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Prepare to pivot - by David Kirk

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Vaccines are expected to be delivered in Massachusetts shortly before the holiday season. Centers for Disease Control and Prevention (CDC) has prioritized healthcare workers and nursing home residents for initial vaccination, the most essential and the most vulnerable. As stewards of the built environment, commercial real estate operators and related service providers should be prepared to support these efforts and ongoing need for maintaining safe and secure environment for constituencies and the community. The new Presidency has announced leadership nominees which telegraph aggressive transition and stabilizing pivotal activity to support a rebound from pandemic and economic calamity. The call for updating and reconnecting protocols, procedures and operations in the built environment for vaccination is loud and clear.

Commercial real estate has impressively responded to the cleaning of premises and maintaining firm and disciplined extension of safety and service. Now the pivot to connect and support healthcare is a real reboot. New signage, bulletins, newsletters, onsite services and linkages are reasonable steps ups. The CDC, state and local public service and health officials require support in distribution and sustained safety precautions. As an industry, best practices, alliances and sector cooperation have been hallmarks of commercial real estate. Healthcare itself is now the mission for the sector and the community. Reaching out and connecting are essential to sustaining the recovery.

Capital markets for commercial real estate have been relatively stable and related markets have been active and relatively liquid, albeit selectively. Because of severe economic impacts from the pandemic, retail, hospitality and entertainment properties are generally in uncertain risk categories. Because of extraordinary rebounding employment and public bailing programs, demand for residential and most commercial office and industrial has been sustained and increasing. Adaptive reuse has been vigorous and demonstrated feasibility accruing to favorable locations and improvements accordingly. Beyond improving economic conditions, changes in pandemic induced behaviors will be gradual, lagging and residual. The pandemic jump started and kicked up some pre-pandemic behavioral trending. All of which will impact demand for commercial real estate. The

office sector which dominated the prime core investment category is paused.

Forecasters have baked in vaccinations with dotted lines for 2021. The pandemic will continue to be a painful burden on community and humanity. Just how effective vaccinations will be and how vaccinations will be distributed and how society will adapt during 2021 are all dimensions ultimately of economic activity during 2021. The economy is a derivative of the pandemic. Further, the global impact of vaccinating the vast and diversified populous will impact the national recovery. As before the importance of stability and predictability of the accommodation and services of the built environment can contribute and support the positive impact of this pivot.

The outlook is positive. And so is the pivot. Free vaccines for all. Travel, hospitality, mass transit, should all bump upwards. The pivot should significantly be positive. All should rebound. Because ordering and working from home were trending upwards pre-pandemic, the normal trend might well adjust differently.

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