



Real Estate Professionals Prepare Clients for Commercial Property Collapse

CLEARWATER, Fla., Jan. 10, 2010 -- Despite the fragile progress made in the residential property market, real estate experts continue to predict a steep decline in the commercial real estate market.

"The last several years have seen liberal lending in the commercial market," said Thomas Bible, Broker for VIP Executive Realty in Florida. "Though not as pervasive or severe as in the residential market, this reckless lending is possibly more threatening to our economy."

Predictions for the commercial real estate market (which includes shopping centers, strip malls, apartment buildings, office buildings and warehouses) appear universally bleak.

The "Emerging Trends in Real Estate 2010" report issued by the Urban Land Institute and PricewaterhouseCoopers acknowledges that most investors will recognize massive losses in the commercial real estate market. Value declines will eventually total 40 to 50 percent off market highs. This will likely be the worst registered since the Great Depression.

Surveys in the report also indicate that 2010 will be the worst time for investors to sell properties in the report's 30-year history. According to the report, "A lackluster economic recovery characterized by problematic job growth will hamper the pace of any real estate market resurgence."

According to Deutsche Bank commercial real estate analyst Richard Parkus, this is just the tip of the iceberg. He predicts huge losses and a huge number of banks failing as a result of the declining commercial real estate market.

As more commercial real estate property owners see tenants go bankrupt, downsize or invoke their escape clauses, they have begun to feel the serious effects of the economy. In fact, the national vacancy rate is expected to reach 18.5 percent to 19 percent by the end of 2010, the highest recorded since 1986. Without paying tenants, commercial property owners have little cash flow to make their impending balloon loan payments and may face foreclosure.

Some commercial real estate owners are taking a proactive approach to avoid foreclosure and protect their assets against financial decline and lowered property values. In fact, more and more real estate brokers are beginning to hear from their clients seeking help with a solution to turn their properties into viable assets.



"A few commercial property owners are beginning to look outside the relationship they have with their lender's local representative, because the real decision making rarely happens at the local level," said Mr. Bible "They want an equitable solution that maintains the relationship, so that everyone wins."

Guardian Solutions, a commercial loan restructuring company based in Clearwater, Florida, has seen an increase in the number of real estate professionals contacting them in hopes of helping their clients.

"Property owners are increasingly feeling the stress of this down economy and can foresee only two viable options: holding on to a non-performing asset or foreclosure," said Jeramie Concklin, Chief Executive Officer of Guardian Solutions. "Luckily, knowledgeable brokers have begun to realize the benefits of loan restructuring and are subsequently pointing their clients toward reputable loan restructuring companies like ours. It's a win-win-win situation for the owners, the brokers and the lenders."

"This recovery is going to take even longer than expected," said Mr. Bible. "The commercial real estate market follows residential by about 18 months. I recommend that property owners seek assistance early in the game rather than wait for some sort of turnaround."

According to Mr. Bible, commercial real estate professionals can serve their clients best by referring them to a reputable commercial loan modification company. Loan restructuring involves a multi-pronged approach to turn a failing commercial property into a viable asset. This may involve negotiating a modification to the original loan, revising an owner's business plan, expenditure reductions, revamped pricing structures for franchise fees and legal maneuvers to protect assets.

"Having a third party loan restructuring company in your corner who is tenacious, a good negotiator and proactive is what every commercial property owner needs right now," said Mr. Bible. "A good loan restructuring company can ease the entire process from the leasing and management of the asset, to the firm that will modify their debt structure."

"Guardian Solutions can help commercial property owners restructure their loans by first evaluating an owner's asset performance and market potential. From that type of information and other analytical data we compile, we can create a comprehensive restructuring proposal including strategies for modifying the owner's current mortgage with the lender." said Ira Friedman, Chief Operating Officer for Guardian Solutions.

Concklin added, "Armed with factual information and a realistic business plan, Guardian Solutions' mediation staff enter negotiations with the lender to secure the most advantageous terms for the client, while addressing the concerns of the lending institutions."



About Guardian Solutions

Guardian Solutions is the one of nation's largest commercial loan restructuring companies and is committed to helping commercial property owners save their properties. The company's knowledgeable mediators are experienced in a variety of disciplines to provide customized restructuring solutions. For more information, visit www.GuardianSolutions.org.

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