



CELEBRATING
55 YEARS

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Serial killer on the loose

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Moody's Investment Service reports that its commercial property price index through September shows that aggregate prices across all commercial property types fell 1.2% from August. People who like to panic and look for negatives, especially most of the press who spend their ink trying to terrorize us, can read that and begin to worry. But, by checking a little deeper we find that while office and apartment properties did drop, prices in the industrial sector rose 3% and retail rose 2.6%. It has always appeared to me that the news media obviously hire special people to write headlines - ones that will get the most attention and help sell that particular media.

Example: An honorable reporter writes an article about a person found dead at the breakfast table eating cereal and says that the autopsy is pending. Then the over-enthusiastic headline writer enters the scene and might write this terrorizing headline: SERIAL KILLER MAY BE ON THE LOOSE. That would certainly get more attention. Let's face it, the poor victim may have choked on his cereal. Right?

The very simple story that I am referring to by Moody's and written by the Wall Street Journal and then reported by a third source, used this headline: COMMERCIAL PROPERTY IS NOW UNDER PRESSURE. The article went on to say that commercial mortgage defaults may double. Sounds scary, but upon further investigation, historically commercial property defaults are always about 1%. Double that and you have 2%. I say: "Big deal!"

Here's the facts: The value of commercial real estate has nearly doubled in the past seven years. The only decrease seen in the top ten markets was a 0.2 dip in office prices. In the West office is up 4.5% over the previous quarter. It always interests me that there is a good and bad to everything. Many people look for the bad and exploit it. Others seek the good and relax and enjoy it.

The late Dr. Norman Vincent Peale wrote a best selling book entitled THE POWER OF POSITIVE THINKING that stated that scientifically we can hold only one thought in our mind at a time. He strongly suggested it was healthier to entertain a positive thought rather than a negative one. I was honored to meet him, shake his hand and I really think some of it rubbed off. I can see the headline now: POSITIVE

THINKING ENGULFS REPORTER FOR LIFE THROUGH SIMPLE HANDSHAKE.

I like it!

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