

Business Seminars

Monrovia Business Seminar TBD

MADIA TECH LAUNCH
February 13, 2018 6:30PM
Tanner Research
Launching URB-E

Monrovia Kiwanis

Meets at the Monrovia Restaurant
Every Thursday 12-1:30 PM

Duarte Kiwanis

Meets at Westminster Gardens
Every Other Tuesday 12-1:30 PM

How to Hire the Best Commercial Real Estate Broker

When it's time to begin moving forward on your next commercial real estate transaction, how do you know which broker will be the best one for you? You may be getting prospected by several or maybe even many brokers, but when it's time to select the one to begin working with, what will be the best criteria for you to utilize when making this decision?



First of all, what does your gut-level feeling tell you about the broker? Do they seem to be professional? Do they dress appropriately?

In addition, do you believe that you can trust the broker? How many years have they been in commercial real estate? What kind of transactions have they done, and have they successfully closed transactions that are similar to the next transaction that you will be working on?

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Quotes for the Month

"If there is no struggle, there is no progress." —
Frederick Douglass

"Hate is too great a burden to bear. It injures the hater more than it injures the hated." — Coretta Scott King

"Have a vision. Be demanding." — Colin Powell

"Whatever we believe about ourselves and our ability comes true for us."
— Susan L. Taylor

ExxonMobil, Pfizer Latest to Announce Major Reinvestments in Response to Tax Reform Law

RANDYL DRUMMER - JANUARY 31, 2018

Benefits from 'Repatriated' Capital Could Result in Short-Term Infusion in Some CRE Markets as Companies Fast-Track Expansion Plans

ExxonMobil, Pfizer and FedEx Corp. are the latest corporate titans to announce multi-billion investments in facilities, employee compensation and pension plans in recent days, joining Apple and other large employers announcing capital spending programs following passage of the massive tax overhaul in December.

ExxonMobil CEO Darren Woods this week said the world's 10th-largest company will invest a total of \$50 billion over the next five years in its U.S. operations, including \$35 billion in new spending spurred in part by enactment of the U.S. Tax Cuts and Jobs Act, signed into law by President Donald Trump on Dec. 22.

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Pharmaceutical giant Pfizer Inc. Tuesday said that it intends to invest \$5 billion over the next five years due to anticipated savings from the tax reform law, including an expansion of Pfizer's U.S. manufacturing infrastructure and other capital projects.

FedEx, meanwhile, revealed plans a few days ago to spend \$1.5 billion to "significantly expand" its Indianapolis shipping hub and also to enlarge and modernize its 2 million-square-foot Memphis "super hub" opened in 1988 in a major program to be announced this spring. The facilities are FedEx's largest and second-largest hubs, respectively.

Although the shipping giant did not elaborate on the specific provisions of the new tax law that spurred the announcement, the tax code now allows companies to immediately write off the full value of capital costs.

The trio of announcements follows Apple's plans to build another U.S. corporate campus and hire 20,000 workers as part of a \$350 billion capital spending program over the next five years.

While estimates of the potential economic impact of tax reform vary widely, many analysts predict the legislation could contribute to a modest lift in the annual U.S. GDP. The CRE industry stands to be a clear winner, with the tax legislation and subsequent re-investment activity likely resulting in expansions and additional hiring.

The new legislation contributed to strong investor sentiment and a favorable lending environment for commercial real estate in the final quarter of 2017, according to new research from CBRE.

"With the recent enactment of comprehensive tax reform and relatively favorable treatment of CRE as an asset class, we expect continued strong investor interest in the sector," said Brian Stoffers, CBRE global president for debt and structured finance, capital markets. "Significantly lower maturing loan volumes in 2018, and good supply/demand equilibrium, should continue to result in favorable loan spreads for borrowers."

While the tax overhaul clearly makes investment more attractive and is expected to increase the rate of return on CRE, participants in the Winter/Spring 2018 Allen Matkins/UCLA Anderson Forecast California Commercial Real Estate Survey released today expect moderate growth from the new tax law but will likely have an uneven impact across different markets.

While most California office developers in the survey taken during December indicated that the new tax regime brings the prospect of higher profits and greater optimism, the panelists said they were taking a wait-and-see approach as to whether the changes would lead them to kick-off new development.

CoStar analysts, meanwhile, said the tax bill could cause many firms to move-up the timing of their expansion decisions, according to Paul Leonard, managing consultant with CoStar Portfolio Strategy.

"That could cause a bit of a 'sugar rush' in 2018," Leonard said. "You could therefore see a temporary boost in fundamentals over the next 12 to 18 months in some markets."

President Donald Trump, the nation's first developer-in-chief, touted the massive investments by U.S. corporations in his State of the Union address to Congress last night, asserting that roughly 3 million American workers have received "tax-cut" bonuses, "many of them thousands and thousands of dollars per worker."

"We slashed the business tax rate from 35% all the way down to 21% so American companies can compete and win against anyone else, anywhere in the world," Trump said. "Just a little while ago, ExxonMobil announced a \$50 billion investment in the United States," the president said as Rex Tillerson, former ExxonMobil CEO now serving as U.S. Secretary of State, watched from a front-row seat.

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As part of its announcement this week, the multinational oil and gas company said it would create thousands of jobs and spend billions of dollars to increase oil production in the Permian Basin in West Texas and New Mexico, expand existing operations, improve infrastructure and build new manufacturing sites.

"The recent changes to the U.S. corporate tax rate coupled with smarter regulation create an environment for future capital investments and will further enhance ExxonMobil's competitiveness around the world," Woods said on ExxonMobil's blog. "We're actively evaluating the impact of the lower tax rate on the economics of several other projects currently in the planning stages to further expand our facilities along the Gulf Coast."

Pfizer executives said the company's effective tax rate would be about 17% next year, down from 20% in 2017, with the company anticipating \$15 billion in tax payments over eight years to repatriate its overseas cash. Pfizer said it plans to contribute \$500 million to its U.S. pension plan and has set aside \$100 million for a one-time bonus for all nonexecutive employees in the first quarter of 2018.

Do they have client testimonials, or people who they've successfully closed transactions with who you can talk to about their experience in working with the broker?

You're going to be making a very important decision in your next commercial real estate transaction, one that will probably involve hundreds of thousands to millions of dollars, so it's very important to choose the best broker to begin working with. In the middle of all of this, something that's also very important is the following...does the broker do a good job of listening to you, and in showing you that they really care about your needs? Because you want to be working with someone who is a good listener, and who understands what's most important to you, along with them providing you with outstanding service.

Throughout our lifetime we oftentimes encounter salespeople who are pushy, and who are constantly trying to close us on what's really best for them, instead of being truly focused on what's best for us. With this being said, you'll want to work with a commercial real estate broker who always stands for providing you with the best service imaginable, and someone who you know always stands for you getting what's best for you within the transaction, far above and beyond them just getting paid a commission.

In addition, pay attention to detail. Does the broker fully understand the forms that they're asking you to sign? If you ask them a question about where a specific provision is within the form, can they locate it easily for you? If so, this is a good indication that the broker has spent time both reading and understanding the form that they're asking you to sign, which is a great indication that they could be a good broker for you.





**Your business deserves a great property.
With service to match.**

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Retail Space Available For Lease

Property Highlights

- **High Image End Cap Retail Unit Available for Lease**
- **Approximately 15,750 SF Unit**
- **Asking Price is \$1.55 PSF / NNN**
- **Part of 80,000+ SF Busy Neighborhood Center**
- **Tenants Include Baja Ranch Market, Popeye's, Domino's Pizza, Subway, and Burger King**
- **Easy Access to 210 Freeway**
- **Excellent Exposure on Busy Huntington Dr.**
- **Signalized Corner**
- **Adjacent to Sprouts Market**

**Shown by appointment only. Please
call listing office to
schedule an appointment.**

