

REIAC 2Q2018 Program - Commercial Real Estate and the Economy: Assessment Nine Years Into the Economic Expansion
5/9/2018

Session Name
Current Session

Date Created
5/9/2018 5:22:17 PM

Average Score
0.00%

Active Participants
67

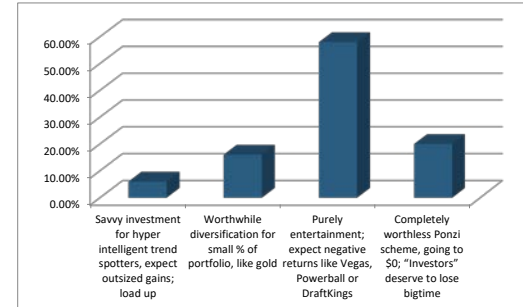
Total Participants
67

Questions
15

Results by Question

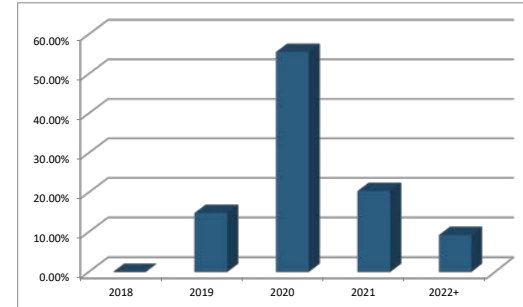
1. Re-assessing CRE Investment Environment After Nine Years of Growth Best description of Bitcoin as an investment in 2018? (Multiple Choice)

Responses	
Percent	Count
Savvy investment for hyper intelligent trend spotters, expect outsized gains; load up	6.00% 3
Worthwhile diversification for small % of portfolio, like gold	16.00% 8
Purely entertainment; expect negative returns like Vegas, Powerball or DraftKings	58.00% 29
Completely worthless Ponzi scheme, going to \$0; "Investors" deserve to lose bigtime	20.00% 10
Totals	100% 50



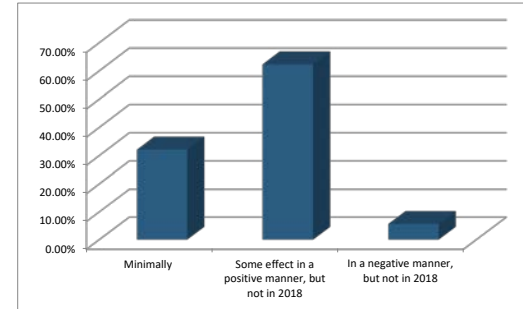
2. The Economy and Capital Markets The US economic upcycle is nearing 9-year mark; when is the next recession? (Multiple Choice)

Responses	
Year	Percent / Count
2018	0.00% / 0
2019	14.81% / 8
2020	55.56% / 30
2021	20.37% / 11
2022+	9.26% / 5
Totals	100% / 54



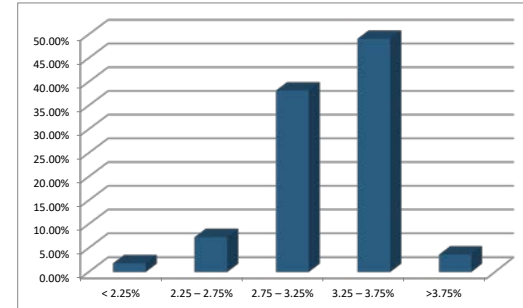
3. The Economy and Capital Markets How much will the tax reform influence the real estate sector? (Multiple Choice)

Responses		
	Percent	Count
Minimally	32.08%	17
Some effect in a positive manner, but not in 2018	62.26%	33
In a negative manner, but not in 2018	5.66%	3
Totals	100%	53



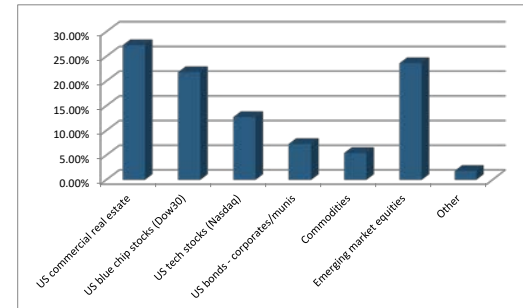
4. The Economy and Capital Markets Predict 10-year US Treasury yield at mid-year 2019? (Multiple Choice)

Responses		
	Percent	Count
< 2.25%	1.82%	1
2.25 – 2.75%	7.27%	4
2.75 – 3.25%	38.18%	21
3.25 – 3.75%	49.09%	27
>3.75%	3.64%	2
Totals	100%	55



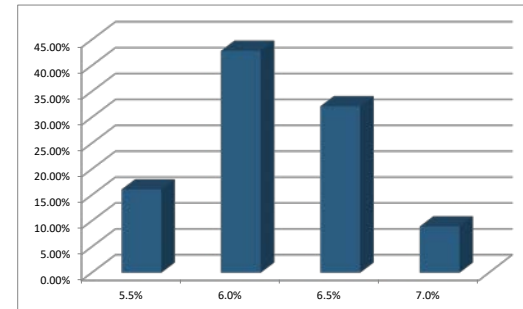
5. The Economy and Capital Markets Big picture, what is the superior risk-adjusted investment at mid 2018? (Multiple Choice)

Responses		
	Percent	Count
US commercial real estate	27.27%	15
US blue chip stocks (Dow30)	21.82%	12
US tech stocks (Nasdaq)	12.73%	7
US bonds - corporates/munis	7.27%	4
Commodities	5.45%	3
Emerging market equities	23.64%	13
Other	1.82%	1
Totals	100%	55



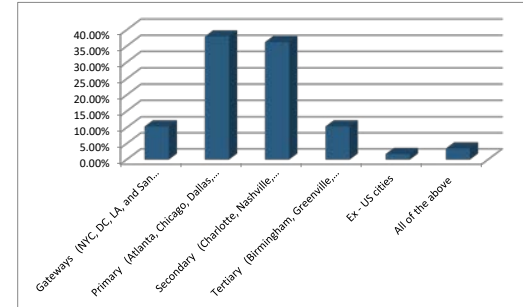
6. The Real Estate Market 2018 core acquisition all-cash IRRs are 6.25%+/- . Where will they be in 2019? (Multiple Choice)

Responses		
	Percent	Count
5.5%	16.07%	9
6.0%	42.86%	24
6.5%	32.14%	18
7.0%	8.93%	5
Totals	100%	56



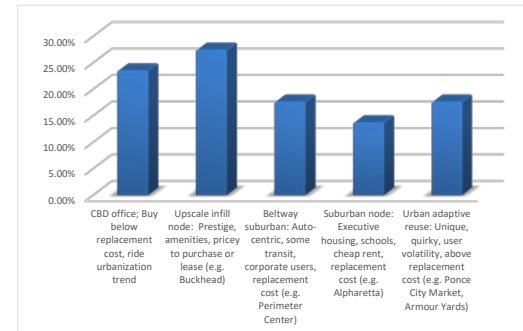
7. The Real Estate Market What are preferred markets for investment in 2018? (Multiple Choice)

Responses		
	Percent	Count
Gateways (NYC, DC, LA, and San Francisco)	10.34%	6
Primary (Atlanta, Chicago, Dallas, Denver, etc.)	37.93%	22
Secondary (Charlotte, Nashville, Orlando, Tampa, etc.)	36.21%	21
Tertiary (Birmingham, Greenville, Savannah, etc.)	10.34%	6
Ex - US cities	1.72%	1
All of the above	3.45%	2
Totals	100%	58



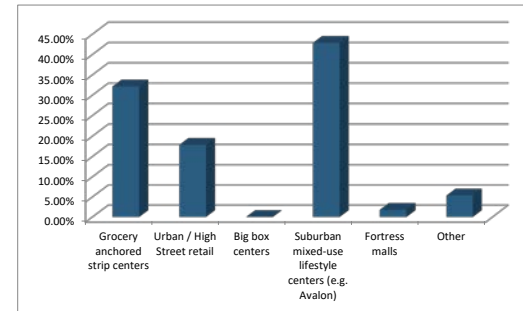
8. The Real Estate Market Office: Best bet office investment over next 5 years? (Multiple Choice)

Responses		
	Percent	Count
CBD office: Buy below replacement cost, ride urbanization trend	23.53%	12
Upscale infill node: Prestige, amenities, pricey to purchase or lease (e.g. Buckhead)	27.45%	14
Beltway suburban: Auto-centric, some transit, corporate users, replacement cost (e.g. Perimeter Center)	17.65%	9
Suburban node: Executive housing, schools, cheap rent, replacement cost (e.g. Alpharetta)	13.73%	7
Urban adaptive reuse: Unique, quirky, user volatility, above replacement cost (e.g. Ponce City Market, Armour Yards)	17.65%	9
Totals	100%	51



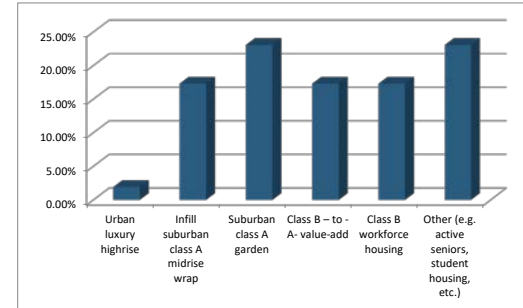
9. The Real Estate MarketRetail: What will be best performing retail sector next 5 years? (Multiple Choice)

Responses		
	Percent	Count
Grocery anchored strip centers	32.14%	18
Urban / High Street retail	17.86%	10
Big box centers	0.00%	0
Suburban mixed-use lifestyle centers (e.g. Avalon)	42.86%	24
Fortress malls	1.79%	1
Other	5.36%	3
Totals	100%	56



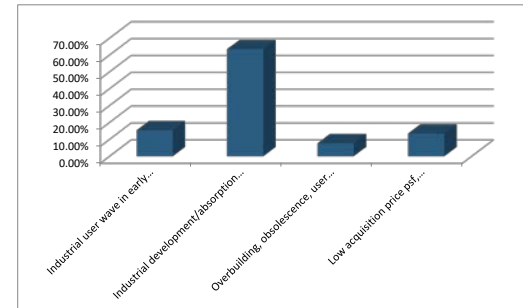
10. The Real Estate MarketMulti-family: What is best risk-adjusted sector for 5-year hold? (Multiple Choice)

Responses		
	Percent	Count
Urban luxury highrise	1.92%	1
Infill suburban class A midrise wrap	17.31%	9
Suburban class A garden	23.08%	12
Class B – to - A- value-add	17.31%	9
Class B workforce housing	17.31%	9
Other (e.g. active seniors, student housing, etc.)	23.08%	12
Totals	100%	52



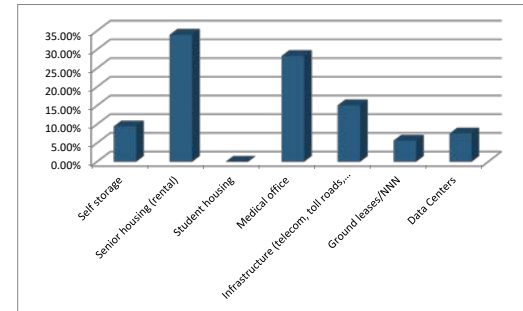
11. The Real Estate MarketIndustrial: What is best description of the sector health & investment prognosis? (Multiple Choice)

Responses		
	Percent	Count
Industrial user wave in early innings; supply/demand to remain balanced, 5.5% IRRs are warranted	15.38%	8
Industrial development/absorption to continue, overbuilding a localized concern, expect clear winners/losers in a few years	63.46%	33
Overbuilding, obsolescence, user concentration make industrial returns too low for elevated risk	7.69%	4
Low acquisition price pof, outstanding liquidity, low capex make 1MMsf single-tenant bldgs. smart investments	13.46%	7
Totals	100%	52



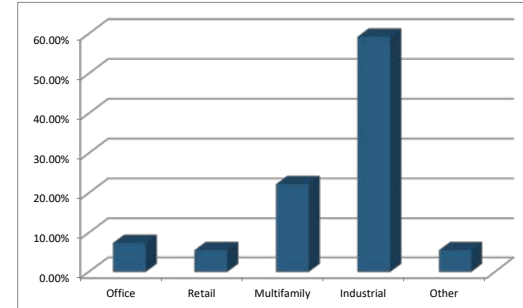
12. The Real Estate Market Which Non-traditional CRE sector has the best long-term potential/risk adjusted return? (Multiple Choice)

	Responses	
	Percent	Count
Self storage	9.43%	5
Senior housing (rental)	33.96%	18
Student housing	0.00%	0
Medical office	28.30%	15
Infrastructure (telecom, toll roads, pipelines, etc.)	15.09%	8
Ground leases/NNN	5.66%	3
Data Centers	7.55%	4
Totals	100%	53



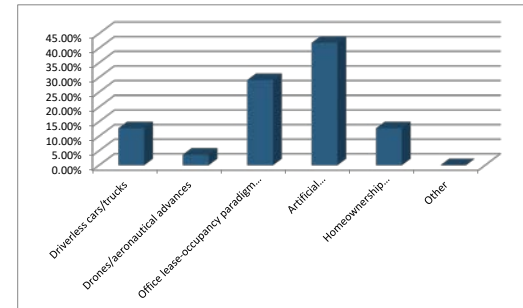
13. The Real Estate Market Which metro Atlanta property sector is most attractive for 2018? (Multiple Choice)

	Responses	
	Percent	Count
Office	7.41%	4
Retail	5.56%	3
Multifamily	22.22%	12
Industrial	59.26%	32
Other	5.56%	3
Totals	100%	54



14. The Real Estate Market What will be the upcoming decade's most powerful disruptor to CRE? (Multiple Choice)

	Responses	
	Percent	Count
Driverless cars/trucks	12.73%	7
Drones/aeronautical advances	3.64%	2
Office lease-occupancy paradigm shift – Agility/hoteling/WeWorks	29.09%	16
Artificial intelligence/robotics/automation in workplace	41.82%	23
Homeownership preferences/viability/stats	12.73%	7
Other	0.00%	0
Totals	100%	55



15. The Real Estate MarketPotential exogenous event with greatest chance to occur and shock economy? (Multiple Choice)

	Responses	
	Percent	Count
Trump exits presidency via crises (impeachment, resignation, etc.)	9.09%	5
Significant new US military action (N Korea, Iran, Russia, etc.)	9.09%	5
Aggressive trade war starts deep recession	25.45%	14
Major sovereign debt default/bailout	0.00%	0
Cyber incursion affecting US infrastructure/financial system	41.82%	23
Terrorist event within US	7.27%	4
Other	7.27%	4
Totals	100%	55

