

COMMERCIAL OFFICE PROPERTIES SPOTLIGHT FEATURING NAI GLOBAL

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A message from NAI Global president, Jeffrey M. Finn

Economy taking toll on commercial property markets

What a difference a year makes. The Great Capital Strike triggered by the collapse of the residential mortgage market has spread globally, and has now rippled across virtually every market and sector. The 2009 outlook for the commercial real estate industry is rather bleak, characterized by a global recession, weakening market fundamentals, frozen credit, investors on the sidelines and millions of square feet of retail and office prop-



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erty re-entering the market as financial institutions, retailers and corporations retrench or close. We expect vacancy rates to rise and rents to slip in 2009 as a result.

Still, even down cycles present opportunities. We expect investment sales to increase in 2009 as market forces close the gap between the bid and the ask. And corporate tenants will find a welcome window of relief from the supply constraints that drove rental rates and sale prices to record levels only a year ago.

There is no doubt 2009 will be a challenging year, but in that challenge the best will rise to the top and capture greater market share as those less able

or less prepared yield ground. While we are in turbulent waters now, we are confident that great waves of opportunity are forming on the horizon. NAI is well positioned to catch these waves, launching our clients to success in 2009.

Companies are in trouble, lenders are burdened with distressed holdings and pools of capital have been amassed to pounce at the right moment. Great wealth is formed by investors that are ready and able to seize moments like this. And they will surely enter the market soon as bank-forced sales provide once in a lifetime buying opportunities.

We believe one of the best ways to make this happen is

through NAI Global's Commercial Property PowerSale™, a series of sealed bid and auction events coming this year. This incredible program offers vast marketing power and leverage to sellers in each of our markets to find the best buyers today. A similar program was highly successful for our clients in the early 1990s. Now with staggering levels of debt coming due – an estimated \$400 billion in 2009 alone – combined with growing economic pressures, we believe the time is right to offer this type of program once again, and provide a unique service offering that drives buyer interest and secures the property's true market value

that clients demand.

Even in these difficult times, leading commercial brokers are realizing that being part of a global team is more important than ever. Over the last year we have added more than 20 new members to our growing network and there are several more joining in the coming weeks.

We are better positioned than ever to help our clients navigate these challenging times, take advantage of the opportunities markets like this present and thrive in the coming year.

Sincerely,
Jeffrey M. Finn
NAI Global President & CEO. ■