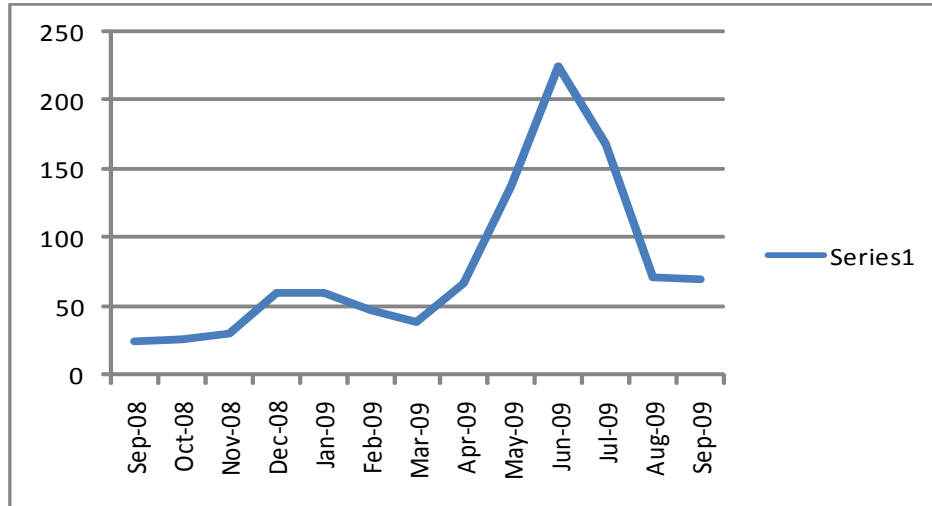


New monthly mortgage foreclosure filings on commercial properties in Brooklyn have peaked in the summer of 2009

Number of New *Non Residential Mortgage Foreclosure Filings in Brooklyn

Sep-08	25
Oct-08	27
Nov-08	31
Dec-08	60
Jan-09	60
Feb-09	48
Mar-09	39
Apr-09	67
May-09	138
Jun-09	225
Jul-09	169
Aug-09	71
Sep-09	70

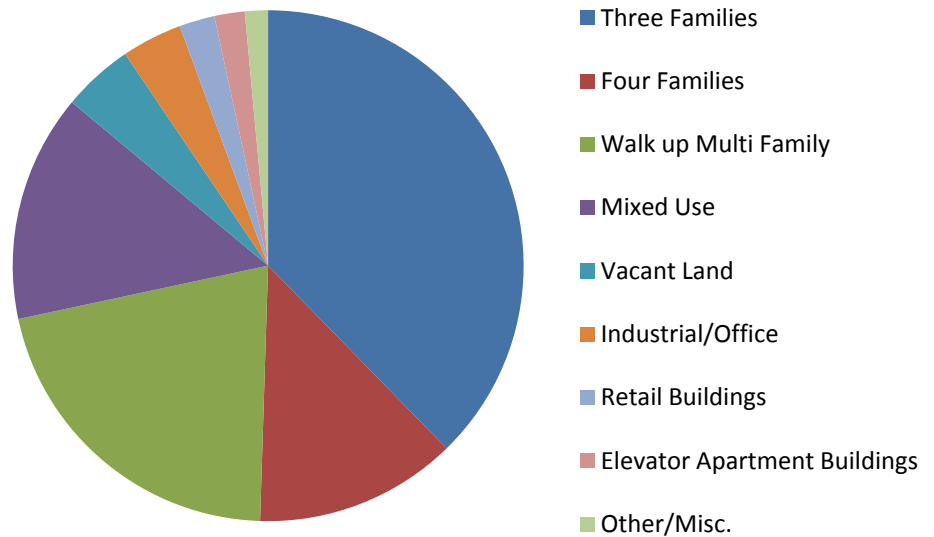


The number of new non-residential* mortgage foreclosure filings in Brooklyn have peaked in the second half of 2009. Approx. 225 foreclosures were filed in June 2009 which is a record high for the last year. On average, 86 non residential property owners in Brooklyn were served with a Lis Pendens every month in the last year.

* Excluding Condos, Co-Ops, One and Two family Houses

Non Residential Mortgage Foreclosure Filings in Brooklyn by Type

Three Families	37.7%
Four Families	12.8%
Walk up Multi Family	21.1%
Mixed Use	14.4%
Vacant Land	4.5%
Industrial/Office	3.8%
Retail Buildings	2.2%
Elevator Apartment Buildings	1.9%
Other/Misc.	1.5%



TerraCRG completes the sale of 2 bank-owned properties and 1 note

These deals are notable because we believe they signal the beginning of a new phase in the local commercial real estate market:

392 Atlantic Ave, Brooklyn: We were hired by the lender to exclusively market the residentially zoned site. The original price the borrower paid for the property in 2006 was \$990,000. The loan was \$760,000. The borrower completed the foundation before the property entered the foreclosure process, spending an estimated \$200,000. Following a 30 days bid process. We ended up selling the property for \$610,000 to an all cash buyer, closing 10 days after signing the contract. The bank recouped over 80% of the principal.

Note on Eight Family Building, Crown Heights, Brooklyn: We were hired by the lender to exclusively market the non-performing mortgage note on a renovated eight family building in the Crown heights section of Brooklyn. The outstanding amount on the loan was \$786,000. The projected gross annual income of the building was \$103,000. The building was deregulated and all units in the building were free market. The note was purchased at a 50% discount by a private investor with significant real estate holdings in the area for \$400,000, following a 60 day marketing process.

922 Bergen Street, Brooklyn: We have brokered the sale of this REO that closed early this month (Oct. 2009) following a 7 day marketing period. The private lender won the small garage back at a foreclosure auction and put it on the market for sale. Because we sold the building to an owner/user, the bank had managed to recoup most of their investment.



These sales and the level of activity we've seen over the last 30 days are a clear indication for several important market trends: First, banks are finally starting to put on the market small distressed assets in Brooklyn. Second, investors and developers, even large ones that were traditionally looking for deals of \$5M and above, are seeking small, well located properties during the downturn. Lastly, there is an enormous amount of capital looking for well priced Brooklyn properties and we believe these trends are the beginning of a cycle that will result in a higher transactional volume in 2010.



For more Brooklyn market information or to discuss specific opportunities, please contact:

Ofer Cohen
Managing Director
ocohen@terraCRG.com

Peleg Neev
Director, Distressed Sales
pneev@terraCRG.com

Melissa DiBella
Director of Sales & Marketing
mdibella@terraCRG.com

(718) 768-6888

About TerraCRG: TerraCRG is NYC-based commercial brokerage firm founded in early 2008 by real estate and marketing veterans. The company focuses primarily on the Brooklyn market and is currently handling the sale of over \$70 Million in assets and the leasing of over 500,000 SF of commercial property. The firm focuses on Investment Sales, Industrial Sales & Leasing, Distressed Sales and Bank Workouts.