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## Commercial Real Estate Reaction to the Passing of the Rescue Bill

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To: REAL ESTATE EDITORS

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LOS ANGELES, Oct. 3 /PRNewswire-USNewswire/ -- Duke Runnels, CEO of the national commercial real estate investment firm, FORT Properties, believes that whether or not Americans agree with every aspect of the Rescue Bill -- inaction would be the most damaging response of all.

"Fear within the marketplace was spreading each day that the Federal Government did nothing to address this issue, further freezing the markets," explains Runnels. "Do we agree with all aspects of this Bill, absolutely not ... But the destabilizing force was the unpredictability of the market and the only entity large enough to stem that tide is the United States Treasury."

Runnels warns, however, that the fault which triggered this economic earthquake has not been fully addressed -- despite the fact that its resolution would not cost taxpayers a dime.

"Commercial real estate remains strong and is not overbuilt and, fundamentally, corporate America remains strong. The question, from a commercial property standpoint, then becomes -- what is the underlying cause of this crisis? The answer is as simple as an accounting rule, FASB 127 that requires lenders to take a daily snapshot of their properties and value it accordingly without any regard for the long-term value of the asset. With a simple accounting rule change, we might have avoided much of the meltdown -- and by not addressing this rule directly in the legislation, much of the real estate community is concerned that the call for the rewriting of FASB 127 will die down and we will have made the symptom go away without ever addressing the disease."

Duke Runnels is CEO of California-based FORT Properties which actively purchases commercial real estate throughout the country ranging in value from \$10 million to \$75 million. Before founding FORT Properties, Runnels was with CB Richard Ellis.

Duke Runnels is available to discuss further the impact of this Bill on commercial real estate and the real timetable for liquidity and recovery. To speak with Duke Runnels, please call Colleen Rosso at 248.496.3536.

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