

## Underwriting risks of uncertainty can be a challenge

July 12, 2012 - Appraisal & Consulting

Commercial real estate investment and performance are inextricably linked to the local, national and global economy. Underwriting risks of uncertainty can be a challenge. The risk of prolonged uncertainty in the European debt crisis was difficult to isolate and accordingly difficult to measure. Out European trading partners, consumers and tourists and their banks and their sovereign solvency are essential to our domestic enterprise and recovering economy. The uncertainty of the healthcare legislation as the Supreme Court reviewed its constitutionality was more easily isolated and understood. The recent events of resolution of these two matters reduced the respective burdens of uncertainty on global and local capital markets and decision making and should be reflected in the commercial real estate markets.

The wide ranging EU plan for backstopping the European banking system and supporting sovereign nations in trouble DEFIED expectations. The Dow Jones responded with one of the biggest gains of the year. The sighs of relief and cheers of jubilation were both silent and roaring. The global and micro impact are hard to describe. Economic turmoil and stagnation were self evident. The plan and robust support fit the complexity and severity of the problem. Locally, with the export skewed production and tourism at stake, the commonwealth was relieved. Many could not imagine the creativity and vision that was required. Compromises seemed unattainable.

The uncertainty of the healthcare and the high court's opinion might be considered less remarkable and more of a distraction however, the resolution of the legal challenges reduced the uncertainty and the negative impact of the distraction. Locally, the Massachusetts healthcare experiment has been the crash dummy. Healthcare expertise, experiments in delivery systems, patient technology and related professionals reach beyond our regional footprint are already a major domestic export. Every day brings resolutions and new dimensions to uncertainty in commercial real estate investment and performance. These two events restore some confidence in our ability to deal with challenges as they emerge and move on. Both of these matters still have extraordinary challenges ahead in implementation. Clearing eh foggy and stormy skies just a bit boosts the self fulfilling outlook.

At the beach with my sandy screen saver, I plan a vigilant and enjoyable summer quarter, behind the desk and on the deck.

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