



## **Distressed Assets**

A new category in Real Estate has been born, 'Distressed Assets'. In my lifetime I never would have guessed (and nobody I know would have guessed) that the whole world would fall apart to the degree that we are seeing. You can thank Wall Street and our politicians (who just gave themselves a raise) for our failure.

Remember when we used to raise interest rates to slow growth? Well, this was done to keep value in the market and to create balance in our system. I think the lesson has been (or is being) learned and hope that we never see damage to this degree again.

Nevertheless, we are here and 'distressed assets' is a new issue we are all going to have to live thru. We are all learning as we go and hard lessons are ahead for many.

Sky West has many years working with banks and we know how they operate. Like everyone in our industry we are dealing with a number of assets that are in distress. We have no interest in losing any of our projects and are working with our banks to find a way for both parties to move forward. We are working on a daily basis giving advice to many borrowers, a few of which are listed below:

- We are negotiating on three lots on Mulholland Drive in Los Angeles.
- We are dealing with loan modification on a condo in Los Angeles.
- We are dealing with Ch 11 reorganization on an Office Building in RENO, NV for a client.
- We are dealing with CH 11 reorganization on a commercial mixed use development in Minden, NV.
- We are dealing with and negotiating with a bank on a commercial office building in BOISE, ID.
- We are dealing with a bank on a five-acre residential development (13 lots) in Washoe Valley, NV.
- We are assisting a bank in Southern California on an industrial property in Las Vegas, NV.

The key is to keep communication open and knowing how the banking system works. Banks are not in the business of owning real estate and if you stand strong there is a way to keep your property.

Appraisers are not helping the situation and values are depressed but we will see stabilization. Some properties are carrying too much debt and are not worth keeping. It may be the best

decision that your time may be better spent on a new project. We cannot help unless we understand your specific circumstance so give us a call.

If you are looking for assistance and want to keep your property we can help. Please schedule a free consultation to review your project and see if we can assist you.

In closing we also recommend that you get legal advice. We can recommend a number of competent attorneys if you need as you will want legal advice as additional confirmation.

We look forward to working with you to make the right decision.

Cordially



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