

About this Document

To say the least, the first decade of the 2000s was a very interesting era in commercial real estate. It was unlike any preceding decade and will go down in history as a benchmark. The industry has drastically changed over the last 10 years and this document will examine some of the major challenges the industry faced. There is a subsequent [PDF timeline](#) available for visual reference. By no means does this cover everything that happened during this time period, but it will look at the major events and the impact on commercial real estate.

Change in Prices over the Decade¹

The chart below highlights the change in price of some common items over the decade. Interesting to note the significant increase in prices related to a declining household income.

Item	2000	2009	% Change
Car (Toyota Corolla base)	\$17,518	\$19,395	11%
Average Income per year	\$40,343	\$39,423	(-1%)
Average Monthly Rent	\$675	\$780	13%
Average Cost of a gallon of Gas	\$1.26	\$2.56	49%
US Postage Stamp	33 cents	44 cents	25%
Loaf of Bread	\$1.72	\$2.49	31%
Dozen Eggs	89 cents	\$1.37	35%

See More: www.walletpop.com/blog/2009/12/29/then-vs-now-how-prices-have-changed-since-1999/

As for commercial real estate, as the charts in the later part of the document indicate, across all sectors, sales and prices rose for eight straight years, followed by two very down years. To say the least, this decade was a very intriguing time for commercial real estate.

Industry Happenings

During the early part of the 21st century, mergers and acquisitions are the key words that come to mind. Several firms either merged or were acquired by others, causing the commercial real estate market share to shift dramatically.

- CBRE acquired Insignia
- CBRE acquired Trammel Crow
- Spaulding & Slye merged with Jones Lang LaSalle (JLL)
- Staubach merged with Jones Lang LaSalle (JLL)
- Oncor International was purchased by Realogy Corporation
- Equity Office Property Trust (the largest owner of office buildings in the US) was acquired by Blackstone Group
- Colliers International and First Services Real Estate Advisors join to become known as Colliers International.
- Colliers Turley Martin Tucker, Cassidy & Pinkard Colliers, Colliers Pinkard, Colliers ABR, BT Commercial, BRE Commercial, and Colliers Houston rebrand as Cassidy Turley.



Now, lets take a look at the first major event that effected Commercial real estate in the 2000s: *the Dot-Com bubble*.