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## **Pick it up: 2020 is the New Next Decade - by David Kirk**

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Commercial real estate markets will continue to be increasingly competitive and decreasingly liquid as 2020 unfolds. Many traditional measures such as rent, selling prices, vacancy/occupancy rates will slide, or bounce marginally in both directions. Property markets will be supported by local economic fundamentals and balanced supply/demand. However, regional economic contractions are now being forecast by credible sources. And symptomatic conditions are apparent in some property submarkets. Diligence to meet and beat the local related commercial real estate markets is required for sustainable property operating and investment performance.

Symptomatic indicators of economic contraction such as inflections in economic trends are helpful on the dashboard. Symptomatic indicators of inflection in property cycles of contraction and expansion have always been part of the landscape. Always related to economic, business and capital cycles, however often seemingly independently recording the cycle based closely on the related balance of supply and demand of a local property type. Ray Torto, PhD. CRE and Bill Wheaton, PhD. CRE founders of Torto Wheaton highlighted property cycles, phases, idiosyncrasies, and analytical methodologies. Glenn Mueller, PhD. CRE has been a consistent credible chronicler of property cycles, analyzed and reported by metro markets - Dr. Glenn Mueller's Commercial Real Estate Cycles Property Report, Stewart Title. Mueller's quarterly report offers a macro micro graphic on property cycles that deserves a periodic dashboard appearance.

So, some slack in the property markets is the time to pick it up and keep it up. Increased transparency and accessibility to market data have deepened and broadened the intelligence of the market constituencies. Beware. Be smart. Be strategic. Update and maintain the web presence. Know the competition. Benchmark the competition. Follow the leader. Be a copycat. The successful market investors and operators are doing the diligence and meeting the market and beating market. Do the repairs on a timely and workmanlike basis. Stripe the parking lot and replace the bulbs. Deliberate and purposeful action and marketing during these extra innings are first steps for sustainability for new decade.

Say hello! And smile! Punching the property and the portfolio is an ongoing effort and enterprise. For 2020, the extension of the traditional economic and business cycle offers expansive opportunities for commercial real estate that were crushed historically by sudden and prolonged contractions in economic and real estate cycles, the perfect storm. Instead, commercial real estate has sustained investment appeal and performance record that will provide a portfolio punch for 2020 and the ensuing decade.

Happy New Year And Best For 2020.

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