



PRESS RELEASE

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WEAKENED U.S. OFFICE MARKETS COULD DECLINE FURTHER, FDIC REPORT SAYS

The demand for U.S. commercial office space deteriorated significantly in 2001 and conditions could weaken further in some key metro areas in 2002, according to a report released today by the Federal Deposit Insurance Corporation (FDIC).

The report shows that the performance of commercial real estate loans at FDIC-insured institutions remains generally solid at this time, but notes growing exposures to the sector in bank and thrift loan portfolios. According to the report, real estate market analysts do not look for a substantial recovery in the demand for office space before the end of 2002. The findings are reported in the latest edition of *FYI*.

FYI is an e-mail bulletin covering FDIC analysis of emerging issues in banking and the economy. *FYI* is available on the FDIC's Web site at www.fdic.gov, where those interested in receiving each issue electronically may subscribe. A copy of *FYI* is attached.

Attachment: <http://www.fdic.gov/bank/analytical/fyi/2002/032102fyi.html>



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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