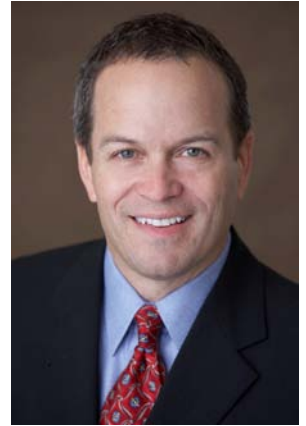


Brian Childs, Executive Vice President of NAI Capital Commercial Real Estate Services specializes in professional tenant and user representation in Orange County. He is a 24 year veteran with a successful track record of representing the best interests of his corporate and individual clients. He advises his clients in a comprehensive manner helping them achieve lower leasing and purchasing costs.

“Orange County lease rates and building sale prices have dropped over 25% over the last twelve months. We are in a “Tenants/Buyers Market” where businesses and individuals can lock in low lease rates and purchase prices”

Brian can provide the following “no cost” commercial real estate services:

- Tenant Representation
- Purchase Representation
- Lease Renewals, Expansions and/or Reductions
- Subleases
- Property Surveys & Profiles
- Existing Lease Audits
- Current Market Up-Dates
- Consulting Services



contact information

Brian Childs

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Memberships/Awards

2008 NAI Capital Club
2007 NAI Global Silver Elite
2007 Deal of the Year, California Real Estate Journal

Education

California Brokers License #0904960
University of Southern California B.S. 1981, Public Affairs, Sigma Nu Fraternity

Partial List of Transactions (2006-2009)

ICON Health & Fitness – Redlands
Industrial Lease – 411,879 SF

DHL - Irvine
Industrial Lease – 57,722 SF

401 K Advisors – Aliso Viejo
Office Lease – 13,334 SF

Mortgage Information Services – Anaheim
Office Lease – 23,502 SF

Barrack’s Hockey – Laguna Niguel
Office Lease – 11,045 SF

Sears Holding Company – Buena Park
Retail Building Sale – 12,300 SF

Towfiq, LLC – Irvine
Industrial Building Sale – 9,900 SF

Tumbleweed, LLC – Anaheim
Industrial Building Sale – 10,692 SF

Iron Stone Bank – Newport Beach
Office Bank Leases – 13,012 + SF

Paetec Communication – Oakland
Data Center Lease – 7,310 SF

Clairvoyant Systems, Inc. – Long Beach
Office Lease – 6,384 SF

HAI West – Irvine
Office Building Sale – 9,900 SF

Orange County Office Market - Summer 2009

By Brian Childs, Executive Vice President, NAI Capital – Newport Beach

The Orange County Office Market has been hit by a trifecta of market factors that have “stopped it in its tracks”. It had been soaring since 2004. By the end of 2006, it was considered one of the top three office markets for investment in the United States due to its low vacancy rates, robust economy and constrained supply of developable land.

The story is quite different in 2009. Orange County was the scene of the crime in the “subprime meltdown” being home to the largest sub-prime lenders in the nation including Ameriquest and New Century. The liquidation of mortgage related firms added an additional 2 million square feet of vacant office space back into the market. At the same time, more than 4 million square feet of new Class A office space was being delivered. The third market factor is that Orange County has lost over 58,000 jobs since the start of 2008. The unemployment rate has increased from 3.5% to 9.2% in the last twenty four months.

The overall office market inventory in Orange County is 143 million square feet. Current vacancy rates are 14.5% according to Costar, which is a significant increase over vacancy rates of 10% just 18 months ago. In addition, there is almost 1.3 million square feet of sublease space available which increases the over-all availability rate (vacant space plus sublease space) to 17.5%.

Needless to say, Orange County office market absorption has been impacted. There has been over 2 million square feet of negative net absorption in 2009. Asking lease rates on Class A high-rise are on a rapid decline with average monthly rates at \$2.25 FSG. This is down from \$2.45 FSG at the start of 2009. Building sale activity which nearly stopped in the Fall of 2008 is beginning to start again. Prices have fallen nearly 25% over that time period as Cap Rates have risen from 5% to 8%.

The remainder of 2009 will continue to be a “Tenants/Buyers Market”. It’s a great time to lock in low lease rates or to buy premium Orange County properties at 2003 prices. Please call Brian for local Orange County or Inland Empire market information or for an analysis of your office space situation.