



2016 Commercial Real Estate Market Update

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2015 - Review



- **Emerging Trends**
 - Slow Recovery - Yes
 - Small Tenants Challenged –
More Options Today
 - Large Tenants Rule – Yes, but...

2015 - Review



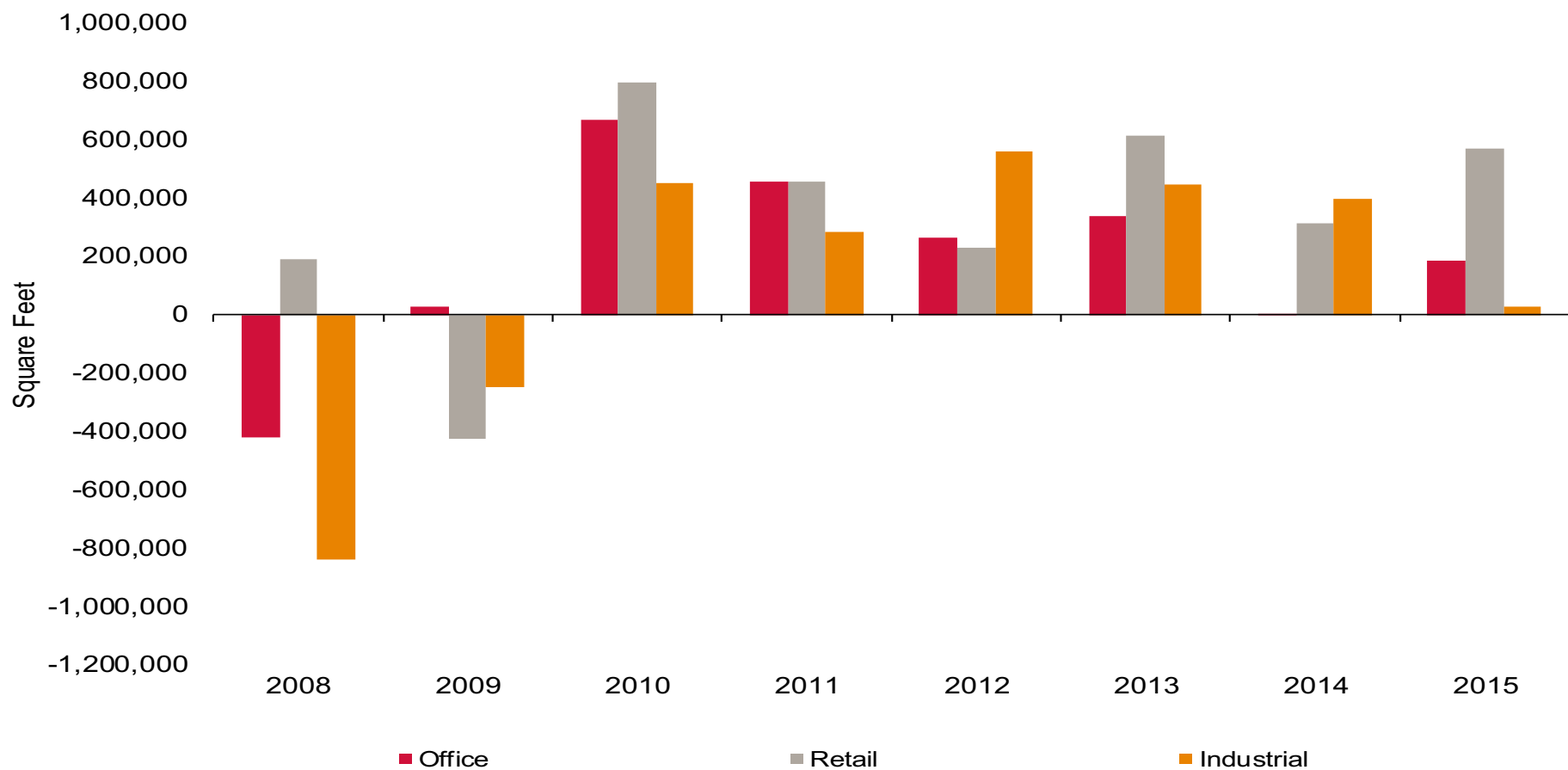
- **Concerns**
 - Job Growth
 - Job Growth
 - **Job Growth! – It is coming**

Where are we now & Why?



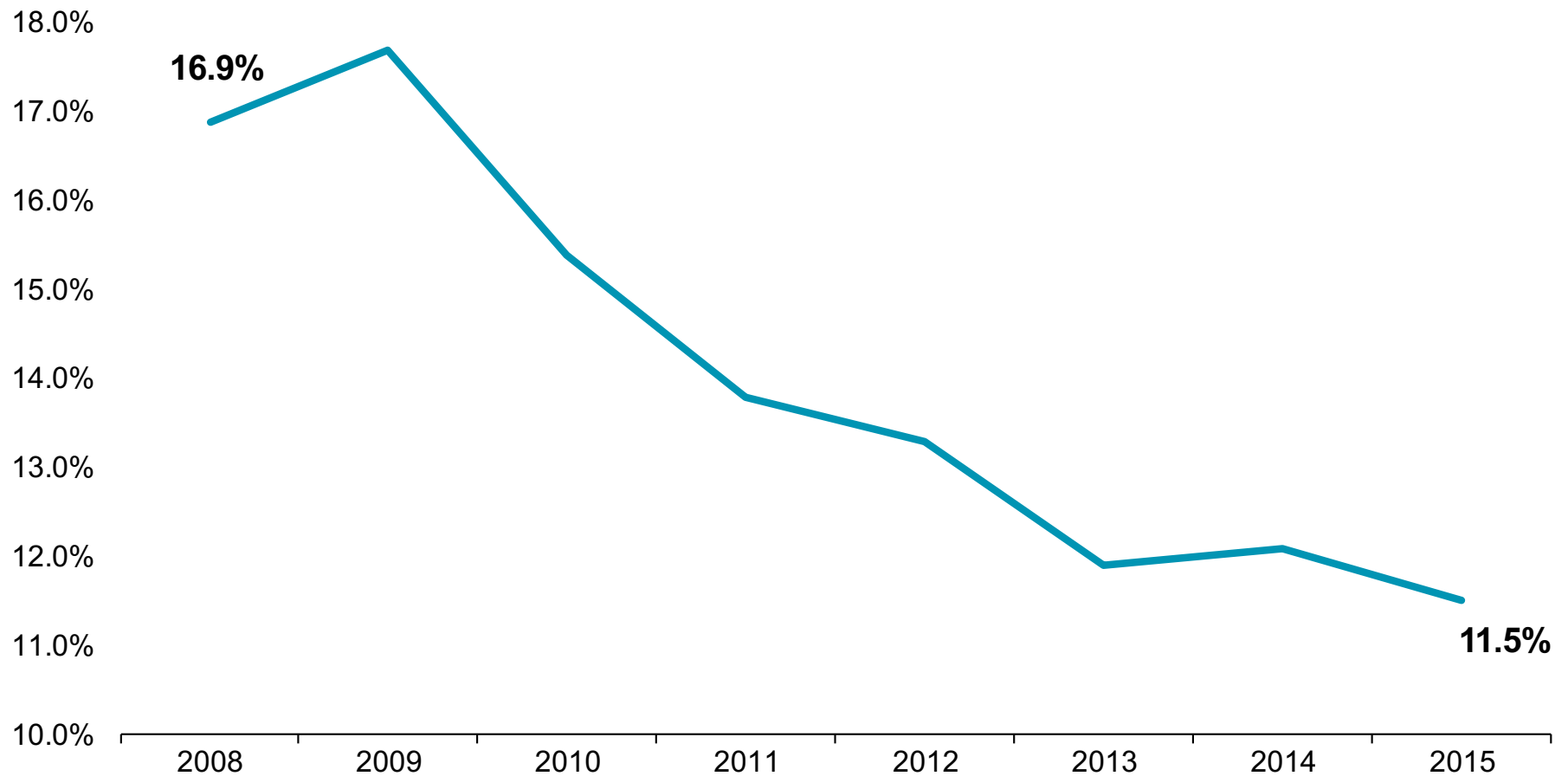
- **Office** – Vacancy & Rents
- **Industrial** – Vacancy & Rents
- **Retail** – Vacancy & Rents

Commercial Absorption



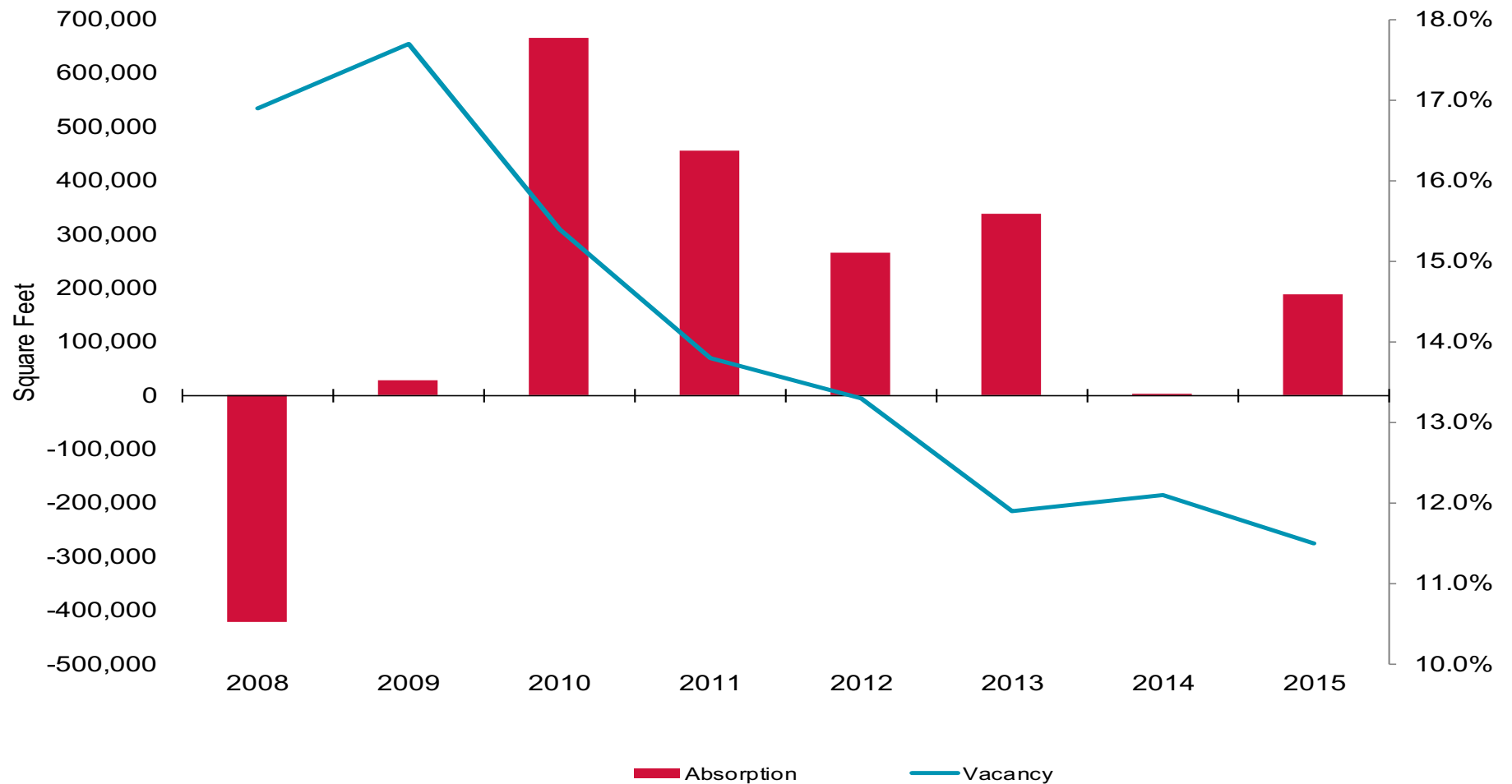
Source: Newmark Grubb Knight Frank Research, CoStar

Commercial Vacancy - Office



Source: Newmark Grubb Knight Frank Research, CoStar

Vacancy & Absorption - Office

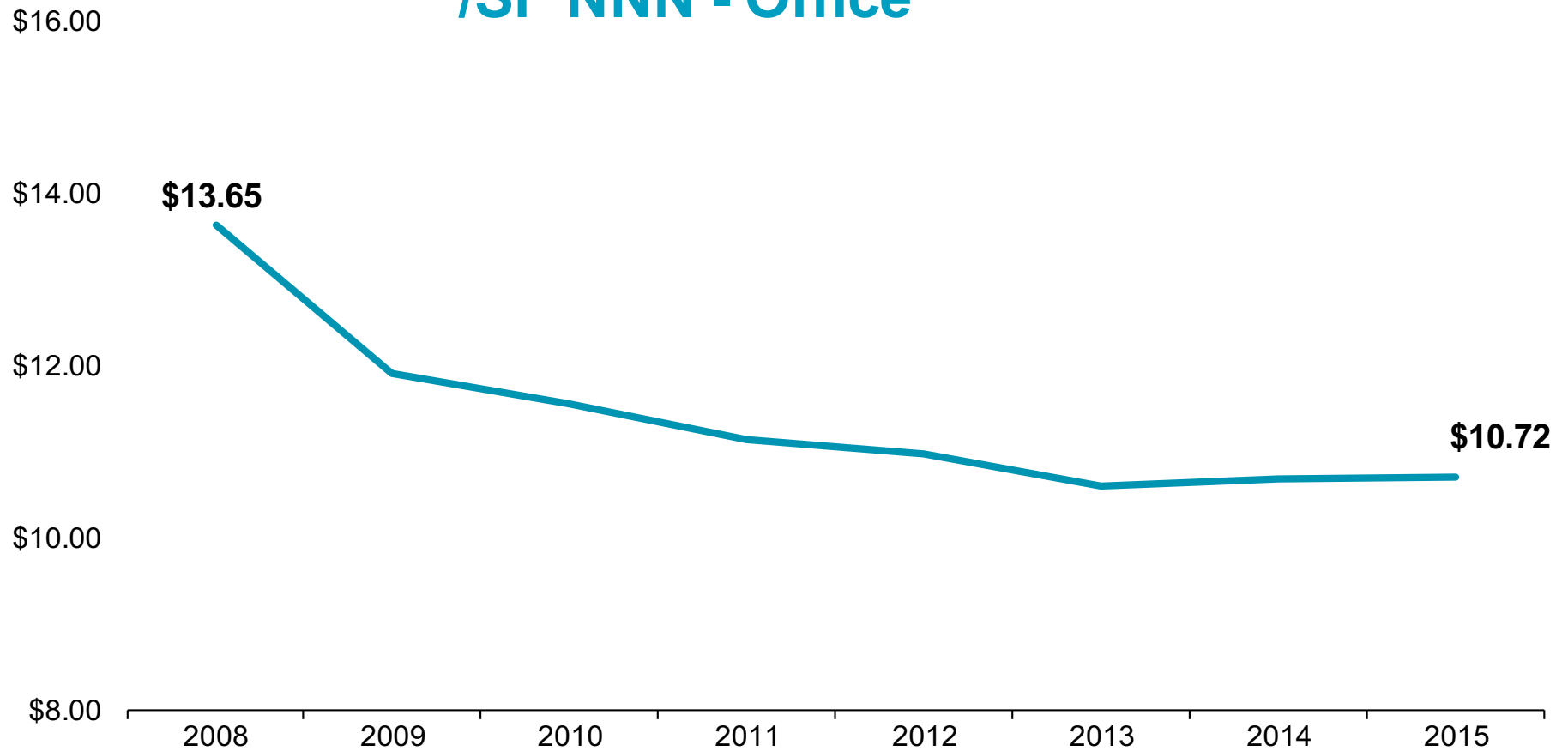


Source: Newmark Grubb Knight Frank Research, CoStar

Commercial Asking Lease Rates

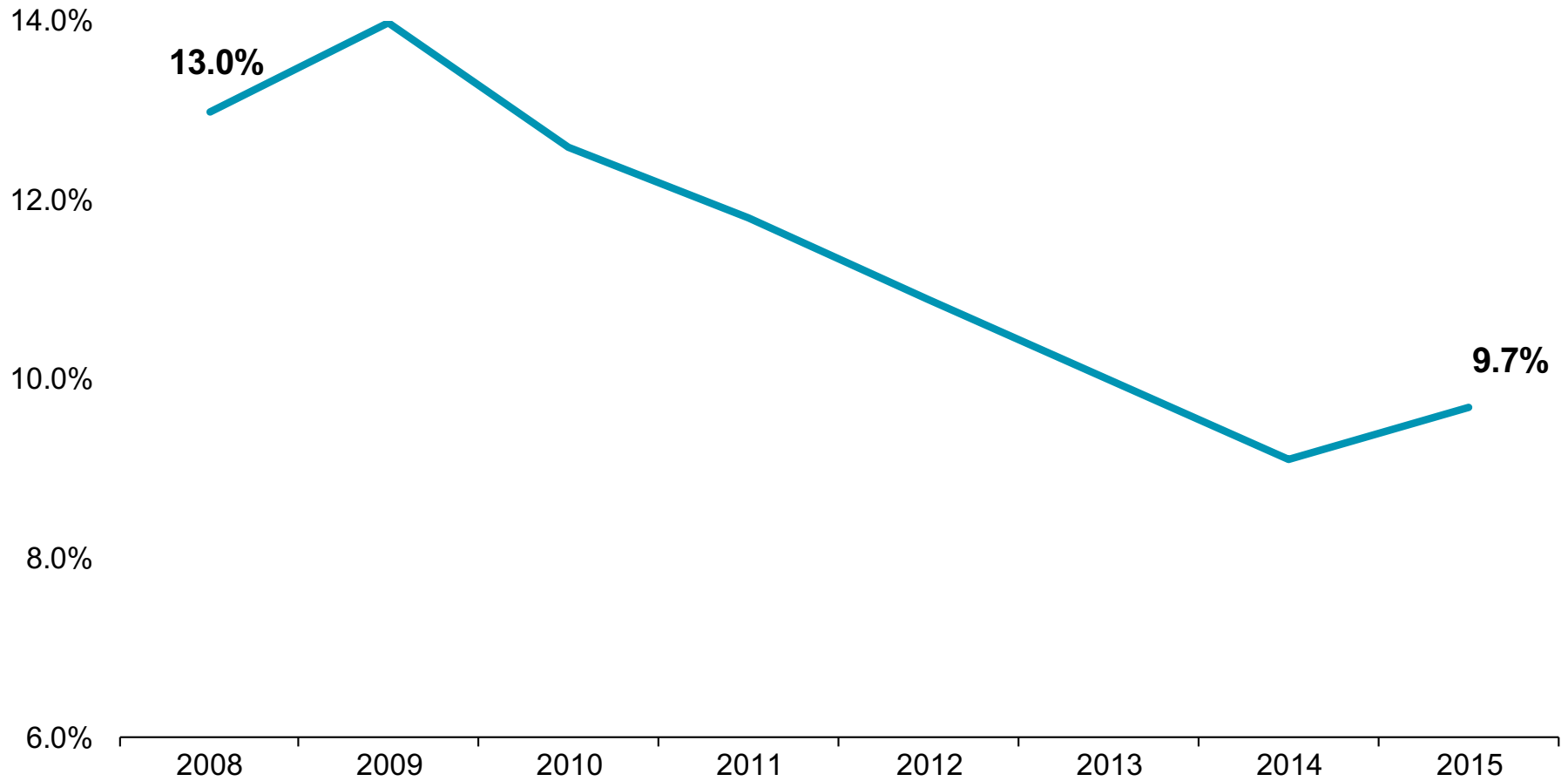


/SF NNN - Office



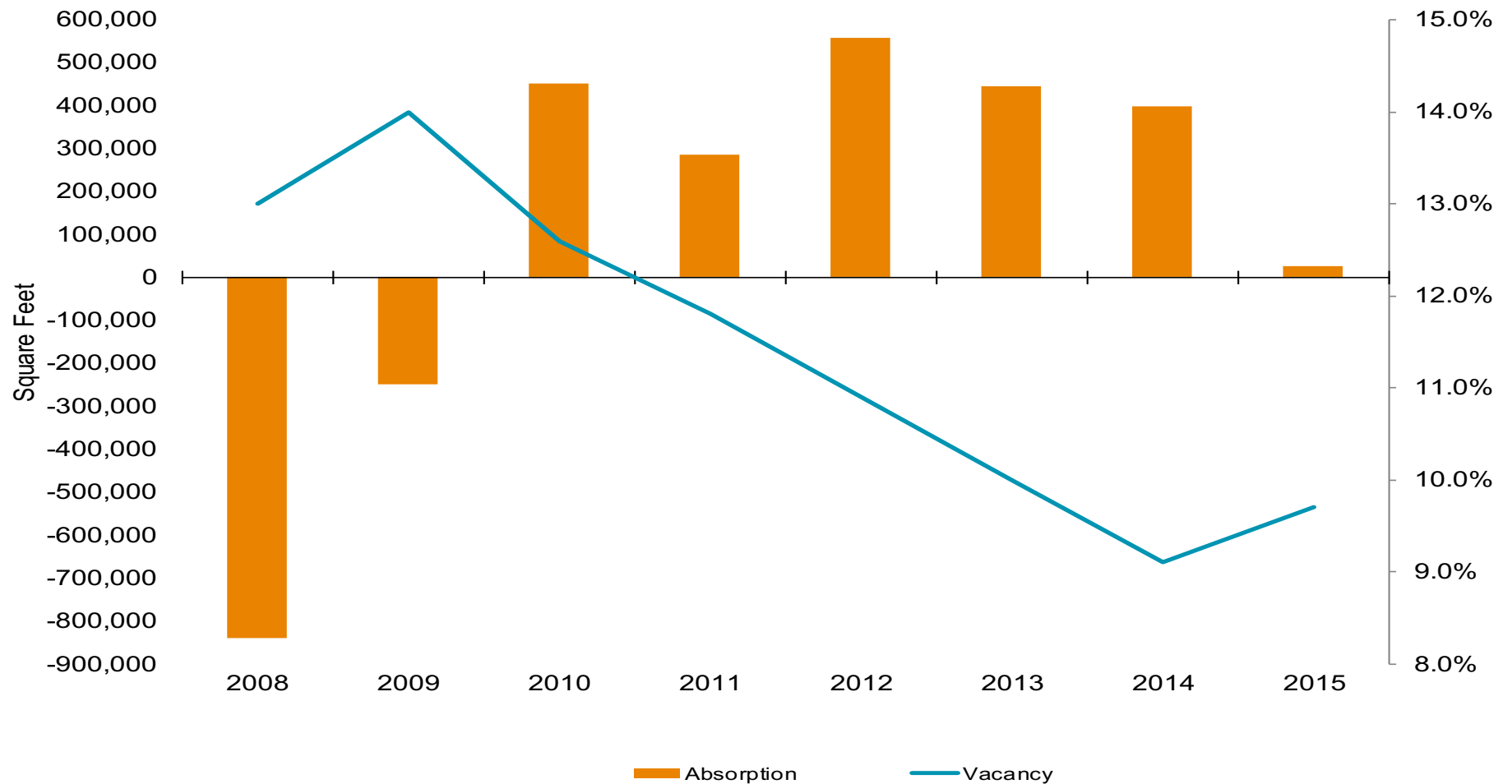
Source: Newmark Grubb Knight Frank Research, CoStar

Commercial Vacancy - Industrial



Source: Newmark Grubb Knight Frank Research, CoStar

Vacancy & Absorption - Industrial

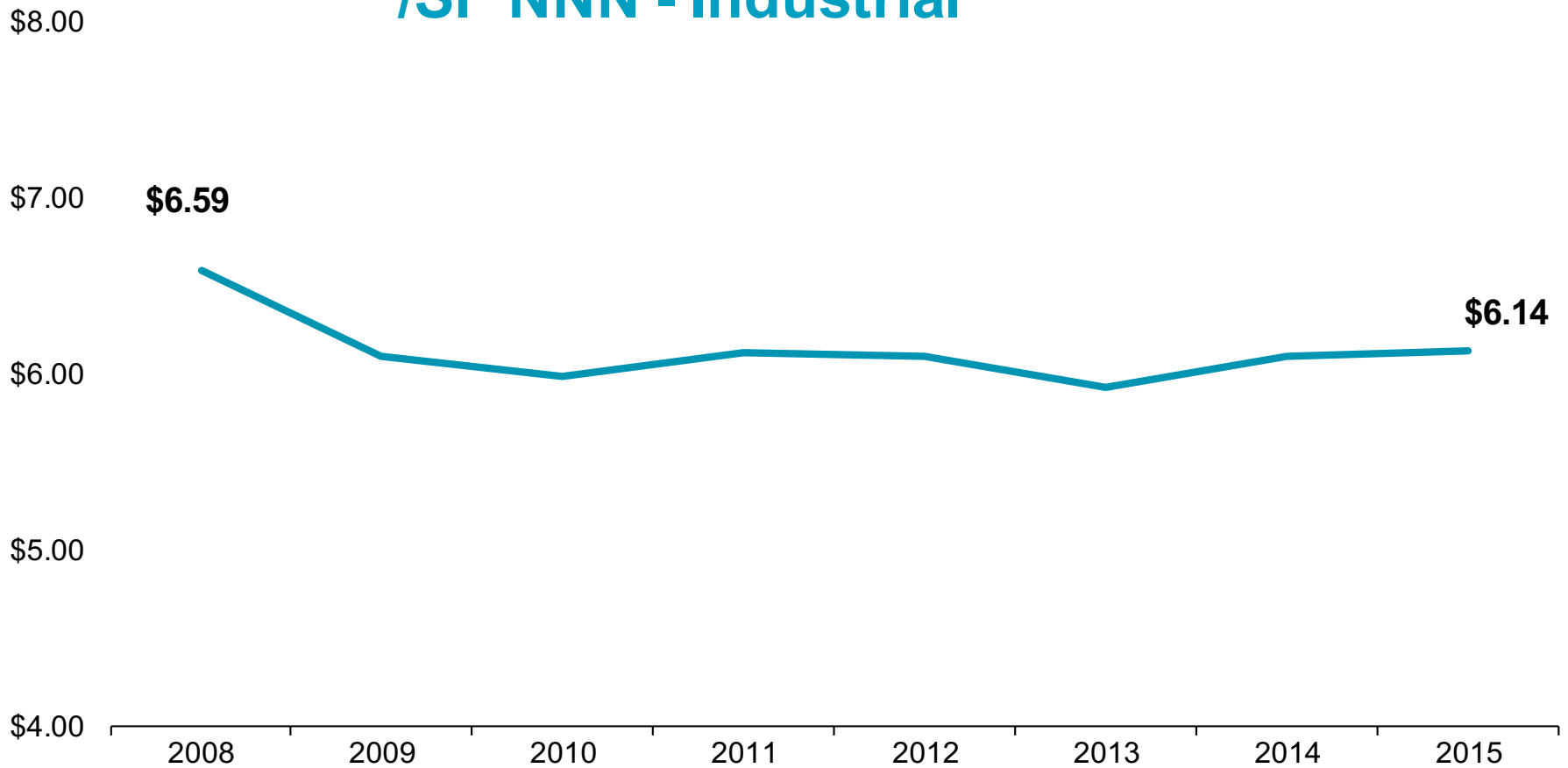


Source: Newmark Grubb Knight Frank Research, CoStar

Commercial Asking Lease Rates

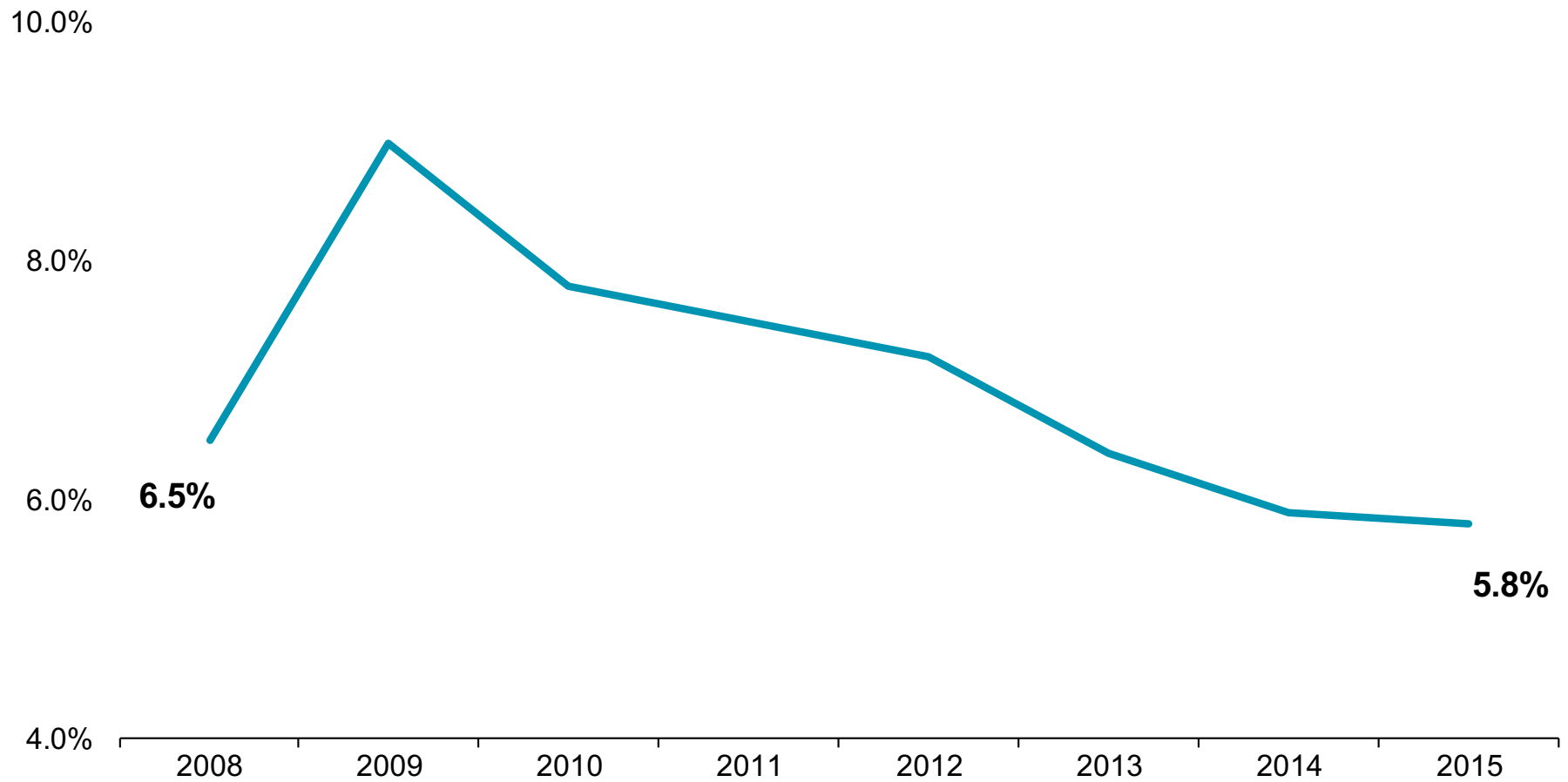


/SF NNN - Industrial



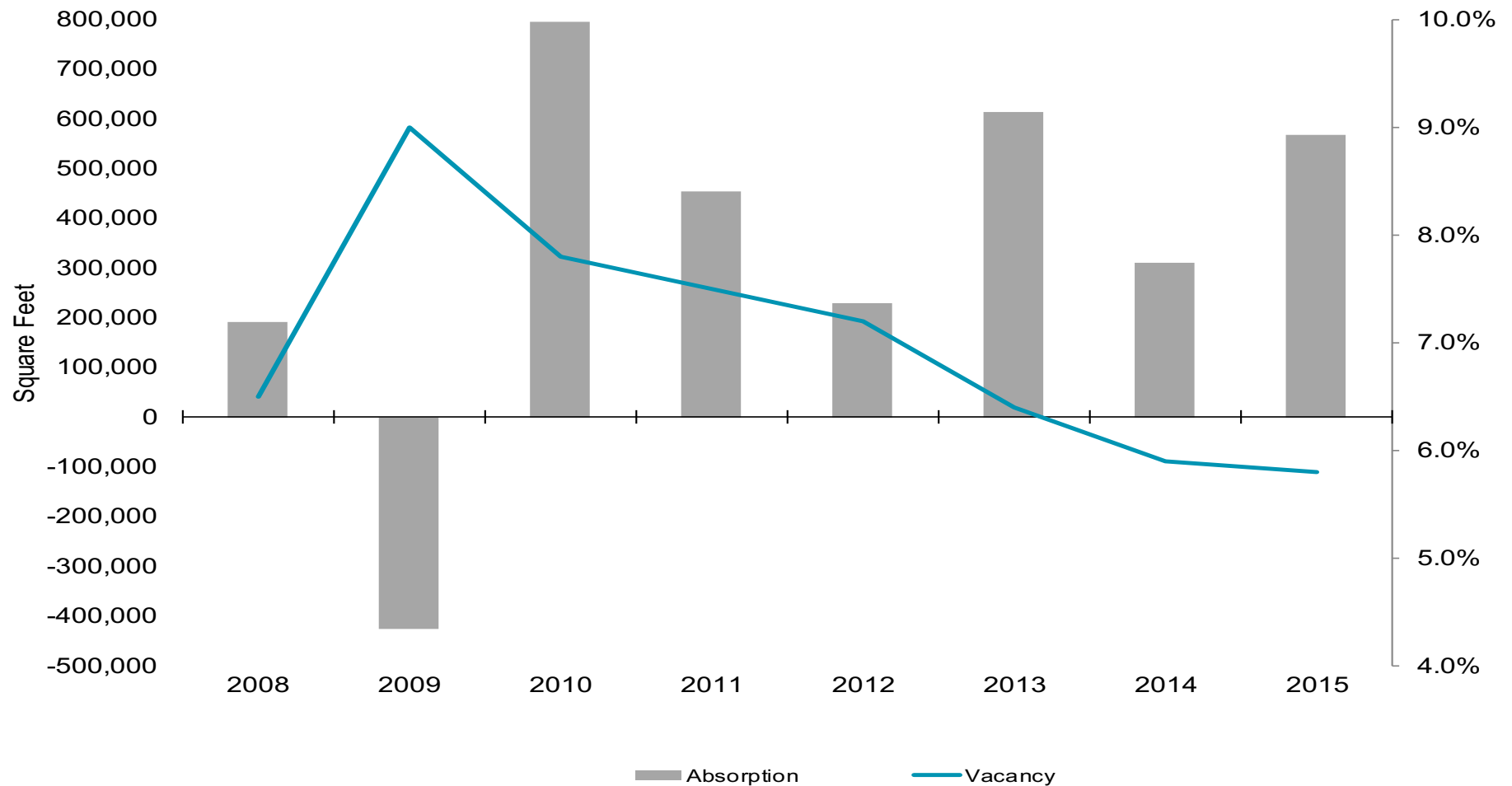
Source: Newmark Grubb Knight Frank Research, CoStar

Commercial Vacancy - Retail



Source: Newmark Grubb Knight Frank Research, CoStar

Vacancy & Absorption - Retail

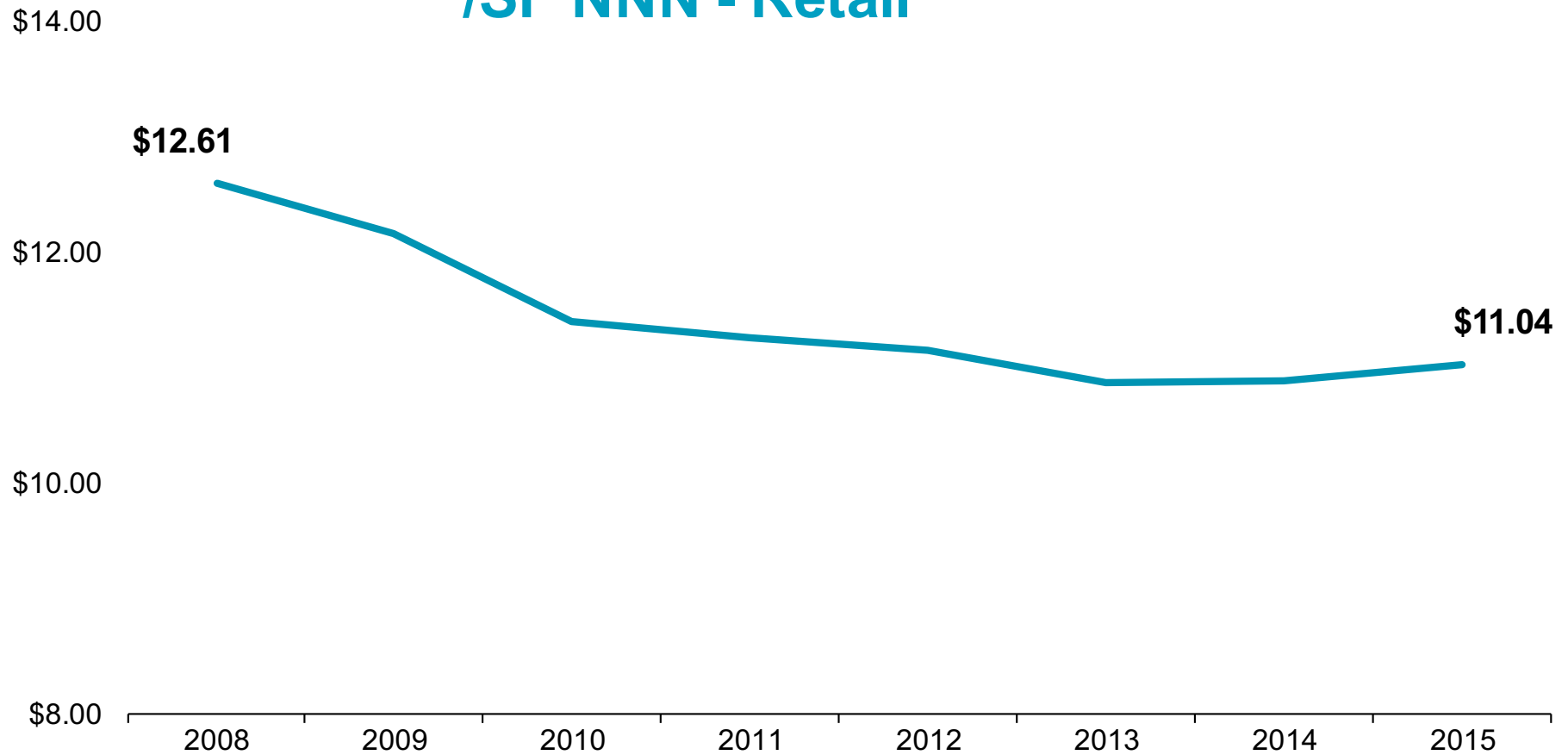


Source: Newmark Grubb Knight Frank Research, CoStar

Commercial Asking Lease Rates



/SF NNN - Retail



Source: Newmark Grubb Knight Frank Research, CoStar

What does this mean for the Office Market?



- **Owners** – Can I raise rates yet?
- **Tenants** – Short or Long?

What does this mean for the Industrial Market?



- **Tight Market**
- **Low Inventory**
- **Stagnate without new blood**

What does this mean for the Retail Market?



- **Strong Investment Sales**
- **Hole in the middle**

Where are we going?



- **Emerging Trends**
 - Slowly rising rents
 - Higher construction costs
 - Investment Sales Increase

Where are we going?



- **Concerns**
 - Closer to the end than beginning
 - Outside factors
 - Lack of New Product

Final Thoughts



- **Now What?**
 - Looks to be a good year
 - Deals will be difficult
 - Momentum will increase