

What BREXIT could mean for the US Commercial Real Estate Market

Following the vote for Britain to leave the European Union, there are mixed responses on the effects this could have on US real estate markets and financial sectors. The initial response was as expected which is panic and a drop in the stock market. The federal reserve warned that this could have substantial economic repercussions if approved. It has had an effect of halting transactions in the British real estate market.

The effects on the U.S. commercial real estate range from potentially significant, especially in U.S. gateway markets like New York City and San Francisco. However, it has not had an effect on most other American cities.

Experts suggest if leaving the EU is implemented by Parliament, the UK and U.S. would likely enter into direct trade agreements similar to pacts forged between the island nation and remaining EU nations, with British outbound investment continuing to seek global investment opportunities, particularly in the U.S. Many suggest a direct trade agreement with Britain would have a positive effect for the US.

The Bank of England reported that commercial real estate transactions in Britain declined 40% in the first quarter of 2016 due to Brexit. Investors expect this could cause foreign investors to reallocate capital from London to gateway cities such as New York, San Francisco, Washington D.C. and Boston.

In This Issue

- BREXIT effects on US Commercial Market
- AB 758- Energy Consumption in Commercial Buildings
- Featured Property: New Listing for Lease

The main issues fueling the Brexit campaign were to reduce the amount of immigration coming into the UK as well as allocate more funds toward the National Health Service instead of toward the European Union. The months ahead will be turbulent for Britain as their country navigates through this difficult time.

**Current SBA 504 Effective
Rate for
June 2016 is 4.22%**

Source: CoStar Newsletter June 2016

AB 758- Energy Consumption in Commercial Buildings

Assembly Bill 758, known as the Comprehensive Energy Efficiency in Existing Buildings Law, requires the California Energy Commission (CEC) to develop and implement a comprehensive program to achieve cost-effective energy savings in the state's existing residential and nonresidential building stock that fall significantly below the efficiency required by the current version of Title 24. Commercial buildings consume more electricity than any other sector constituting

38% of the states power use and over 25% of natural gas use. . The California Long Term Strategic Energy Efficiency Plan states that 100% of HVAC systems would be installed to quality standards and optimally maintained throughout their useful life by 2020, with HVAC-related permits obtained for 50% of installations by 2015 and 90% or more by 2020 (CPUC 2008). The probability of achieving California's Zero Net Energy goal is not

promising. Substantial new initiatives may be required to overcome current shortfall in commercial energy sector savings, continuing growth of the state's commercial building stock, and market adoption barriers experienced by code-compliant contractors. The 2016 update to Title 24 code for energy efficiency in buildings is expected to help close this gap. However, it is too early to assess the impact of this code change until after it is implemented in 2017.

Source: California Energy Commission CEC

Featured Property: New Listing for Lease



415 S. Myrtle Ave Monrovia
Unit B- 1,000 SF Unit C- 600 SF

Suite B is approximately 1,000 SF on the first floor with high ceilings, brick exposed walls, concrete floors, open floor plan, plumbing throughout.

Suite C is approximately 600 SF on the second floor with an open floor plan, wood floors, windows, storage closet and restroom.

Prime location in the heart of Old Town across from the Krikorian Movie Theater. Free public parking directly behind the building.



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Linda specializes in commercial and industrial sales and leasing throughout the San Gabriel Valley. She has extensive knowledge in 1031 exchange transactions, investment opportunities, and market analysis. Feel free to contact Linda with any questions or requests for information.

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