

# Leasing Information Network

## April 2010

### Round Table Results

<u>Question</u>	<u>Industrial</u>	<u>Office</u>	<u>Retail</u>
How did the size (SF) of the 4 <sup>th</sup> quarter 2009 transactions compare to the 1 <sup>st</sup> quarter 2010?	Up	Up	Flat
How did the number of the 4 <sup>th</sup> quarter 2009 transactions compare to the 1 <sup>st</sup> quarter 2010?	Down	Up	Up

#### At what rate are deals being done?

**Industrial:** Finished: Old: \$4.00 - \$5.00/New: \$6.50 - \$7.50  
 Unfinished: Old: \$3.50/New: \$6.00

**Office:** (Full Service Rates)  
 Class A: Mild: \$19.00/Hot: \$20.00 +  
 Class B: Mild: \$14/Hot: \$17.00  
 Class C: Mild \$10.00/Hot \$12.00

**Retail:**

	<u>Small</u>	<u>Med.</u>	<u>Large</u>
Class A:	\$18-\$25	High Teens	Mid Teens
Class B:	Low to Mid Teens throughout		
Class C:	Single Digits		

**What are the two most active sub-markets?**

	<u>Industrial</u>	<u>Office</u>	<u>Retail</u>
	North I-25	North I-25/Uptown & Far NE Heights	Rio Rancho Far NE Heights

<u>Question</u>	<u>Industrial</u>	<u>Office</u>	<u>Retail</u>
<b>Predictions for the rest of 2008</b>			
Effective Rental Rates	Down	Flat	Down
New Construction	Down	Zero	Down
Vacancy Rates	Flat	Down	Down

Concessions

Up

Up

Up

## Market Discussion Topics

What are today's most challenging components that you are seeing in lease transactions?

**Industrial:** Accepting deeply discounted rates and more concessions – Unrealistic expectations

**Office:** Tenant expectations, Finding Tenants, Owner concessions

**Retail:** Tenant's credit, Tenant's expectations

What are some of the solutions to these challenges?

**Industrial:** Educating landlords and tenants

**Office:** Educating landlords and tenants on the market and managing expectations, Brokers need to bridge the gap

**Retail:** Educating landlords and tenants

What is the top reason why a recent offer to lease fell through?

**Industrial:** Unrealistic expectations

**Office:** Tenants cannot make decisions, Tenants lease term too short

**Retail:** Fear, Lack of capital

What is the most common term for a lease (# of years) being signed?

**Industrial:** Three

**Office:** One to Three

**Retail:** Three to Five

State a "Quote" that best fits the most recent quarter.

**Industrial:** "What do you mean I have to have good credit", "You can't do nothing forever."  
"Just say "NO" to karate schools"

**Office:** "More Work – Less Money", "Charter Schools – Tenant of last resort."

**Retail:** "Cautious Optimism"