



# nerej

## Top 10 Issues Affecting Real Estate in 2013

August 08, 2013 - Appraisal & Consulting

In July 2012, the Counselors of Real Estate initiated its first annual Top 10 Issues Affecting Real Estate report. The report provides thoughtful analysis of trends impacting the Counselors as well as the entire real estate industry. The success of 2012 debate encouraged the Counselors recent production of the 2013 Top 10 Issues Affecting Real Estate.

Many of the issues on the list are interrelated and impact various industry sectors. The goal of the Counselors is to take a broad view and provide a context and perspective that can assist in making informed decisions in the real estate sector.

Following is the 2013 List and select excerpts:

1. **Low Interest and Capitalization Rate Risks:** Key implications are that investors should be locking in low interest debt, reconsidering strategies based on significant price appreciation, and focusing and refocusing on meeting tenant needs and operating properties more efficiently.
2. **Health Care:** In anticipation of Obama Care, the marketplace is adjusting strategies and business plans, expected to result in development of a variety of new healthcare facilities, different forms of housing, and expanded retail centers.
3. **Capital Markets Resurgence:** Will the 2012 resurgence of capital markets continue and grow even stronger or will growth be constrained by economic and fiscal problems?
4. **Event Risks:** North Korean aggression and potential responses, continuing problems in Italy, Greece and other parts of Europe, continuing uncertainty and inability to compromise on fiscal issues in the U.S., and the ongoing threat of natural disaster are just a few of the events which could emerge.
5. **Effects of Climate Change/Weather on Coastal Properties:** Whether or not one believes in climate change, potential tenants and buyers are taking action to properly position themselves and their communities to withstand the atmospheric conditions they expect. What this will mean to infrastructure, tenants, homeowners, businesses, and affected cities as a whole remains to be seen.
6. **Echo Boomer Housing Demand:** The nearly 80 million of Echo Boomers, born between 1982 and 1995, are having a huge impact on entire segments of the economy as they are drawn to the urban lifestyle impacting the future of both cities and suburbs.
7. **Increased US Natural Gas Mining and Reserves:** New technologies have enabled access to vast reserves of natural gas in North America, resulting in an economic boom throughout America's heartland with strong potential growth in California and other states.
8. **Global Real Estate Growth and Risk:** Investors around the globe search worldwide for investment opportunities, expanding risk appetites and seeking yield.
9. **Impact of Technology on Office Space:** Have we finally reached the point where forecasted declines in office space are a reality? How widespread is this phenomenon? Smart investors are examining these questions and taking action to both protect their portfolios and carefully consider

new acquisitions.

10. Retail Malaise and Repositioning: Retail change has created losers but repositioning and even new construction opportunities exist for those investors who understand the trends and are willing to take risks.

Jill Hatton, CRE, is the 2012 New England/Upstate N.Y. CRE chapter chair, Boston, Mass.

#### 2013 Calendar of Events

- \* September TBD: Fall Chapter Event.
- \* October 20-23: 2013 Annual Convention - The Ritz Carlton Hotel - San Francisco.
- \* November, Date TBD: "Hot Topics" Luncheon, CB-NE, 33 Arch St., Boston.
- \* December 12: Annual Holiday Reception, Algonquin Club, Boston.

#### 2013 Chapter Officers

- \* Jill Hatton, TurtleRock Investment Management, chapter chair;
- \* Peter Nichols, NorthStar Ally LLC, vice-chair;
- \* John Baczewski, Real Estate Fiduciary Services, LLC, treasurer;
- \* Don Bouchard, Lincoln Property Company, membership;
- \* Robert Costello, Capital Crossing Servicing Co., LLC, board member;
- \* John McLaughlin, McLaughlin Investment, Inc., board member;
- \* Martha O'Mara, Corporate Portfolio Analytics, board member;
- \* Harris Collins, CBRE - NE Partners, board member.

---

The New England Counselors wrapped up their year of activities with the Annual Holiday Reception at the Algonquin Club in Boston on December 13, 2012. The first meeting of the 2013 will feature Ray Torto, CRE, Ph.D. and Global Chief Economist in Global Research and Consulting at CBRE. Ray will provide his Commercial Real Estate Economic Outlook to the New England Counselors at a Luncheon on January 22, 2013 at his offices. Invitations have been sent to CRE members.

Following are CRE New England Chapter Officers for 2013.

#### 2013 Chapter Officers

Jill Hatton, Real Estate Consultant, Chapter Chair  
Peter Nichols, NorthStar Ally LLC, Vice-Chair  
Robert E. Costello, Capital Crossing Servicing Co., LLC, Board Member  
Martha O'Mara, Corporate Portfolio Analytics, Board Member  
Harris Collins, CB Richard Ellis - NE Partners, Board Member  
John McLaughlin, McLaughlin Investment, Inc., Board Member  
John Baczewski, Real Estate Fiduciary Services, LLC, Board Member

