

Corporate DIRECTIONS

A monthly publication by ChoiceRealtyusa.com

July 2009

In This Issue

[-The Next Shoe to Fall](#)

[-Leasing 101](#)

[-Equilibrium in 2010](#)

Is Your Lease Expiring in the next 24 months?

With office space vacancies on the rise, NOW is the time to begin looking at alternatives in office space. Use this time wisely to negotiate from a position of maximum leverage. CHOICE REALTY saves its clients 15-25% off future occupancy costs, eliminates time wasters, and reduces distracting hassles associated with locating the right real estate at the right price.

Make the call to 843-991-4848. Hire a CCIM-qualified broker. Call CHOICE REALTY. We help companies and investors make *smart* real estate choices.

[CHOICE REALTY](#)

Quick Links...

[CHOICE REALTY website](#)

[Client Testimonials](#)

[NEW Prices on Properties](#)

[About CHOICE REALTY](#)

[Join Our Mailing List!](#)

Stats & Facts

6,500: Number of windows being replaced in Empire State Building in '09

\$4.4 Million:

annual savings generated by replacing windows in Empire State Building

15.6%: National office vacancy for 1Q09

Dear Clients,

Corporate Directions is packed full of advice, corporate real estate opportunities, and market research to provide smart directions for corporate users, real estate investors and corporate tenants. After all, smart choices in commercial and investment real estate can make all the difference.

Commercial Real Estate: The Next Shoe to Fall in 3rd and 4th Q09

~Buyers, Get Ready!

"Maturity defaults, extension risks, de-leveraging, and workouts." With \$250 Billion in maturing commercial loans this year, a slow-as-molasses market, ballooning debt and a shrinking economy, banks and their clients are talking a new language altogether.

This great imbalance begs the question: How can demand for commercial real estate debt be squeezed into the available supply? Answer: Like it or not, banks will soon be in the commercial real estate sales business.

For sellers, this is their incentive to sell before banks flood the markets with liquidations.

For investors, the scouting has already begun. Judging from the recent uptick in the Charleston market, there is likely quite a bit of equity sitting on the fence and waiting for the cracks to appear in the narrowing bid-ask gap. This is further supported by a London-based research firm showing private equity funds plan to allocate \$93 Billion for distressed real estate and debt this year.

For buyers, get ready, there has never been a better opportunity to lock in long term profits. Register your needs with our office, or contact Jonathan Lee, Commercial Broker at CHOICE REALTY.

Leasing 101

Leasing Tips

(1) Self-Help Clause: Ask for the right to fix a problem when your landlord does not and to offset your costs against future rent.

Generally, there is very little you can do under the law if your landlord repeatedly does not carry out their duties specified in the lease, unless the landlords actions go so far as to prevent you from using your property. However, if you state in your lease that you can fix a problem if the landlord does not, and then reduce your rent payments by the amount it costs you, you provide an incentive for the landlord to do the work themselves.

(2) Full-Service or Triple-Net:

Your lease should describe in detail the condition of the space you are leasing and all services for which the landlord is responsible. The law in most states recognizes that when someone signs a lease, they accept the property in its existing condition unless the lease specifies otherwise. Furthermore, a landlord may not be obligated to

18.3%: Projected U.S. office vacancy in 2010

16.5%: Projected U.S. office vacancy in 2011

\$264 Billion: commercial real estate debt maturing in 2010

2011: Year that \$300 Billion of commercial debt will mature

{sources: CCIM Institute, REALTOR}

provide services to a tenant. For these reasons, it is important to carefully describe the expected condition of the premises and list such services as hot and cold water, heating, ventilation, electrical power, restrooms, elevator service, building maintenance, janitorial services and any others you expect the landlord to provide. It is also a good idea to agree in advance on rates or charges, if any, for services delivered after "normal hours."

Looking for more tips? Send an email to info@ChoiceRealtyUSA.com to request a copy of our Top 30 Leasing Tips--Methods To Save Money.

Lathbury's Residential Corner

Housing Set to Stabilize in Early 2010

The "word" is Interest Rates are headed up. In a recent survey covering 58 U.S. markets, 93% of respondents indicated their local housing markets were nearing the bottom. The National Association of REALTORS recently indicated an upswing in transaction volume.

Assuming we continue to see interest rates of 6.5% or less for another 12 months, based on the results of the survey, I believe the housing market will reach a state of equilibrium in early 2010 in most markets, including our own.



Chris Lathbury is CHOICE REALTY's Residential Investment Specialist. Chris has been investing in real estate and rehabbing properties since 1994. Mr. Lathbury is skilled in helping buyers find quality investments. Chris offers the added benefit of being a licensed Home Inspector. He is also a founding member of the Charleston Real Estate Investors Association (CREIA). Contact Chris at ChrisLathbury@ChoiceRealtyusa.com.

Does your company have other office locations outside Charleston? If so, we can assist in negotiating those location leases too. We provide Lease Transaction Management nationwide. Call me to discuss how we can reduce your occupancy costs across all locations.

Sincerely,

Jonathan Lee, CCIM

Commercial & Investment Real Estate Advisor

CHOICE REALTY

(843) 225-6368 office

(843) 991-4848 mobile

JonathanLee@ChoiceRealtyusa.com

