ANNUAL CONFERENCE
LEADERSHIP TRAINING

FOUNDRY
COMMERCIAL

WHO WE ARE

ASSOCIATES
366

BROKERS
83
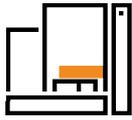
PROJECT MANAGERS
17
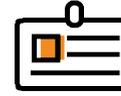
IN BROKERAGE TRANSACTIONS
$6B

SQUARE FEET LEASED & MANAGED
57M

CURRENT INVESTMENT ACTIVITY
$1.4B

WHO WE SERVE

3 CUSTOMERS	CORPORATE	INSTITUTIONAL	FAITH-BASED AND NOT-FOR-PROFIT	
4 SERVICES	BROKERAGE	PROJECT MANAGEMENT	PROPERTY MANAGEMENT	FACILITY MANAGEMENT
5 ASSET TYPES	RETAIL	OFFICE	INDUSTRIAL	HEALTHCARE	FAITH-BASED AND NOT-FOR-PROFIT

THE SCOPE
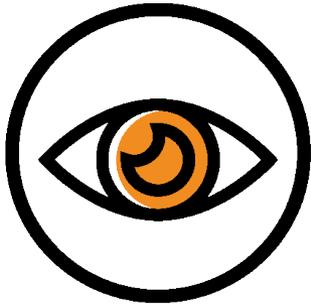
WHAT WE ARE "SEEING"   **WHAT WE ARE "SMELLING"**   **WHAT WE ARE "SENSING"**
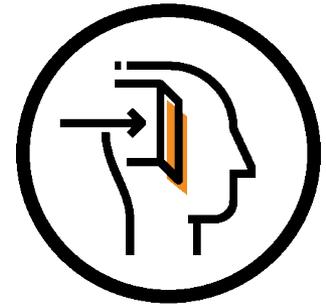
WHAT WE ARE "SEEING"

INDUSTRIAL IS RED HOT

309 M	**191 M**	**5.6%**
12 MO.	12 MO.	VACANCY
DELIVERIES IN SF	NET ABSORPTION IN SF	RATE

– 2020 was a record high year with 880msf of leasing activity

– COVID rapidly accelerated the adoption of e-commerce

– New development hit record highs; both Dist Centers & "Last Mile"

MULTI-FAMILY IS HOT

415,712	**326,035**	**6.8%**
12 MO.	12 MO.	VACANCY
DELIVERED UNITS	ABSORPTION UNITS	RATE

– Macro demand for MF & Single Family is approaching record highs

– Leasing demand is much higher for suburban vs urban

– Sunbelt markets are booming and developers are trying to keep up

WHAT WE ARE "SMELLING"

OFFICE IS IN FLUX

55.2 M	**(97.2 M)**	**11.5%**
12 MO. DELIVERIES IN SF	12 MO. NET ABSORPTION IN SF	VACANCY RATE

- Office jobs are still 1 million below peak of Q1 2020"
- Most markets are seeing only 20-25% physical occupancy
- Hardest asset class to predict in the next 18-24 months

RETAIL IS MISUNDERSTOOD

48.4 M	**(31.4 M)**	**5.1%**
12 MO. DELIVERIES IN SF	12 MO. NET ABSORPTION IN SF	VACANCY RATE

- Retail sector was already shifting going into COVID
- Grocery anchored shopping centers remain relatively stable
- Restaurants and Theaters in distress; Discounters and Home Improvement stores solid

WHAT WE ARE "SENSING"

**KEY
HEADLINES**

"Tennessee claims No. 1 spot for first time; Texas in top 2 for fifth straight year"
  – Uhaul Tracker

"Goldman Plots Florida Base for Asset Management in NYC"
 **– Bloomberg**

"Google Delays Return to Office and Eyes 'Flexible Work Week'"
  – New York Times

"Oracle Headquarters Move from California to Texas Shows Pandemic Real Estate Shift"
  – CoStar

WHAT WE ARE "SENSING"

MIXED SIGNALS

– **BULLS**
- o Facebook leased 730k in NYC in August
- o Amazon adding 3,500 office employees; 2,000 in NYC

– **BEARS**
- o Google pushed return to office and will text flexible model
- o Pinterest paid $90m to cancel San Francisco lease
- o Salesforce extended WFH policy to July 2021
- o Twitter going "remote optional" indefinitely with employees

– **MIGRATORS**
- o Deutsche Bank looking at 5 job hubs outside of NYC
- o Oracle moving HQ from Silicon Valley to Austin
- o Tesla relocating HQ from California to Texas
- o Disney rumored to relocate 1500 jobs from CA to FL

KEY TAKE AWAYS

– COVID pandemic acted as an "accelerator" for many CRE trends that were already developing

– Most economist predict industrial demand will remain strong for the next 3-5 years

– Interest Rates to remain low which will drive single family home ownership and multi-family development

– Office workers will demand a more "flexible" work environment in a post COVID world

– Grocery centers remain fairly stable; 20-30% of regional malls & big box will be obsolete

– Experts see a blended world post pandemic; many new habits will go "half way back"

WHAT DOES THIS MEAN FOR MY ORGANIZATION?

– The church transitioning from a geographic presence to an online presence

 – Redefining "going to church"

– Ministry needs to dictate real estate, real estate should not dictate ministry

 – Is the "tail wagging the dog?"

– Opportunity to redefine the purpose of the centralized office

 – Office vs. Student Union

– "The Church" is the largest land owner in the country other than the federal government

 – What process are in place to ensure that the Church is the best steward possible with the real estate it has been entrusted with?

THANK YOU

For More Information:

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