

What the Future Holds

Although the last two years of the decade saw historic lows in property transaction volume due to the Credit Crunch, according to Real Capital Analytics, 2010 has started off on a positive note.

The first and second quarter results show the progress made in the investment markets and the overall change in attitude from just a year ago. Sales volume increased from Q2'09 with every property type registering higher volume. Core rather than distressed sales were primarily behind the volume gains despite the huge overhang of distressed situations. Analysis also reveals that lenders are far more likely to restructure and extend rather than liquidate troubled assets.

One sign of recovery is the increase of CMBS issuances which totaled 4 billion during the first quarter of 2010; whereas, only 3 billion were issued in 2009.

When speaking of the future of commercial real estate, there are several questions to ponder:

- What other mergers will take place within CRE?
- What will be the lasting effect of the BRAC?
- How long will the Credit Crunch effect commercial real estate and the economy?
- When will the economy as a whole turn around?
- Will internet sales continue to restructure the retail business?
- What is the next technology that will come out?
- Will data be made more available to the public?
- What effect will the new [NAR Realtors Property Resource™ \(RPR\)](#) - an online real estate library/archive with data on every property in the U.S.—have on the CRE industry? Yes, commercial information will be included. [Read their blog for more info](#)
- What new technologies will help evolve the Green movement?
- What new products / materials will have an effect on CRE building designs?
- What new technologies will increase operating efficiencies?
- What will drive leasing and sales in the coming years?
- When will the wave of distressed assets actually hit the markets and when will this activity slow down?



Sources:

- 1—www.thepeoplehistory.com/pricebasket.html
- 2—[Dot-com bubble](#)
- 3—www.commercialpropertyinfo.net/images/Office_Market_Report.pdf
- 4—[Vacant Dot-Com Sites in San Francisco Turn Into New Apartments](#)
- 5—[Web 2.0: A new dot-com bubble in the making? Mar 19, 2007](#)
- 6—[Data Center Development Flying High Again In New Era of Cloud Computing. June 9, 2010](#)
- 7—[The Implications of September 11, 2001 New York attacks on U.S. Cities' Urban Functionality and Corporate Location](#)
- 8—[9/11/2001 impact on trophy and tall office properties](#)
- 9—[The Economic Impact of Heightened Security Measures on the Commercial Real Estate Market, Post 9/11](#)
- 10—[Base Realignment and Closure, 2005](#)
- 11—[Final updated BRAC list](#)
- 12—[Economics of Crisis: Timeline of the entire Crisis](#)