



LIGHTLE COMMERCIAL INCORPORATED

COMMERCIAL REAL ESTATE SERVICES

Quarterly Newsletter * Second Quarter 2007

Brevard Outlook

OFFICE

Class A office vacancy is rising as companies search out more affordable solutions. The sale of office condos has slowed due to expense of buildout and buyers questioning future values. Class B and C office space is in demand and the market for these buildings remains strong with the most desirable size being +/- 1,250 SF.

RETAIL

Retail development in Brevard is still strong and there are many unanchored strip projects underway throughout Brevard.

Occupancy rates for small space in the county remain high—there are a few larger spaces available in certain markets.

INDUSTRIAL

The industrial market in Brevard has seen continued weakness and higher than recent historical vacancy through the second quarter of 2007. This will likely be the case through the end of this year as well as 2008. There are a few culprits, but the most significant is residential construction. This is really the gas that fuels the broad base of the industrial real estate.

Recently Completed Transactions

- Nurse On Call
- Wuesthoff Health Systems
- AgCert Services
- H&R Block
- Homes and Loans
- Allstate Insurance
- Tropical Smoothie
- Global 360
- Firehouse Subs
- Authentec
- Adecco
- Dynamic Lighting

WHAT IS REALLY GOING ON IN THE ECONOMY?

By Brian Lightle, CCIM

Every day we pick up the paper, hear on the TV or read on the computer numerous facts and figures that are supposed to reflect the condition and direction of our economy. The stock market is up, the stock market is down. Housing prices are down, existing home sales are up. Ford Motor Company makes a profit but was it enough to satisfy what the analysts had expected.....

No one I know has a crystal ball to determine where we are today or where this economy is headed however we all know that cycles do occur in our economy and that includes the real estate market. I will never forget the bumper sticker I saw at the 1989 International Council of Shopping Centers Convention in Las Vegas. It read "Dear God, please let there be one more real estate boom and I promise not to throw it all away this time".

I am constantly being asked "have we hit bottom yet" or "are we still going up" and after being in this business for almost 20 years, specializing in ONLY commercial real estate in Brevard County and spending 5 years prior as an Investment Consultant, I would like to offer these thoughts.

We must always start with the goals of the

individual or company in mind as they consider their commercial real estate needs. The needs of a medical practice to consider owning their own office building versus leasing, as opposed to the investor looking for a decent rate of return, and then the speculator, will usually result in different answers.

To say that commercial real estate is overpriced may be correct from one perspective or in one geographic area however, it may be totally incorrect in other situations.

I am not trying to be evasive but what I am trying to communicate is that virtually every transaction we complete in commercial real estate is different. The crux of the situation, in my opinion, is to make sure that you are applying the best market knowledge and experience matched with a clear understanding of your goals and then make the most educated decision

If you are considering any activity in commercial real estate, from leasing to buying, selling to holding, etc, we would encourage you to call Lightle Commercial to sit down and evaluate your specific situation instead of applying a broad brush "the market is too expensive" or "the market is too cheap" mentality to the entire situation.

TENANT REPRESENTATION

By Jeff Robison

Location, location, location... In today's hyper turbulent retail market tenants need an advantage in expanding their business and ensuring that the locations they choose are advantageous and strategically placed. This process has become crystallized for many of the famous brands that you and I frequent often, i.e. Publix, McDonald, Starbucks, and others.

Many of these national tenants have refined their process utilizing the services of commercial real estate brokers in the capacity of *tenant representative*. The broker in this capacity

utilizes scientific data, market awareness, established trends and other resources to define a tenant's option for locations.

Depending on the type of business operation, there are many resources available to get a hard look at market driving data. A few examples would be population in proximity to a site, traffic in front of a site, household income, age of population surrounding a site, and many other surrogate markers that can determine if a market is right for a certain type of business.

(see continuation of article on Page 4)

FEATURED

THE PLAZA AT HERITAGE OAKS PRIME RETAIL LEASE OPPORTUNITY

Multi-Use Commercial Site for both Retail and Office

- ◆ Site is flanked by two traffic lights
- ◆ Situated adjacent to Post Office
- ◆ Near Melbourne Square Mall, Home Depot, Lowes, Walgreens
- ◆ Near 4 public schools and 1 private school
- ◆ Medical Sites Available
- ◆ Multiple Access Points
- ◆ Heritage Blvd. and Minton Rd.



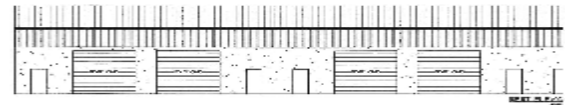
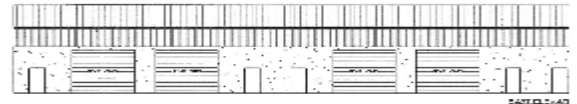
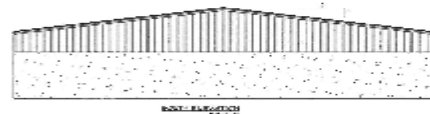
Contact: Jeff Robison, VP Retail Properties
321-722-0707 x 13

INDUSTRIAL CONDOS FOR SALE

660-670 Atlantis Dr.

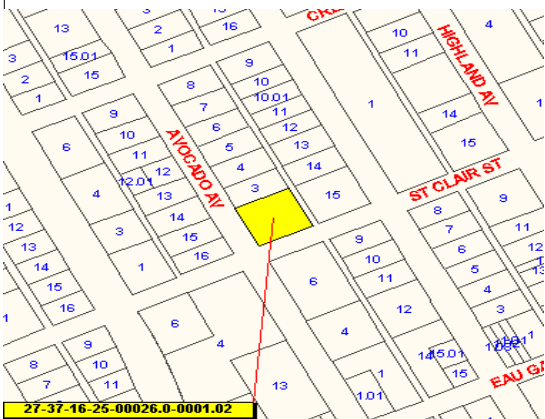
- 🏠 Units are 2,000 SF in size, grade level
- 🏠 10% of space air conditioned and dedicated to office and bathroom space.
- 🏠 3-Phase Power
- 🏠 Two 12 x 12 roll up doors
- 🏠 Priced at \$215,000 Per unit

Contact: **Bryan Ridgley, VP Industrial Properties**
321-722-0707 x 12



PAD SITE—DOWNTOWN EAU GALLIE

1501 AVOCADO AVENUE



+/- 2000 SF Pad Site—Ready for Construction
As-Is. Improved with common area parking, retention and green area.
Great opportunity to own a free standing building in downtown Eau Gallie. Only needs building permit to go vertical.
Price: \$179,900.00

Contact: **Rob Beckner, VP Office Properties**
321-722-0707 x 11

PROPERTIES

Great Freestanding Building For Sale

Excellent Office condominium- Eau Gallie Boulevard location.
Space designed to host one, two or three tenants. Built in 2000.

Great access to I-95, Wickham Road, US 1 and Beachside. Property could be purchased by end user needing all or a portion OR by an investor.

Contact: **Brian Lightle CCIM**
321-722-0707 x 14



+/- 5000 SF
\$1,050,000.00

Pineapple Ridge—Office Condos



- ◆ 1,500 SF to 11,000 SF
- ◆ Awesome Eau Gallie Location
- ◆ Pre-construction Pricing of \$145.00 SF

Contact:: Brian Lightle, CCIM
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NEW OPPORTUNITIES

By Bryan Ridgley

Since the beginning of 2007, Lightle Commercial has picked up over 100,000 SF of new listings across all Industrial size ranges as well as several Build-to-Suit opportunities. Softness in the overall market has created opportunities for tenants that have not been present for the last four years.

The drill used to be that if you noticed a new sign on a property, chances were that it was already spoken for. Thankfully, the madness subsided, and market conditions more resembling normal are back. While this means that you have more flexibility, it does not necessarily mean that you have time to waste; particularly when a Build-to-Suit is what you are seeking. Unless you come across a build-to-suit that has an approved site plan with a building footprint that works for you, a tenant can expect at least a year to 1 ½ years before certificate of occupancy.

Contact me at 321-722-0707 x 12 to discuss our current opportunities or visit us at www.lightlecommercial.com



**Lightle Commercial
Incorporated**
Commercial Real Estate Services
"Leaders by Performance"

2090 W. Eau Gallie Blvd. Ste. A
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We're on the Web—at
www.lightlecommercial.com

(Tenant Representation *Continued from Front Page*)

Most local tenants do not realize such services are available to them as they seek to re-locate or find new locations to expand. Lightle Commercial, Inc. has acted in the *tenant representative* capacity for local and national tenants over the past eighteen years. The best part of this service for the tenant is that while the fiduciary responsibility of the broker is to the tenant, the financial responsibility is the landlords'. These services are provided to the tenant at minimal to no expense.

OFFICE VACANCY RISES

By Rob Beckner

Looking for a lease opportunity? 12-24 months ago this was not an easy task. Companies in the market to lease were struggling to find built-out office space at a reasonable price for immediate occupancy. In the past overall office occupancy was less than 5% vacancy. While this year's numbers are not out yet, I would expect to see 10-15% available for 2007 statistics.

Today the once tight market is loosening up due to two factors. The number one contributing factor is the housing slow down. Many of the offices once occupied by Title Companies, Builders, and Financing Companies have or are going vacant as money becomes tighter and less space is required for these companies to operate.

The second contributing factor is the ease of owning and occupying your own office space. Office condos have taken the development / risk factor out of the equation and allowed individuals to purchase quality office space with very little effort.

As the available space increases Landlords will experience increased competition and begin to offer more incentives to Tenants. This does not mean the leasing market and rental amounts are going to tank, only that strong marketing, aggressive negotiations, and quick decision making will help any Landlord with vacant office space.

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