NATIONAL OFFICE TRENDS – Are We Back Yet?

NATIONAL INDUSTRIAL TRENDS – We’re Back … Mostly

DISTRESSED DEBT TRENDS – Oi Vey!
NATIONAL OFFICE TRENDS

Construction Completions

Where are All the New Buildings?

Source: Cushman & Wakefield Research
NATIONAL OFFICE TRENDS
CBD & Suburban Overall Absorption

Slow Demand… A Lot of Catching Up To Do

Source: Cushman & Wakefield Research
NATIONAL OFFICE TRENDS
Recovered Major Markets

WHO’S HOT?

SAN FRANCISCO

HOUSTON

NEW YORK

DC

BOSTON
WHAT’S HOT?

SPACE COMPRESSION – SMALLER, SMALLER, SMALLER!

POWER & TECHNOLOGY – TRYING TO KEEP UP

RETURN TO THE CITIES – ESPECIALLY THE GEN-Y
OFFICE MARKET OVERVIEW – NATIONAL TRENDS

Overall Vacancy Rates

Overall Vacancy Rates

CBD VACANCY RATE

SUBURBAN VACANCY RATE

‘90s Suburban Flight

... But is the Rose Off the Bloom?

Source: Cushman & Wakefield Research
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NATIONAL INDUSTRIAL TRENDS

Overall Vacancy Rates

OVERALL VACANCY RATE

HISTORICAL AVG. VACANCY 8.3%

Recovery Building Steam

Source: Cushman & Wakefield Research
NATIONAL INDUSTRIAL TRENDS

Construction Completions

Unlike Office – We Need New Warehouses

Source: Cushman & Wakefield Research
Recovered Major Markets

WHO’S HOT?

SOUTHERN CALIFORNIA
CENTRAL PENNSYLVANIA
NEW JERSEY
SOUTH FLORIDA
HOUSTON
WHAT’S HOT?

THE SCIENCE OF SUPPLY CHAINS

OFF-SHORING → NEAR-SHORING → IN-SHORING

E-TAILING → I WANT IT NOW!
INCREASINGLY COMPETITIVE MANUFACTURING SECTOR

Unit labour costs in manufacturing in US$

2000Q1=100

China … Not So Fast!

Source: Oxford Economics/Haver Analytics
NATIONAL INDUSTRIAL TRENDS
Key Dynamics Impacting the Industrial Market

WHAT’S HOT?

THE SCIENCE OF SUPPLY CHAINS

OFF-SHORING → NEAR-SHORING → IN-SHORING

E-TAILING → I WANT IT NOW!
Moore’s Law – Technology Doubles Every Year

By 2015, mobile devices will be used in 73% of retail purchases

Source: Cushman & Wakefield Research, U.S. Census Bureau, 12-Month Rolling Average
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DISTRESSED DEBT TRENDS – Oi Vey!
DISTRESSED DEBT TRENDS
A Wave of Origination Maturities

5 to 10 Years from Origination Bubble

Source: Trepp
DISTRESSED DEBT TRENDS
C&W Team’s Activity Since 2009

PROPOSALS

Lenders 90%
Traditional 10%

ASSIGNMENTS

Lenders 15%
Traditional Clients 85%
A PRIME EXAMPLE RIPPED FROM THE HEADLINES
A Case Study of Bank of America Tower in Atlanta

JULY 2007
$436MM
($348 psf)

85% Occupancy

Bank of America 30%
Troutman Sanders 25%
Hastings 11%
Multi-tenant 19%

Vacant 15%

TODAY

8% Equity
$38MM

12% Mezz
$54MM

80% CMBS
$363MM

BoA 14%
Troutman Sanders 25%
Multi-tenant 16%

52% Occupancy

LENDER-OWNED