Long May You Run: An Essential Commercial Real Estate Tuneup

By CCIM Institute Chief Economist K.C. Conway, MAI, CRE

1Q19 Commercial Real Estate Insights Report
An Essential Commercial Real Estate Tuneup

Some songs manage to withstand the test of time. The iconic title track on the 1976 Stills-Young Band album “Long May You Run” is one such example. A tribute to Neil Young’s 1948 Buick Roadmaster hearse, which he named Mort, the song has come to symbolize endurance. I heard this song several times during my research for this report, and its message and backstory made me think about our industry. How long will commercial real estate professionals continue to run if they don’t take time to tune up their skills?

Today, technology and data are changing more rapidly than ever before, transforming the commercial real estate practice at every iteration. Generation Z, who will soon make up the early-career-stage industry workforce, is our first all-digital generation, having mostly learned on touch screens. At the same time, hundreds – possibly thousands – of proptech companies are building turnkey solutions for property management, leasing, market analysis, and other common functions. Far removed are the days of fold-out discounted cash flow analysis reports, maps plastered with rub-off decals, and microfilm-powered due diligence.

Likewise, disruptive companies such as Amazon, WeWork, and Airbnb are changing the way we use, analyze, and value property. How will the “Amazonification” of all we consume alter the need for brick-and-mortar establishments like grocery stores, auto dealerships, and branch banks? Will gross or full-service rent structures for office buildings transition to triple-net structures in a WeWork/coworking office building model? Does your hometown have an adaptive reuse zoning ordinance to allow the repurposing of obsolete real estate and a plan to replace revenue if your market is experiencing declining hotel occupancy taxes?

Due to unprecedented advances in data and technology, the tools, devices, techniques, and resources we relied upon decades ago – or even last year – can quickly become obsolete. Whether you’ve been in the business three years or 30, a solid maintenance schedule is required to ensure longevity and success.
We have been conditioned in our training that job growth drives demand for commercial real estate and that the government’s Bureau of Labor Statistics (BLS) is the resource to consult. Due to dated methods, BLS struggles to accurately estimate employment growth. For more reliable data, look no further than ADP’s National Employment Report (NER), produced jointly with Moody’s Analytics, and LinkedIn’s Workforce Report with Skills-Gap Analysis.

ADP processes the payrolls for approximately one-fifth of the nation’s private payroll employment, and its monthly employment data is a credible estimate of private employment activity.\(^i\)

A powerful supplement to ADP’s NER is LinkedIn’s Workforce Report. The report draws on employment data from the more than 190 million workers in the U.S. with LinkedIn accounts.\(^iii\) LinkedIn’s monthly jobs report also includes invaluable skills-gap analyses at an MSA level stratified across 50,000 employment sectors, from brokers to welders. If you are engaged in site selection or advise companies on site selection decisions, LinkedIn Workforce Reports are a must-have in your toolkit. Had Amazon utilized the LinkedIn Workforce Report with Skill-Gap Analysis before making its HQ2 split decision, it would have known that New York ranked worst for available skilled workforce – below even Seattle or San Francisco.

LinkedIn Workforce Report: Cities with the Largest Skills Gap

Data as of February 2019
It’s also prudent to seek out non-government sources for critical economic measures like gross domestic product and small business activity. These will come in handy during a government shutdown or natural disaster. The government does not produce data during a shutdown, and the data it produces during times of emergency, like hurricanes or wildfires, is often delayed. As a result, you may need to supplement with additional sources of on-demand data.

So where should commercial real estate professionals turn for this business intelligence? A good global resource is Trading Economics.\textsuperscript{iii} Leveraging official sources, the site offers verifiable data from 196 countries including “historical data for more than 20 million economic indicators, exchange rates, stock market indexes, government bond yields, and commodity prices.”\textsuperscript{iv}

In addition, a great proxy for GDP is the rail traffic data produced by the Association of American Railroads.\textsuperscript{v} The Rail Time Indicators report is an invaluable economic resource that anyone engaged in industrial real estate should have – and never leave home without. Weekly and monthly rail traffic data and the more comprehensive RTI report tell us what commodities and goods are moving, where they’re headed, and at what volumes – solid, reliable data to ascertain a true measure of economic growth.

Finally, small and midsized business activity is critical to the health of local communities and commercial real estate activity and material to leasing activity. The monthly Small Business Optimism Index from the National Federation of Independent Businesses (NFIB) is a must if you’re conducting feasibility studies or market, valuation, and underwriting analyses. With over 45 years of small business economic trends data at its disposal, NFIB delivers insights on everything from labor markets to capital spending to credit markets. For instance, the index reached a record high of 108.8 out of 120 in 2018, helping explain small business growth last year – and maybe its decline to 101 in 1Q2019.\textsuperscript{vi}

Supplementing this resource is the National Center for the Middle Market, which promotes and supports the growth and expansion of middle-market
companies. This business sector – companies with annual revenue between $10 million and $1 billion – represents 33 percent of private sector GDP in the U.S. and is the third largest global economy. Housed at The Ohio State University, NCMM is the leading source of research and data analysis on the middle-market economy and acts as an incubator for the next generation of unicorn startups. As such, NCMM is business prospecting heaven for commercial real estate professionals and economic development leaders. If your local economic development teams are not familiar with NCMM, they should tend to their check engine light ASAP and connect with this critical resource.

If you’re looking for a comprehensive “CliffsNotes” to the economy, head to Calculated Risk, a finance and macroeconomics site that tracks and synthesizes all the pertinent economic news of the day, the month, and the quarter. Here you’ll find just about every macroeconomic data point and historical trend aggregated from the primary sources – filled with prebuilt charts and rich analysis to put any economic metric in perspective and proper context. One of the site’s most valuable tools is its Weekly Schedule that tees up everything you need to know – from jobs and GDP to housing starts and the Federal Reserve.

### Dunnhumby Retail Preference Index

**Number of Grocery Retailers in the RPI, By Average Store Size:**

First Quartile Retailers vs Retailers in the Bottom Half

<table>
<thead>
<tr>
<th>First Quartile Retailers (typically non-traditional grocery formats)</th>
<th>Bottom Two Quartile Retailers (typically traditional, regional grocers)</th>
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</thead>
<tbody>
<tr>
<td><strong>&lt;35,000 sq ft</strong></td>
<td><strong>&lt;35,000 sq ft</strong></td>
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<td>6</td>
<td>3</td>
</tr>
<tr>
<td><strong>35,000 to 50,000 sq ft</strong></td>
<td><strong>35,000 to 50,000 sq ft</strong></td>
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<tr>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td><strong>50,000 to 65,000 sq ft</strong></td>
<td><strong>50,000 to 65,000 sq ft</strong></td>
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<tr>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td><strong>&gt;65,000 sq ft</strong></td>
<td><strong>&gt;65,000 sq ft</strong></td>
</tr>
<tr>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

Data as of January 2019

### NFIB’s Optimism Index: Based on Ten Survey Indicators

(Seasonally Adjusted 1986=100)
A few other noteworthy sources to have in your toolkit are Dunnhumby, the Association of General Contractors (AGC), and the Engineering News-Record (ENR). Dunnhumby is a customer data provider whose expertise in retail and grocery industry is of particular interest to commercial real estate. The company goes beyond the general information offered by other organizations and takes a deep dive into behavior and trends of the nation’s top 56 grocer brands using complex survey technology. Take Dunnhumby’s Retailer Preference Index: Grocery Channel Edition, for example. The report presents a thorough ranking and analysis of the sector that are invaluable to any retail or grocery-anchored retail specialist. With the disruption underway in grocery from online retail, it’s essential to understand the implications and who’s gaining or losing market share.

For a powerful one-two punch of construction data and insights, check out the Association of General Contractors (AGC) and the Engineering News-Record (ENR). AGC produces a monthly survey that provides a thorough understanding of what general contractors are experiencing and forecasting, including construction materials, spending, and employment. A perfect pairing with AGC, ENR offers a monthly periodical with a construction economics section and a 20-city index that details current and historical data on actual material and labor costs.

![AGC’S 12-Month Change in Producer Price Index for Key Inputs](Data courtesy of AGC’s Construction Spending, Labor & Materials Outlook Presentation)
Rethinking Development for the Modern E-Commerce Supply Chain

The horseless-carriage supply chain from the 1950s cannot support a modern e-commerce supply chain that is growing at a rate of 25 to 30 percent per year.xii

The state of the country’s aging infrastructure is not only inhibiting future economic and real estate development, but it also forces existing industry to relocate to destinations that have modern logistics infrastructures. In 2019, logistics infrastructure adequacy is as important a consideration in site selection as workforce.

Take a look at the locations of new fulfillment centers for Amazon, Walmart, Target, and home improvement retailers. They are all near intermodal hubs – places like Bessemer and Mobile, Ala.; Columbus, Ohio; Polk County, Fla.; Greenville, S.C.; Atlanta; Dallas; Denver; and even Tucson, Ariz. One can also look to the locations for new aircraft, auto, and machinery manufacturing plants in Alabama, Georgia, South Carolina, and Texas. Logistics infrastructure analysis – roads, rail, intermodal, port connectivity, utility costs, and workforce – is now integral to site selection studies and investment analyses.

In addition, the shift from “shop-and-pickup” to “order online and deliver to me” is resulting in less and less retail store square footage; the trade-off is the growing need for new fulfillment centers and warehouses that are aligned with a strong logistics infrastructure. E-commerce fulfillment centers will displace one-third of the country’s more than 1,100 malls, which will only heighten demand for adaptive reuse expertise and redevelopment. How will communities repurpose the vacant and obsolete retail real estate? CCIM Institute’s 3Q2018 Commercial Real Estate Insights report on adaptive reuse, titled “Adaptive Reuse: Turning Blight Bright,” is one resource to consult.xiii

It forecasts adaptive reuse activity to double in the next three years – maybe more given the growing investments in opportunity zones. Is it time for a tuneup of your adaptive reuse skills to enhance your investment prowess?

E-commerce also continues to drive demand for industrial warehouse space, with another 800 million to 1 billion square feet of new development expected across the U.S. over the next three years. Are your logistics site selection and investment analysis skills up to speed to aid in this explosion? Are you familiar with the modern design specifications that call for higher clear ceiling heights or expanded truck courtyards to accommodate more double-trailer trucks as a result of the implementation of electronic logs for truck drivers?

And what about the feasibility of tent warehouses, which Amazon is testing in Memphis, Tenn.? These innovative warehouse designs have no columns, cost one-third of conventional masonry warehouses, and can provide clear ceiling heights of 30 feet or more.

What’s more, the ongoing innovation in traditional construction design and materials for all property types challenges our cost estimation and market feasibility skills, much like modular did in housing decades ago.

This section of the report contains adapted excerpts from the Alabama Center for Real Estate’s report, “Logistics Infrastructure: Transformational Opportunities.”
Investment Analysis and Valuation in a Complex World

In general, the industry is behind the curve in recognizing and developing the measures, analytical tools, and valuation models needed to underwrite and advise in response to the impact of technology on commercial real estate. As the use of space becomes more complex, new measures and analytical tools are needed by lenders, investors, and property owners.

Coworking is a prime example. This hoteling of office space, popularized by companies such as WeWork and Industrious, injects an element of going-concern value into office properties. Is there a threshold occupancy by WeWork that adversely impacts an office building’s value? Take discounted cash flow analysis (DCF) for a coworking-occupied office building as an example. How does a rent roll get modeled when a company like WeWork is the legal lessee with one set of terms and rent, but the occupying tenants are different each day based on the coworking sublease agreements that allow companies to use space on demand by the day and by the office? The value of the coworking office building to the owner with the leased fee interest created by the WeWork lease is decidedly different than the leasehold interest held by WeWork and the going-concern value created from the restructured subleases to companies renting on a daily or individual-office basis. This uncertainty in the valuation of a yet-to-be-profitable concept may have led SoftBank to reduce its recent investment in WeWork from $16 billion to $2 billion.xiv And believe it or not, banks do not have credit policies for investing in a coworking office building or co-warehousing industrial building. Who will develop these now that the need has arrived?
Top 10 “Long May You Run” Commercial Real Estate Resources

1. Trading Economics
2. Rail Time Indicators by the Association of American Railroads
3. The National Center for the Middle Market
4. Calculated Risk
5. LinkedIn Workforce Report with Skills-Gap Analysis
6. NFIB’s Small Business Optimism Index
7. Verizon Retail Index
9. Association of General Contractors and Engineering News-Record
10. Trepp.com on CMBS and real estate finance trends
The multiple combinations of concierge services that any tenant can use in a coworking or co-warehousing environment further complicates the issue. Expenses for the building are more in line with those of a hotel. The industry, however, does not have enough experience or understanding to know what volume of services to model or what they will cost because many of the services – like Wi-Fi or cloud server storage – are shared among multiple buildings with varying levels of usage.

Who has modeled a majority-occupied WeWork office building in Argus? And is there a value or cap rate difference for a coworking-occupied office building compared to a traditional office building? Recent research by Cushman & Wakefield suggests there is. The company's recent report, “Coworking and Flexible Office Space: Additive or Disruptive to the Office Market?”, illustrates a relationship between reported cap rates and the amount of coworking space in an office building. The research indicates that cap rates of buildings with 40 percent or less leased as coworking remained within range of comparables. However, as that percentage increased, so did the gap between cap rates for comparable sales.

Today, the cost of capital and cap rates are as favorable as at any other point in the past 50 years. As a result, LTV and DSCR ratios are easier to hurdle than ever before. However, this lower cost of capital may be distorting valuations. How so? More going-concern and business enterprise revenue and value are embedded in those capital ratios than pure real estate rent and value. Do investors and lenders understand this? Has the time come to ask whether coworking and co-warehousing buildings need a higher DSCR ratio, like hotels, to reflect the going-concern value and volatility of repricing rent more frequently? The next FIRREA, Dodd-Frank, and Interagency Bank Appraisal Guidelines will have to tackle what is real estate rent and value versus going-concern revenue and value.

Determining the transaction price and market value for commercial real estate used to simply revolve around the age-old principle of anticipation. In other words, what net income can be anticipated from this real estate asset? Technology is allowing the industry to capitalize on more types of revenue outside of the real estate itself. This entanglement of services with the business enterprise (and non-traditional structures) makes these calculations increasingly complex.

Are price or rent per square foot and traffic counts no longer the appropriate units of measure for determining price or market feasibility? Should cubic volume be a consideration, particularly in industrial? What about traffic and online versus in-store sales allocation in retail especially with the pervasiveness of e-commerce? Consider the changes in retail real estate. Same-store comparable sales and percentage rent clauses are nearly as extinct as branch banks. Add to that the changes in lease structures. Assets that traditionally had gross/full-service leases inclusive of expenses (e.g., office buildings) are now becoming net in structure due to the variability in utility usage and hours of operation by technology-based tenants. What does this change mean for traditional expense ratios and NOI per square foot metrics relied upon by those in the industry utilizing property management data available from a variety of sources?
Parking ratios also are changing. While they may be declining for office due to ride-sharing and the promise of autonomous vehicles, they are rising for retail as more space is repurposed from transactional to experiential where parking demand is higher for restaurant and service uses (gyms, spas, etc.). People stay longer at an experiential-use site compared to a traditional store, where people run in and out to purchase goods. In the industrial space, warehouses require larger sites and more parking to accommodate double-trailer truck hauls as well as employee parking in the fulfillment portions of these locations. The opposite trend is occurring for hotels and many types of multifamily, such as student housing. Universities and the towns in which they are located are realizing that more and more students do not own and use cars like previous generations. They use scooters and ride-sharing or rent an electronic vehicle available on campus. Hotels are realizing a 25- to 40-percent reduction in patrons requiring overnight parking as they pivot from rental cars to ride-sharing.

The point is, traditional measures are changing. If historical data sources fail to adapt, then those measures will become less relevant as users move toward these new metrics. This adaptation is critical in that it allows commercial real estate practitioners to translate these historical measures into meaningful current data for analysis and valuation.

Moreover, the new tools and data resources developed to meet these challenges are coming from unlikely sources. Instead of using car traffic counts as a proxy for retail sales at a shopping center, telecom companies like Verizon have developed their own index to analyze online shopping traffic and patterns. There’s clear value in looking at mobile phone traffic for retail and comparing same-store online and in-store sales. With the current ever-evolving landscape, it’s hard to separate technology from the retail industry; sources like Verizon are helping bridge that gap to provide a more accurate picture for commercial real estate analysis.
Traditional companies like Trepp, which started as a resource for CMBS and securitization transaction data, are now big-data companies analyzing the evolution of commercial real estate. For instance, Trepp recently published research on CMBS loans in opportunity zones that identified states with the highest number of CMBS properties and monetary exposure in these areas – even diving into property types and loan performance. This stratification combined with detailed tracking – like cap rates versus pro forma, occupancy, and every other underwriting metric – is just another example of how data technology is providing more and more granular data cogent to commercial real estate analysis and valuation. Recently, Develop LLC, an opportunity zone REIT, created the first opportunity zone index that evaluates each of the 8,700 opportunity zones based on a variety of metrics, including population density, employment, and infrastructure.

The short answer to the question regarding which traditional property measures require rethinking: all of them. Rent per square foot, expense allocations, debt service coverage, and parking ratios are just the initial friction of where the rubber meets the road. How long until rent per cubic foot becomes the metric by which we analyze e-commerce and logistics warehouses?

### The Opportunity Zones Index - Metro Areas

<table>
<thead>
<tr>
<th>Rank</th>
<th>Metro Name</th>
<th>State</th>
<th>Score</th>
<th>Population</th>
<th>Population Growth</th>
<th>Retail Sales</th>
<th>Household Income</th>
<th>Home Value</th>
<th>Bachelor's Degree</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>San Jose-Sunnyvale-</td>
<td>CA</td>
<td>95.44</td>
<td>73,089</td>
<td>1.26%</td>
<td>$195,923,694</td>
<td>$67,792</td>
<td>$832,388</td>
<td>16.88%</td>
<td>5.78%</td>
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<td></td>
<td>Santa Clara</td>
<td></td>
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<tr>
<td>2</td>
<td>Madison</td>
<td>WI</td>
<td>94.91</td>
<td>62,114</td>
<td>1.09%</td>
<td>$231,361,299</td>
<td>$47,729</td>
<td>$191,096</td>
<td>22.25%</td>
<td>3.44%</td>
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<tr>
<td>3</td>
<td>Portland-Vancouver-</td>
<td>OR</td>
<td>94.64</td>
<td>211,878</td>
<td>1.54%</td>
<td>$226,306,781</td>
<td>$53,498</td>
<td>$351,502</td>
<td>18.17%</td>
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<td>Hillsboro</td>
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<tr>
<td>4</td>
<td>Salt Lake City</td>
<td>UT</td>
<td>93.03</td>
<td>85,964</td>
<td>1.56%</td>
<td>$294,204,864</td>
<td>$57,427</td>
<td>$226,322</td>
<td>16.13%</td>
<td>6.77%</td>
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<td>Urban Honolulu</td>
<td>HI</td>
<td>92.76</td>
<td>50,784</td>
<td>0.69%</td>
<td>$148,948,475</td>
<td>$58,396</td>
<td>$470,526</td>
<td>11.77%</td>
<td>3.31%</td>
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<td>6</td>
<td>Raleigh</td>
<td>NC</td>
<td>90.35</td>
<td>126,187</td>
<td>1.66%</td>
<td>$122,332,852</td>
<td>$53,399</td>
<td>$181,554</td>
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<td>Denver-Aurora-</td>
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<td>89.81</td>
<td>150,705</td>
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<td>$131,038,871</td>
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<td>Seattle-Tacoma-</td>
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<td>89.01</td>
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<td>$157,228,970</td>
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<td>87.94</td>
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<td>$330,069</td>
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<td>7.21%</td>
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<td>San Francisco-</td>
<td>CA</td>
<td>85.79</td>
<td>371,596</td>
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<td>$62,121,800</td>
<td>$57,475</td>
<td>$472,778</td>
<td>16.81%</td>
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<td>Oakland-Hayward</td>
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Data courtesy of Develop LLC’s Opportunity Zones Index as of March 2019
Local Collaboration, Data Stratification, and a Way Forward

For all these advances to translate into vibrant economic growth, local governments need to recalibrate, but it will take a joint effort by government and industry professionals. CCIMs in particular have the necessary knowledge and influence to facilitate the evolution in commercial real estate design and development.

To this day, for example, many municipalities have yet to adopt adaptive reuse ordinances to support the repurposing of existing vacant retail buildings while preparing for the new opportunity zone program. Local governments are behind in understanding changing parking trends, revenue loss from online retail growth, and how tax assessments are impacted for real estate that is increasingly a going-concern.

While data resource companies are expanding MSA coverage, there is a lack of expansion of their knowledge base and in stratifying the metrics for changing property use. Compliments to Cushman & Wakefield and other commercial brokerage companies for breaking out logistics and other pertinent data in industrial – such as differentiating logistics warehouses from the general industrial and warehouse property category. For instance, according to Cushman & Wakefield’s 2019 Logistics Outlook report, the percentage of warehouse leasing from logistics companies has risen from 5 percent just five years ago to 20 percent in 2018.

Real Capital Analytics (RCA) stratifies cap rates by MSA and property type transaction enabling investors to better deploy capital in secondary and tertiary markets. While aggregated data from cap rate surveys available through various organizations has its place, this unique real-time granular data set from over 200 MSAs can be invaluable to industry professionals.

Looking ahead, blockchain and artificial intelligence technology will eventually solve many data needs that current providers fall short on. In the not-so-distant future, blockchain and AI will be able to provide the transparency, accessibility, and type of granular data needed to analyze commercial real estate in secondary and tertiary markets as we do now in primary MSAs.

But in the meantime, some tried-and-true resources continue to pay dividends. I strongly recommend that commercial real estate professionals pore through the quarterly earnings reports of companies that influence your local economy or the property type in which you specialize. The forward guidance in
earnings reports reveals more about what's on the horizon than any data source you can subscribe to.

Case in point: Verizon’s 4Q2018 earnings revealed that lease accounting implementation would have a $0.01 to $0.02 headwind per quarter on earnings in 2019. It is the first large-cap company I have observed to report on the early impact of ASC 842 and lease accounting on its retail stores. It’s small in comparison to Walmart or another franchised retailer active in the NNN lease market, but imagine the information that could be gleaned from large retailers with much more significant lease accounting issues. Will this result in shorter lease terms for retailers in the future and disrupt the NNN lease market? I think it will, and those with the know-how will be best positioned to assist clients with 1031 exchange needs.

While this report details many new resources for today’s industry professional, it’s important to emphasize that each of you is an integral part of the solution, too. The call to action for CCIMs and other commercial real estate practitioners is not only to own your ongoing tuneup schedule, but also share what you are seeing in terms of changing measures and transaction metrics. Help CCIM Institute help you. This feedback loop is essential to ensure that the institute’s educational offering continues to fuel your enduring career in commercial real estate.

The secret to enduring success in commercial real estate is simple – never stop learning, never become complacent. Being proactive in adapting to the latest data sources and technology in valuation and financial and market analyses is vital. It’s a matter of keeping your career engine purring or being left behind by your competitors, stalled roadside.

Long may you run.
Footnotes


v Rail Time Indicators and American Association of Railroads: https://www.aar.org/data-center/rail-traffic-data/

vi NFIB Small Business Optimism Index: https://www.nfib.com/surveys/small-business-economic-trends/

vii National Center for the Middle Market: https://www.middlemarketcenter.org/

viii Calculated Risk: https://www.calculatedriskblog.com/p/weekly-schedule.html


x Association of General Contractors (AGC): https://www.agc.org/learn/construction-data

xi Engineering News-Record (ENR): https://www.enr.com/

xii Adapted from “Logistics Infrastructure: Transformational Opportunities” by Alabama Center for Real Estate: http://www.acre.culverhouse.ua.edu/research/logistics-infrastructure-research


xv Develop, LLC: http://www.developadvisors.com/opportunity-zones-index/

What are your thoughts?

This report is intended to start a dialogue. Share it with clients and colleagues, and send your thoughts to report@ccim.com.

Access all reports at www.ccim.com/insights
AUTHOR: K.C. CONWAY, MAI, CRE
CCIM Institute Chief Economist Kiernan “K.C.” Conway is the director of research and corporate engagement at the Alabama Center for Real Estate (ACRE) housed within the University of Alabama’s Culverhouse College of Business.

Conway is a frequent speaker for the Federal Reserve, FDIC, FHLB, state bank commissioners, academic groups, professional organizations, and industry associations. He previously served as chief economist for Colliers International – US.

In addition to being a frequent lecturer at international conferences, Conway has consulted with major governmental agencies, most notably briefing former Federal Reserve Chairman Ben Bernanke and the Board of Governors on the burgeoning subprime lending and housing crisis and its impact on the commercial real estate industry.
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