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## **Cyclical patterns and impact on policies in global trade - by David Kirk**

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Current economic commentary includes the forecast of impending cyclical patterns and the impact on the domestic economy of protectionist policies in global trade. Both matters are complex and ever changing. Old algorithms are obsolete. New ones are untested, lacking any record for predictability. However, both have clear intuitive and logical tendencies. The counselors meet in Montreal September 24-27, for the annual meeting, and the agenda allows for the measurement of many of the economic forces ahead with a focus on commercial real estate at home and abroad.

Economic cycles have predictable wavelike patterns with labels of expansion and contraction for the peaking and troughing phases respectively. However, the duration and amplitude of the cycles are only apparent retrospectively. Accordingly, forecasts of how long and when are frequently derived from historic cyclical patterns. Because the recent and ongoing economic expansion has included dramatic sectoral changes in employment, as well as cyclical changes, the next cyclical phase of contraction is elusive. Commercial real estate is dependent on economic and demographic demand factors. Commercial real estate cycles are dependent on economic cycles and property inventory characteristics. Similarly, property cycles are forecast using historic cyclical patterns. Past patterns do not change much. So the discussions in Montreal on the economy will be brief and complete.

The counselors' meetings are typically forward looking and include innovation and emerging trends impacting commercial real estate. The Montreal meeting will be the first annual meeting outside the United States in a long time. However, the European Chapter of the counselors has convened in Vienna, London, Paris, Istanbul and Berlin and will convene in Rome in 2018, and the meetings have been well attended by a diverse international group of counselors with diverse perspectives on the global and U.S. economy, including global trade and political strife. The Montreal meeting will have a similar international mix of attendees and panelists, and the conversations will contain diverse global perspectives. Panels are not topically trade; however, many will include important trade tangents and stimulate trade sidebars. Panels will focus on infrastructure, related innovations and public/private partnerships in commercial development. Waterfronts, bridges, transit, utilities and communication chief among them. A business forum will focus on digital cash alternatives, such as Bitcoin, in commercial real estate. All changes for the built environment.

Commercial real estate will be directly impacted by emerging patterns of reordered trade relationships and cyclical activity in the markets. Both were anticipated and adjustments have occurred as the waves have rippled through the markets. However, these adjustments will continue as the actual cyclical patterns evolve and the global trade patterns shift with updated provisions and enforcement. Counselors are consistent about reconciling the apparent domestic and global economic framework with the outlook for the built environment. The Montreal agenda and venue will be particularly appropriate for that endeavor.

Enjoy the summer action and activities. No doldrums expected.

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