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Managing through uncertainty with purpose - by Warren Lizio

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We are beginning to see the consequences of the prolonged pandemic and the pain is not evenly distributed. Despite the uncertainty that still remains, some new behaviors and expectations of tenants will become habits. As we adapt, it is important to remain grounded in our core values so that our growth is smart rather than reactionary.

On June 26th, CoStar released a series of market updates. It forecasts that pre-COVID employment levels would not rebound until the end of 2021. Class A multifamily may take a 17% vacancy beating in the next couple of years while class B and C vacancies are expected to tick up just 1%. However, the Mass. eviction moratorium may be artificially inflating occupancy until that damn breaks in August. Uncertainty also remains about student housing, international migration which accounts for 40% of Boston's population growth, and rent control initiatives that could permanently depress the multi-family market. CoStar is estimating a 3% rise in vacancy in office space over the next five years, but it seems difficult to estimate what the long term effects will be as work-from-home persists, multi-year leases burn off, and the economy rebounds.

Recently, Apartments.com hosted a Virtual Summer Showcase which included a presentation by Hillary Haley of RPA entitled "Marketing in Anxious Times." In addition to highlighting the strong marketing shift to "virtual tours," she notes that 90% of renters are making decisions based on social distancing, home childcare needs, and home office requirements. There has also been a huge rise in pet adoptions and support for local businesses. To me, these and other preferences indicate many people have shifted priorities and committed to lifestyle decisions that cannot easily be retracted. Businesses are responding by building new infrastructure that will ultimately remain.

Given current economic and social challenges, people are feeling the increased need to identify and work with groups that share their values. For IREM members, including those with the gold-star CPM designation, that means the IREM Code of Professional Ethics. It includes: "I pledge myself to place honesty, integrity, and industriousness above all else and to pursue my gainful efforts with diligent study and ongoing education so that my services shall be beneficial to the general public and my obligations to my clients shall always be maintained at the highest level." When you

consider everything that statement entails, you begin to understand why IREM-certified management professionals are the most trusted and highest respected for their effectiveness in good times and bad. Opportunities are made by those with knowledge.

Visit IREMBoston.org for upcoming seminars and virtual networking, including “Coffee with a CPM,” a casual virtual forum where you can ask questions about a career in real estate management.

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