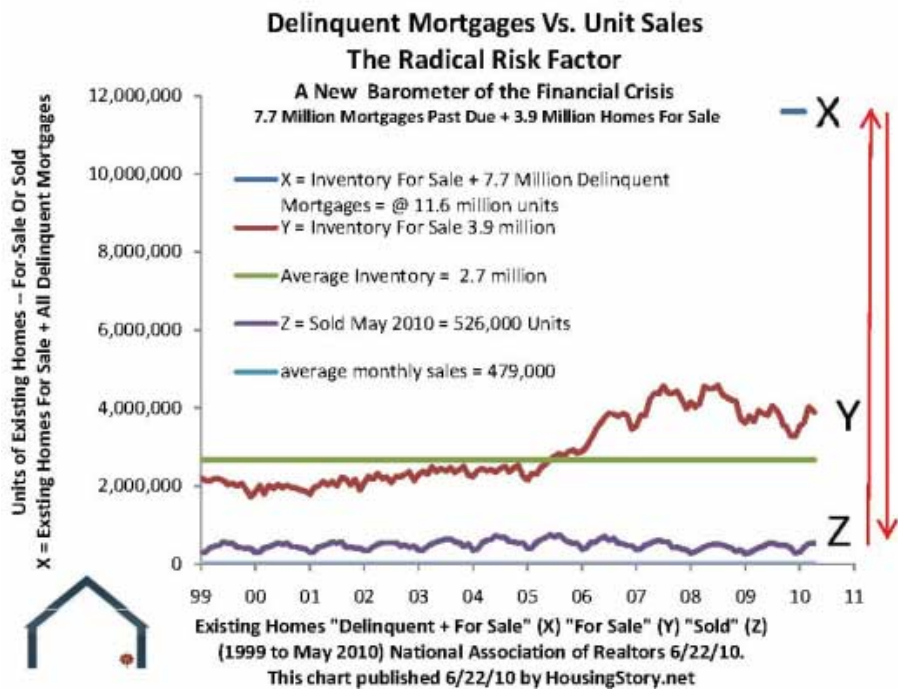
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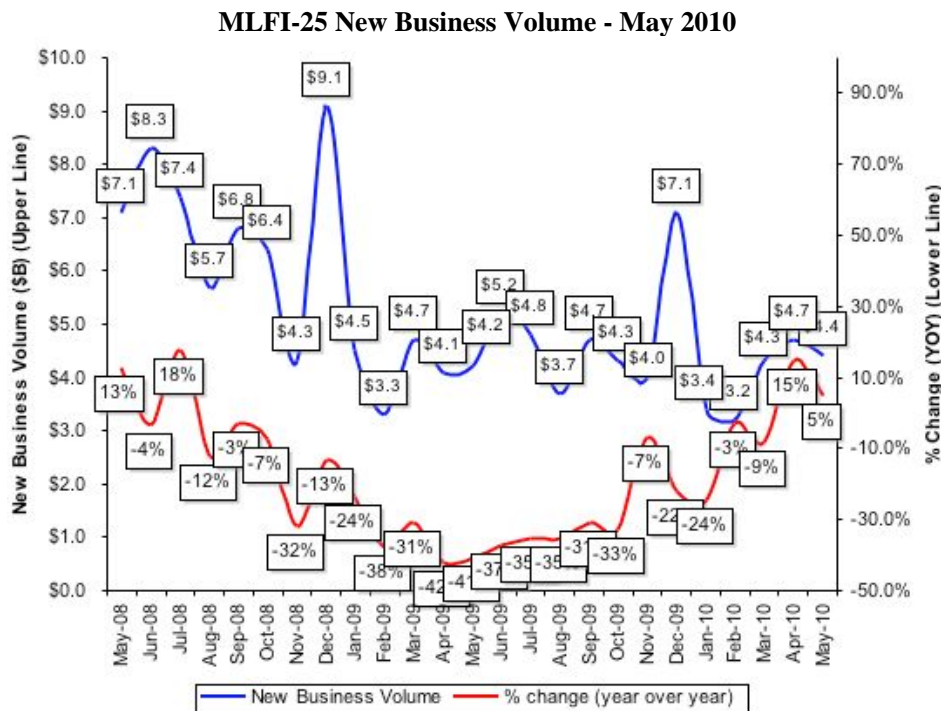




Arguably the key gauge of our economy, this chart shows high-distress among the owners of real estate with the "X" factor of decisive importance (X=delinquent units+for-sale units). Look at the massive gap between "X" and "Z" (where Z = monthly unit sales). Tell me anybody in the wide world can predict where prices are going. The gap frightens all sentient beings and makes a fool of any person who predicts future prices.

Source: Business Insider

MONTHLY LEASING & FINANCE INDEX - MAY 2010



The Equipment Leasing and Finance Association's (ELFA) Monthly Leasing and Finance Index (MLFI-25), which reports economic activity for the \$518 billion equipment finance sector, showed overall new business volume for May increased five percent when compared to the same period in 2009. When compared to the prior month, the MLFI-25 reported new business volume decreased by six percent, from \$4.7 billion to \$4.4 billion. Only 28 percent of the MLFI participants reported a year-over-year decline in new business volume in May 2010.

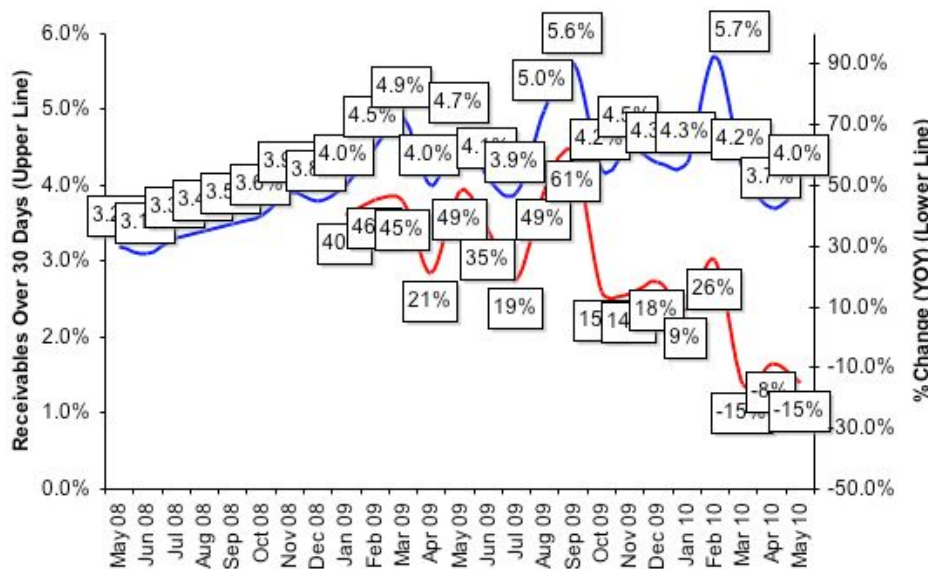
Delinquencies increased slightly from the previous month, but showed significant improvement compared to the year-earlier period. Charge-offs also improved, from 1.7% in May 2009 to 1.6% in May 2010. The Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI), for June was at 65.0, down from the May 2010 index of 67.4.

"Despite a modest growth spurt in new business volume in May, the data reflect what most economists recognize: a slowly recovering economy and somewhat soft demand by business for capital equipment,"

said William G. Sutton, ELFA President. "But the trend appears to be heading in the right direction."

Source: ELFA

MLFI-25 Aging of Receivables - May 2010



SALDUTTI SALUTES ...

Saldutti, LLC Leads the Way to the NYC Marathon

The firm recently announced its sponsorship of the Rangers Lead the Way Fund by participating in the ING New York City Marathon on November 7, 2010. The Lead the Way Fund, Inc. is a non-profit organization established to raise funds in support of disabled U.S. Army Rangers and the families of Rangers who have died, been injured or are currently serving around the world. The group provides spouses and children of deceased, disabled or active duty Rangers with assistance for health and wellness programs and other services vital to the family's well-being. Lead the Way was created in honor of Sgt. James J. Regan who was killed in Iraq in February of 2007 while serving with Charlie Company, 3rd Battalion, 75th Ranger Regiment.



Check back next month for updates on the firm's training and fundraising efforts. For more information on the Lead the Way Fund, to participate in upcoming events or to make a donation to this noble organization, visit <http://www.leadthewayfund.org/>.

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