

CRE's COVID Impact: Retail Boom, Office in Flux

\$30B in Local Deals In 2020, Down 6.3%

By KATIE MURAR

Looking back on the pandemic that first hit Orange County more than a year ago, local brokers indicate the impact was noticeable, yet not as destructive as many initially feared.

In fact, many sectors took off in the wake of the coronavirus, with a robust e-commerce industry offsetting uncertainty in other sectors.

"When we entered into pandemic last March, no one knew how deep the damage would run," said **Matt Mousavi**, managing principal of **SRS Real Estate Partners' National Net Lease Group**. "It ended up being a much faster rebound than some anticipated."

Brokers specializing in industrial and essential retail product types emerged as winners last year, while those in the office and hospitality sectors saw declines in leasing and sales volume.

As vaccines continue to rollout, cases drop and state officials take strides to fully reopen the economy, "there's a light at the end of the tunnel," notes **Bob Caudill**, executive vice president of **Colliers**.

"We've seen an uptick in activity, specifically within the last 30 days," he added.

Modest Decline

This year's Business Journal ranking of commercial brokerage firms, data for which considers 2020 transactions, shows that sales and leasing activity in the county experienced its first year of losses after about a decade of consecutive



gains.

The area's top 17 commercial brokerage firms handled about \$30 billion in deals last year, a 6.3% decrease year-over-year.

Growth had already been slowing in recent years, with deals up just 3% in 2019, and 5% in 2018.

The annual list ranks area brokerages by the dollar values of their commercial property and land deals done in OC last year, as well as those done elsewhere that were handled by the local office.

OC Dealmaking

The overall number of reported lease transactions fell 10% as stay-at-home orders kept OC firms largely remote throughout the bulk of 2020.

"I brokered more short-term leases last year than I've ever done as companies were unsure about the future of the office market," said Caudill, whose firm maintained its No. 2 spot despite deals being down 22% to nearly \$3.5 billion.

"There were windows of opportunity within the market for tenants to find deals as landlords made major concessions, but that window of opportunity is closing as we return to a more normal market."

Sales volume, meanwhile, was down 7.5%.

"This downturn was unlike most recessions because of the amount of capital and liquidity

available in the markets," said Mousavi, adding that lenders have also been offering "very attractive returns."

There were 825 OC brokers as of March, up 3.5% from the prior year, and 1,591 OC employees, down 4.4%.



Mixed Bag

Commercial dealmaking continues to be a mixed bag, notes **John Hall** of **Lee & Associates**, one of four companies to see an increase in deals last year.

"All things considered, the market fared pretty well," said Hall, who leads the company's Irvine office. "Industrial is having a heyday, but the same can't be said for some of the other sectors."

The firm's lease and sales transactions rose 1.6% to \$1.2 billion last year, led by a 22% jump in business out of the company's Orange office.

SRS Growth

SRS, a retail real estate brokerage, enjoyed the strongest gains on this year's list, with deals dou-

bling to \$2.1 billion, moving it up three slots to No. 5.

The company attributes this activity bump to an increase in demand from the essential retail sector, which is handled by the firm's National Net Lease Group based in Orange County.

"We were in the right place at the right time, with many tenants thriving in the wake of the pandemic," Mousavi said.

The Dallas-based firm has also seen noticeable gains in all three of its services: leasing, sales and tenant representation.

The latter service is aiding the company's expansion into industrial deals, with many retailers looking to up their logistics and e-commerce departments.

Automotive, Life Sciences

Orange County's tenant mix is benefiting from fast growth within two industries, Caudill said, including the automotive and life sciences sectors.

Though OC has long been a hub for aerospace companies—notable firms here include **Safran Passenger Innovations**, **Panasonic Avionics** and **Thales InFlyt Experience**—it's become a growing base for automobile firms, such as **Hyundai**, **Kia**, **Karma Automotive** and fast-growing newcomer, **Rivian**.

As for the latter sector, Caudill is among those who believe OC to become the next life sciences capital of the world.

"If you combine all of the industrial, office and R&D space taken up by life sciences companies within OC, it's nearing 20 million square feet," Caudill said. "That's more than the next three largest industries combined." ■

THE LIST COMMERCIAL BROKERS



JAY CARNAHAN
Managing Partner
Orion Property Partners Inc.



GREGORY MAY
Executive VP and West Region Market Leader
Newmark



MATTHEW MOUSAVI
Managing Principal
SRS Real Estate Partners



HESSAM NADJJI
CEO
Marcus & Millichap



BOB SATTLER
President, Orange Office
Lee & Associates Commercial Real Estate Services Inc.















JEFF SPINDLER
CEO, California Division
Land Advisors Organization

THE LIST COMMERCIAL BROKERS

▶ NEXT WEEK'S LIST *SBA Lenders*

RANKED BY VALUE OF SALES AND LEASES FROM OC OFFICE(S)

Rank	Company •Address Rank	Company logo	Value of 2020 sales and leases (millions) •yearly % change	OC brokers •yearly % change	2020 leases •yearly % change	2020 sales •yearly % change	OC employees •yearly % change	Percentage breakdown of business			•Largest lease, square footage •Largest sale, square footage	Top local official(s) •Title •Phone/fax	Image
								•Office	•Retail	•Largest sale, square footage			
1	CBRE Group Inc. 3501 Jamboree Road, Ste. 100 (1) Newport Beach 92660-2940 Headquarters: Los Angeles Website: cbre.us		\$4,471.6 -24%	128 9%	1,299 -18%	288 -11%	364 -7%	wnd	wnd	•wnd •wnd	John Frager executive managing director, San Diego/interim, OC (949) 725-8500/(949) 725-8545		
2	Colliers 3 Park Plaza, 12th floor (2) Irvine 92614-2504 Headquarters: Toronto Website: colliers.com Email: robert.caudill@colliers.com		\$3,460.6 -20%	74 -9%	307 -22%	246 -35%	124 -2%	15% 54% 10%	11% 7% 3%	•wnd •wnd	Cody Cannon executive managing director (949) 724-5500/(949) 724-5600		
3	Newmark 18401 Von Karman Ave., Ste. 150 (3) Irvine 92612-8590 Headquarters: New York Website: nmrk.com Email: inquiries@ngkf.com		\$3,895.9 -6%	45 -6%	877 -19%	235 -18%	165 2%	27% 45% 2%	18% 8% 0%	•wnd •wnd	Gregory May executive VP/West Region market leader (949) 608-2000/(949) 608-2003		
4	Cushman & Wakefield 18111 Von Karman Ave., Ste. 1000 (4) Irvine 92612-7101 Headquarters: Chicago Website: cushmanwakefield.com Email: karinna.cassidy@cushwake.com		\$3,500 ⁽¹⁾ NA	49 ⁽¹⁾ NA	2,373 ⁽¹⁾ NA	235 ⁽¹⁾ NA	136 11%	wnd	wnd	•wnd •wnd	Karinna Cassidy senior managing director, Southern California and Texas (949) 474-4004		
5	SRS Real Estate Partners 610 Newport Center Drive, Ste. 1500 (9) Newport Beach 92660-6425 Headquarters: Dallas Website: srsre.com Email: matthew.mousavi@srsre.com		\$2,147.2 104%	63 215%	149 -18%	477 17%	20 -46%	wnd	wnd	•wnd •wnd	Matthew Mousavi managing principal (949) 698-1100		
6	JLL 17877 Von Karman Ave., Ste. 500 (5) Irvine 92614-5265 Headquarters: Chicago Website: us.jll.com		\$2,035.4 -17%	59 -2%	474 7%	76 -37%	252 -3%	29% 30% 24%	13% 2% 2%	•wnd •wnd	Jeffrey Ingham senior managing director (949) 885-2900/(949) 885-2901		

Abbreviations: NA: not applicable; wnd: would not disclose

Note: To the best of our knowledge, this information is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Unless otherwise noted, the information on this list was provided by the companies themselves. List may not be reprinted without permission of the editor. Photos show the first

top official listed.

⁽¹⁾ Business Journal estimate

Researched by Meghan Kilewer












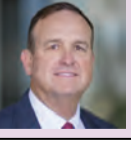

▶ Continued on page 26

THE LIST COMMERCIAL BROKERS

▶ NEXT WEEK'S LIST *SBA Lenders*

▶ From page 25

RANKED BY VALUE OF SALES AND LEASES FROM OC OFFICE(S)

Rank	Company	Value of 2020 sales and leases (millions)	OC brokers	2020 leases	2020 sales	OC employees	Percentage breakdown of business		Largest lease, square footage	Largest sale, square footage	Top local official(s)	
Prev. Rank	•Address	•yearly % change	•yearly % change	•yearly % change	•yearly % change	•yearly % change	•Office	•Retail	•Largest lease, square footage	•Largest sale, square footage	•Title	
Rank	Company logo						•Industrial	•Land			•Phone/fax	
							•Apartments	•Other				
7 (8)	Marcus & Millichap 19800 MacArthur Blvd., Ste. 150 Irvine 92612-2420 Headquarters: Calabasas Website: marcusmillichap.com Email: jonathan.giannola@marcusmillichap.com	\$1,927.4 NA	62 NA	0 NA	279 NA	90 NA	0% 3% 45%	44% 3% 5%	•wnd •wnd		Hessam Nadji CEO (949) 419-3200/(949) 419-3210	
8 (6)	Voit Real Estate Services 2020 Main St., Ste. 100 Irvine 92614-8218 Headquarters: Irvine Website: voitco.com Email: vres@voitco.com	\$1,525.1 -24%	62 0%	1,221 -1%	228 -7%	86 -3%	9% 86% 1%	2% 2% 0%	•Noble House Home Furnishings LLC - 572,240 SF •Centra LLC - 602,870 SF		Eric Hinkelman/Vance McNeilly CEO/COO (949) 851-5100/(949) 261-9092	
9 (12)	Land Advisors Organization 100 Spectrum Center Drive, Ste. 1400 Irvine 92618-4982 Headquarters: Irvine Website: landadvisors.com/ca Email: jspindler@landadvisors.com	\$1,470.1 78%	31 29%	0 NA	264 10%	34 36%	0% 0% 0%	0% 100% 0%	•NA •Metro Heights, North Montebello Boulevard & San Gabriel Boulevard, 1,200 residential units on 488 acres		Jeff Spindler CEO, California Division (949) 852-8288/(949) 852-8108	
10 (7)	Lee & Associates Realty Group (7) Totals for following three OC operations	\$1,235.5 2%	128 -4%	1,108 -18%	210 -22%	143 -7%	wnd	wnd	•wnd •wnd			
	Lee & Associates Realty Group Newport Beach Inc. 100 Bayview Circle, Ste. 600 Newport Beach 92660-2982 Headquarters: Newport Beach Website: lee-associates.com Email: jpenman@lee-associates.com	\$529.3 -17%	41 -9%	379 -20%	69 -21%	49 -8%	23% 67% 8%	2% 0% 0%	•10711 Walker St., Cypress - 56,900 SF •1560 E. 6th St., Corona - 210,345 SF		Chris Coyte president/managing director (949) 724-1000/(949) 862-9048	
	Lee & Associates Commercial Real Estate Services Inc.-Orange 1004 W. Taft Ave., Ste. 150 Orange 92865-4146 Headquarters: Orange Website: lee-associates.com Email: bsattler@lee-associates.com	\$695.9 22%	42 -2%	425 -11%	74 -24%	45 -10%	25% 65% 0%	5% 5% 0%	•wnd •wnd		Bob Sattler president, Orange office (714) 647-9100/(714) 543-5285	
	Lee & Associates-Irvine 9838 Research Drive Irvine 92618-4310 Headquarters: Irvine Website: lee-associates.com Email: jhall@lee-associates.com	\$10.3 -17%	45 0%	304 -24%	67 -20%	49 -4%	wnd	wnd	•wnd •wnd		John Hall president/managing partner (949) 727-1200/(949) 727-1299	
11 (10)	Savills 520 Newport Center Drive, eighth floor Newport Beach 92660-7020 Headquarters: New York Website: savills.us Email: rsharf@savills.us	\$925 -3%	33 -15%	318 -26%	22 10%	42 -18%	46% 36% 0%	5% 5% 8%	•400 E. Orangethorpe Ave., Anaheim - 675,512 SF •2405 & 2445 McCabe Way, Irvine - 89,500 SF		Royce Sharf executive VP, branch manager (949) 660-3545/(949) 660-3556	
12 (11)	NAI Capital 1920 Main St., Ste. 100 Irvine 92614-7244 Headquarters: Encino Website: naicapital.com Email: bchilds@naicapital.com	\$908.1 -4%	32 -11%	404 -6%	89 -18%	35 -17%	30% 30% 10%	20% 5% 5%	•1333 S. Mayflower, Monrovia •15661-15671 Cowan, Irvine - 64,035 SF		Brian C. Childs executive managing director (949) 468-2300/(949) 468-2301	
13 (13)	Daum Commercial Real Estate Services 4400 MacArthur Blvd., Ste. 950 Newport Beach 92660-2062 Headquarters: Los Angeles Website: daumcommercial.com Email: steve.pearson@daumcommercial.com	\$760 -4%	26 0%	352 -4%	85 -12%	31 0%	9% 80% 0%	3% 8% 0%	•wnd •wnd		Steve Pearson executive VP/regional branch manager (949) 724-1900/(949) 474-1771	
14 (14)	Hanley Investment Group 3500 E. Coast Highway, Ste. 100 Corona del Mar 92625-2474 Headquarters: Corona del Mar Website: hanleyinvestmentgroup.com Email: info@hanleyinvestment.com	\$702.7 -7%	12 -8%	0 NA	139 -12%	27 8%	0% 0% 0%	100% 0% 0%	•NA •Fullerton Crossings, 603 & 625 S. Placentia Ave., Fullerton - 287,324 SF		Ed Hanley president (949) 585-7610/(949) 585-7611	
15 (15)	The Hoffman Company 18881 Von Karman Ave., Ste.150 Irvine 92612-1566 Headquarters: Irvine Website: hoffmanland.com Email: tdallape@hoffmanland.com	\$550 -11%	11 -8%	0 NA	63 62%	18 -10%	0% 0% 0%	100% 0% 0%	•wnd •wnd		Tom Dallape/Norm Scheel principals (949) 553-2020/(949) 553-8449	
16 (18)	Orion Property Partners Inc. 2010 Main St., Ste. 300 Irvine 92614-7207 Headquarters: Irvine Website: orionpropertypartners.com Email: info@oppre.com	\$350 34%	5 -17%	60 -42%	1 -67%	7 -13%	80% 10% 0%	0% 0% 10%	•wnd •wnd		Jay Carnahan managing partner (949) 721-6981/(949) 721-6989	
17 (16)	Saywitz Co. 4740 Von Karman Ave., Ste. 100 Newport Beach 92660-2172 Headquarters: Newport Beach Website: saywitz.com Email: bsaywitz@saywitz.com	\$303 -11%	5 0%	51 -18%	12 0%	17 -32%	30% 30% 25%	10% 0% 5%	•wnd •wnd		Barry Saywitz president (949) 930-7500/(949) 930-7555	

Abbreviations: NA: not applicable; wnd: would not disclose
Note: To the best of our knowledge, this information is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Unless otherwise noted, the information on this

list was provided by the companies themselves. List may not be reprinted without permission of the editor. Photos show the first top official listed.