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Pickers at the real estate tree - low hanging fruit is gone.

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Have you tried to buy any real estate lately for yourself or your client? Unless you are a billion dollar fund, or a foreign national trying to expatriate money to the United States, or the prototypical doctor/dentist happy with a piece of a piece, you face very difficult hurdles. I'm not telling you something you don't already know from your experience, or by reading about absurdly low cap rates from recent sales. But, it's worth reviewing the reasons why it's hard to buy.

Clearly, the primary reason is low interest rates, primarily caused by Fed intervention. The world is awash with cash, and investors are desperately seeking yield. 'Nough said.

Next, larger and more companies are competing for properties. More young people are entering the profession as ambitious employees wanting to root out or create new property opportunities. In other words, combing the neighborhood and "cold-calling" would-be sellers has taken on new meaning.

Third, there is also renewed international interest in U.S. real estate. While we have seen this before, remembering the Japanese buyers from the late 80's, there is increased interest now from new and more enormous wealth, created through emerging economies in areas which were not competitive before. Examples abound from Russia, India, China, and the Middle East and so on. Added to this is increased buying from sovereign wealth funds, with larger money stimulating more buying of higher risk real estate. Institutional investors are also lowering the bar in order to compete with some of the others searching for the deal.

Added to the reasons, there is much greater awareness of available properties and their value. Through technology, there has been more transparency and data to value properties, more exposure through improved marketing and social media reaching millions rather than thousands. Who doesn't know about every property for sale? With California investors finding projects in East Boston, it is easy to see how demand is dramatically increased through knowledge, facilitated by technology.

And finally, there is the ever increasing creativeness of financial instruments provided by Wall Street. This week, there was a New York Times article on securitization of single-family homes, already bought by large investment pools, in order to be managed for rental properties. Wall Street investment bankers are eager to slice and dice pieces of this new product and get them into the hands of smaller investors. Under this model, value is created through "retailization," allowing for a more aggressive wholesale price.

The low hanging fruit is gone. It is tough for anyone to find real estate that, at current pricing, can produce high returns or even make sense. Companies from all over the world are rooting about in smaller marketplaces. The old adage that "all real estate is local" may still have a semblance of truth, but it is no longer a given.

The Mom and Pop approach to real estate is also gone. While there may be sentimental reasons to mourn that loss, there are also economic reasons. Slower forms of communications, less data, fewer financial instruments, all things of the past, created a slightly more lethargic real estate market, an imperfect market, unable to respond instantaneously. That helped make real estate cycles longer and change slower, creating buffers and time for reasonable responses. Now, as in an instantaneous political revolution caused through social media, or like programmatic computer stock trading reacting to tenths of a penny change, real estate decisions are made faster, and activity is implemented faster than ever before. Good or bad, it is important to be aware and prepared.

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