



# Commercial Real Estate MARKET SURVEY

## NAR Economic Research February 2009 Survey Results



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# Commercial Real Estate MARKET SURVEY

FEBRUARY 2009

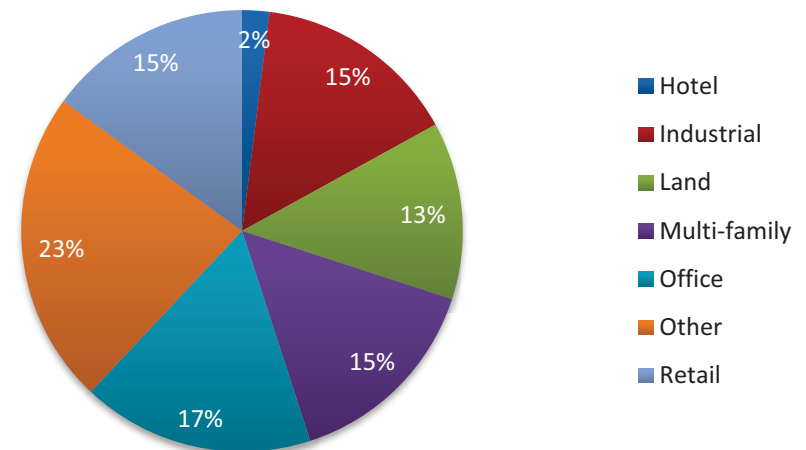
## Survey Highlights

The REALTORS® Commercial Real Estate Market Survey measures activity in the commercial real estate markets. The survey collects data from commercial Realtors®. The survey is designed to provide member Realtors® with an overview of the market performance, sales and rental transactions, current economic challenges and future expectations. The questions are designed to capture the effects of the existing economic conditions on the commercial real estate business. Each quarter, participants respond to questions regarding the current demand for commercial properties, price, cap rates, rental concessions and other economic conditions.

Do you specialize in a specific property type?



REALTOR® Specialties



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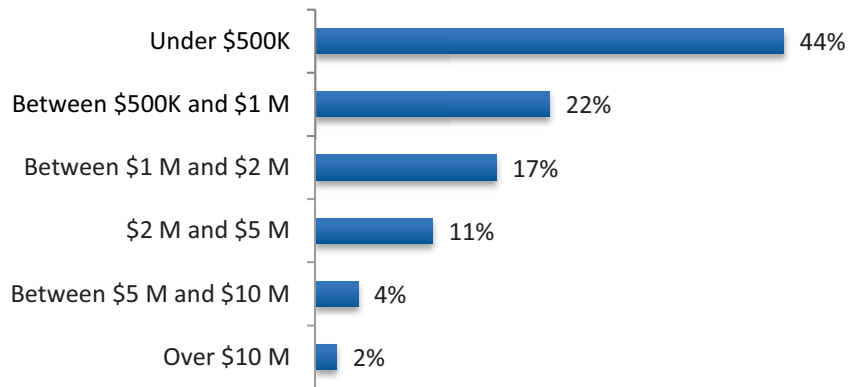
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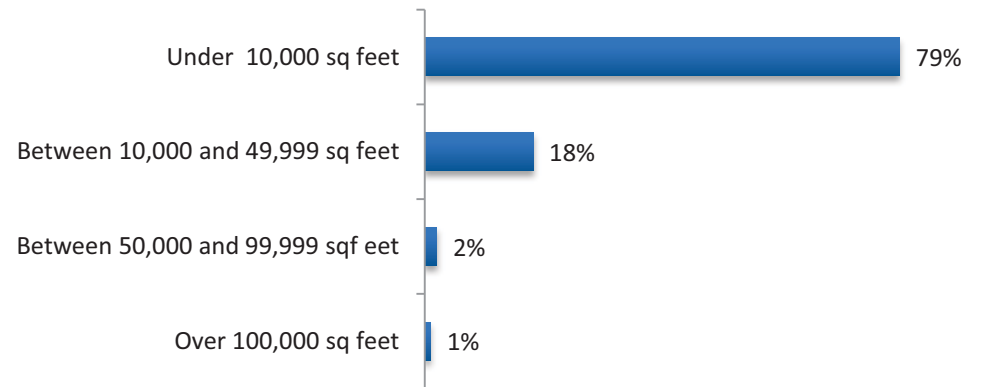
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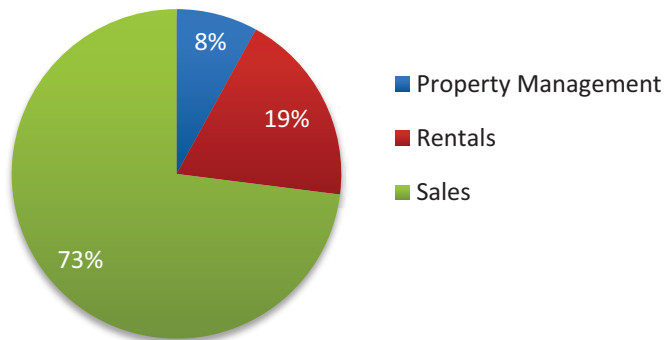
**Dollar amount of last transaction**



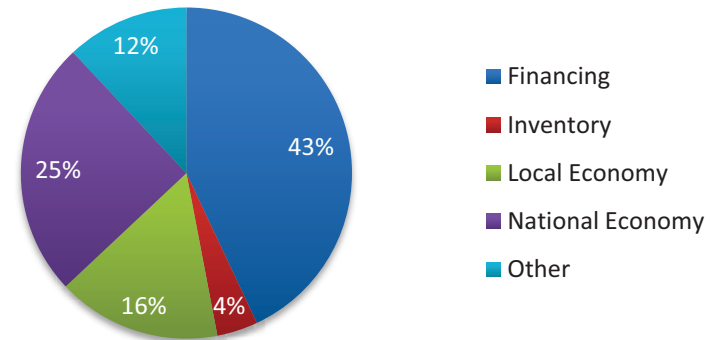
**Average rental space demanded during last transaction**



**REALTORS® Commercial Real Estate Transactions**



**REALTORS® Most Pressing Current Challenges**



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## REALTORS® Commercial Activity as of the Fourth Quarter 2008

Sales Volume Compared with Previous Quarter	↓	Down 21%
Sales Volume Compared with Previous Year	↓	Down 38%
Sales Prices Compared with Previous Quarter	↓	Down 11%
Sales Prices Compared with Previous Year	↓	Down 17%
Cap Rates Compared with Previous Year	↑	Up 3%
Expected Availability for the Next 12 Months	↑	Up 14%
Expected Cap Rate Movement for the Next 12 Months	↑	Up 6%
Rental Volume Compared with Previous Quarter – down 9%	↓	Down 9%
Rental Rates Compared with Previous Quarter	↓	Down 10%
Rental Vacancy Rate Compared with Previous Quarter	↑	Up 7%
Level of Rent Concessions Compared with Previous Quarter	↑	Up 12%
Direction of Business Opportunities Compared with Previous Quarter	↓	Down 10%
Volume of New Construction Compared with Previous Quarter	↓	Down 8%



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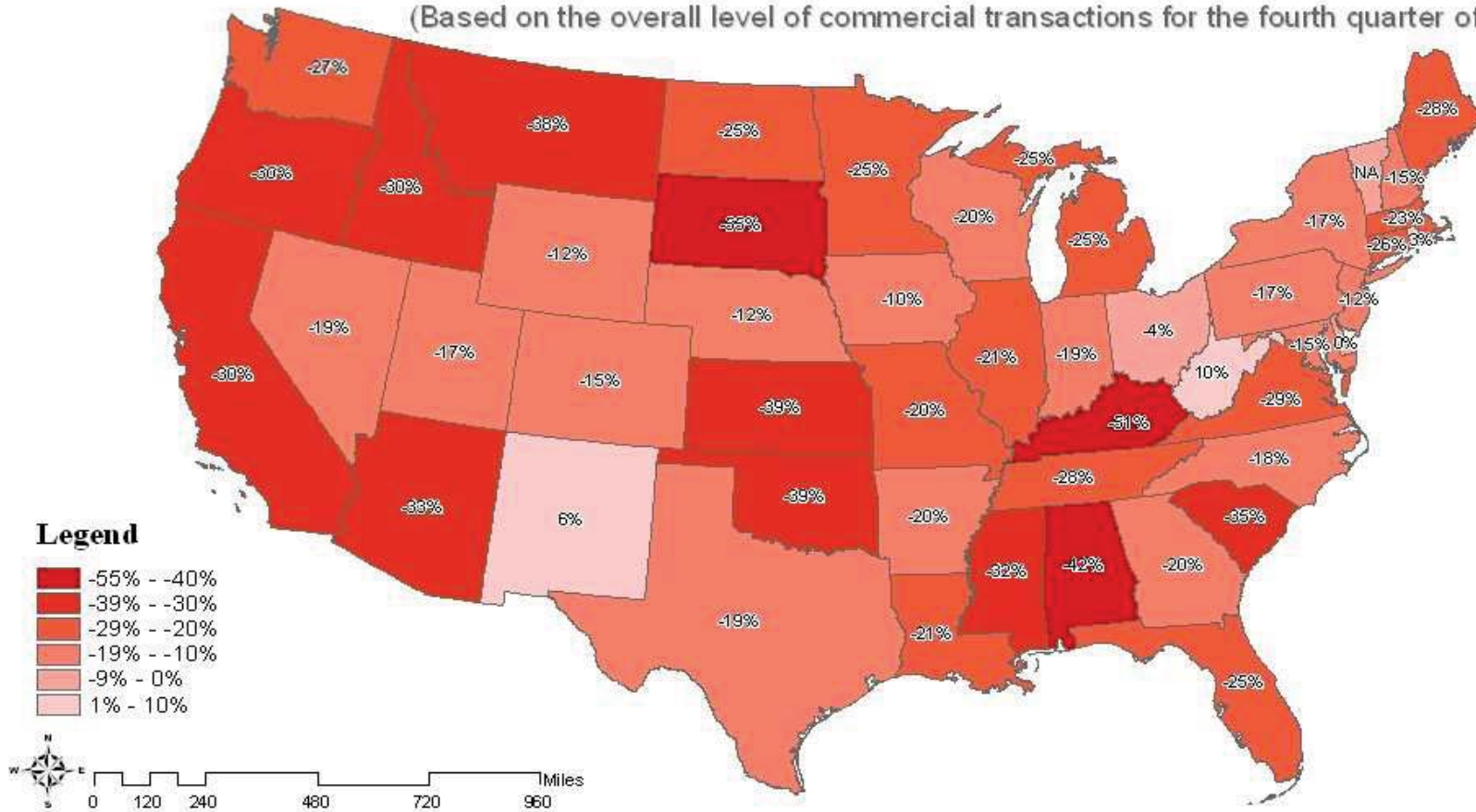


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## Commercial Real Estate Sales Volume Compared with Previous Quarter

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



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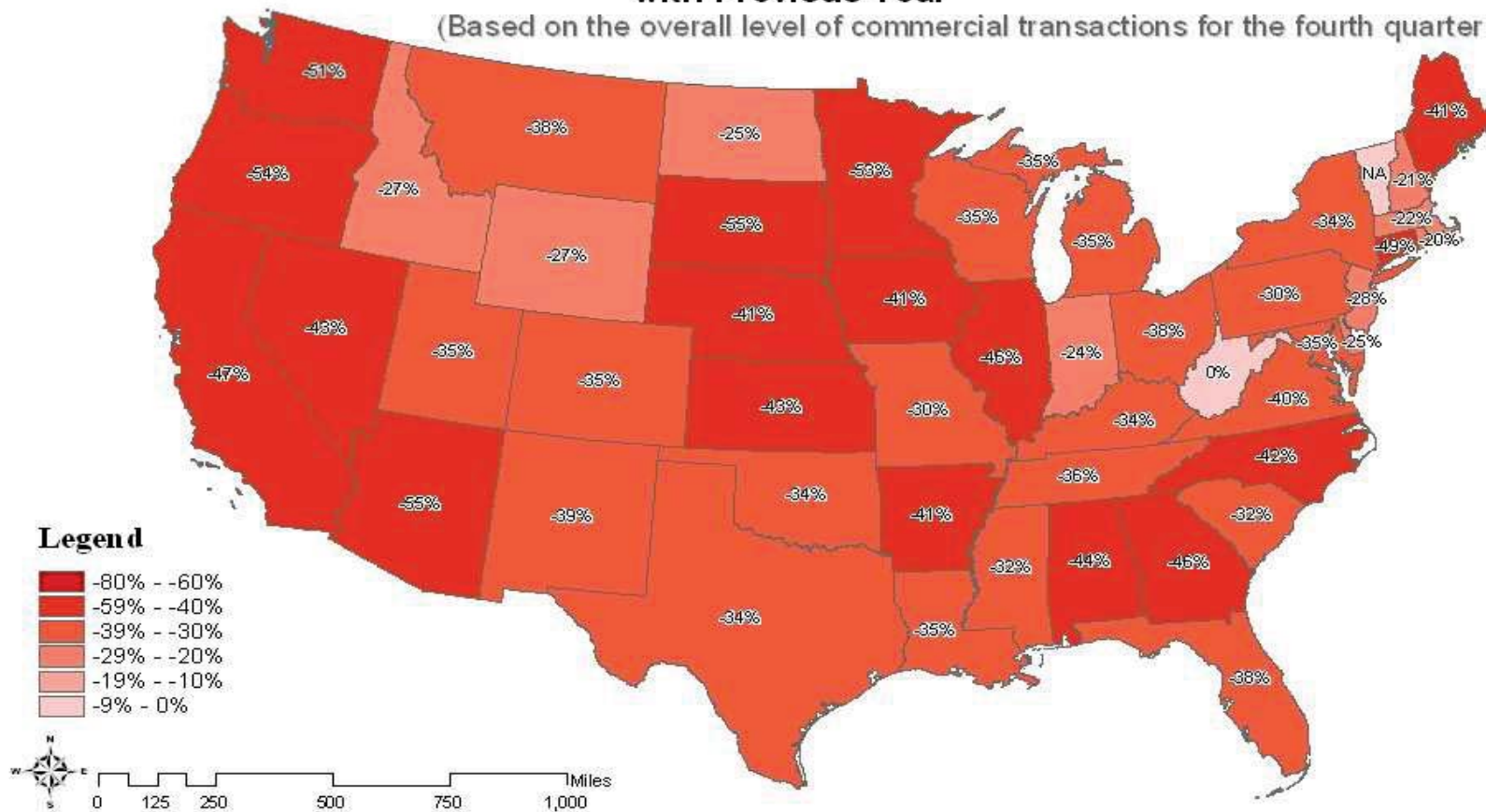


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## Commercial Real Estate Sales Volume Compared with Previous Year

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



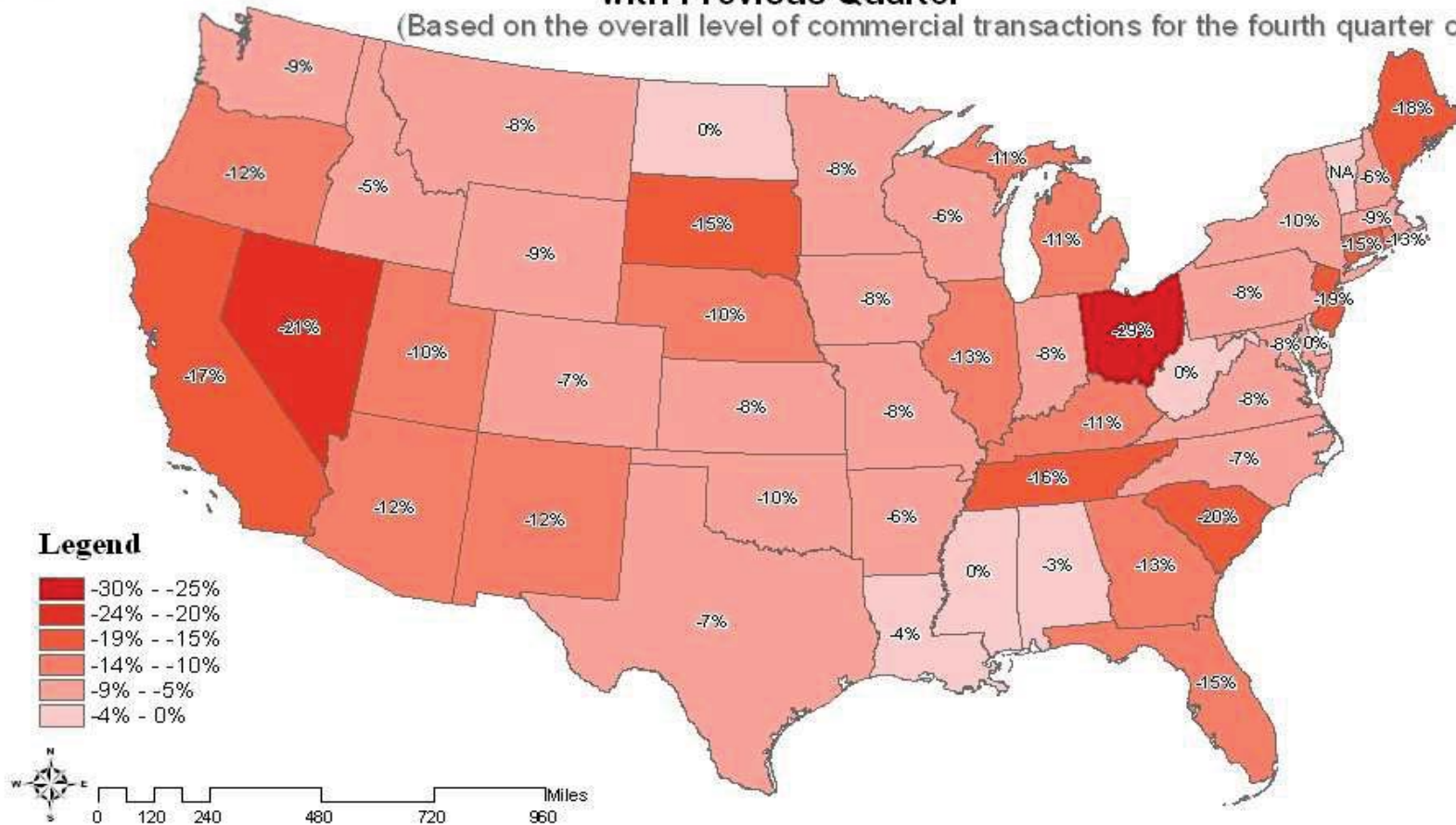


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## Commercial Real Estate Sales Prices Compared with Previous Quarter

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



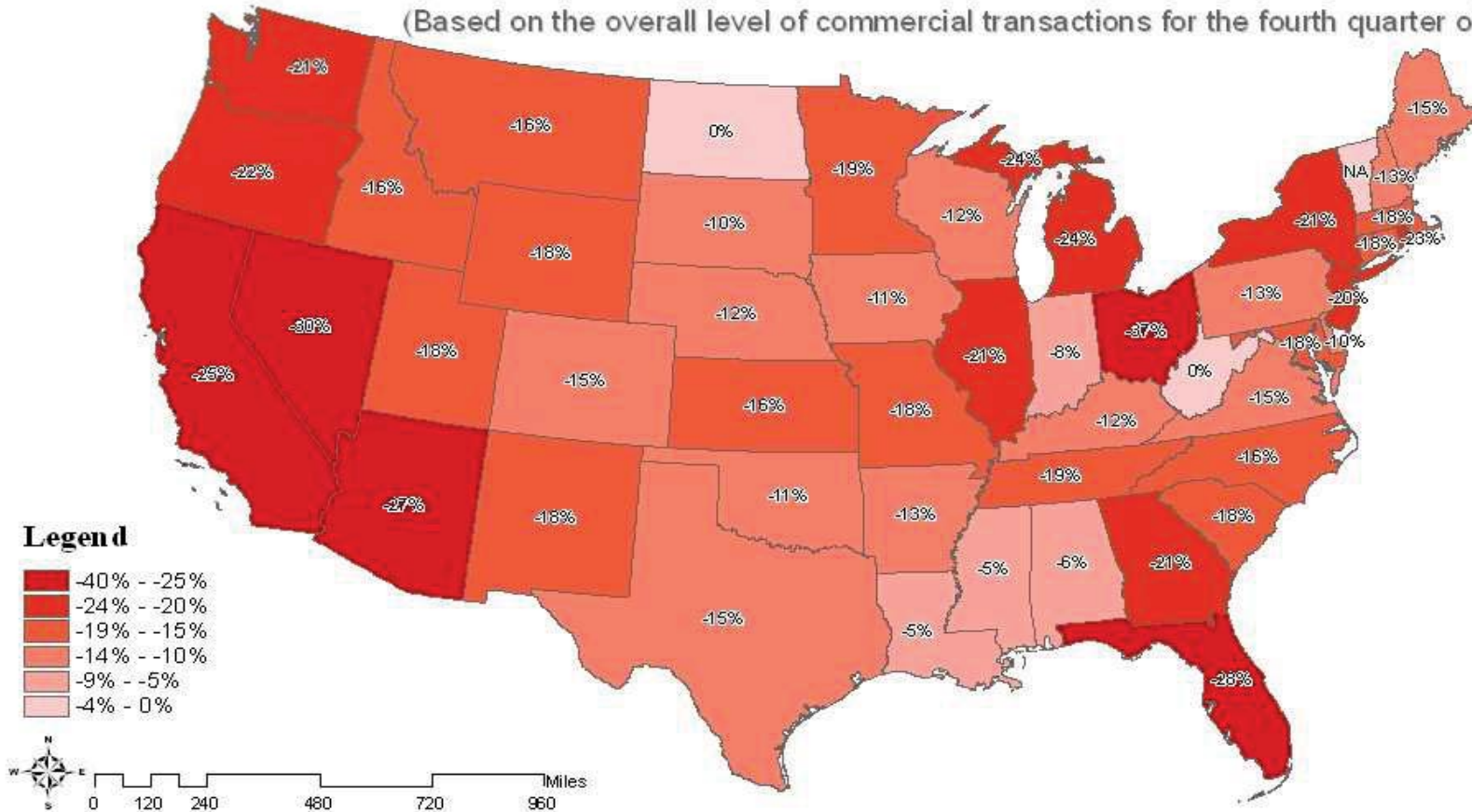


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## Commercial Real Estate Sales Prices Compared with Previous Year

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



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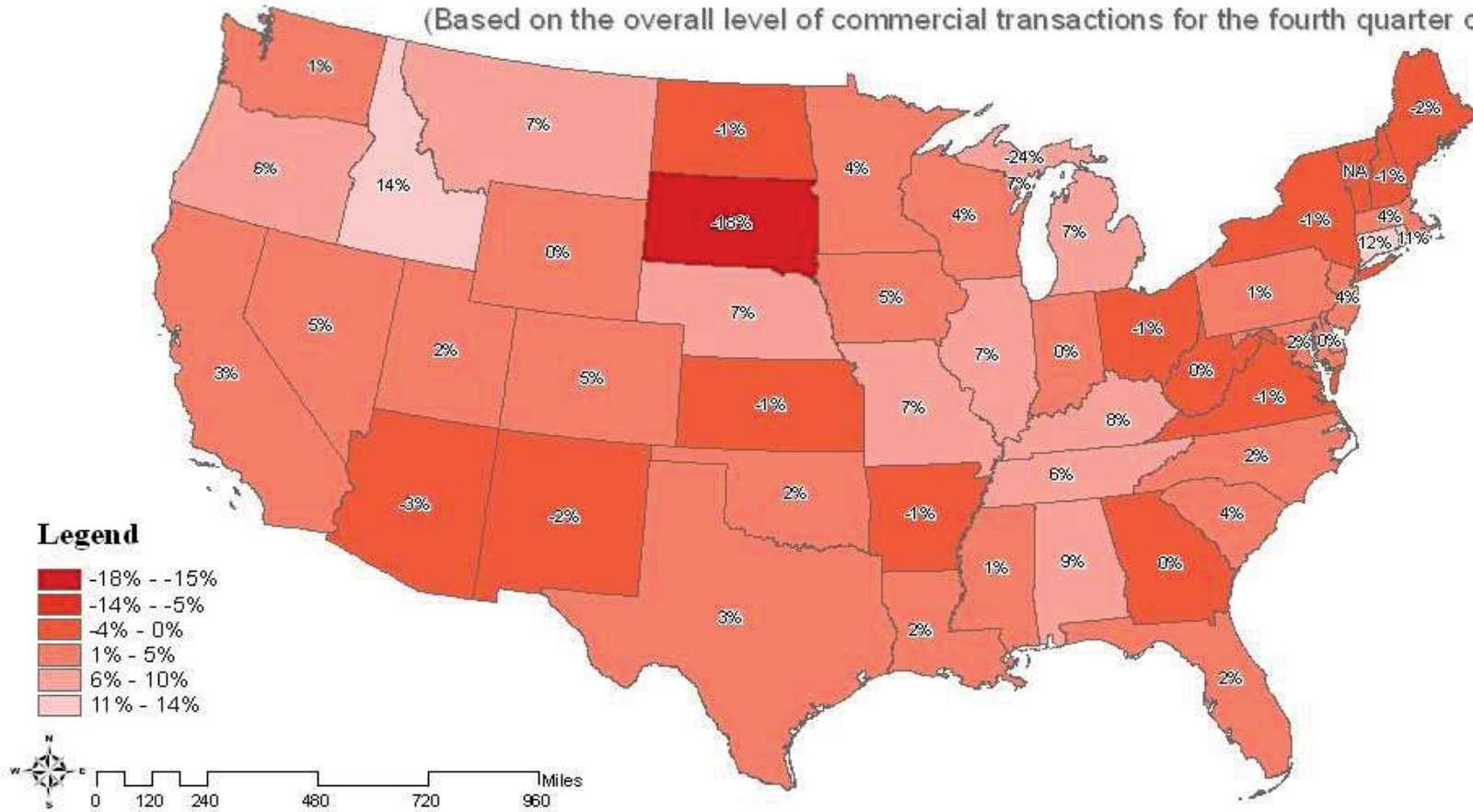


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## Commercial Real Estate Cap Rates Compared with Previous Year

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



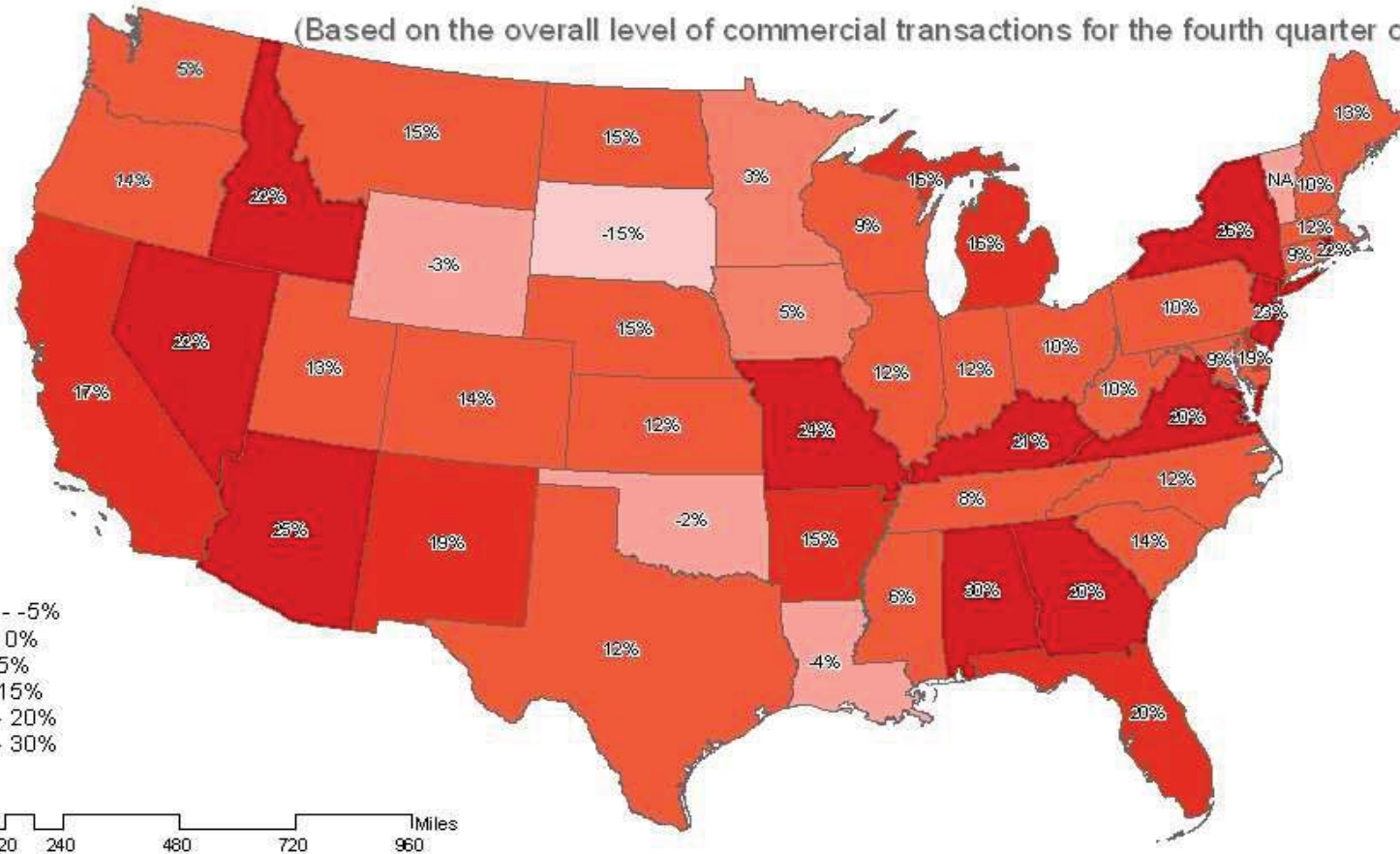


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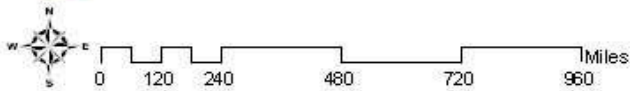
## Commercial Real Estate - Expected Availability for the Next 12 Months

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



### Legend

- 15% - -5%
- 4% - 0%
- 1% - 5%
- 6% - 15%
- 16% - 20%
- 21% - 30%



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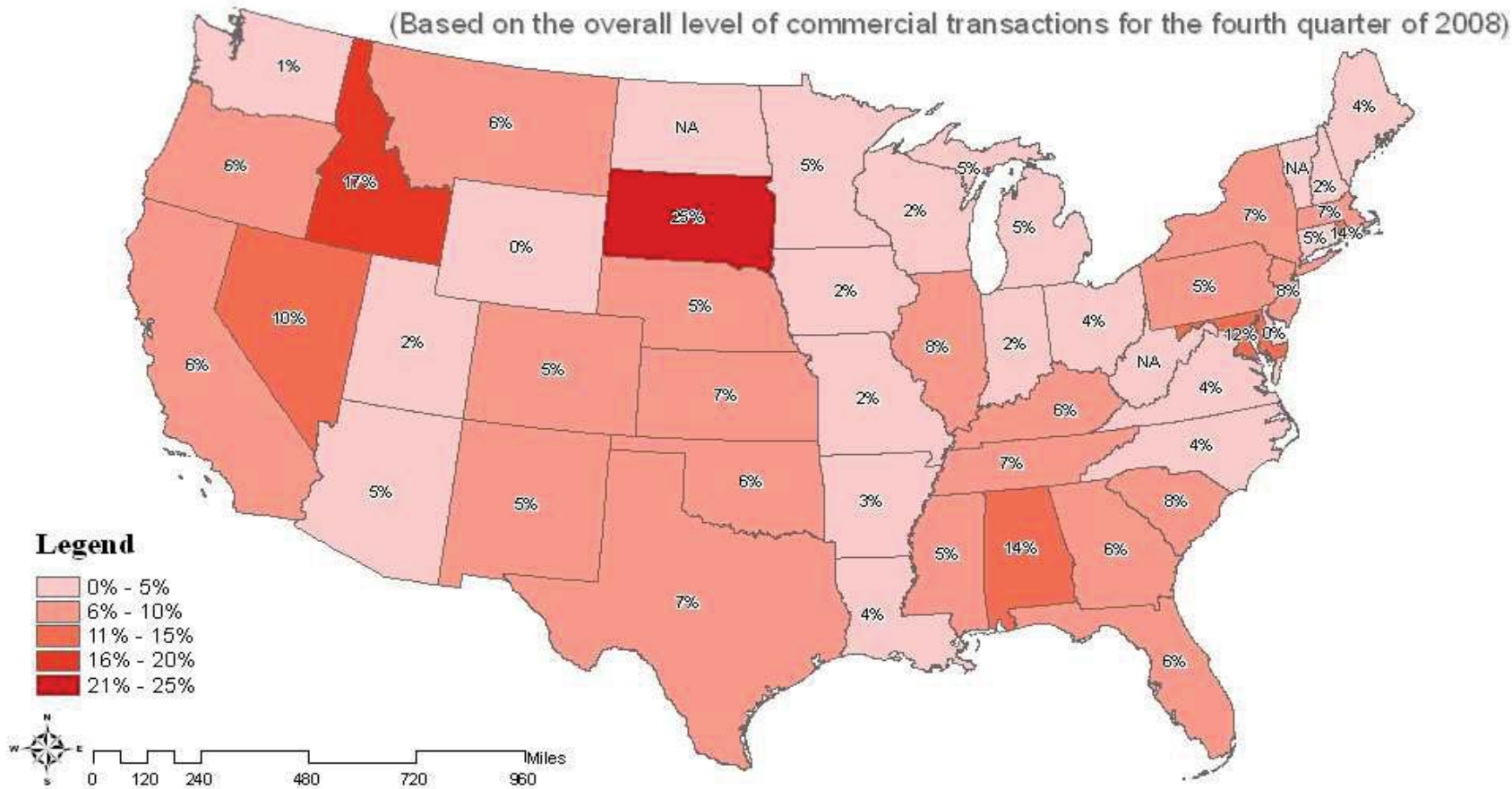


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## Commercial Real Estate - Expected Cap Rate Movement for the Next 12 Months

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



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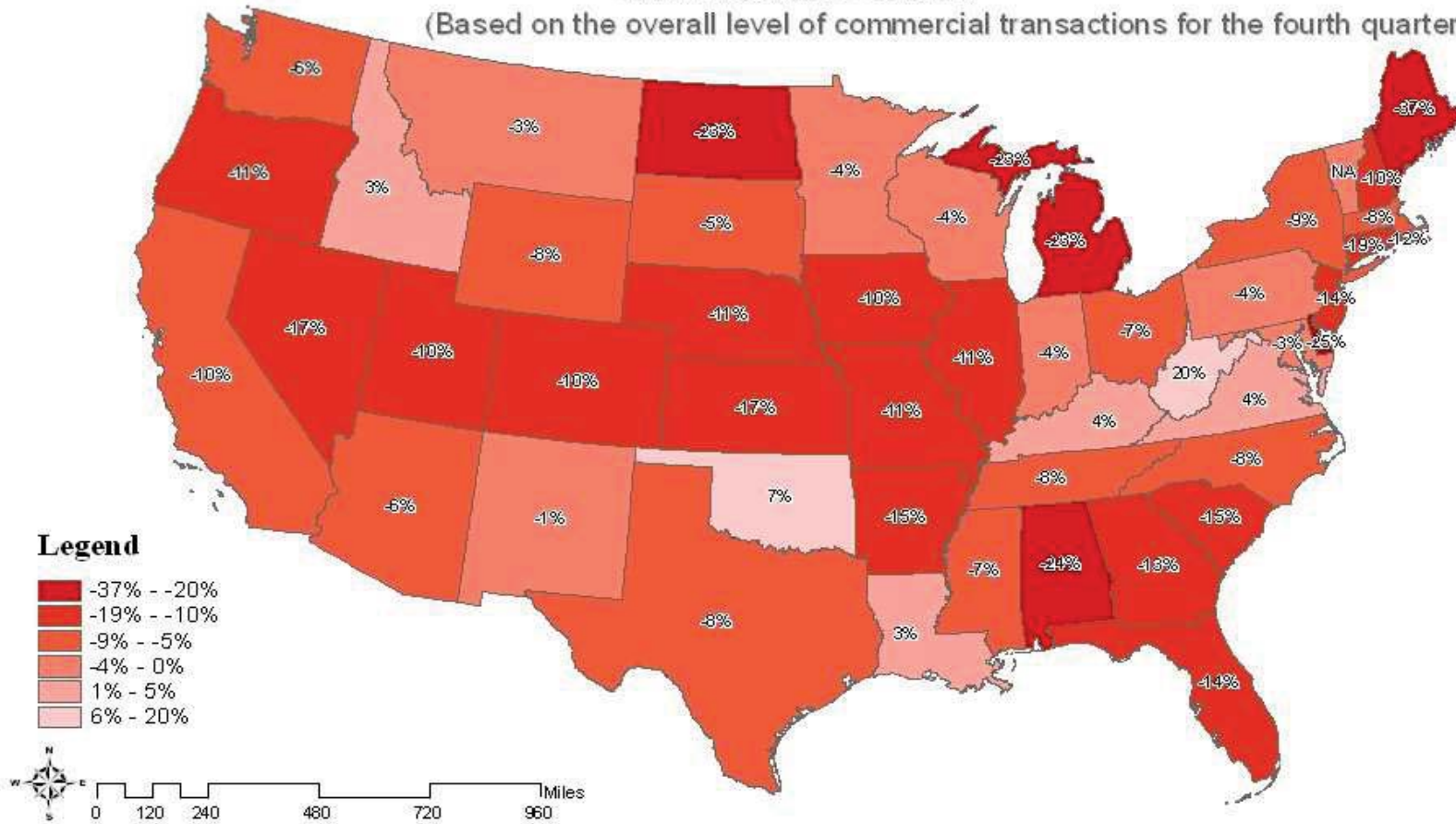


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## Commercial Real Estate Rental Volume Compared with Previous Quarter

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



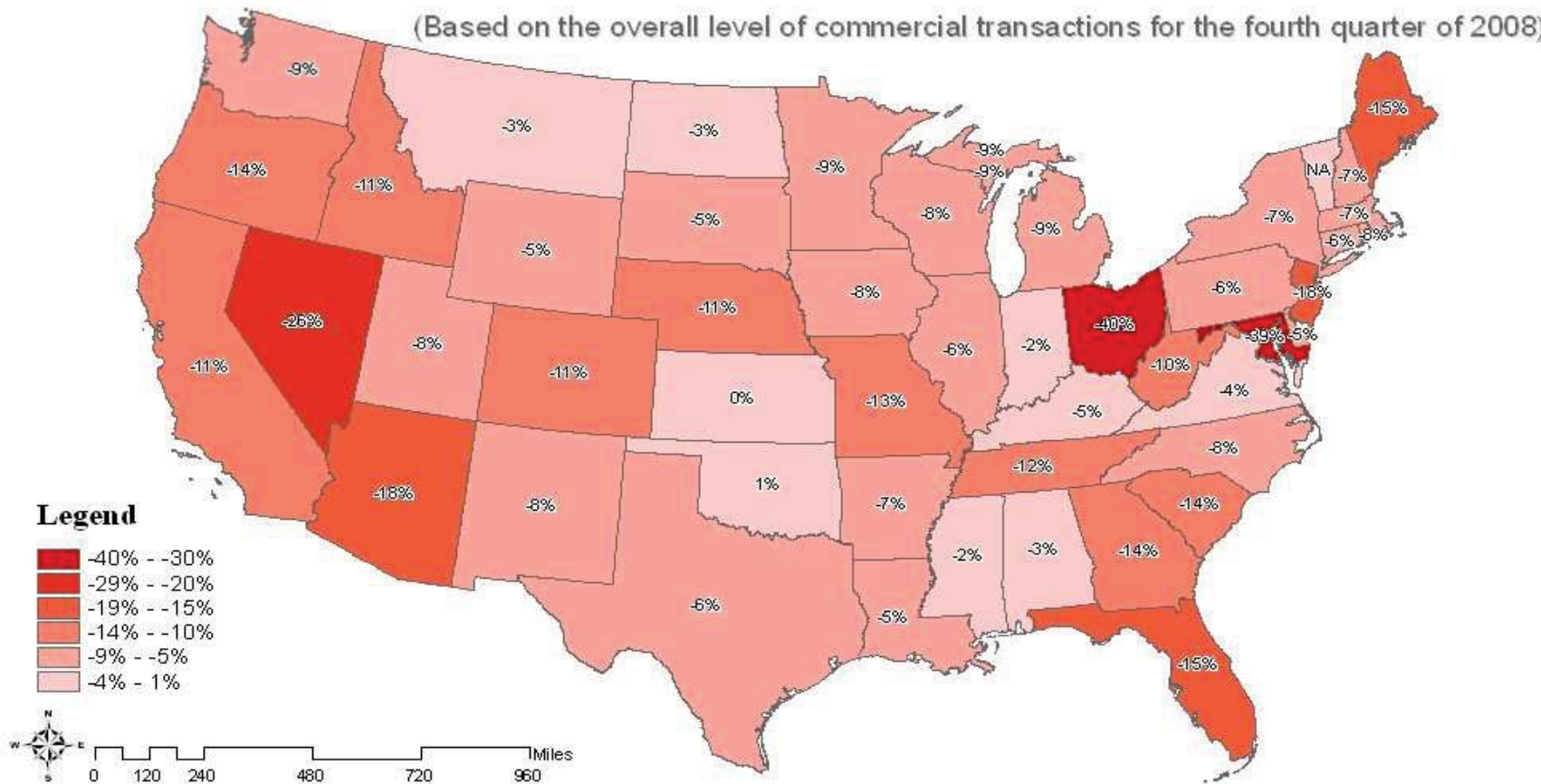


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## Commercial Real Estate Rental Rates Compared with Previous Quarter

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



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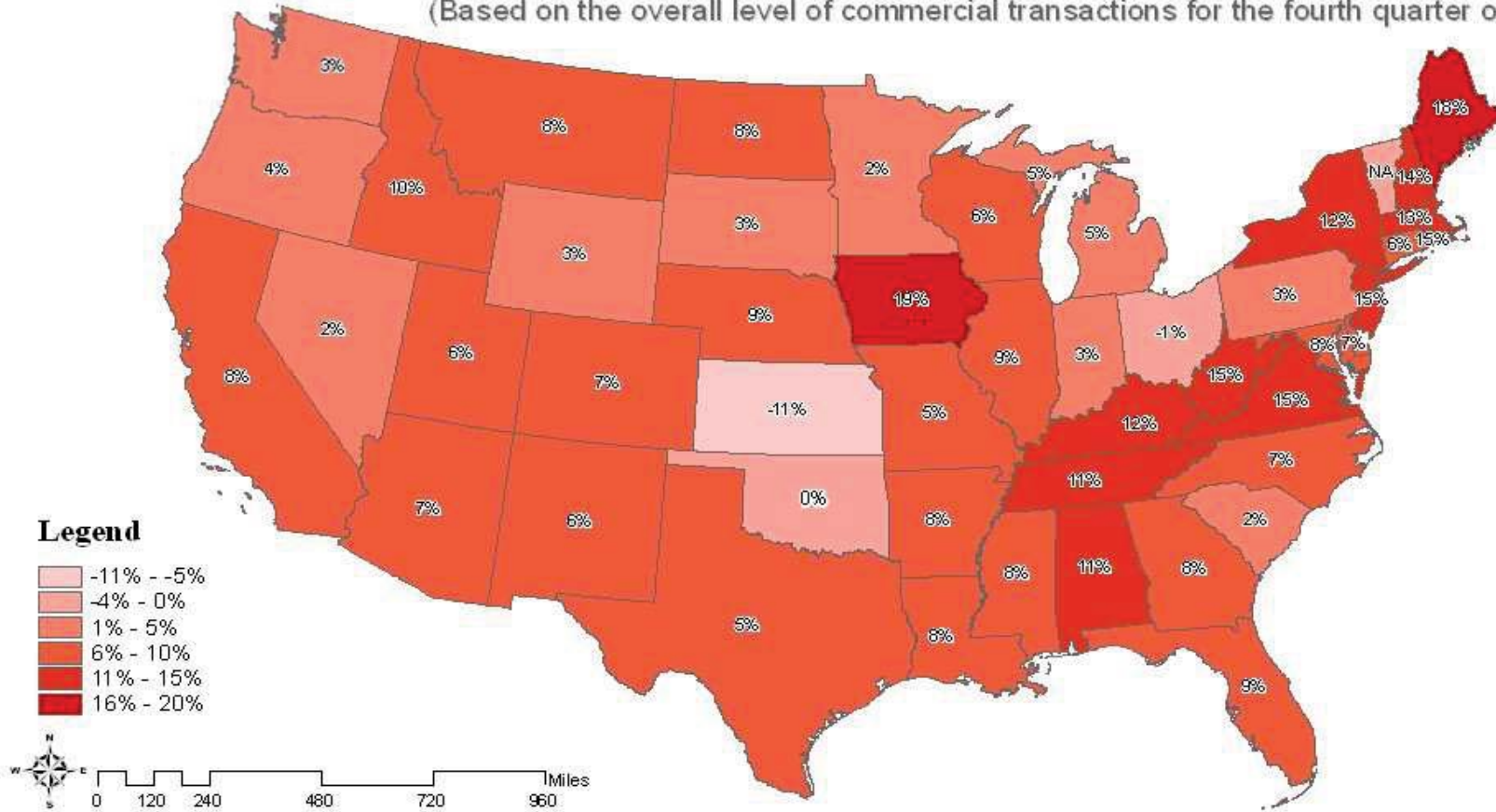


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## Commercial Real Estate Rental Vacancy Rate Compared with Previous Quarter

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



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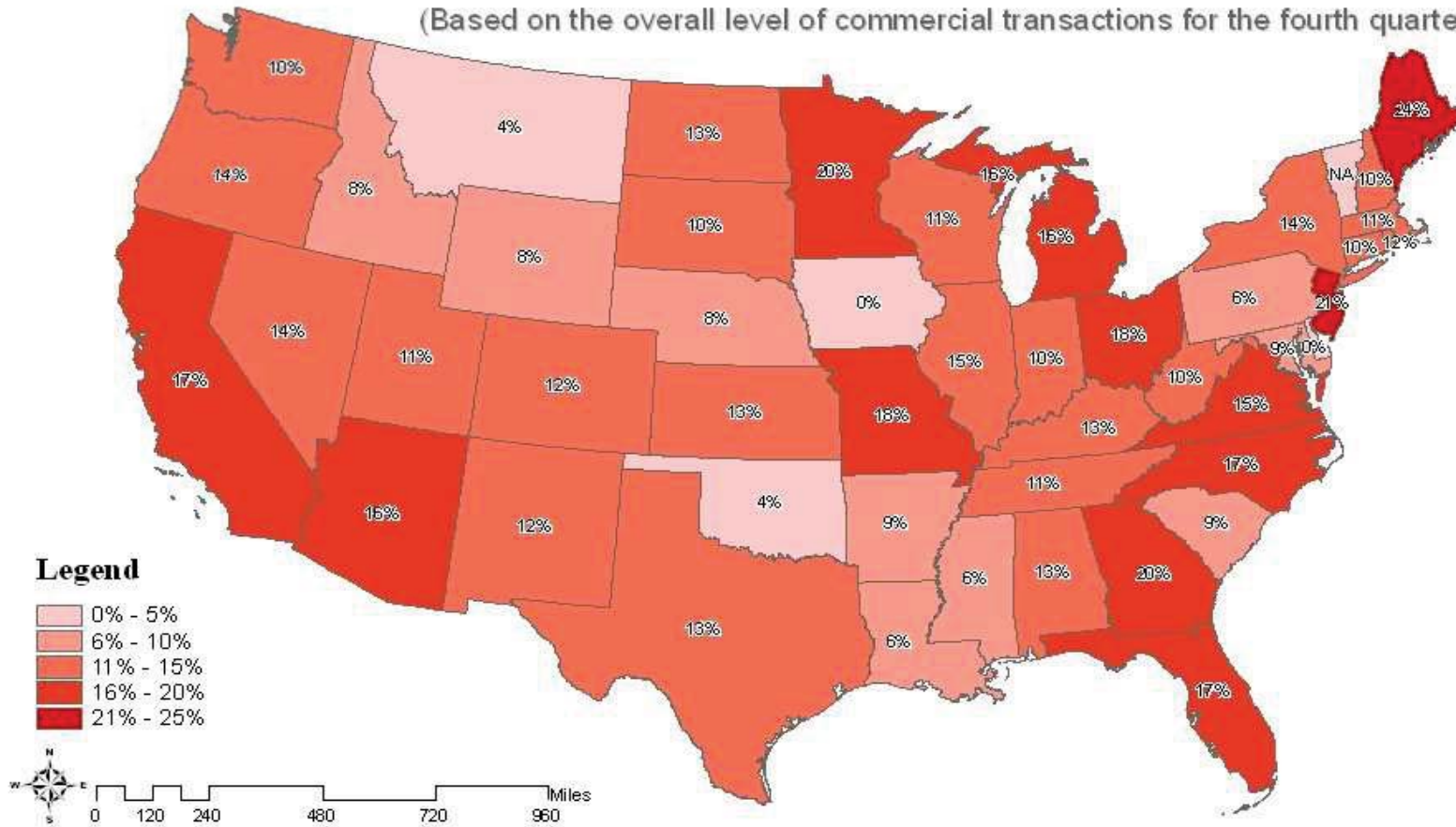


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## Commercial Real Estate Level of Rent Concessions Compared with Previous Quarter

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



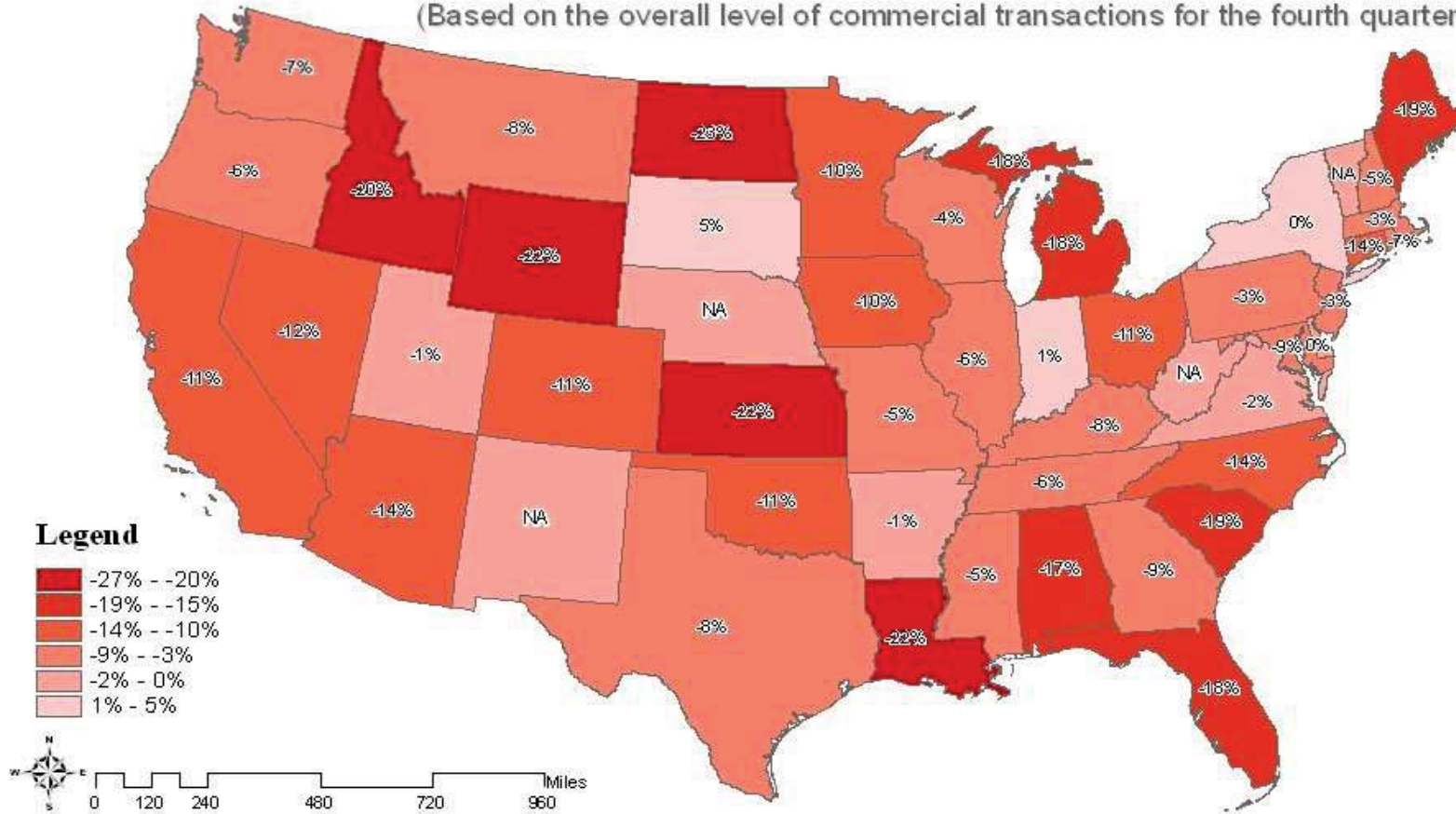


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## Direction of Business Opportunities in Commercial Real Estate Markets Compared with Previous Quarter

(Based on the overall level of commercial transactions for the fourth quarter of 2008)



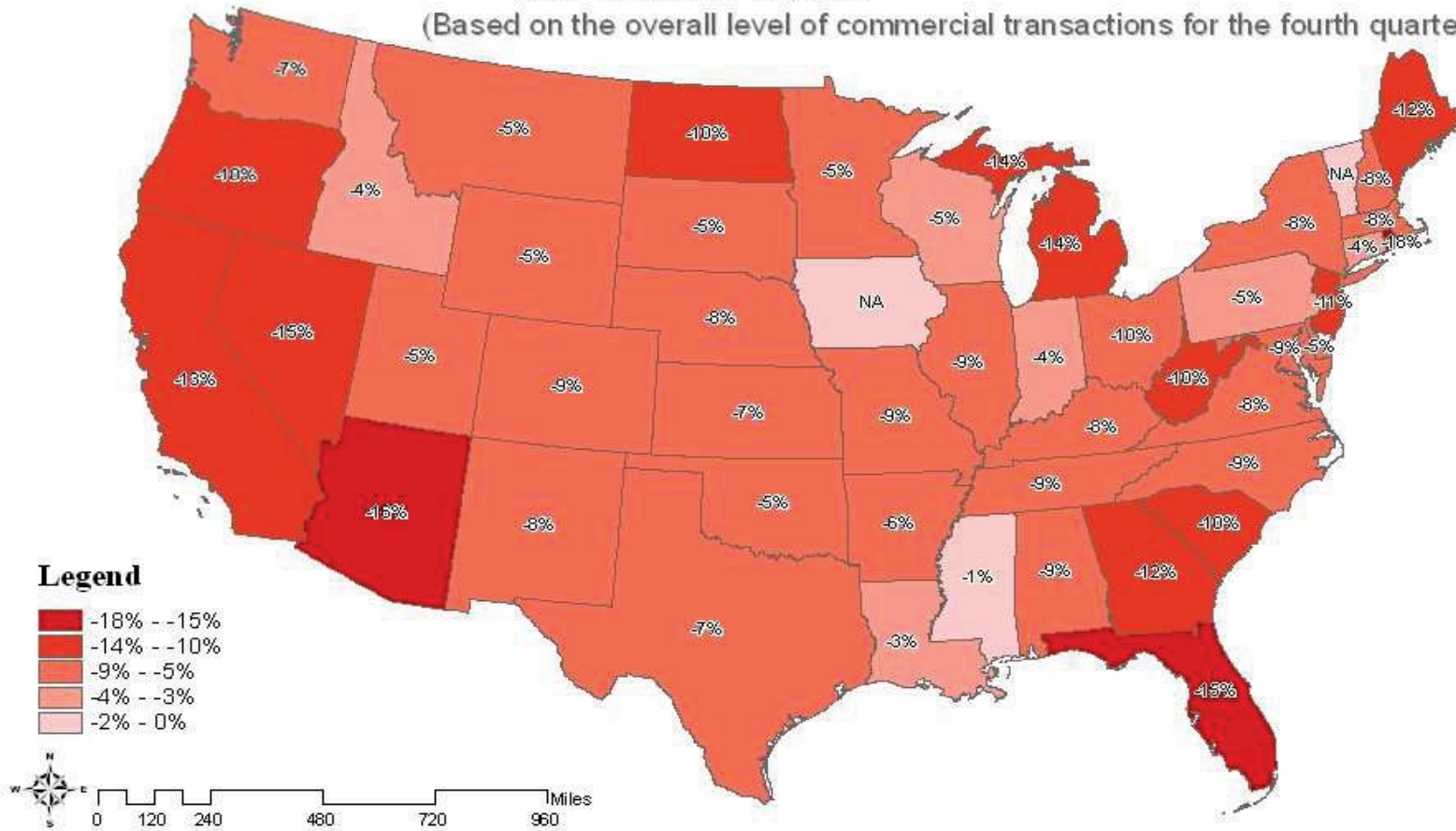


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## Commercial Real Estate Volume of New Construction Compared with Previous Quarter

(Based on the overall level of commercial transactions for the fourth quarter of 2008)





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NAR Research also provides analysis of monthly economic indicators, such as GDP and employment data that clearly impact commercial markets over time.

If you have questions or comments regarding this report or any other commercial real estate research, please contact George Ratiu, NAR Economist, at (202) 383-1081 or [gratiu@realtors.org](mailto:gratiu@realtors.org).

Although the information presented in this survey has been obtained from reliable sources, NAR does not guarantee its accuracy, and such information may be incomplete. This report is for information purposes only.

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