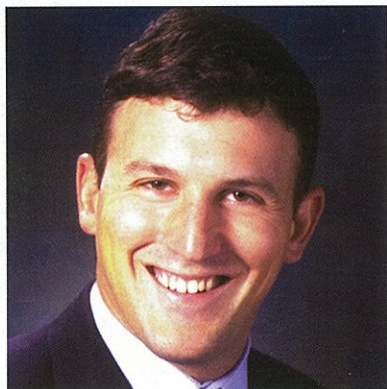


3 Questions

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Andy Farbman is the president and CEO of NAI Farbman, where he evaluates strategic opportunities for first-party equities and third-party businesses. Farbman joined the company in 2000 and has since been responsible for purchasing and developing more than \$350 million in real estate.



Q. What are the challenges and opportunities in commercial real estate today?

Commercial real estate is facing some of the similar challenges of the rest of the economy. There are less lenders providing financing on new and existing projects. Those with capital have been able to find unique opportunities. There are some distressed situations where the opportunities to buy are some of the best that we've seen in the last 20 years.

Q. Is now a better time to buy or lease office space?

Today's opportunities exist in both leasing and buying, and the sum of the best deals are both on the leasing and the buy side. It depends on the overall goal of the business. It really goes down to what a tenant's long-term plan is in a marketplace and what their capability is to actually get financing and buy something. Leasing still has a lot of advantages — it doesn't put debt on the balance sheet and gives you a time certain that you could leave an asset.

Q. How can a business save money on real estate?

Most tenants that have five- or 10-year leases feel as though they're in place and there is no reason to discuss things with their landlord. However, there are clearly opportunities that tenants need to make their landlord aware of: that they want to downsize or need a couple of months free or things they need to do in order to create more flexibility in their lease environment that can be win-wins for the tenant and the landlord. The most common phrase is 'blend and extend,' where the tenant's rent comes down to market rates and they give the landlord a few more years on the lease.