

IN THE NEWS



CBRE CHIEF ECONOMIST: CAP RATES WILL TREND DOWN WHEN CRISIS ALLEVIATES

Richard Barkham, CBRE's Global Chief Economist, sees cap rates trending down when the pandemic alleviates. Transaction data is already starting to confirm this among select property sectors.

Source: *Globe St.*

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BLACKSTONE'S CO-HEAD OF REAL ESTATE DESCRIBES THE POST-PANDEMIC OFFICE

Interesting interview with the world's largest alternative investment manager. In summary, theme-based investing, a focus on industrial and life science sectors, creative office spaces, and densely populated areas.

Source: *Fortune*

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INDUSTRIAL, APARTMENT DRIVE US PRICE GAINS; RETAIL SINKS

2020 real estate sector returns were very much a property type story with industrial and apartment sector returns significantly outperforming retail and office sector returns.

Source: *Real Capital Analytics*

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GROUNDSCRAPERS WILL BE THE NEXT TREND IN OFFICE

As the nature of office space evolves, investors should be rewarded for staying flexible in their pursuit of offices of the future and there seems to be little doubt that will include lower rise buildings.

Source: *Globe St.*

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FEATURE STORY



2021 OUTLOOK FOR REITS AND COMMERCIAL REAL ESTATE: RISK AND RESILIENCE

NAREIT believes that commercial real estate and REITs will likely recover in 2021 in contrast to prior financial-driven recessions.

Source: *NAREIT*

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QUOTES OF THE QUARTER

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“We’ve had the biggest economic shock in 100 years and we’ve hardly had cap rates moving at all; they have been... super resilient. So if they’re super resilient in the point of a crisis, then they’re only going to trend down when the crisis alleviates.”

Richard Barkham,
CBRE Global Chief Economist

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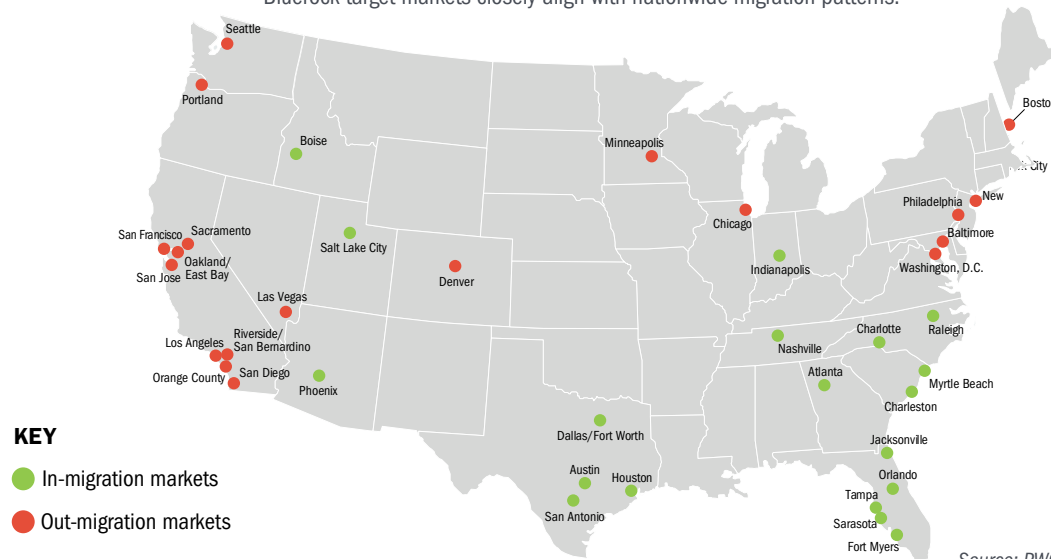
“We invest by contemplating what is happening in the broader world. When you think about our warehouse investing, life sciences investing, content creation, or rental housing, we look out on the world and say, *what are some big mega trends that will or should cause positive tailwinds for real estate?*”

Kathleen McCarthy,
Blackstone Senior Managing Director and Global Co-Head of Real Estate

NEW DATA

Homebuyers on the Move: U-Haul Migration Patterns

Bluerock target markets closely align with nationwide migration patterns.



Source: PWC/ULI Emerging Trends in Real Estate

RESEARCH REPORT

PWC/ULI Emerging Trends in Real Estate | 2021



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“Almost all the interviewees believe that the gateway markets of Boston, Los Angeles, New York City, San Francisco, and Washington (and other locales, particularly the 18-hour cities discussed in chapter 2 will eventually regain their broad appeal and vivacity (some say they never lost it) due to their dominance in entertainment, finance, technology, and education.”

“In 1989, management guru Peter Drucker declared that commuting to an office would become obsolete. In reality, the adoption of WFH was slow and uneven before the onset of the COVID-19 pandemic. The general lack of trust by employers that workers could consistently be productive at home and that employers could verify that work was actually getting done, as well as the lack of widely available high-speed internet, contributed to the slow adoption of widespread WFH before 2010. More recently, some well-reported attempts to implement widescale WFH programs by IBM (started in 2017, ended in 2020) and Yahoo (banned WFH in 2013) were reversed when they observed that their company culture and innovation had suffered.”