Click for annotation

2009 Economic and Commercial Real Estate Outlook: Too Much Pain, Too Little Gain

presented to:

Department of Defense Appraisal Conference

August 18, 2009

by

James R. DeLisle, Ph.D.
Runstad Professor of Real Estate,
Director, Graduate Real Estate Studies

Click for annotation

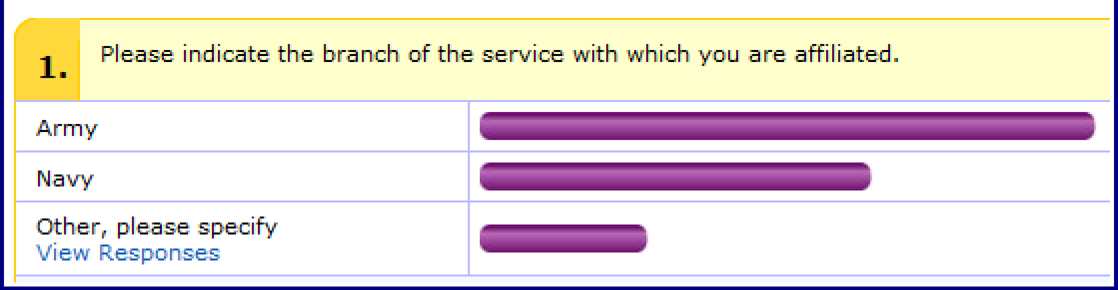
Presentation Overview

- Part I: Overview and the Cause of Our Disconnect
- Part II: Economic and Capital Markets
- Part III: Real Estate Capital Markets
- Part IV: Commercial Real Estate Market Update
- Part V. Implications for Real Estate Professionals

Click for annotation

UNIVERSITY OF WASHINGTON

DOD Conference Survey Respondent Profile



Source: DOD Appraisal Conference Attendees

Click for annotation

Three Major Attributes of Real Estate

Three major attributes of real estate . . .

- L,
- L,
- L.

. . . . ulnerable,

. . . . ulnerable,

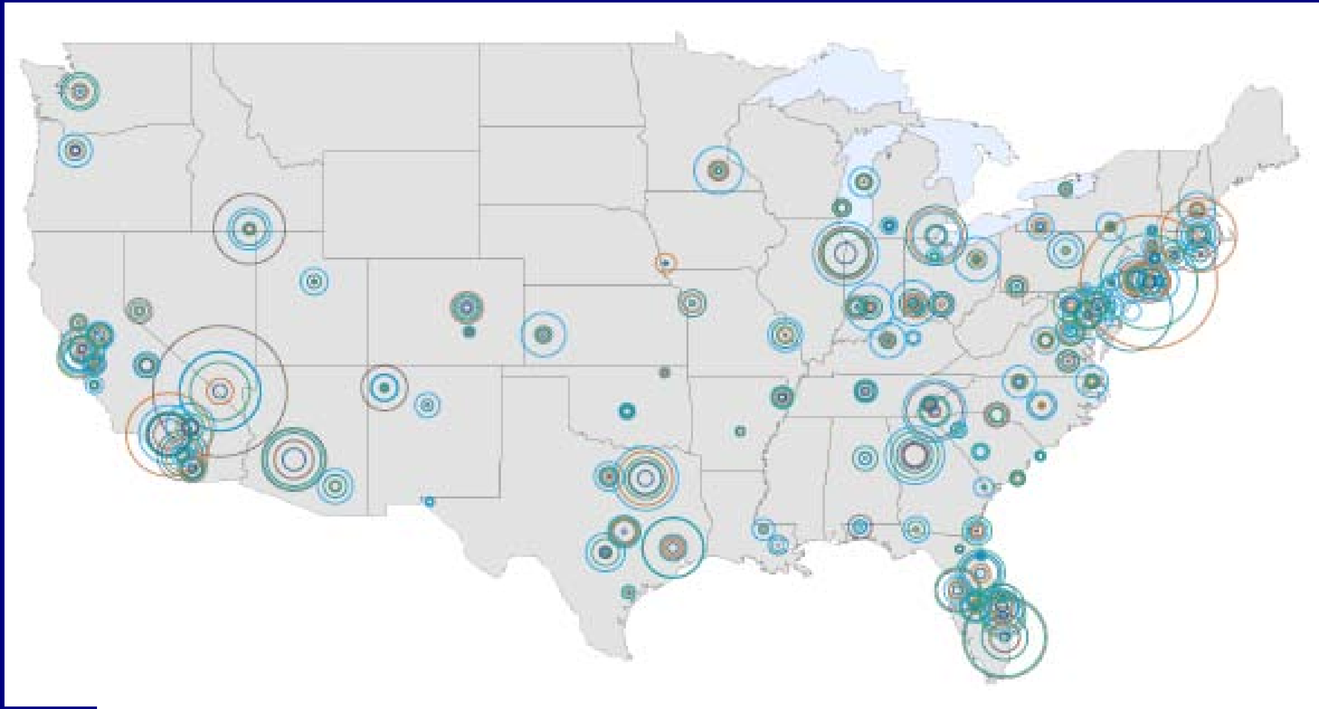
. . . . ulnerable.

The new regime of real estate . . .

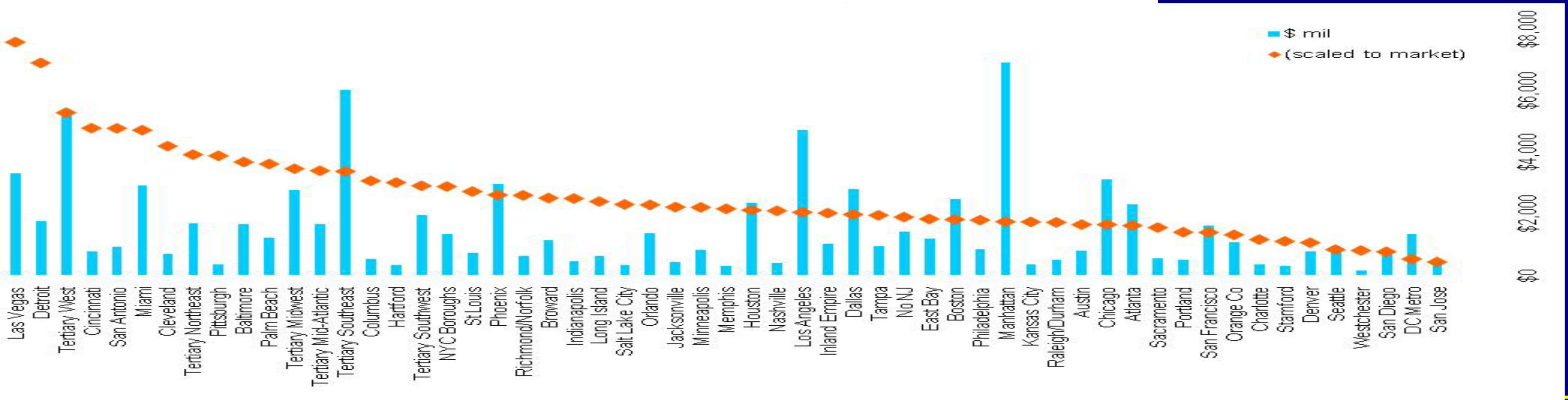
- D . . . . istressed,
- D . . . . istressed,
- D . . . . istressed.

Click for annotation

Commercial Distressed Assets in US



(as of August 2009)



Source: Real Capital Analytics

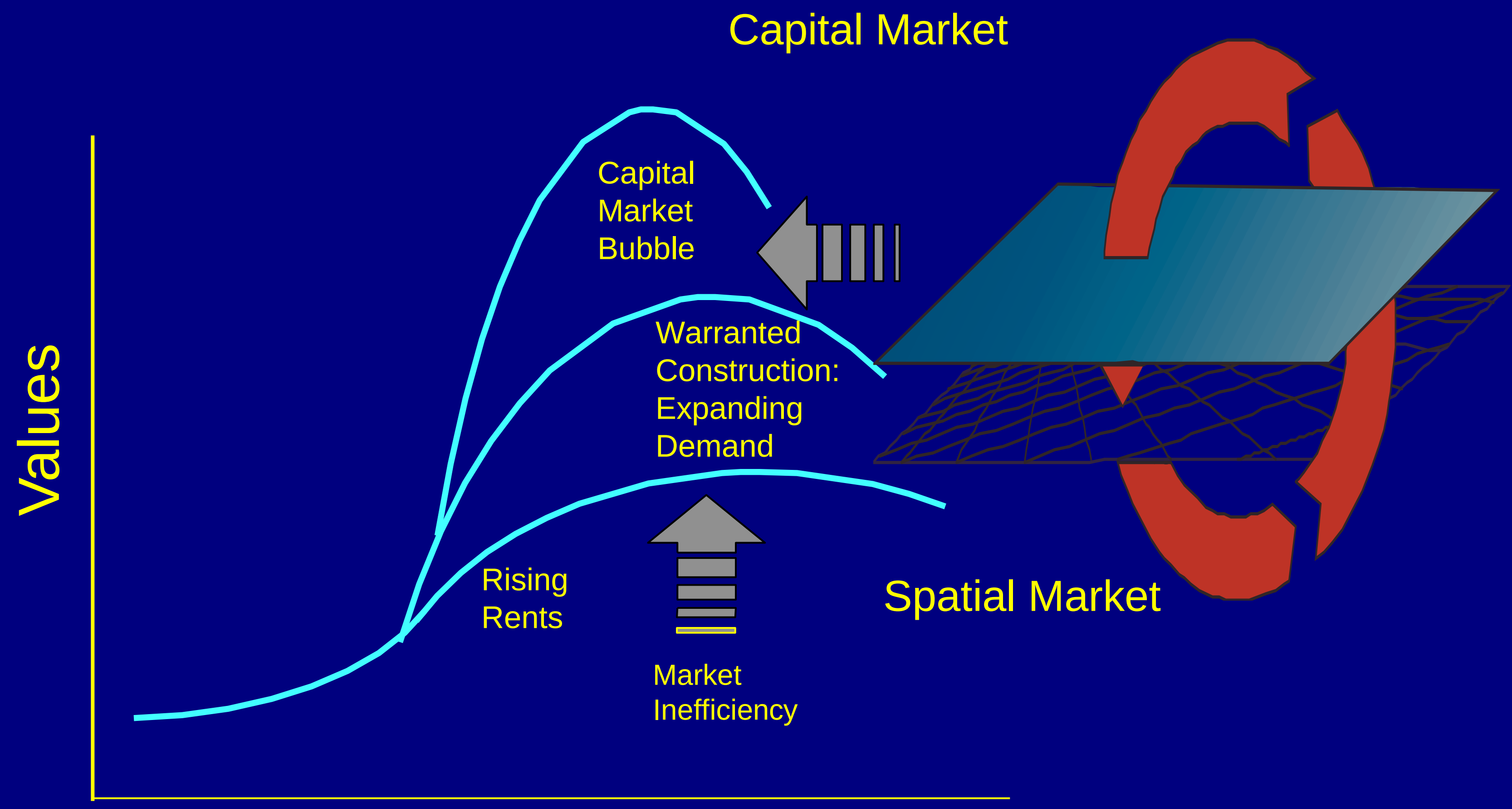
Click for annotation

The Three C's of our Disconnect

- Credit Crisis
  - Easy Credit
  - Cheap Credit
  - Plentiful Credit
- Crisis of Confidence
  - Consumer Confidence
  - Corporate Confidence
- Crisis of Collateral
  - Value attributable to delinking spatial market/capital market
  - Values correction as "marked to market"
  - Re-pricing of Risk

Click for annotation

Real Estate Cycles & Spatial/Capital Disconnect



Key Questions: Where are we? Where is bottom? When?

Click for annotation

Part II: The Economic and Capital Markets

	Strongly Agree		Neither		Strongly Disagree
Emerging from Recession	0 0%	3 20%	5 33%	4 27%	3 20%
Employment Get Better	0 0%	5 33%	0 0%	8 53%	2 13%
Credit Won't be Problem	0 0%	3 20%	1 7%	8 53%	3 20%
Consumers will be back	0 0%	2 13%	0 0%	10 67%	3 20%
Commercial RE Rebound	0 0%	0 0%	0 0%	9 60%	6 40%
Bailout/Stimulus Focused on CRE	0 0%	1 7%	6 40%	5 33%	3 20%
Housing Bottomed Out	0 0%	2 13%	1 7%	8 53%	4 27%
Fed Work by Year-End	0 0%	6 40%	2 13%	6 40%	1 7%
CRE Not Collapsing	0 0%	2 13%	4 27%	6 40%	3 20%
CRE Bottomed Out	0 0%	1 7%	3 21%	7 50%	3 21%

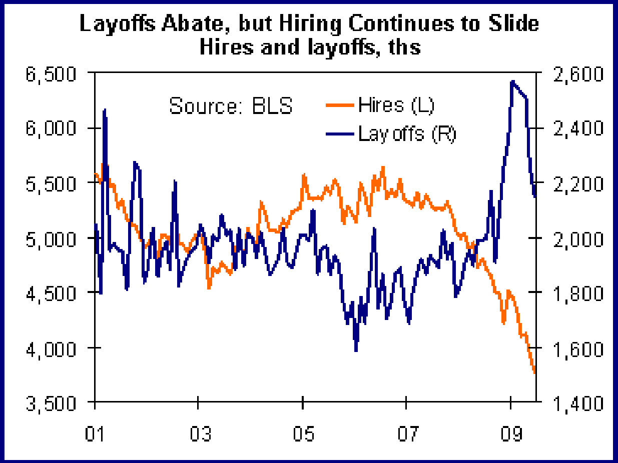
Source: DOD Appraisal Conference Attendees

Click for annotation

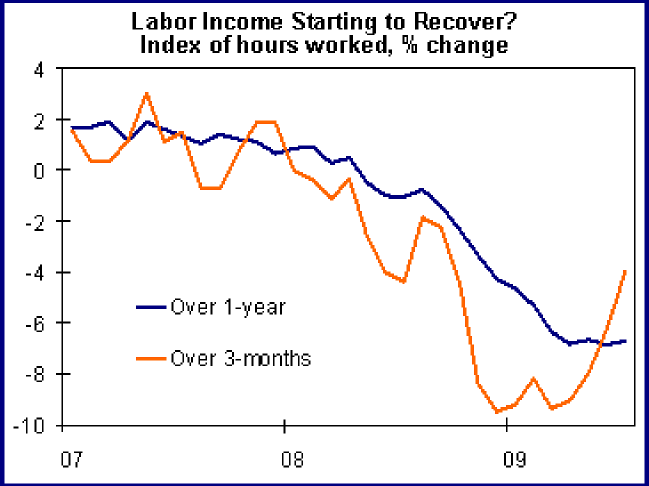
Employment Losses Slowing, Hours Increasing

UNIVERSITY OF WASHINGTON

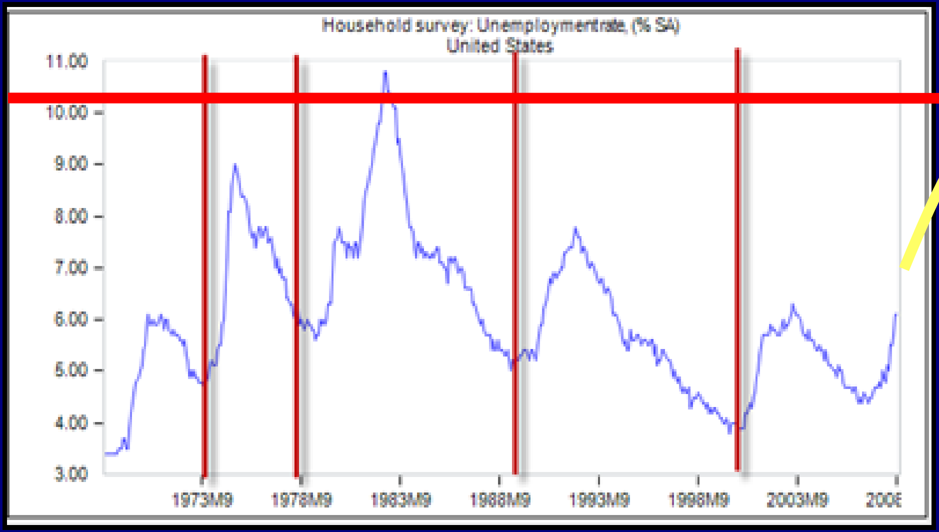
Net Employment losses



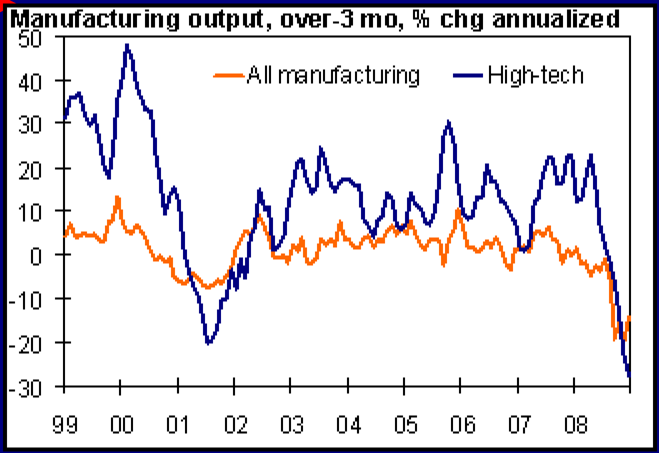
Hours Worked Rising?



Unemployment



Who's Next: Who's Left?

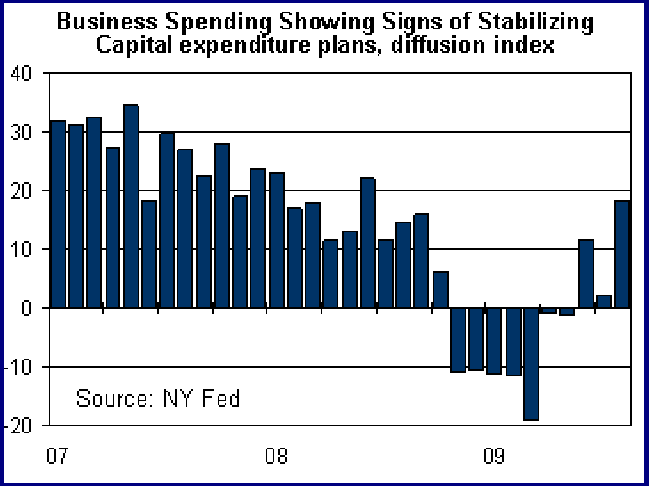


Source: economy.com

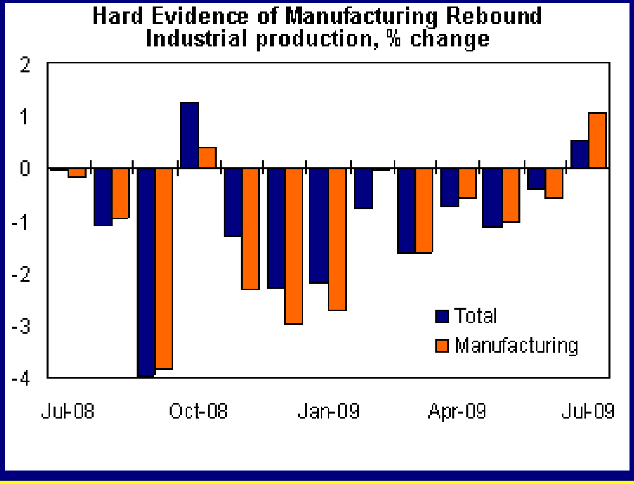
Click for annotation

Some Good News: Manufacturing & Autos

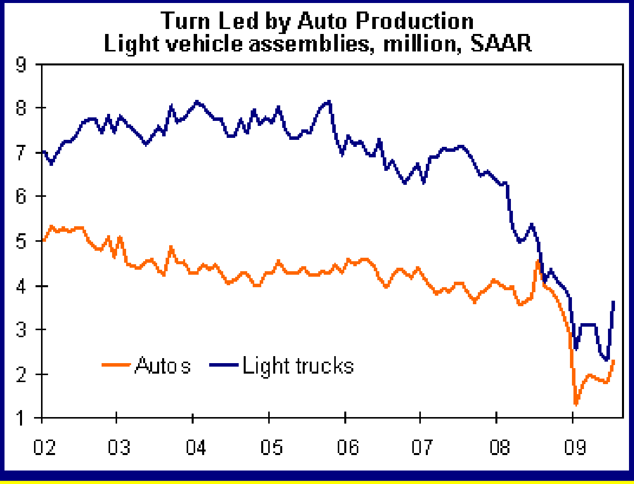
Business Spending



Some Good News: Manufacturing up



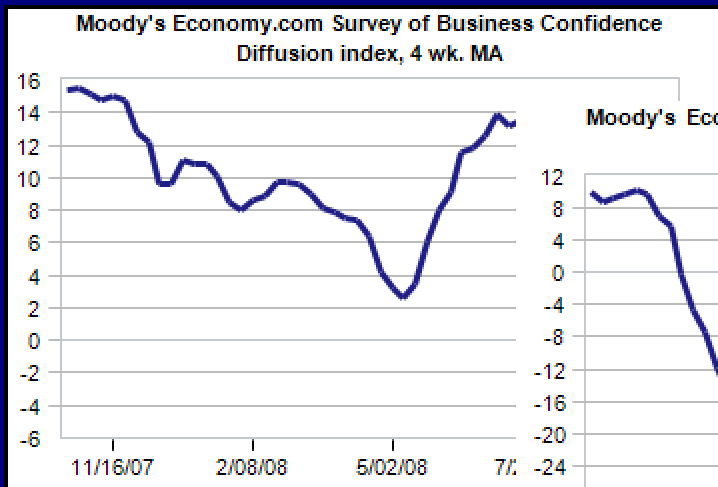
Cash for Clunkers….



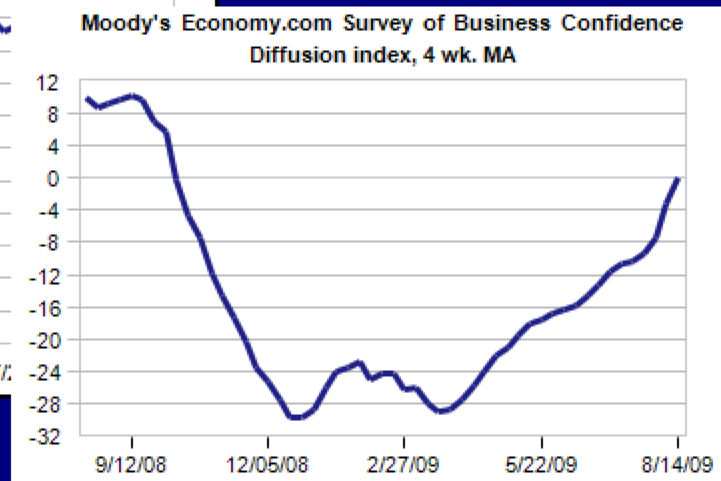
Source: economy.com

Global and Domestic Business Confidence

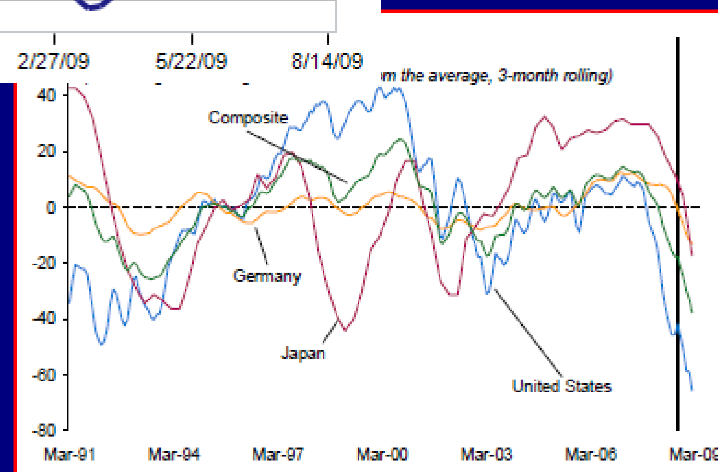
U.S. Business Confidence



Some improvement….



G3: Global Confidence

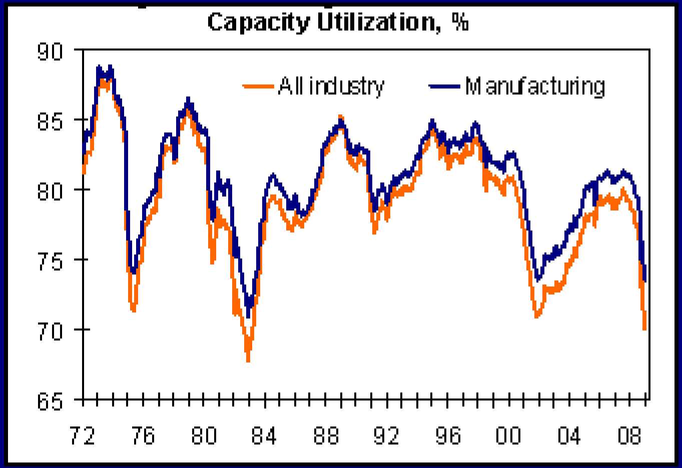


Source: economy.com

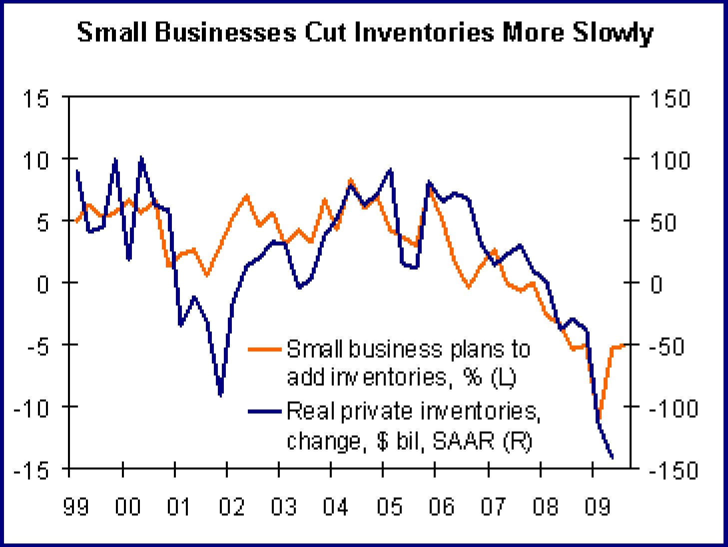
Click for annotation

Inventories and Capacity Utilization

Capacity Utilization



Inventory Reductions Slowing

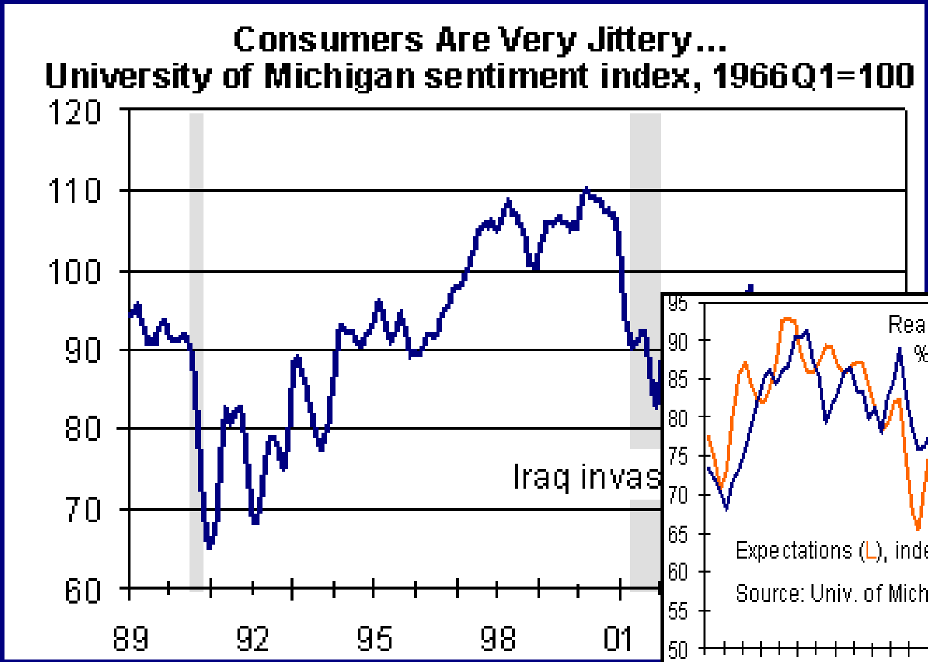


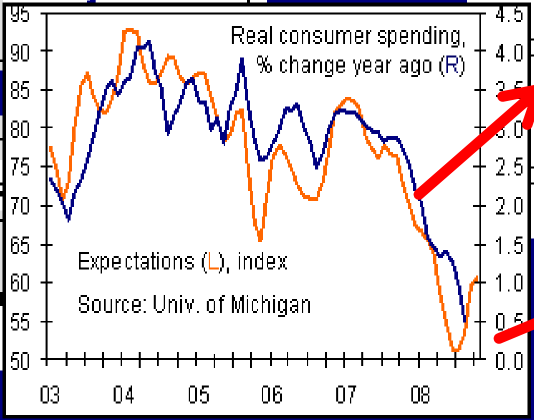
Source: economy.com

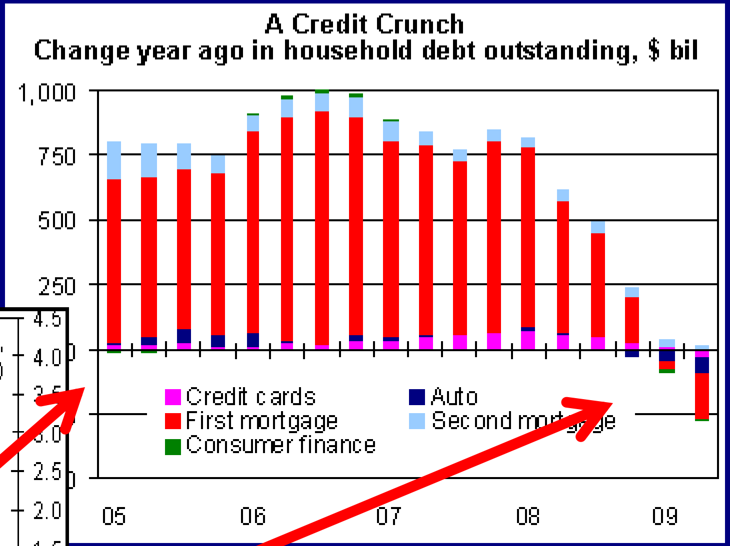
Click for annotation

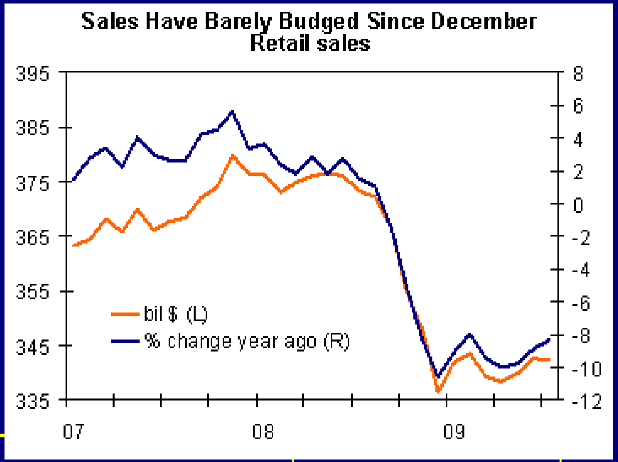
Consumer Confidence, Spending & Credit

Consumers Contracting









Source: economy.com

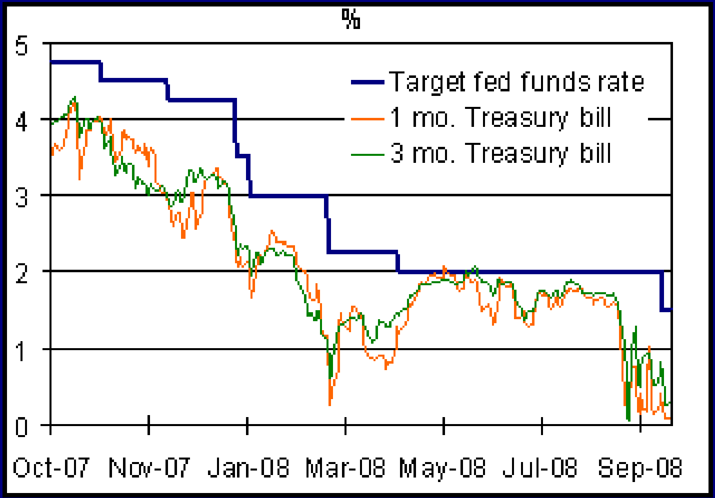
Obama to prod credit card firms on fee practices

WASHINGTON, Apr. 23, 2009 (Reuters) — President Barack Obama will weigh in on Thursday on the lending practices of U.S. credit card companies, an issue that has triggered an outcry from consumers hit with high fees and interest rates. ... > *full story*

Click for annotation

Interest Rates, Mortgage Rates

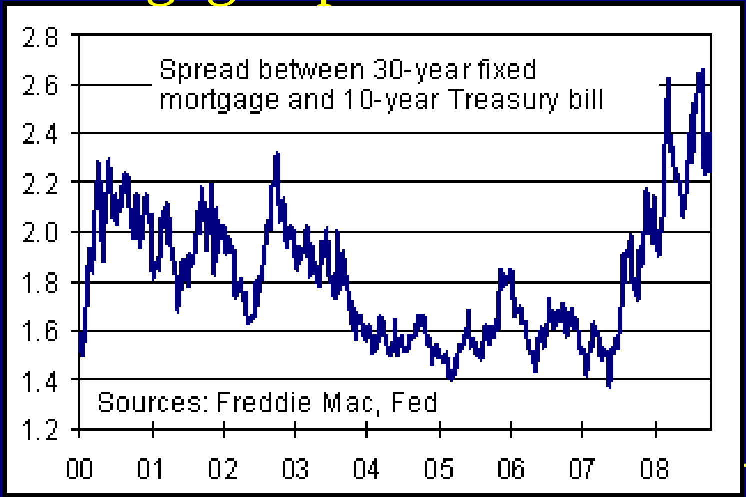
Fed Funds Rate

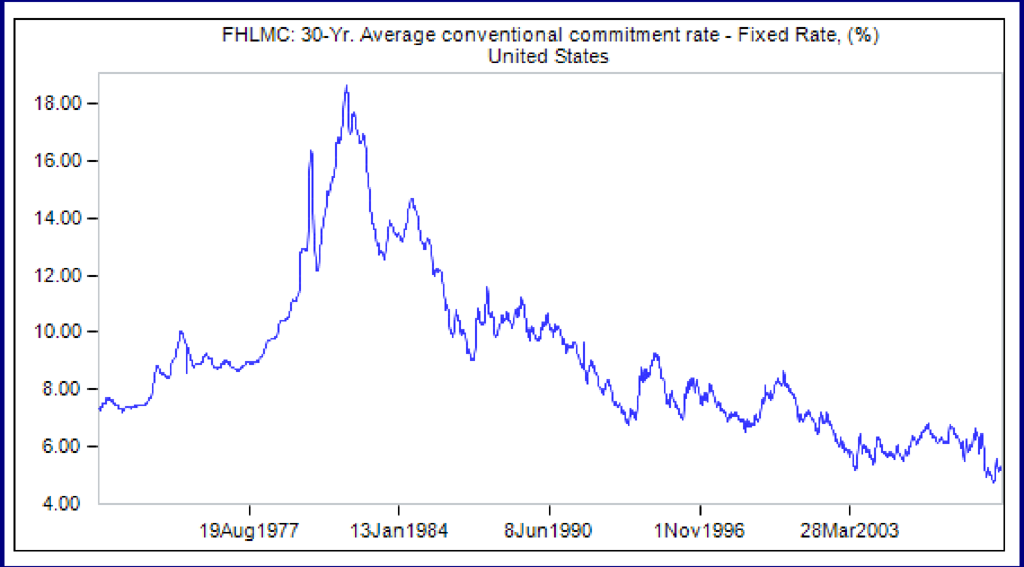


Recent Mortgage Rates

Interest Rate	YIELD/RATE (%) Last	Wk Ago	52-WEEK High	Low	CHANGE IN PCT. PTS 52-Wk	3-Yr
30-year mortgage, fixed	**5.32**	5.33	6.61	5.30	**-0.22**	-0.39
15-year mortgage, fixed	**4.95**	4.90	6.22	4.90	**-0.09**	-0.35
Jumbo mortgages, $417,000-plus	**6.75**	6.75	7.89	6.49	**0.16**	0.74
Five-year adj mortage (ARM)	**5.66**	5.84	6.14	5.01	**0.40**	0.34
New-car loan, 48-month	**7.10**	7.11	7.14	6.45	**0.11**	0.63
Home-equity loan, $30,000	**5.18**	5.18	6.85	4.64	**-1.67**	-0.81

Mortgage Spreads



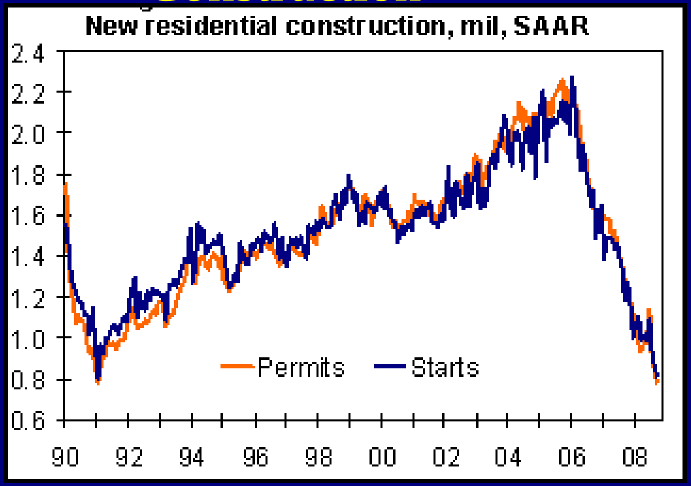


Source: economy.com

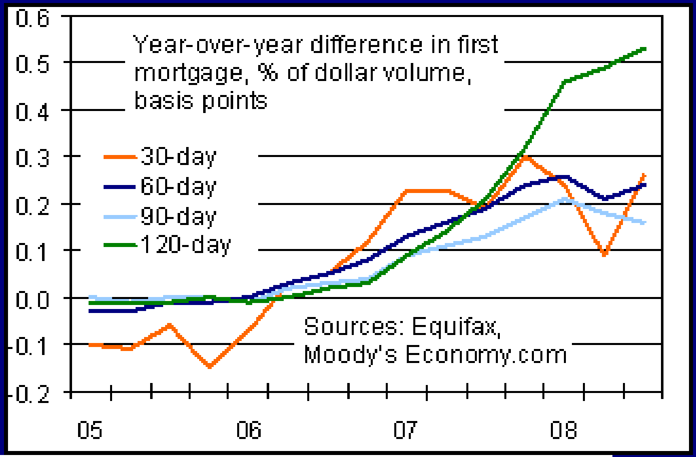
Click for annotation

Housing Activity and Delinquency Rates

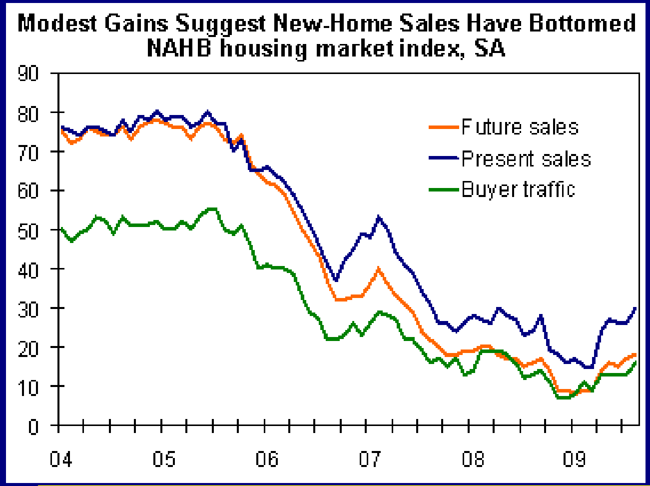
Construction

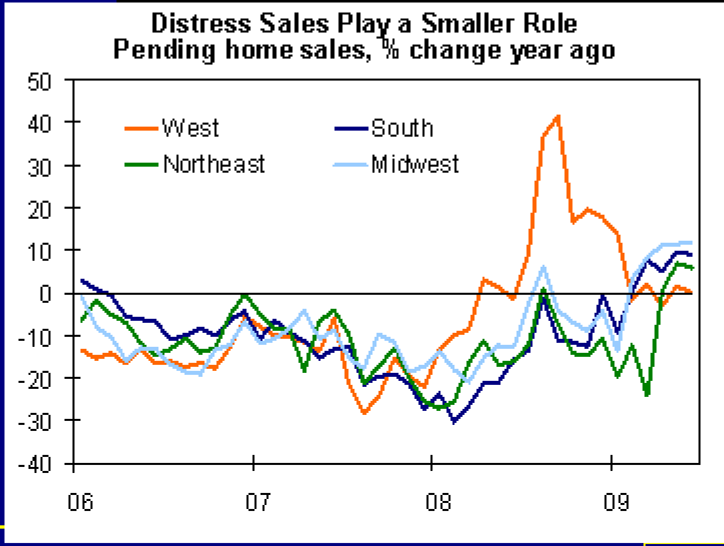


Delinquency & Default



Housing Index

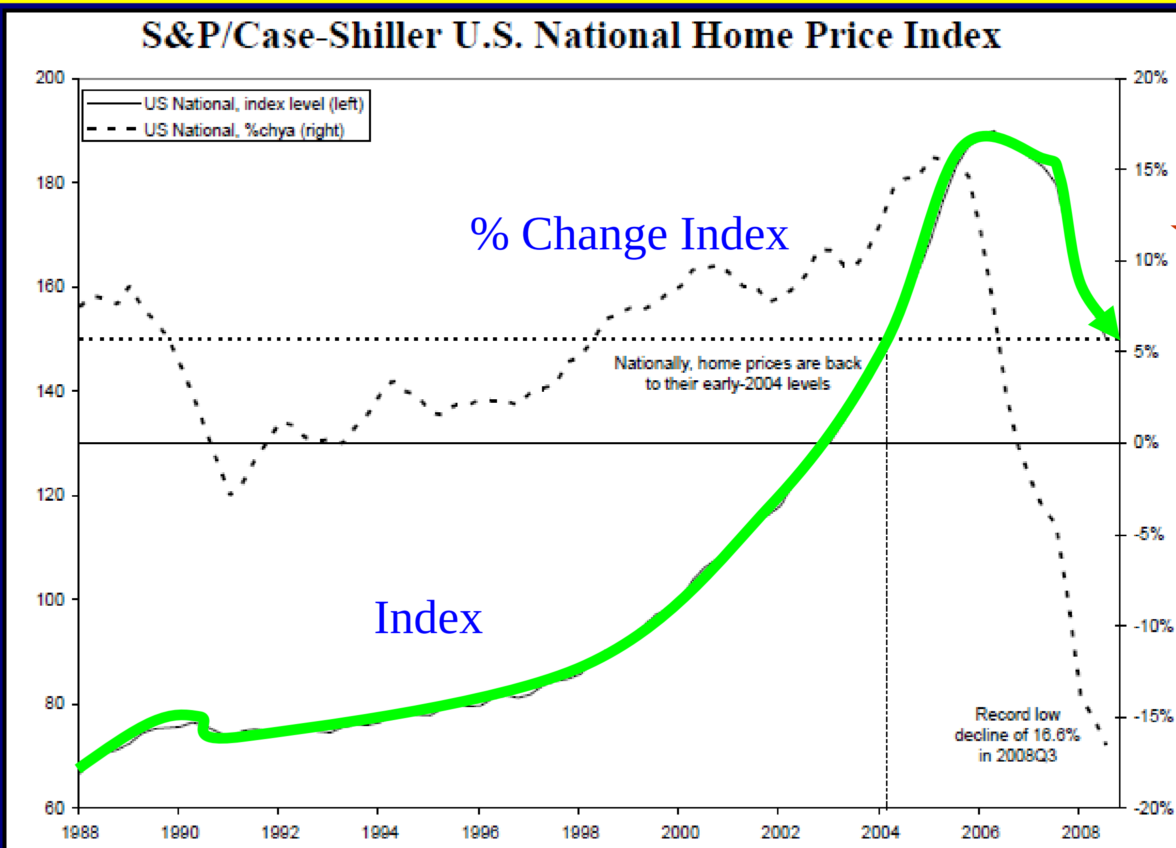




Click for annotation

UNIVERSITY OF WASHINGTON

Single-Family Market: Prices Peak - Current



Sources: Standard & Poor's and Fiserv. Data through 2008Q3.

- 21%

Peak- Oct 2008

12 Mo. -16.5%

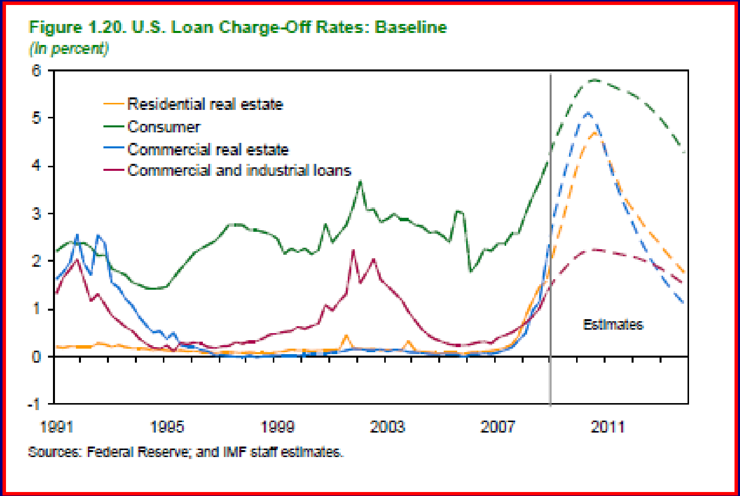
S&P/Case-Shiller Home Price Indices

	10-City	20-City	National
Peak date	Jun-06	Jul-06	2006Q2
Peak level	226.29	206.52	189.93
Decline since peak	-25.0%	-23.4%	-21.0%
Decline in the last 12 months	-19.1%	-18.0%	-16.6%

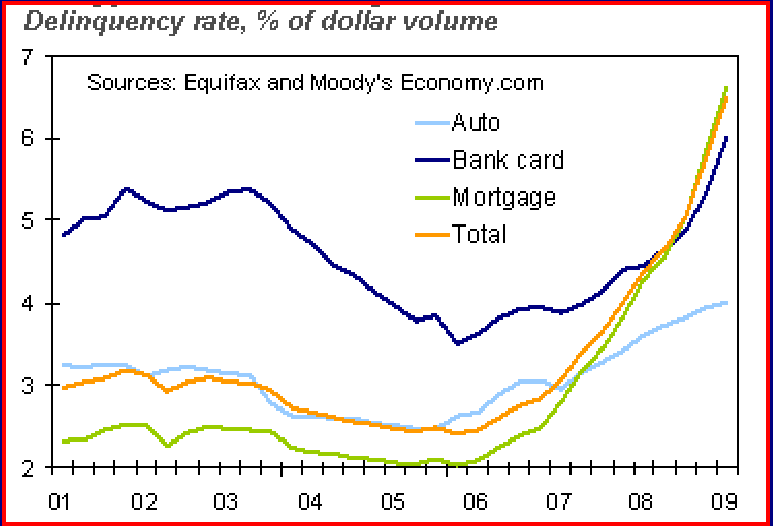
Click for annotation

Delinquency and Loan Charge-Off Rates

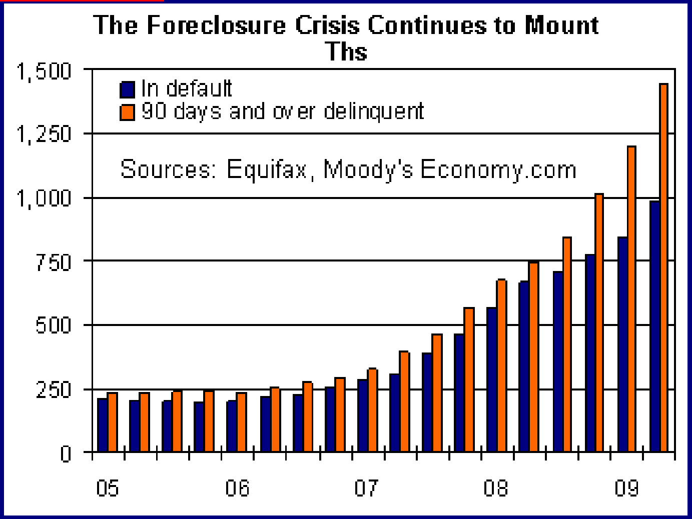
Loan Charge-Off Rates to Rise



Delinquency Rates



Residential Foreclosures



Source: economy.com

Click for annotation

UNIVERSITY OF WASHINGTON

Business Cycles: An Historical Comparison

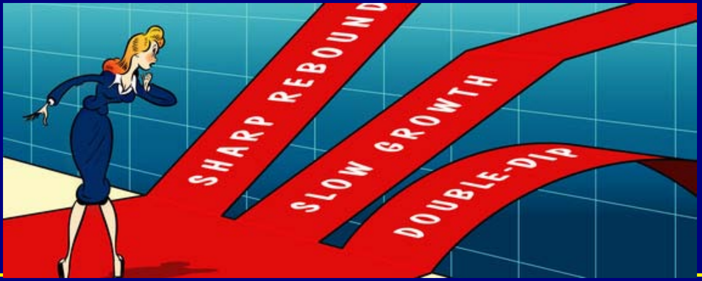
U.S. Business Cycles Since World War II

Peak-to-trough % change

Peak	Trough	Real GDP	Industrial Production	Nonfarm Employment	Jobless Rate Low	Jobless Rate High	Jobless Rate Change
Dec. 2007	**Sept. 2009**	**-3.9%**	**-19.2%**	**-5.5%**	**4.4%**	**10.1%**	**5.7%**
Mar. 2001	Nov. 2001	-0.4%	-6.3%	-2.0%	3.8%	6.3%	2.5%
July 1990	Mar. 1991	-1.3%	-4.3%	-1.5%	5.0%	7.8%	2.8%
July 1981	Nov. 1982	-2.9%	-9.5%	-3.1%	7.2%	10.8%	3.6%
Jan. 1980	July 1980	-2.2%	-6.2%	-1.3%	5.6%	7.8%	2.2%
Nov. 1973	Mar. 1975	-3.1%	-14.8%	-2.7%	4.6%	9.0%	4.4%
Dec. 1969	Nov. 1970	-1.0%	-5.8%	-1.4%	3.4%	6.1%	2.7%
Apr. 1960	Feb. 1961	-1.3%	-6.2%	-2.3%	4.8%	7.1%	2.3%
Aug. 1957	Apr. 1958	-3.8%	-12.7%	-4.4%	3.7%	7.5%	3.8%
July 1953	May 1954	-2.7%	-9.0%	-3.3%	2.5%	6.1%	3.6%
Nov. 1948	Oct. 1949	-1.7%	-8.6%	-5.1%	3.4%	7.9%	4.5%
	Average	**-2.0%**	**-8.3%**	**-2.7%**	**4.4%**	**7.6%**	**3.2%**

Sources: NBER, BEA, FRB, BLS, Moody's Economy.com

The Future Remains Uncertain



Click for annotation

Bailout # 1: TARP

- Troubled Asset Relief Program (TARP)
  - When: Early Fall 2008
  - Objectives: stabilize financial institutions & provide liquidity& restore business and consumer confidence
  - Funding
    - $700 billion Bailout (?) Budget
    - $250 b to take equity-like positions in financial institutions
    - Purchase commercial paper; changed to Capital Purchase Program (CCP)
- What Happened?

Treasury says about $110B left in bailout fund

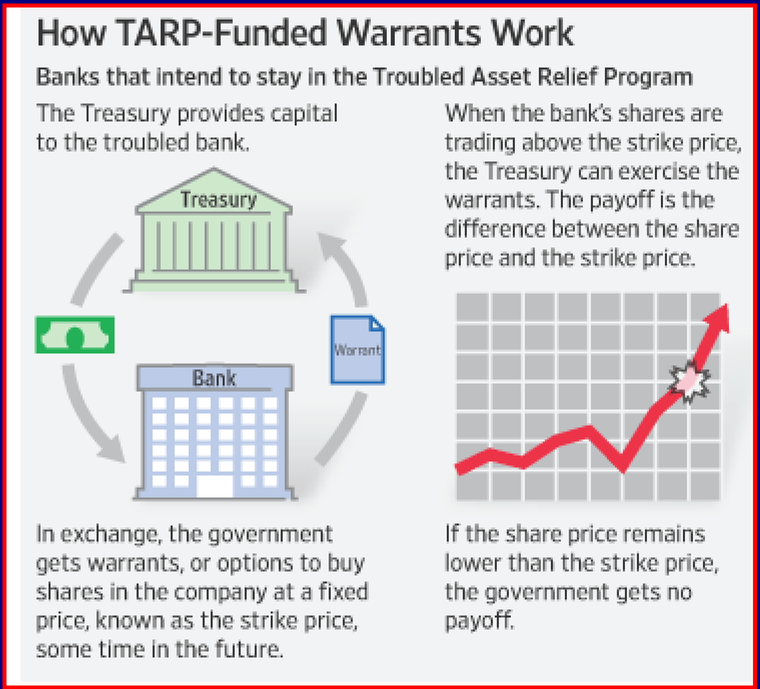
by The Associated Press
Tuesday April 21, 2009, 9:07 AM

  - Current Scandals
    - Special Inspector General for the Program
    - On April 20th, announced some 20 Probes of Bailout for Fraud, Trading

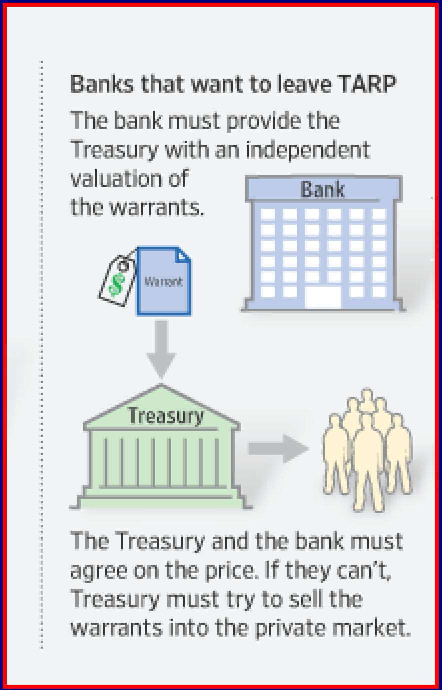
Click for annotation

Banks Want Out of Tarp

Intend to Stay



Want to Give Back $



J.P. Morgan, Goldman Sacks

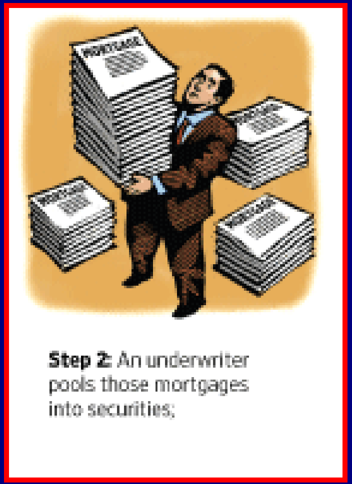
One problem undermining the Treasury's effort to revamp the TARP program is the limitation of existing oversight. A report issued Tuesday by the TARP's special inspector general, for example, suggested firms could game a federal program designed to deal with illiquid bank assets. "The significant government-financed leverage presents a great incentive for collusion…whereby, once again, the taxpayer takes a significant loss while others profit," said the report from Special Inspector General Neil Barofsky.

Click for annotation

UNIVERSITY OF WASHINGTON

Bailout # 2: TALF & CMBS….

- When: 2009
  - Expand Term Asset-Backed Security Loan Facility (TALF) to allow the posting of both new and legacy MBS
  - Both commercial MBS ("CMBS") and residential MBS ("RMBS") collateral.
- Objectives
  - Consumer: insure the debt if a borrower defaults
  - Backing the backers, the Treasury department will provide $200 b
  - Real-Estate Industry Pushes Fed to Lengthen TALF Terms



Click for annotation

Financial Stability Plan: April 2009

- Financial Stability Trust
  - A Comprehensive Stress Test for Major Banks
  - Increased Balance Sheet Transparency and Disclosure
- Capital Assistance Program
  - Public-Private Investment Fund ($500 Billion - $1 Trillion)
  - Consumer and Business Lending Initiative (Up to $1 trillion)
- Initiatives
  - Transparency and Accountability Agenda
  - Affordable Housing Support and Foreclosure Prevention Plan
  - A Small Business and Community Lending Initiative

Click for annotation

TALF Safety Net Extended for Commercial RE

UNIVERSITY OF WASHINGTON

- Extension
  - The Federal Reserve is extending its Term Asset-Backed Security Loan Facility, which would have expired this year.
  - Objective: keep safety net up for commercial real estate and help roll over loans

- Size of Market
  - Some $3.5 trillion in commercial real estate loans
  - March 08- August 09: Only $30 billion of $1 trillion lent
  - Commercial RE likely to stress reserves over next several years

Click for annotation

IMF Global Financial Stability Report

- Global credit crunch will be “deep and long-lasting”
- More bank writedowns are coming
  - Raised $900 b in new capital since crisis; loses of $2.8 trillion
  - US banks had over $500 billion write-downs, may double by 2010
- The Next Fix: Capital Infusion: by end of 2010
  - US $275 billion
  - Euro area $375 billion
  - UK $125 billion
  - Other Developed $100 billion
- Conclusion
  - Not all banks bad,
  - but a lot of bad banks

Click for annotation

Part III: Real Estate Capital Markets

Macro-economic Environment

- Economy tottering with risk of recession
- Businesses struggling, stock market volatile
- Consumers bearish

Real Estate Capital Market

- Wavering, delayed investor demand
- Rising Cap rates, declining values
- Challenge in de-levering asset class

Click for annotation

Where on Real Estate Market Cycle?

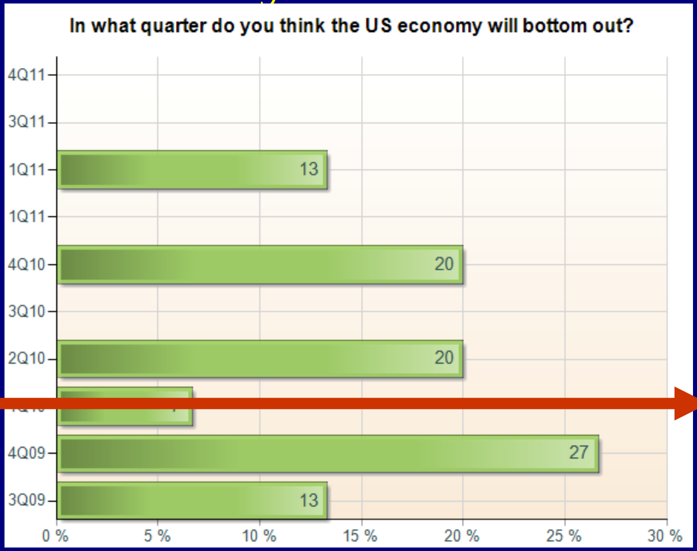
	Strongly Agree		Neither		Strongly Disagree
Commoditized Pricing Out	1 8%	1 8%	5 38%	6 46%	0 0%
No trouble Refinancing	1 7%	4 29%	3 21%	6 43%	0 0%
Sellers Unrealistic	1 7%	13 87%	0 0%	1 7%	0 0%
Fundamentals Declining	3 20%	6 40%	0 0%	6 40%	0 0%
Cap Rates Too Low Yet	2 13%	6 40%	4 27%	3 20%	0 0%
Recent Comm'l RE Bubble	3 21%	7 50%	2 14%	2 14%	0 0%
Dev Back Next Year	0 0%	2 13%	3 20%	7 47%	3 20%
More Erosion in NOI	2 13%	6 40%	4 27%	3 20%	0 0%
Transaction Volume Low	2 13%	11 73%	2 13%	0 0%	0 0%
RE Underperform 2 yrs.	1 7%	7 47%	2 13%	5 33%	0 0%

Source: DOD Appraisal Conference Attendees

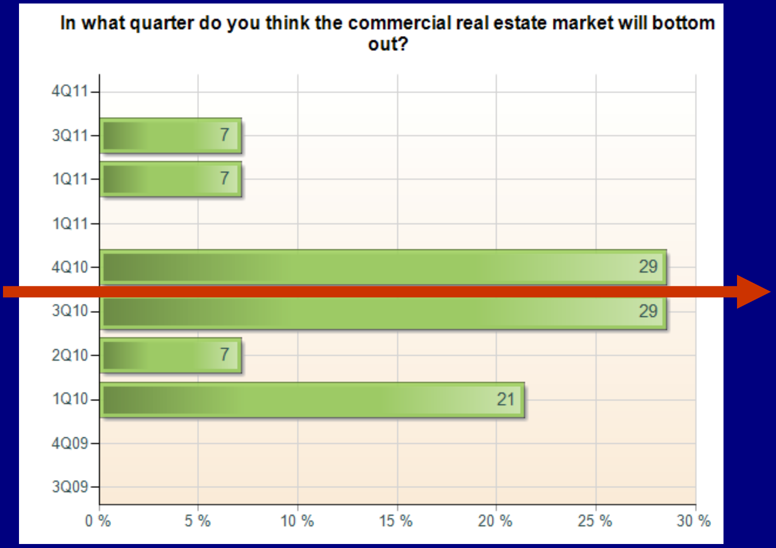
Click for annotation

Economic and Real Estate Turnaround

Economy Turnaround



Real Estate Turnaround



Source: DOD Appraisal Conference Attendees

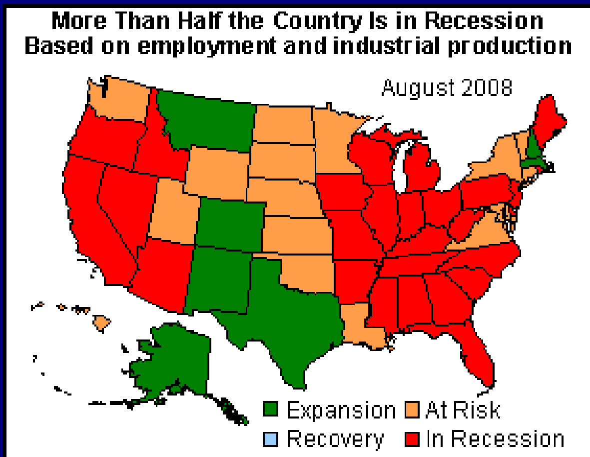
Click for annotation

Turning to the economic environment, we can start with some good news that is quickly overwhelmed with some of the bad news. In response to the question of w

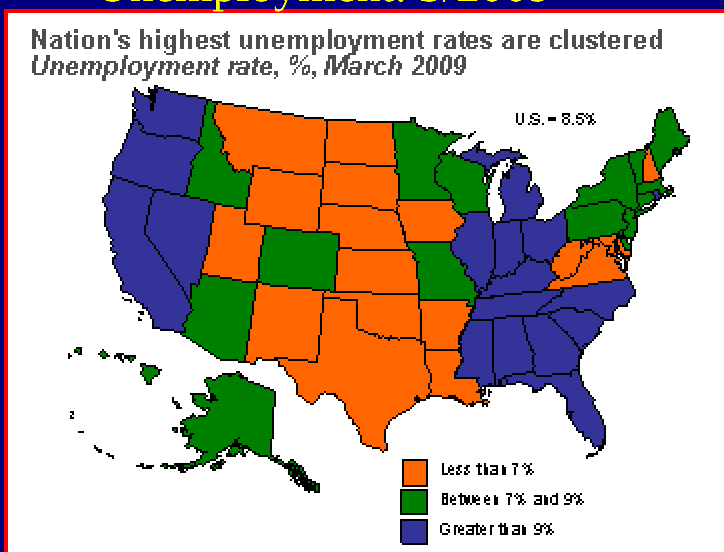
National Recession and Real Estate

UNIVERSITY OF WASHINGTON

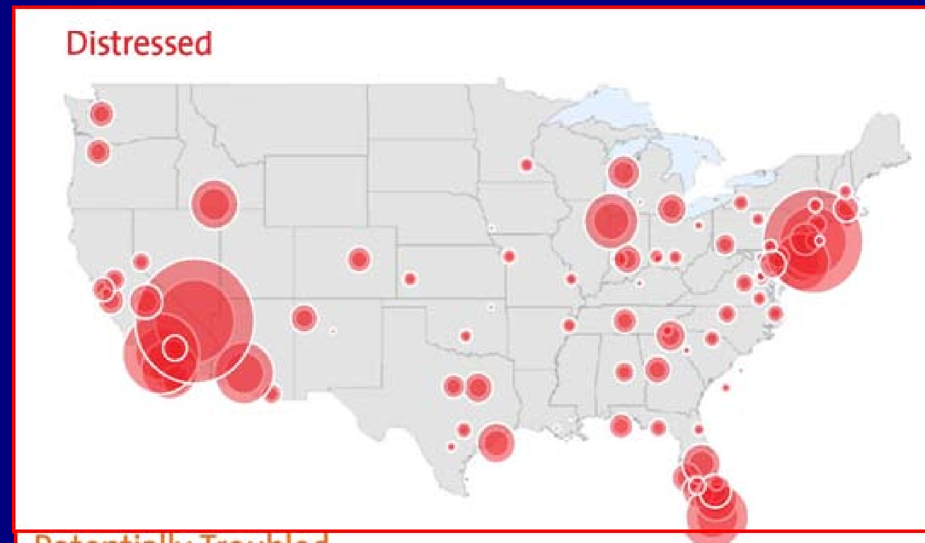
Summer 2008

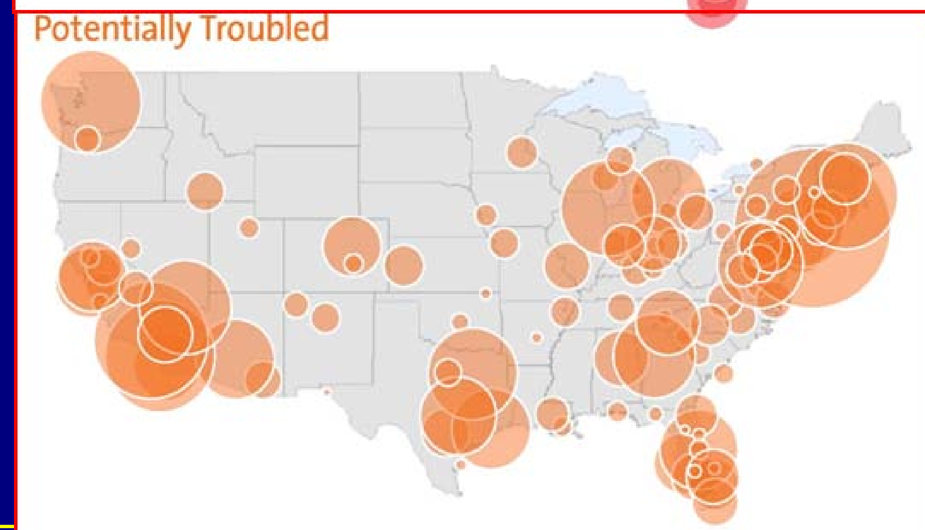


Unemployment: 3/2009



Distressed and Troubled RE: 3/2009





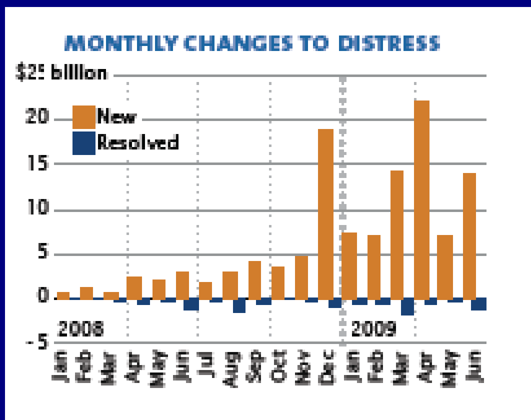
Source: Real Capital Analytics

Source: Moody's Economy.com

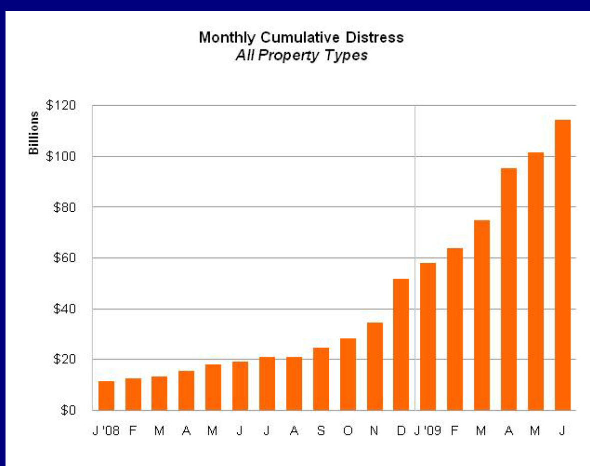
Click for annotation

Size and Trends in Distressed Assets in US

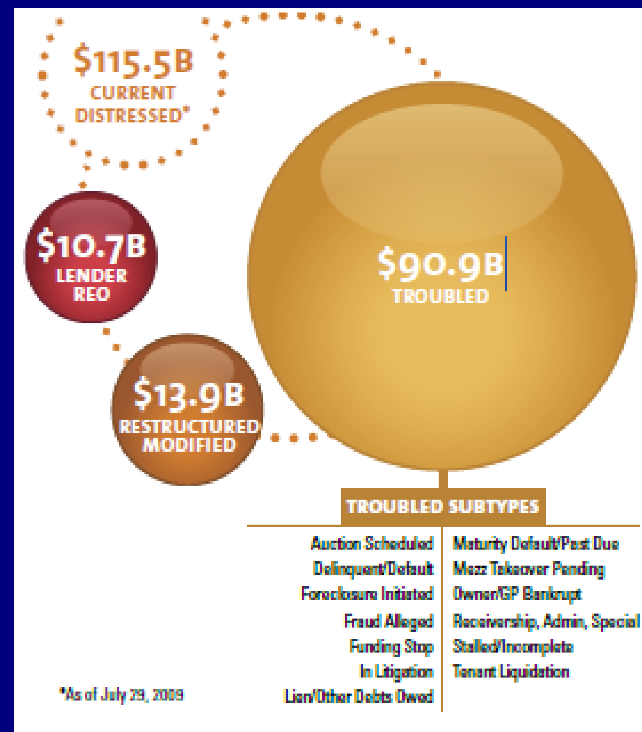
Trends in Distressed Assets



Cumulative Distressed Assets



Magnitude of Distressed Assets

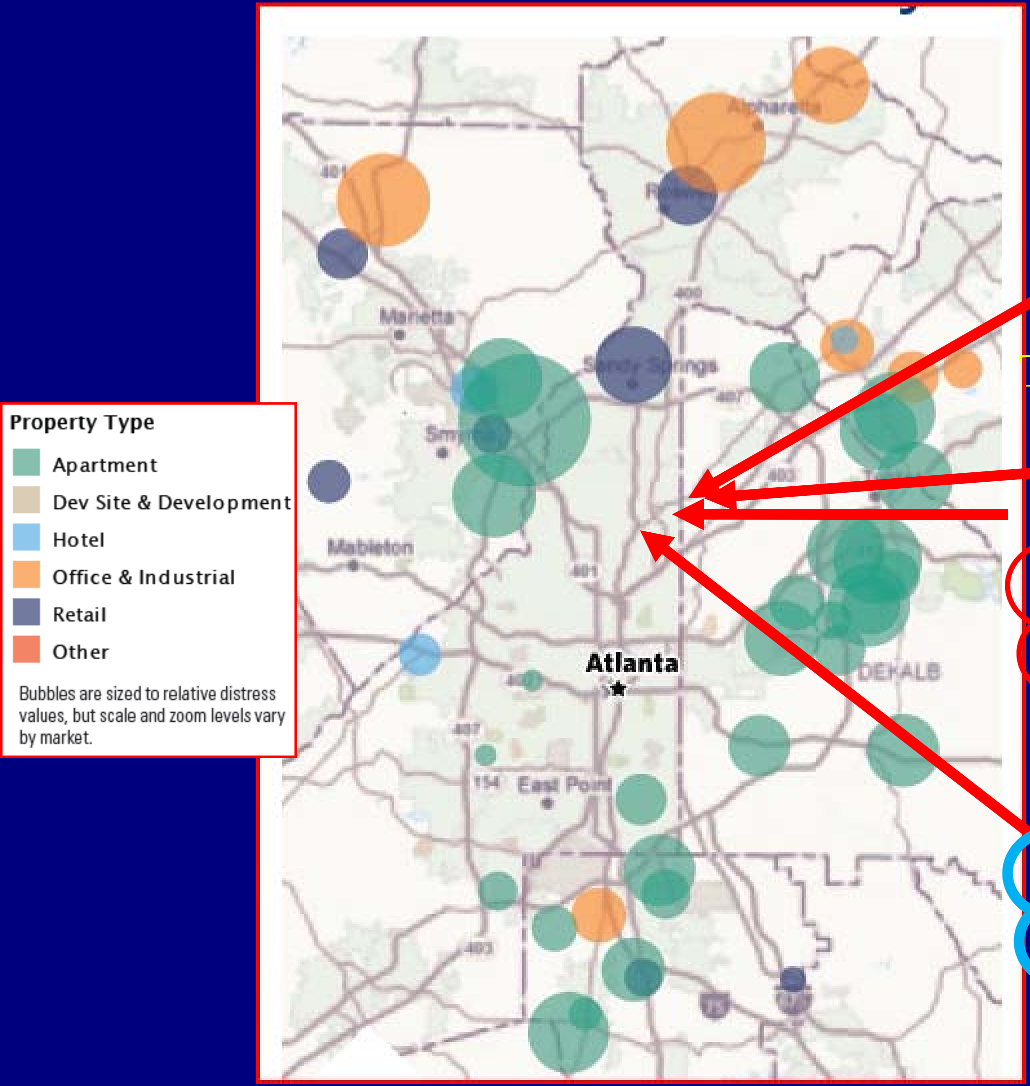


(as of July 2009)

Source: Real Capital Analytics

Click for annotation

Distressed Asset Leakage: Cannibalization



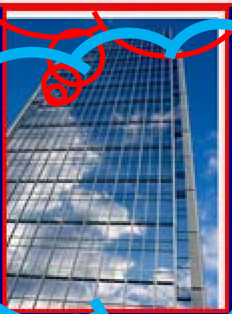
Phipps Tower: Crescent/Manulife

Wells Fargo Lead, Regions Follows

Two Alliance Center: Tishman

3630 Peachtree: Duke/Pope & Land

Bank of America Lead



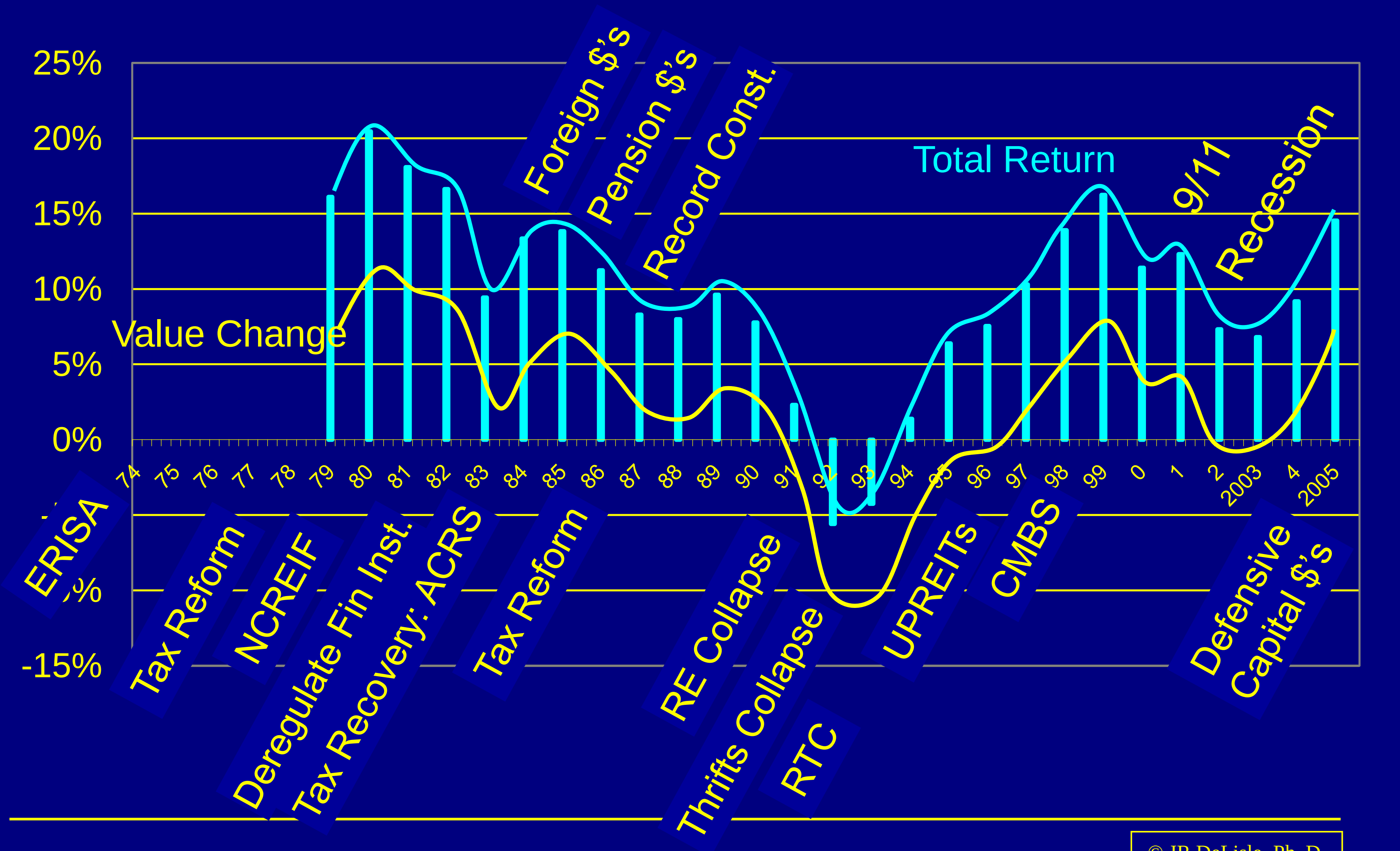
Regions Lead

Terminus 200: Cousins

Sources: RCA, WSJ 4/21/2009

Click for annotation

Commercial Real Estate: How we Got Here



Click for annotation

UNIVERSITY OF WASHINGTON

Four Quadrant Investing: The Red Herring

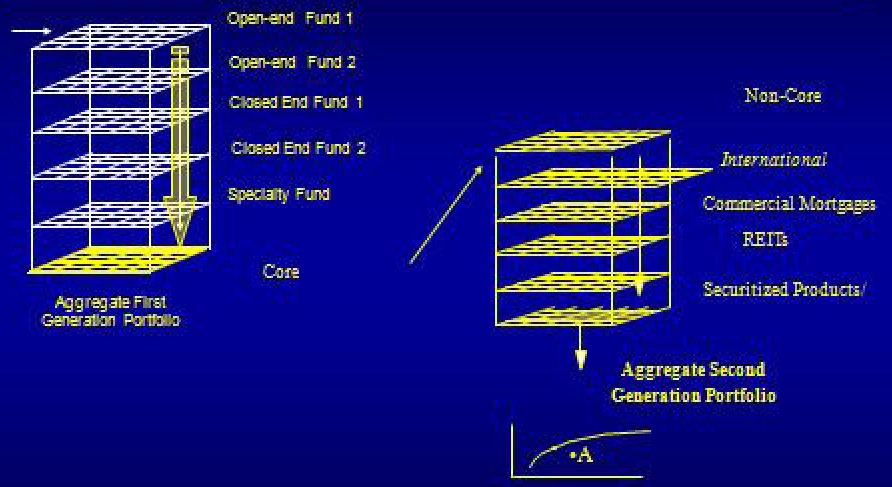
Four Quadrant Investing

© JR DeLisle, Ph. D.

	Private	Public
Equity	Individual Owership Pension Funds: Funds Partnerships, Ventures	Equity REITS Real Estate Corporations
Debt	Commercial Mortgages Residential Mortgages Mezzanine Debt	Commercial Mortgage-backed Securities (CMBS); Mortgage REITs

Second Generation Holistic Portfolio Management

© JR DeLisle, Ph. D.

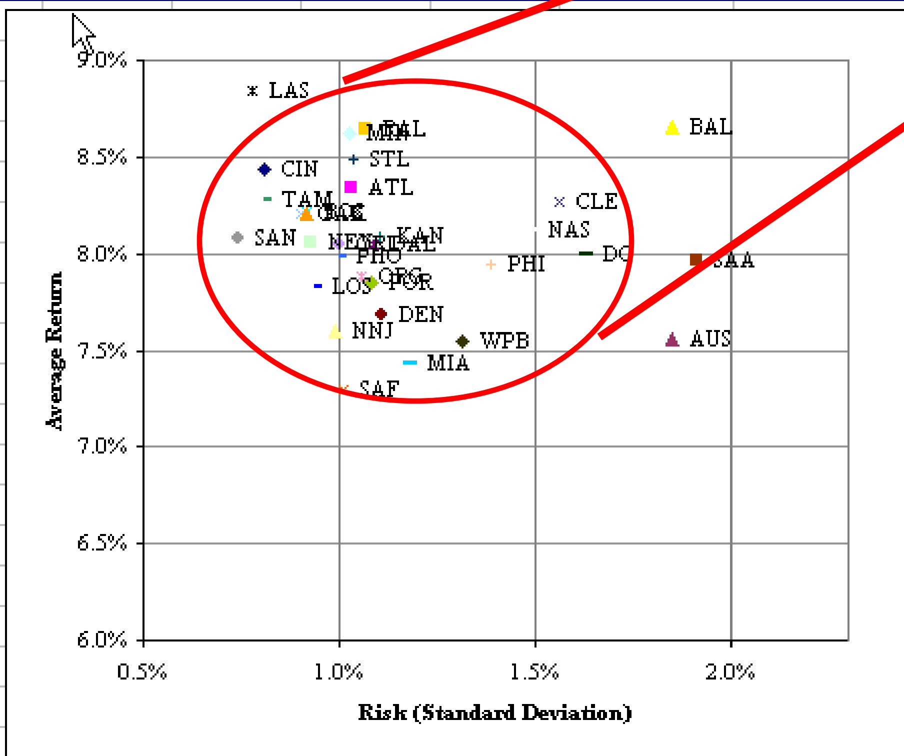


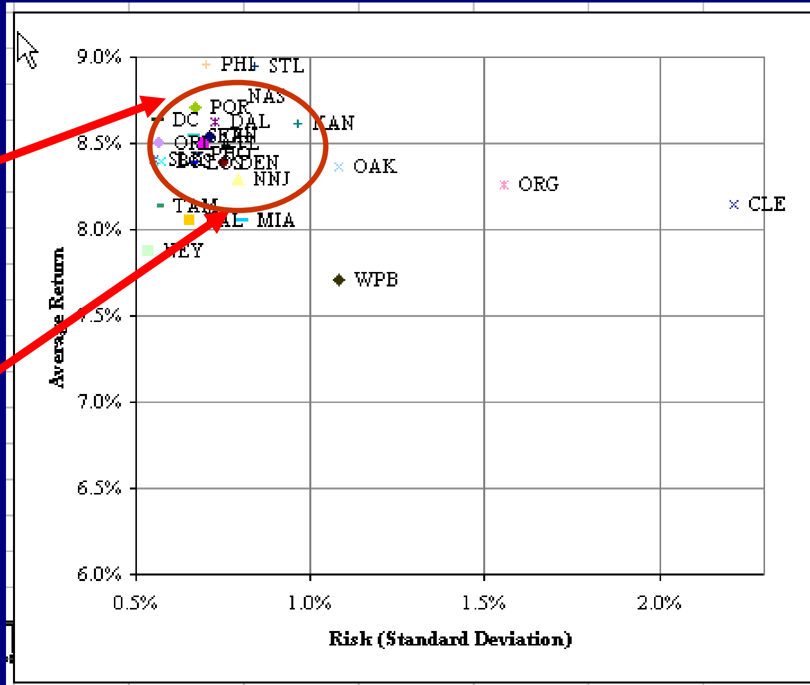
Click for annotation

What Happened: Commoditization of Pricing

UNIVERSITY OF WASHINGTON

Market Risk/Return Long-Term

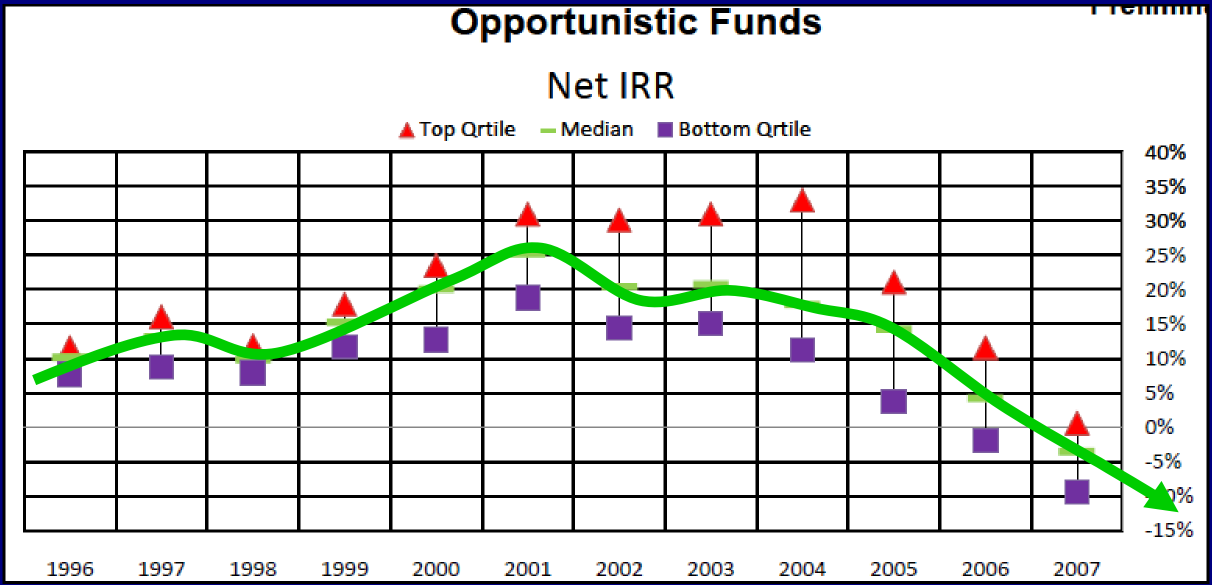




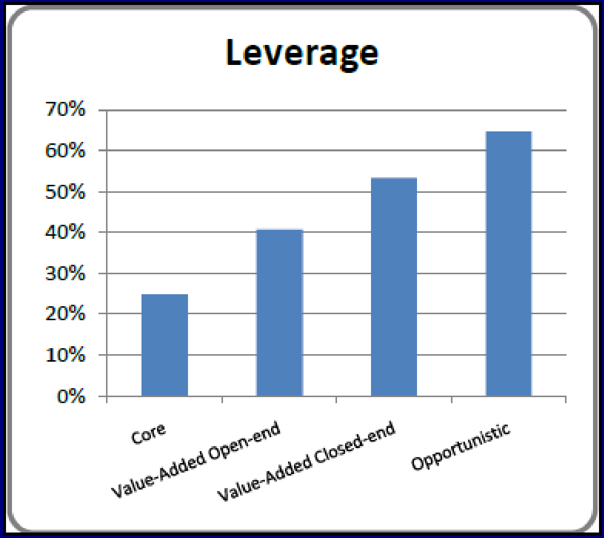
Recent: Risk/Return 5 yrs

Click for annotation

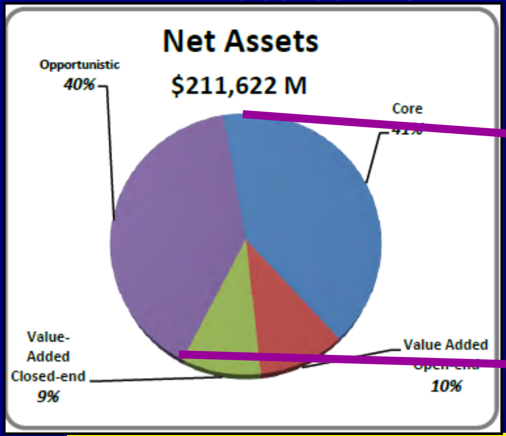
How We're Doing: Opportunistic Funds\

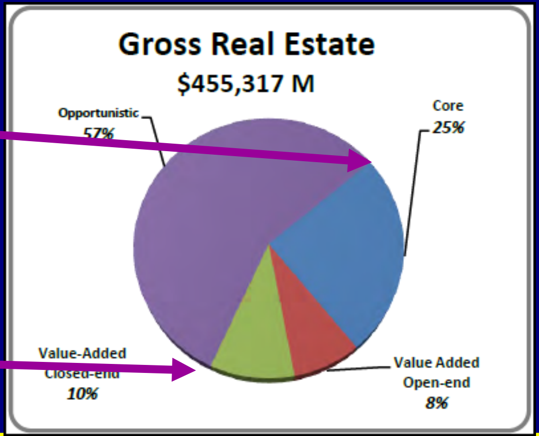


Not Asset Allocate at these IRRs



Source: NCREIF





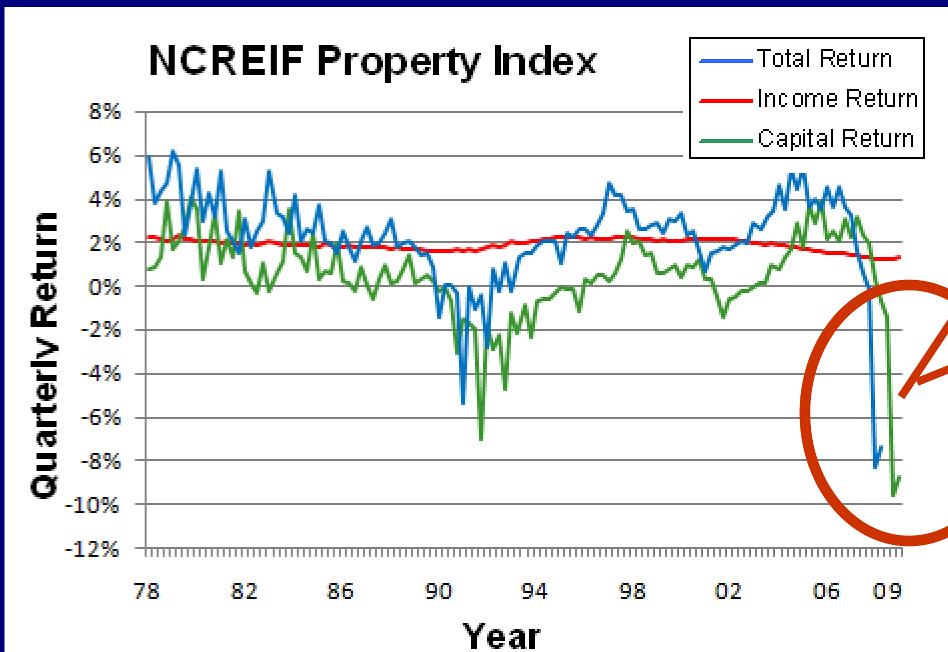
Source: 2009 Emerging Trends

Click for annotation

How We're Doing: Institutional Real Estate

Source: NCREIF

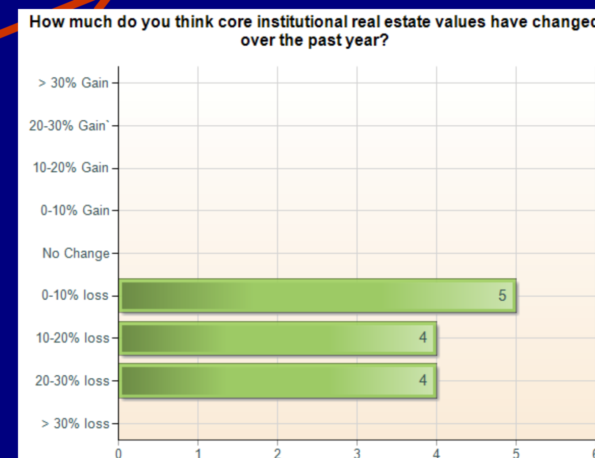
Recent NCREIF Index



NCREIF Fund Index - ODCE
(Open End Diversified Core Equity)
Second Quarter 2009 - Final Results
Released July 31, 2009

Total -9.03%
Income 1.53%
Capital Appreciation -10.53%

DOD Value Losses



NFI-ODCE	Current Qtr	Previous Qtr	Change	1 Year	3 Years	5 Years	10 Years	SI (B) (31.5 Years)
Income	1.53%	1.27%	0.26%	5.2%	5.2%	5.7%	6.9%	7.8%
Appreciation	-10.53%	-14.91%	4.38%	-34.3%	-8.9%	-1.3%	-0.1%	0.5%
Total, Gross of Fees (C)	**-9.03%**	**-13.69%**	**4.65%**	**-30.5%**	**-4.1%**	**4.4%**	**6.8%**	**8.3%**
Total, Net of Fees	-9.24%	-13.89%	4.65%	-31.1%	-4.9%	3.4%	5.9%	7.2%

Source: DOD Appraisal Conference Attendees

Click for annotation

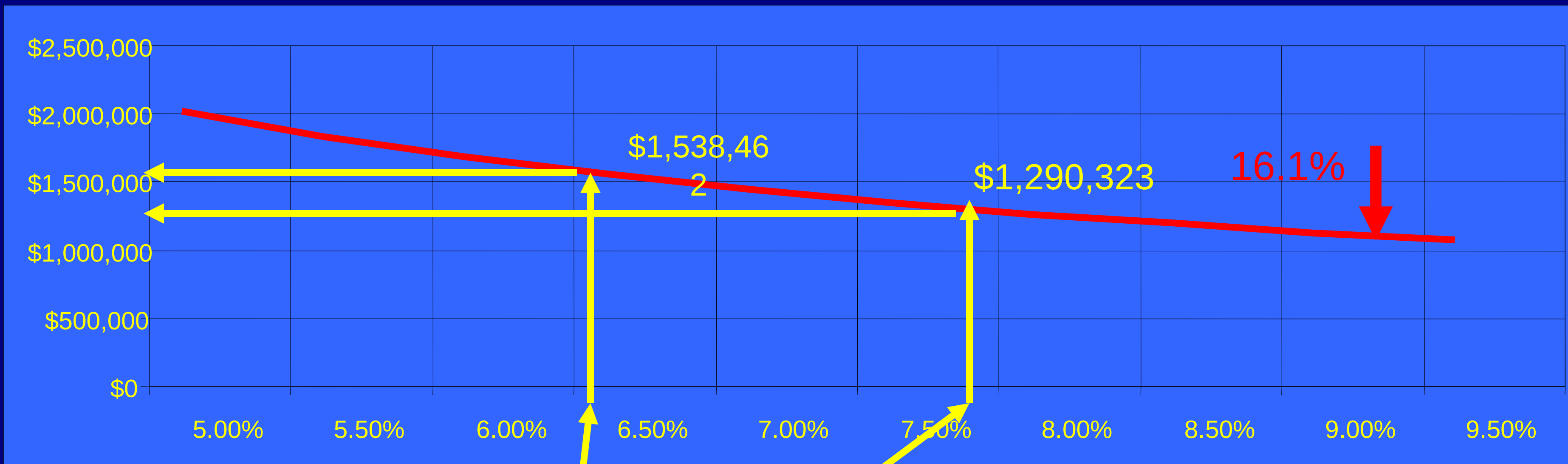
2009-2010 Cap Rate Expectations

		6.0	6.5	7.0	7.5	8.0	8.5	9.0	9.5	10	10+
Core	**Current**	1 8%	0 0%	1 8%	3 23%	2 15%	2 15%	3 23%	1 8%	0 0%	0 0%
	Feb 2010	1 8%	0 0%	1 8%	3 23%	1 8%	1 8%	4 31%	0 0%	2 15%	0 0%
Value-add	**Current**	0 0%	0 0%	1 9%	2 18%	2 18%	2 18%	3 27%	1 9%	0 0%	0 0%
	Feb 2010	0 0%	0 0%	0 0%	2 18%	3 27%	2 18%	2 18%	2 18%	0 0%	0 0%
Distressed	**Current**	1 8%	0 0%	1 8%	0 0%	0 0%	1 8%	1 8%	1 8%	5 38%	3 23%
	Feb 2010	1 8%	0 0%	1 8%	0 0%	0 0%	0 0%	2 15%	2 15%	1 8%	6 46%

Source: DOD Appraisal Conference Attendees

Click for annotation

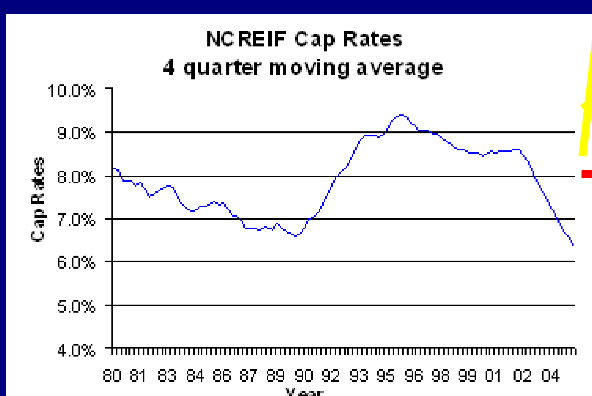
How Cap Rates & NOI Impact Value



What if Cap Rate Increases From 6.25% to 7.75%?

What Value impact on $100,000 NOI?

What if NOI down 10%?

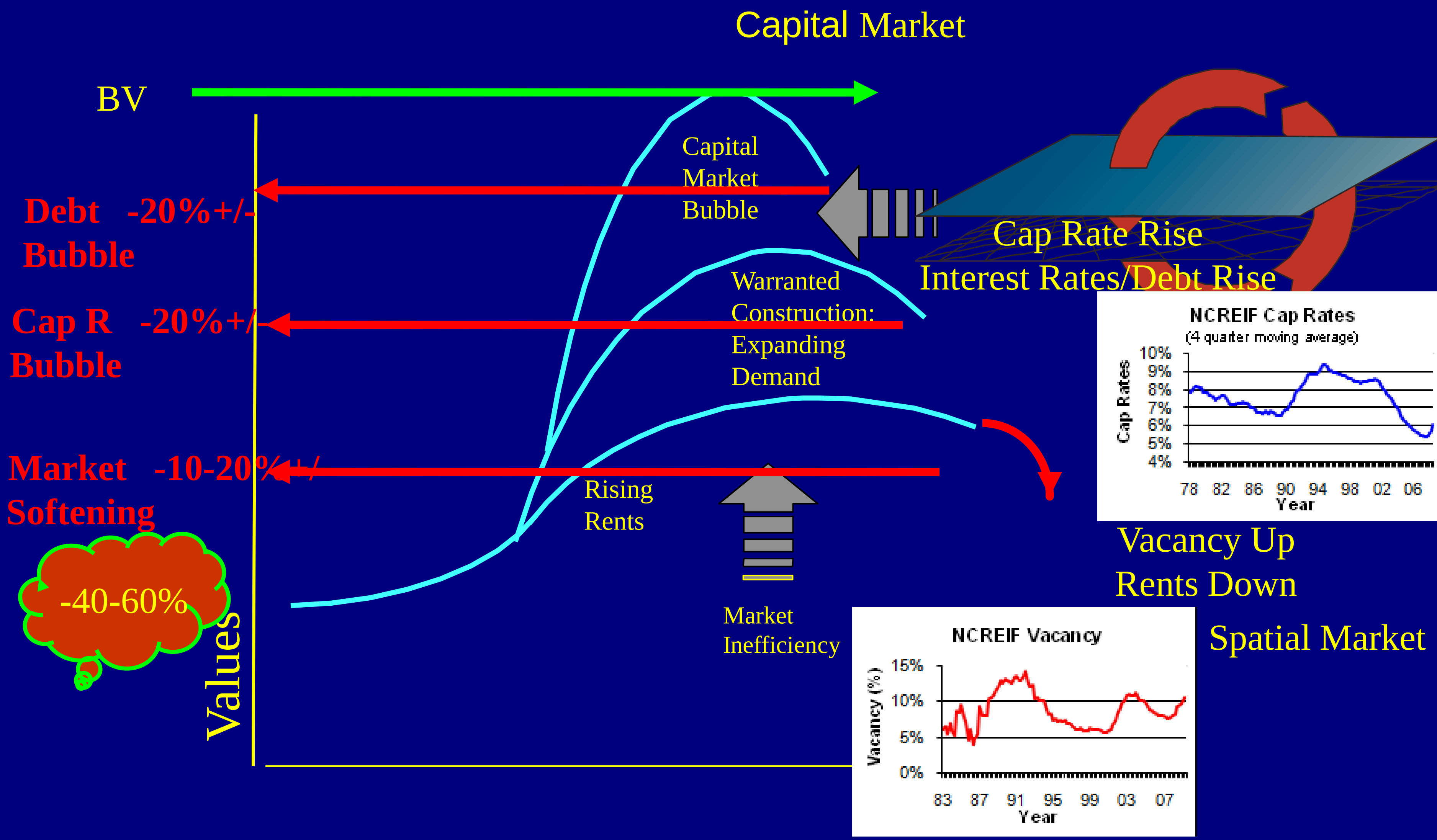


$	90,000
	7.75%
$	1,161,291
	25%

4.6% NCREIF Apartment Cap in 2008!

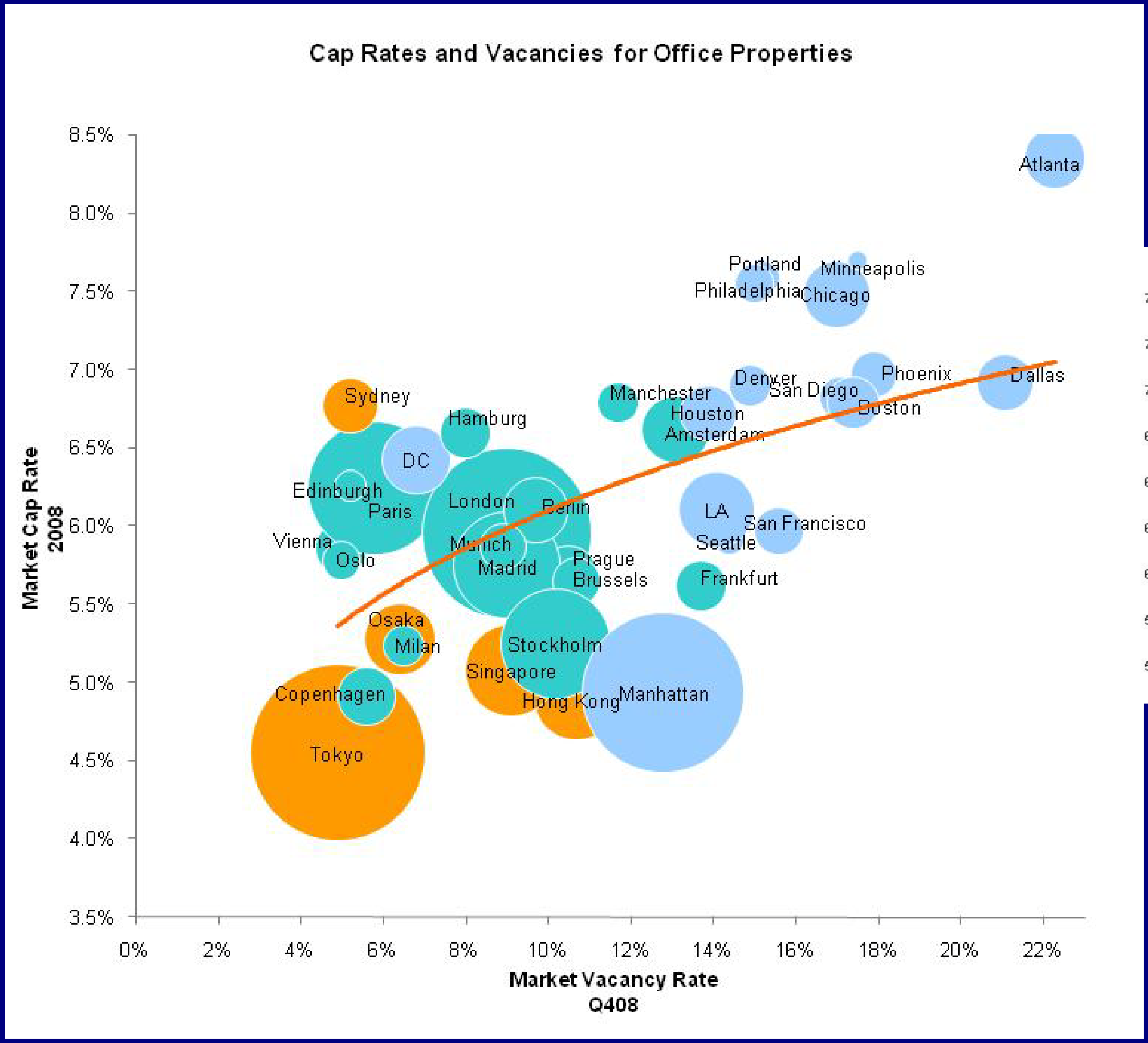
Click for annotation

Spatial & Capital Market Re-connect

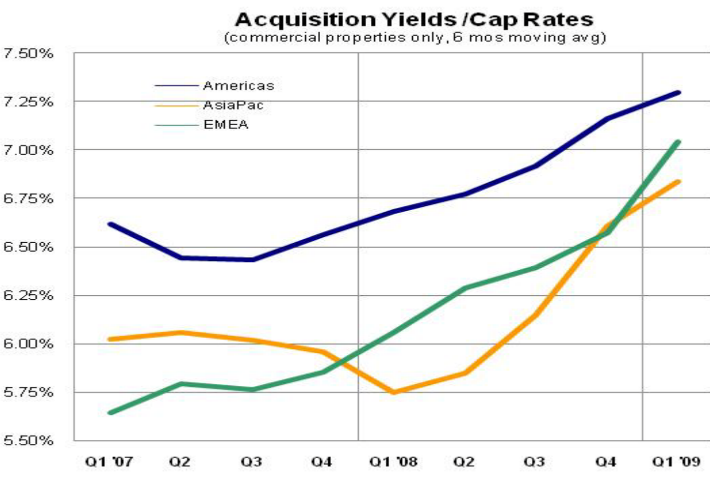


Click for annotation

The Global Fundamentals: Cap vs. Vacancy



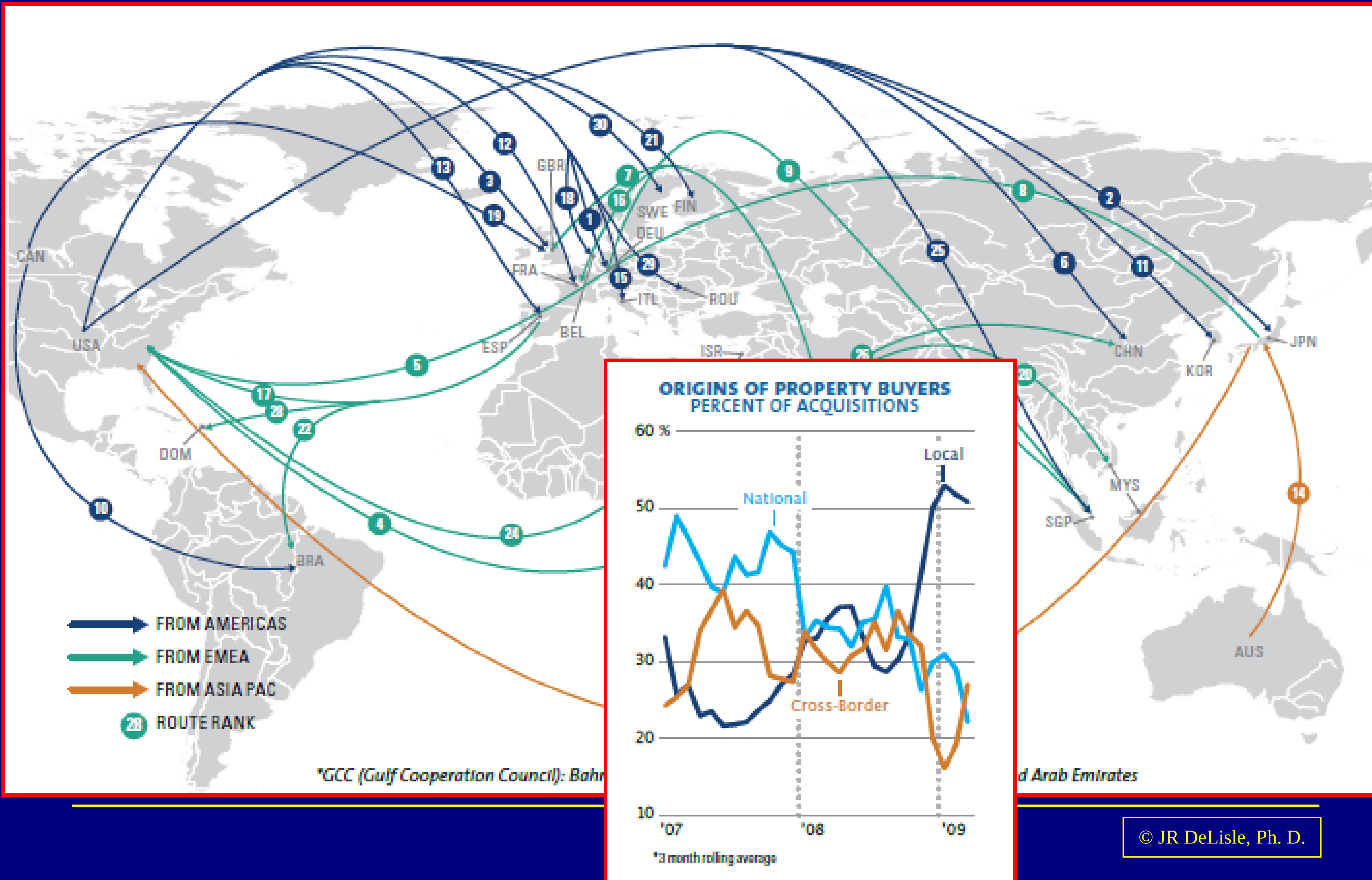
Global Trends in Yields/Cap Rates



Source: Real Capital Analytics

Click for annotation

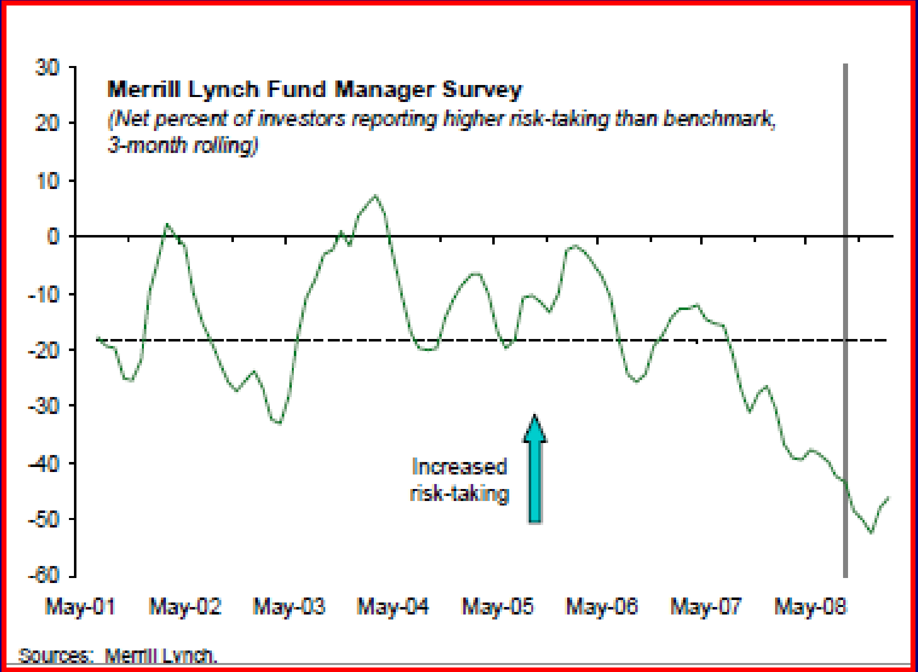
Global Capital Flows: Before the Storm



Click for annotation

Risk-Tolerances: Investor Appetites

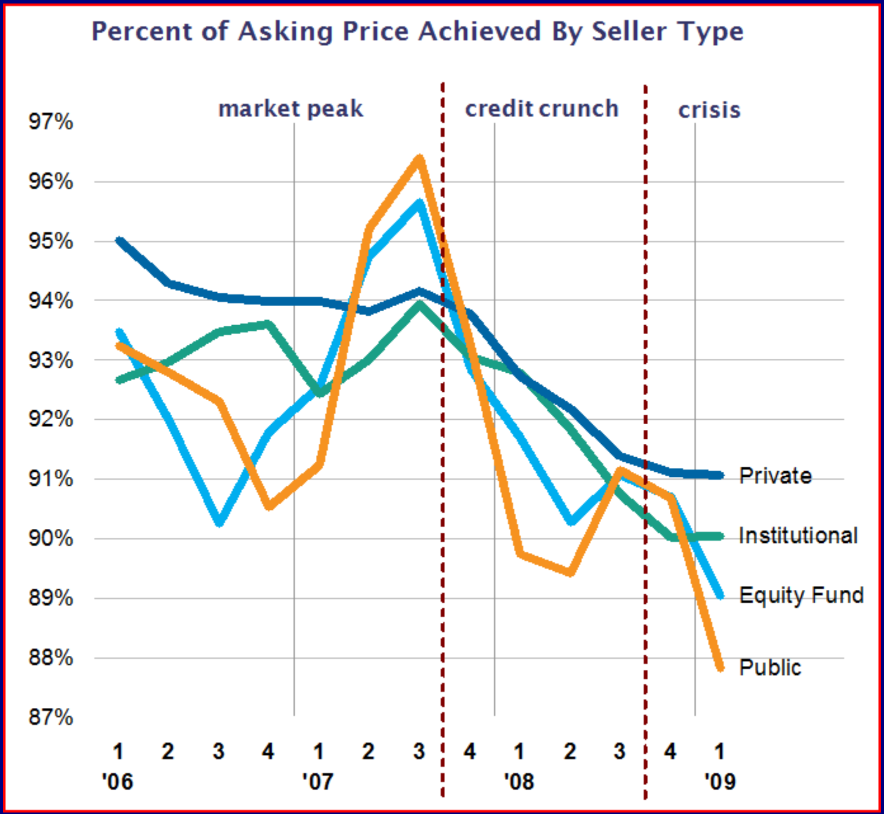
Merrill Lynch Fund Manager Survey



Goldman Sachs Risk Tolerance Survey

Click for annotation

Bid/Ask Spread: Trends and Value Pressures



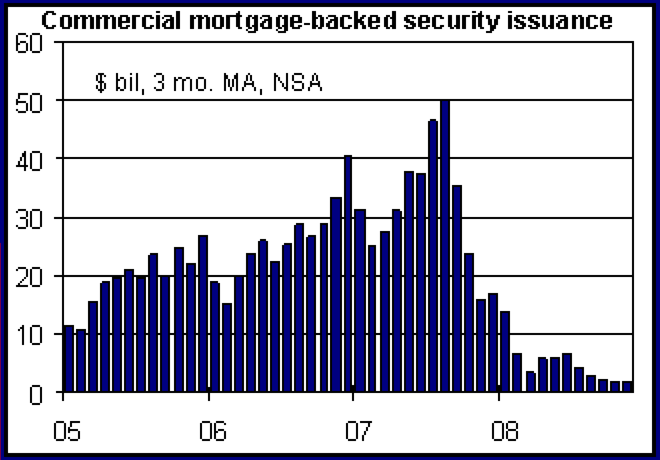
- Bid/Ask Compression
  - Distressed Sellers
  - Distressed Assets
- Mark-to-Market Accounts
  - NCREIF - 28% w/o Distressed Sales
  - Going Forward: Three Strikes
    - Comps Down as Assets Dumped
    - NOI Erosion, Vacancy & Rents
    - Wcc: Debt & Equity Yields Up

Click for annotation

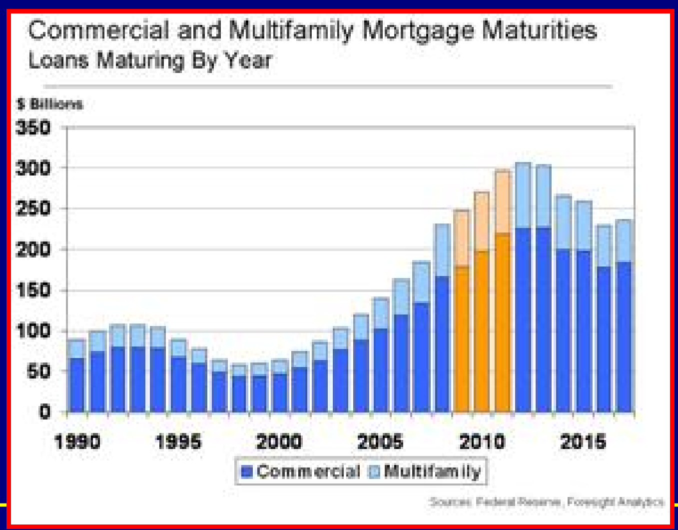
Commercial Leverage: Problems & Implications

UNIVERSITY OF WASHINGTON

- Easy Credit
  - DCRs: lowered; eased via bullets: 3, 5, 10 yrs
  - LVs: Record values, financial engineering
  - Loose, non-recourse debt
- Outlook for Commercial Debt
  - Limited supply; flight to quality
  - Tighter; increased equity and recourse



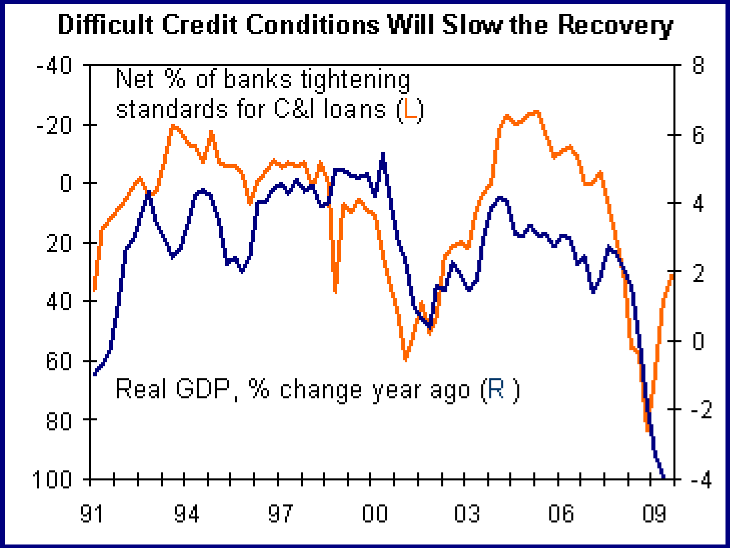
Coming Attractions



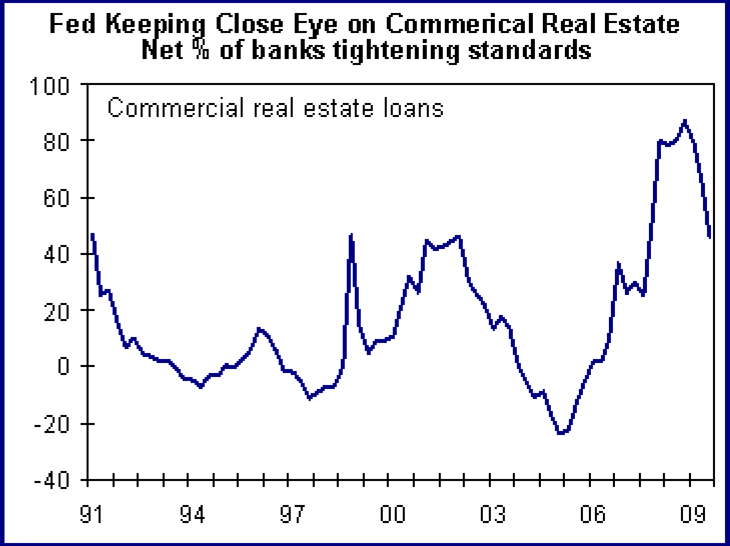
Click for annotation

Commercial, Industrial and RE Credit

Commercial and Industrial Loans Tight



Commercial RE Lending Standards Tightening



Click for annotation

Institutional Equity Capital Flows

- Investment Preferences
  - Search for Value; eschew risk
  - Fewer products/structures
- Timing
  - Patient; waiting for bottom
  - Indecisive; slower to act
- Decreased capital flows
  - Rising Return/Yield hurdle
  - Denominator effect
- Opportunities
  - Cash is king; Big and Quick
  - Channel sourcing; REO, TICs
  - Asset & Portfolio takeovers
  - Promoted interests

		Decline	Current Values
Total Assets	5,000,000,000	30%	3,500,000,000
RE Allocation	15%		21%
RE Assets	750,000,000		525,000,000

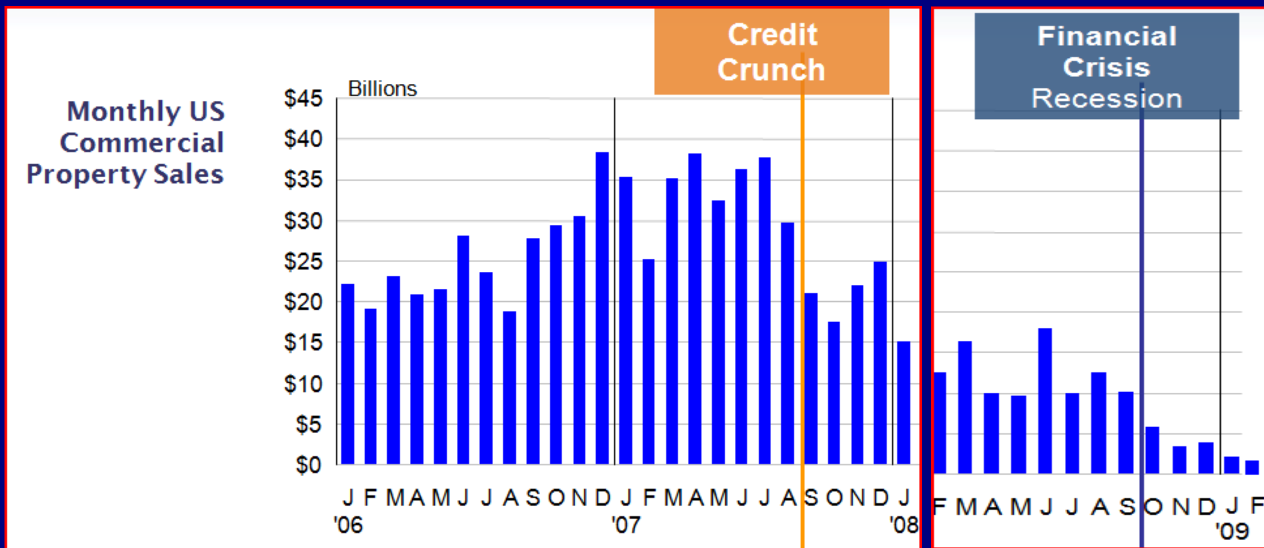
Disposition	225,000,000

Source: 2009 Emerging Trends

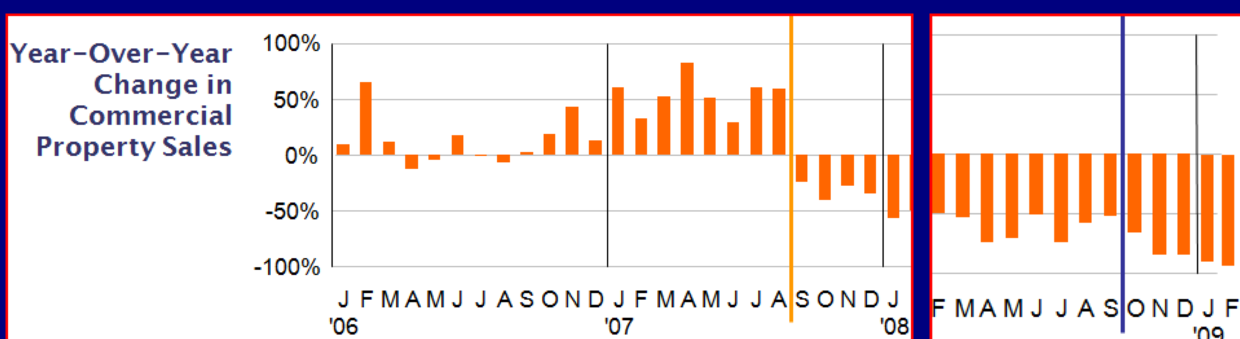
Click for annotation

Trends in Commercial Transaction Activity

Monthly Sales Volume: Pre-Credit, Post-Credit, Post Financial/Recession



Percent Change Sales Volume: Pre-Credit, Post-Credit, Post Financial/Recession



Click for annotation

Part IV: The Spatial Market

Macro-economic Environment

- Economy tottering with risk of recession
- Businesses struggling, stock market volatile
- Consumers bearish

Real Estate Capital Market

- Wavering, delayed investor demand
- Rising Cap rates on private side
- Challenge accessing equity and recourse debt

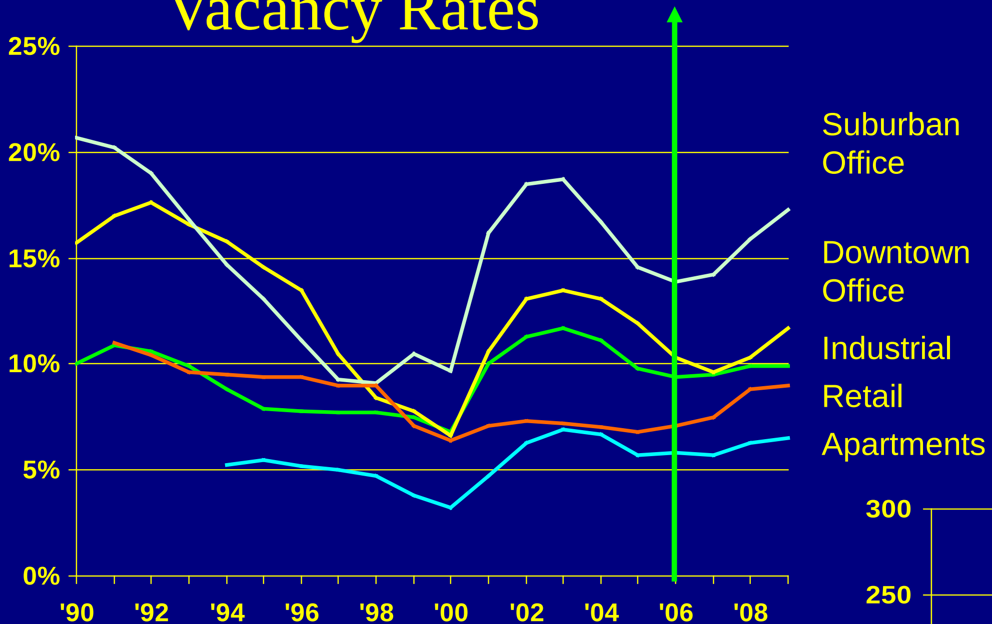
Spatial Market

- Fundamentals continue to weaken mirroring economy
- Vacancy rates rising, rents softening
- Stagnating demand, tempered recovery

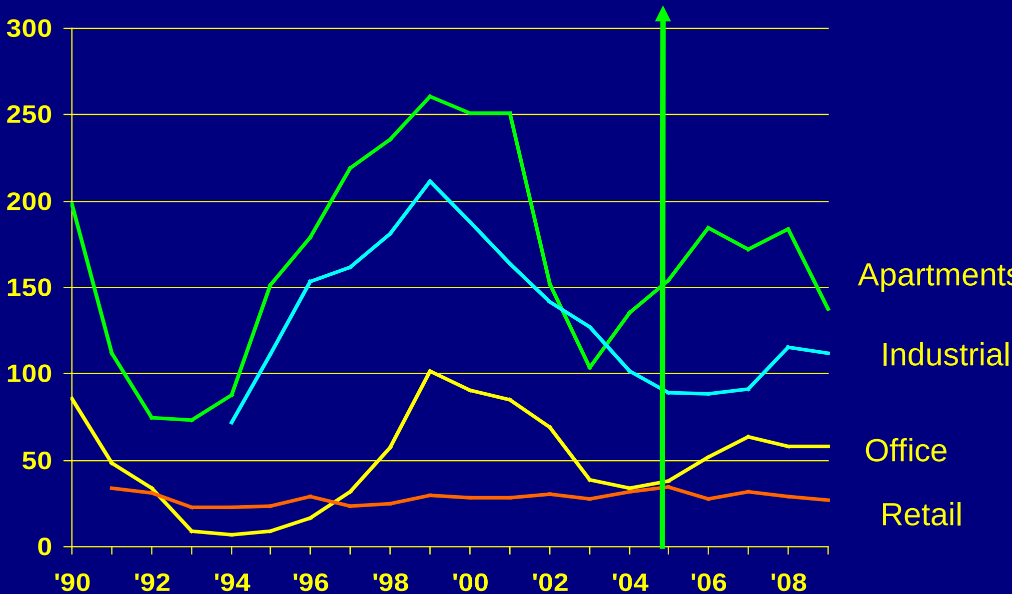
Click for annotation

Part III: Commercial Market Fundamentals

Vacancy Rates



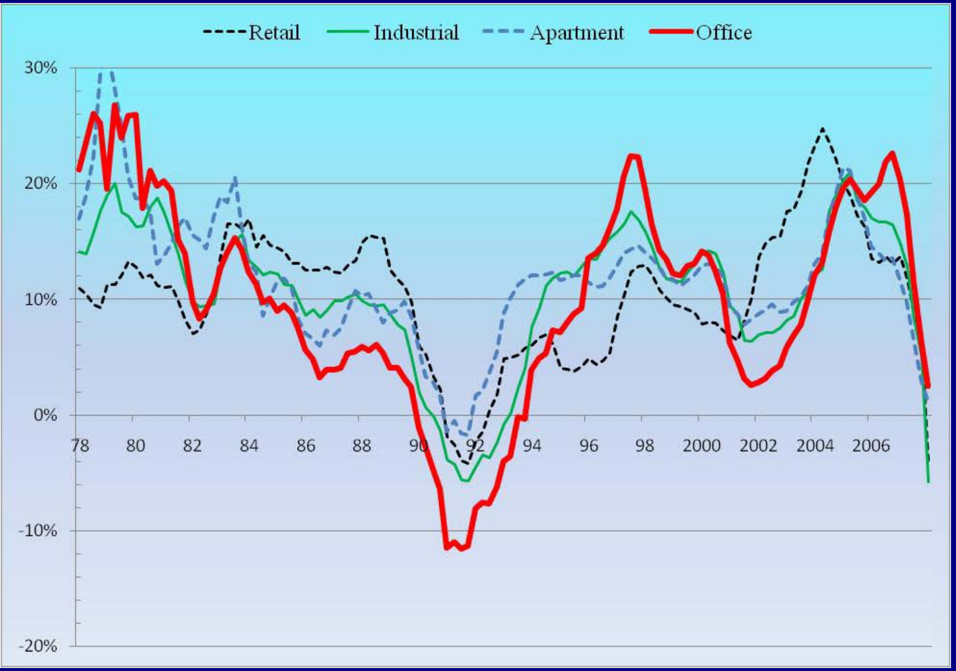
Development (msf)



Source: Torto Wheaton Research, REIS, 2009 Emerging Trends

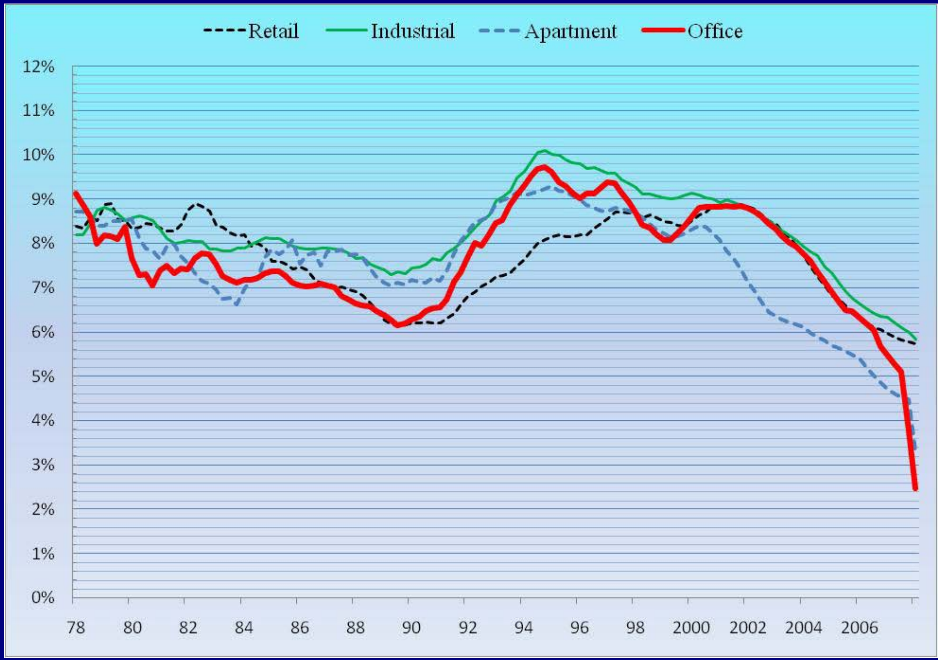
Click for annotation

Institutional Cap Rate: NCREIF Income Returns



Total Returns by Property Type

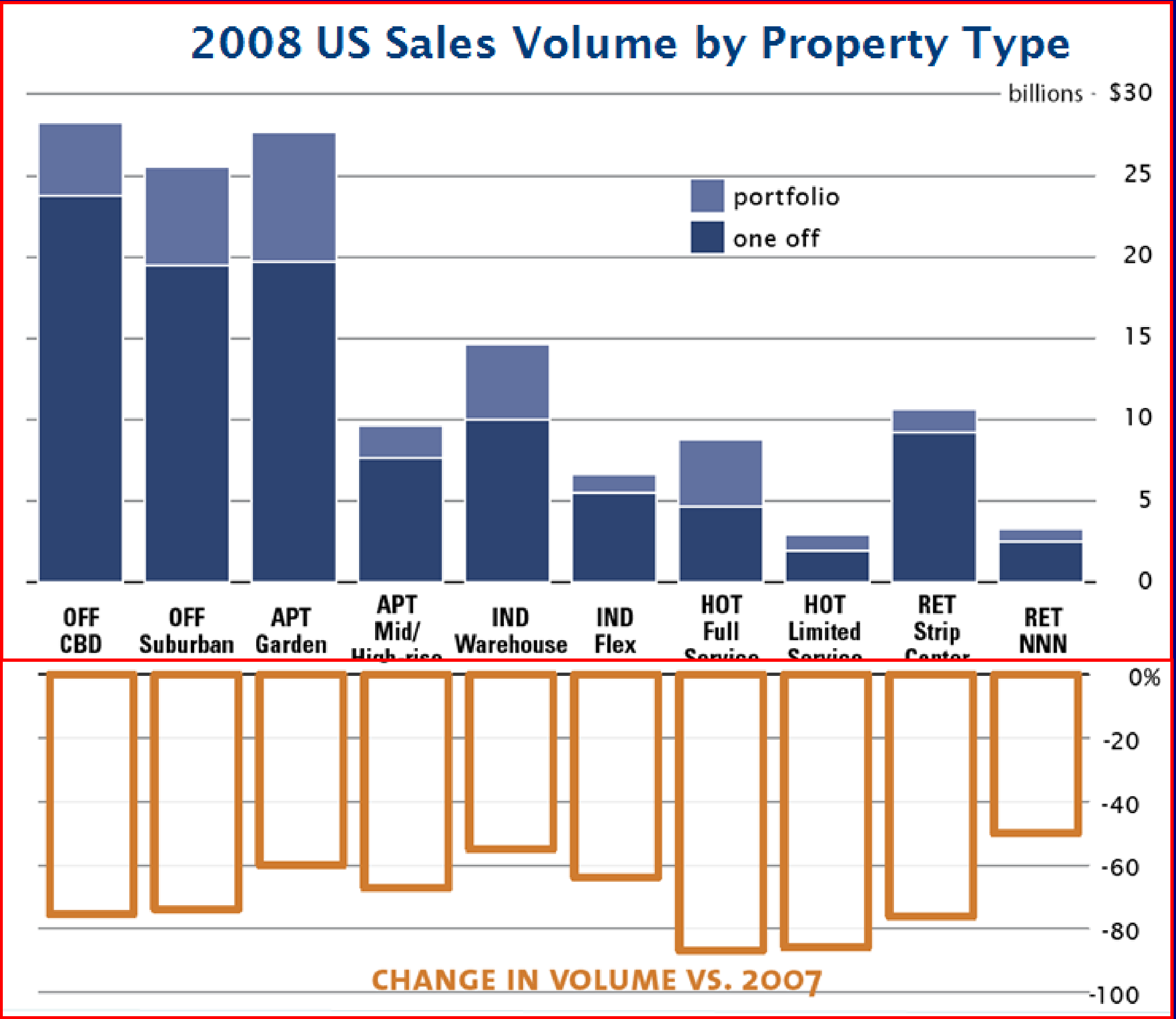
Implicit Cap Rates by Property Type



Source: NCREIF

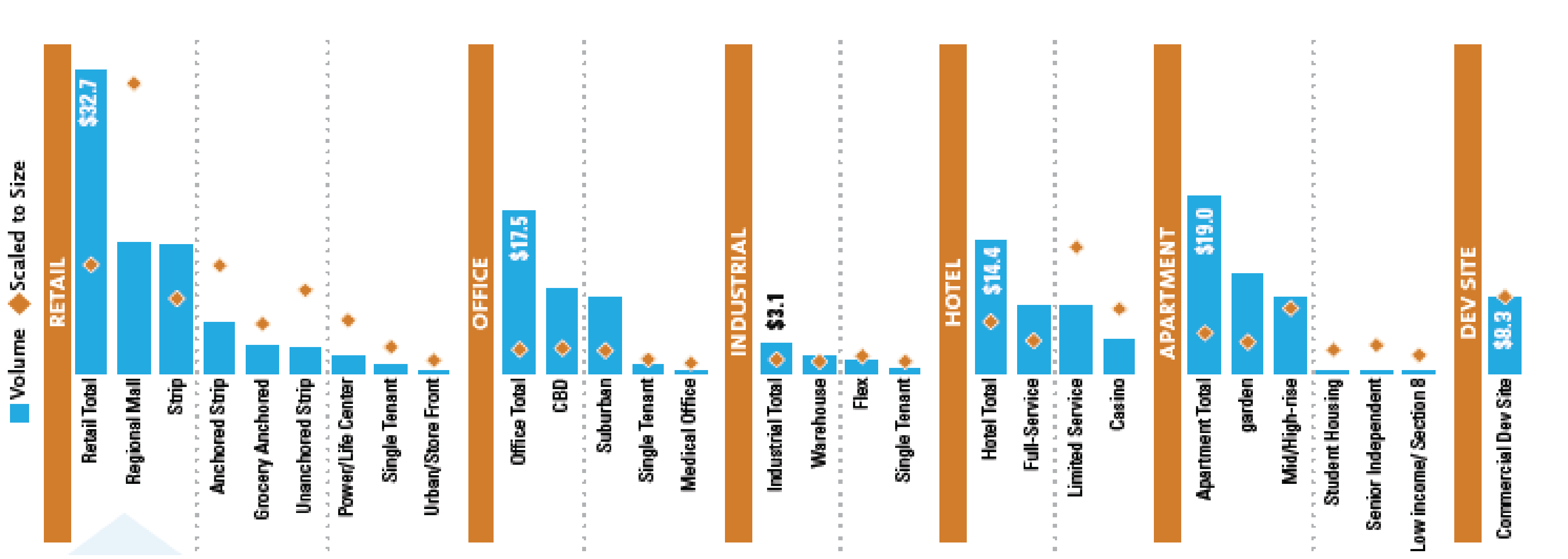
Click for annotation

Sales Volume by Property Type



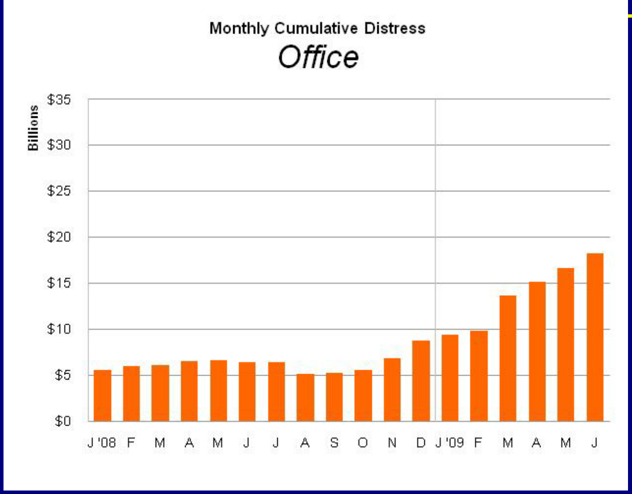
Click for annotation

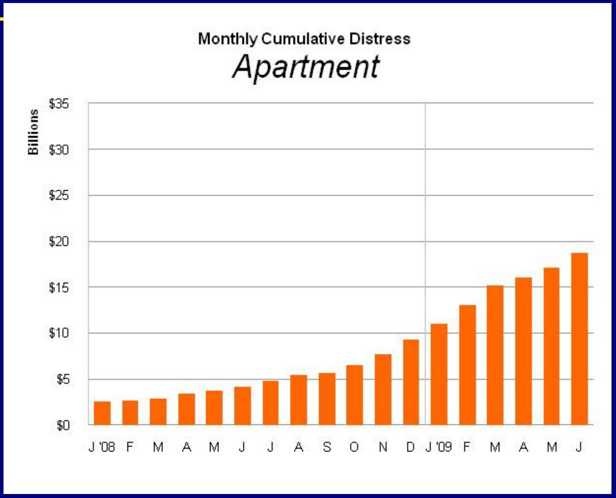
Distressed Assets by Property Type and Subtype

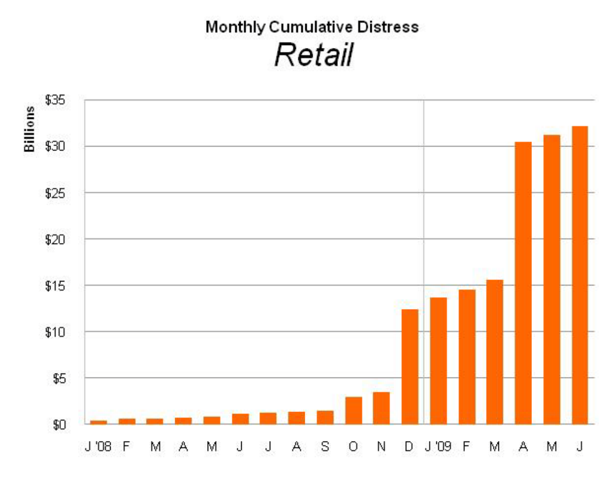


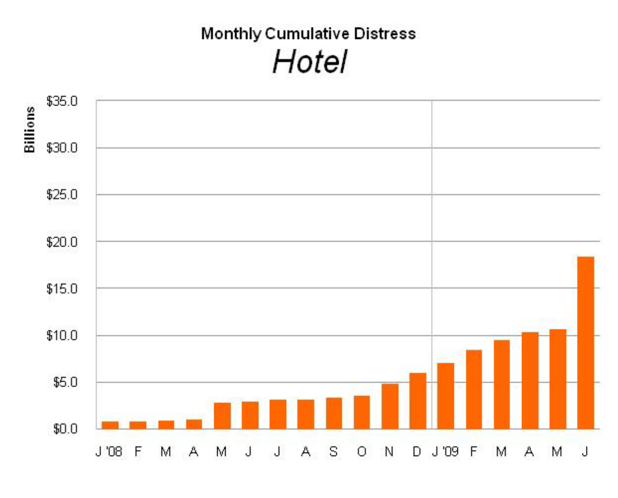
Click for annotation

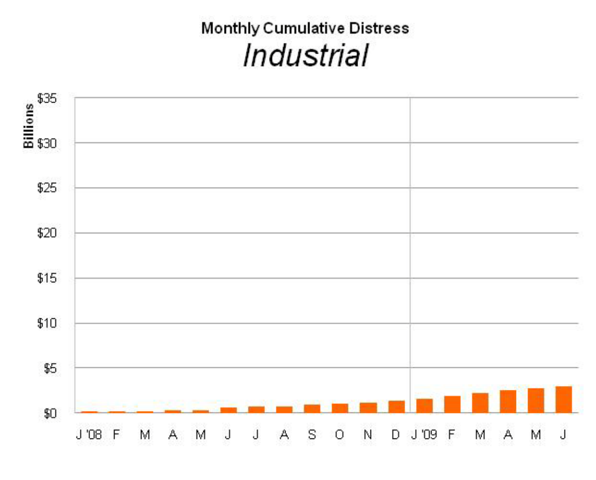
Growth in Distressed Assets by Property Type











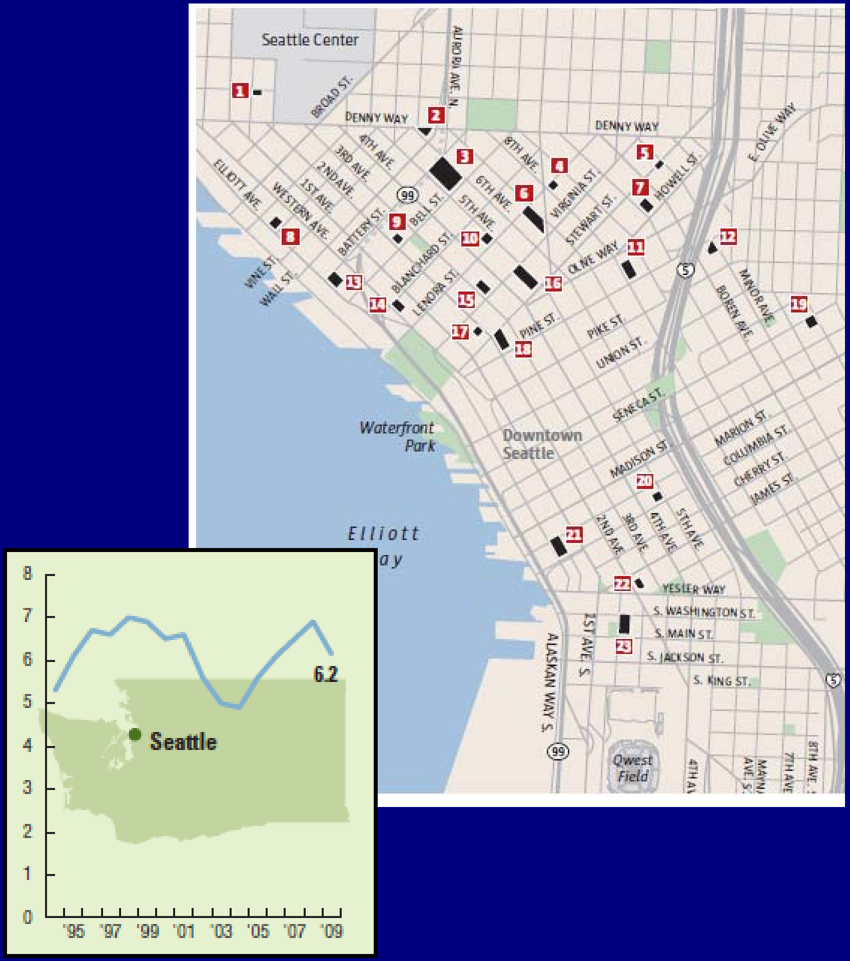
Part V: Implications for Real Estate Professionals

UNIVERSITY OF WASHINGTON

Opportunities for Investment

- Acquisition
  - Cash Purchases
  - Structured Debt
- Promoted Equity Positions
  - Entitled, not started
  - In Development, not finished
  - Capital Needs: TIs, CapX
- Distressed
  - Properties
  - Debt
  - Owners
  - Tenants

Stalled in Seattle



But we're number 1…….

Click for annotation

Opportunities for Service Providers

- Mortgagees: Outsourced Services
  - REO Management
    - Troubled Asset Dispositions
    - Convertible Loans/Equity Kickers.JVs
  - REO Avoidance
    - Workout Restructured Loans
    - Pre-foreclosure Settlements
- Asset Management Takeovers: Investors
  - Asset/Portfolio Mgmt Holds
  - Asset Liquidation/Disposition
- TIC Counseling Services
  - Workouts/Arbitration
  - Disposition/Liquidation/Refinance

Click for annotation

Biggest Risks in Commercial Real Estate

- Capital
  - Access to Debt
  - Access to Equity
- Refinancing
  - Bullet Mortgages
  - New Loans, Good Real Estate
- Tenant Disruptions
  - Panic
  - Waive of Bankruptcies
- National Economy
  - Recession
  - Credit Freeze
- Real Estate Fundamentals
  - Weakening occupancy Rising Vacancies
  - Overbuilding continues
- Transactions
  - Sellers unrealistic
  - Tenants non-committal
  - Buyers on fence

Source: DeLisle’s 2008-09 Surveys

Click for annotation

What Will it Take to Turn it Around?

- Nothing
  - Buyers & sellers not adjusted
  - Time will cure
- Economy
  - Jobs, employment
  - Economic Growth
  - Consumer Confidence
  - Business Confidence
  - Global Recovery
- Credit
  - Access; get the money out
  - Refinancing Source
  - Healthy Banks
- Clear Distressed Backlog
  - Properties
  - Debt
  - Owners
  - Tenants
- Government Incentives
  - Recapitalization
  - Stabilization
- Perfect Storm (Stars Aligned)
  - Stimulus Money Flows
  - Confidence rises
  - Credit Flows

Source: DeLisle's 2008-09 Surveys

Click for annotation

DOD Respondent Opportunities & Challenges

Opportunities

- Leases
  - Lease renegotiations
  - Static or reduced commercial rents
  - Concessions in form of free rent and buildouts
  - Lease rollovers
- Acquisitions
  - Lower acquisition prices
  - Opportunities to acquire large tracts near installations

Challenges

- Valuation
  - Valuing assets in distressed markets
  - Valuing assets in falling markets
- Usage Decisions
  - Determining Highest & Best Use
  - Factoring in anti-terrorism protection
- Staffing
  - Hiring and staffing qualifed appraisers
  - Reacting to quickly changing workloads

Click for annotation

Major Worries for DOD Attendees

- Commercial Market
  - Increasing commercial vacancy rates; oversupply of space
  - Commercial market collapse
  - Deterioration in values
  - Market price declines due to distressed property sales
- Capital Flows
  - Tight commercial finance
  - Bank failures Too much speculation
- Economy
  - Rising interest rates
  - Increasing unemployment National debt to foreign sources
- Residential
  - Blight in residential communities
  - Residential rebound too quick

Click for annotation

Topics DOD Attendees Want to Address

- Valuation
  - Commercial property valuation
  - Outlook for commercial market fundamentals
  - Market value vs. liquidation/distressed value
- Economy
  - The economy and impact on real estate
  - Will stimulus programs work?
  - Role of US currency and the Fed in the economy
  - How can deficit spending continue?
- Local Markets
  - Housing value trends
  - Local market conditions: residential and commercial

Click for annotation

Lessons Learned

- Recapitalization = Recapitulation
- Reconnection Capital and Spatial Critical to Stability
- Securitization not a Panacea
- Financial Engineering not Sustainable
- Not all Distress is Created Equal
  - Properties
  - Borrowers
  - Markets
- Market Timers: Value-Add vs. Opportunistic vs. Vulture
- Interventions and Unintended Consequences

Click for annotation

UNIVERSITY OF WASHINGTON

Where to Turn

Harvard Health Publications

VE RI TAS

Now in PDF

"Stress Management: Approaches for preventing and reducing stress" — Learn techniques to reduce the stress in your life with this special report from the experts at Harvard Medical School. 30% off the cover price and free shipping for SmartBrief readers. Click here to order in hard copy or electronic download.

Link: Courtesy of ICSC

http://jrdelisle.com

JrD Professor James R. DeLisle, Ph.D.

HOME ABOUT CONTACT

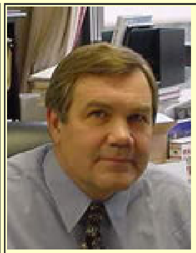
September 8, 2009

- Home
- About Jim DeLisle
- Real Estate Courses
- Market Watch
- Retail Watch
- Research
- Cases/Tutorials
- Presentations
- DeLisle Videos OnDemand

Overview

I would like to take this opportunity to introduce myself and welcome you to my personal website. I am currently the Runstad Professor of Real Estate and Director, Graduate Real Estate Studies in the **Department of Urban Planning & Design** in the **College of Built Environments** at the **University of Washington, Seattle.** I also served as the Director of the **Runstad Center for Real Estate Studies** from 2002-2008.

The objective of this website is to provide a forum I can use to help advance the real estate discipline and improve market efficiency by disseminating some of some of my research, teaching and service materials. It is also designed to serve as a forum I can use to help me continue to bridge the gap between the academic communiity in which I currently reside and the professional community in which I have served in the past.



Commercial Real Estate Market Update

For the past 10 years, I have been writing a series of Financial Views articles for the Appraisal Journal. My Summer 2009 article is entitled: **A Long, Hot Summer and Prospects for a Frenetic Fall.** To access my prior articles, go to **Market Update.**