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55 YEARS

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The deal and the data - by David Kirk

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Not confusing. Complicated. Not a commodity. Commercial property is converting to a higher and better use. Still an economic derivative. Following the economy! Talk it out. Walk it out. Got gas. Use it!

Lots of powder left to make this market move forward on all four wheels. Traction derived from the local vibrant economies, particularly the robust employment 303,000 new jobs in March, to make decisions on the ground. The stewards of commercial property have challenges to meet financial and operating goals in this market. Most local property markets continue to adjust to changes in behaviors of constituencies, and users, in demand sectors, particularly in traditional office and derivatives in retail properties. The new capital sources in tax credit incentive programs and infrastructure spending require new skill sets. Pipelines for these public sector programs are filling. The public sectors are similarly challenged to process and direct these new programs.

Deals are getting done. Slowly, one by one, deals are coming together. The property and mortgage brokerage sector is busy and performing. Talk to your broker and stay in touch. Liquidity is improving in spite of uncertainty and complexity. The brokerage intermediaries are important in reconciling these markets, the data and the outlook, for stewards and constituents. The persistent vitality in job market and stabilization of capital markets supports alternatives. Declining employment and market volatility would be symptomatic of a dark outlook. These are not the problems.

Stewards must have a plan. A pro forma. Update the plan. Update the pro forma. Talk to your broker, your lender, your investor, your constituents. Start with initial steps to implement the plan and demonstrate the viability of the plan seriousness of purpose and mission. Climate readiness and energy efficiency and operating sensibilities are being underwritten by the capital sources, investors and assessors and insurance carriers. The brokers can be supporting sources for effective dress rehearsals. Refining pro forma's. Clarifying the opportunity.

The scale and scope of stitching the built environment together again is more in this market than traditional economic cycles, historic recoveries. High borrowing rates and perceived risks are certainly unprecedented head winds to converting and communicating these opportunities in the commercial property markets. Also, unprecedented is the vitality of the public sector in supporting this recovery, ready and engaged and doing deals. The skin in the game is transparent and the enterprise is extraordinary. The public private partnership is prevalent. More action. Commercial property markets are not a spectator sport. Not a commodity market, either.

The built environment is changing. At an accelerated rate, or rates. In process, with progress apparent and more in place. Answers to place and time, property and market.

Springtime in more ways than seasonally speaking.

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