


Views from the Frontier of Commercial Real Estate

**Guest Guides:**  
 Todd Clarke, CCIM  
 Sam Foster, CCIM  
 Patricia Lynn, CCIM




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THE OREGON ASSOCIATION OF REALTORS® PRESENTS  
**Commercial Real Estate Summit**  
 OCTOBER 25, 2012  
 GOVERNOR HOTEL | PORTLAND, OR

These three award winning CCIM instructors will offer a program of focus and address to the office, residential and industrial industry segments.



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 Westwood Advisors  
 DALLAS, TX



Sam Foster, CCIM, Executive VP  
 Westwood Advisors  
 DALLAS, TX

**Views from the Frontier of Commercial Real Estate**




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**Today's Topics:**

The future demand drivers for

- Apartments
- Office
- Industrial

Understanding new models for design and how the product type is starting to become similar




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### Our viewscreen - pre 2008

- Market updates
- Incremental changes in
  - Occupancy
  - Rents
  - Values
  - Buyers
  - Development



REALTOR

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### Our viewscreen now

Transformative change driven by

- Technology
- Transportation
- Talent
- Tolerance/lifestyle



REALTOR

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### Transformative change, or a Paradigm shift?



COMMERCIAL Real Estate

REALTOR

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In researching, this I need a trusted advisor

With an established track record of:

- Success
- Vision of the future
- Ability Forecasting
- And a soothing voice

So I turned to...



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Siri good news



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Siri on Real Estate Demand



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Talent (Employment & Demographics)

- The math is simple:

$$E > P$$

– Mark Lautman, author of *When The Baby Boomers Bail*




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Where will this growth come from?



- For the economy to grow faster than the population we need to look to:
  - Small business
  - Innovators
  - Immigration
  - Adding economic tools to recruit Businesses of “1” those from the creative class

$$E > P$$



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Tolerance / Lifestyle




According to Richard Florida – the Creative class looks for:

- Talent
- Tolerance
- Technology

And they are:

- Knowledge based workers
- Over a third of all jobs
- Fastest growing segment of workers
- NOT tied to the 4 factors of production
- ARE interested in quality of living




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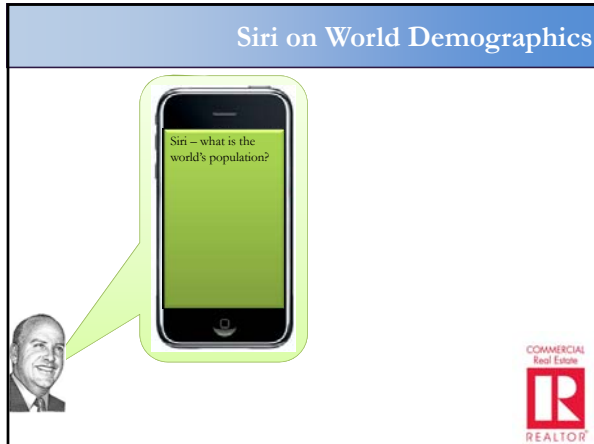
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Siri on World Demographics



Siri - what is the world's population?



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Siri on World Demographics



OK, here you go:



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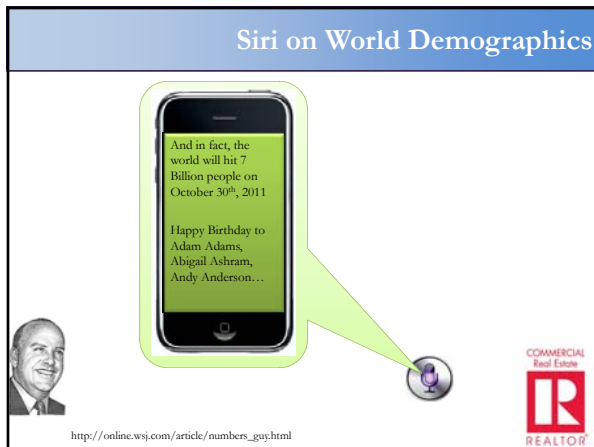
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Siri on World Demographics



And in fact, the world will hit 7 Billion people on October 30<sup>th</sup>, 2011

Happy Birthday to Adam Adams, Abigail Ashram, Andy Anderson...



[http://online.wsj.com/article/numbers\\_guy.html](http://online.wsj.com/article/numbers_guy.html)

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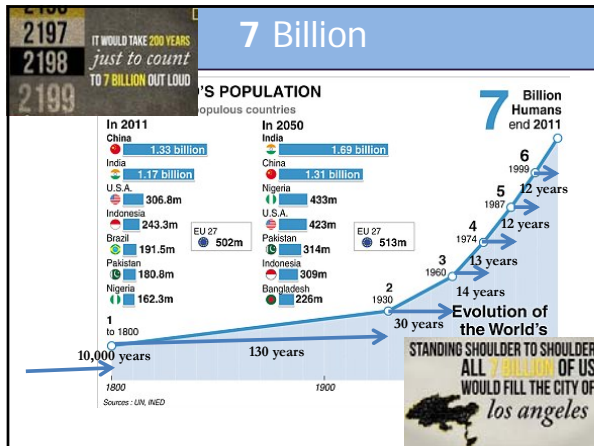
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### Did you Know? \* Shift Happens

- There are more English speaking people in China than in the United States?
- More honor students in India than students in the United States?
- Today's student will have 10 to 14 jobs by the time they turn 38
- The Top 10 in-demand jobs in 2010 didn't exist in 2004

\* 3.0 -shifthappens.wikispaces.com/versions

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### Demographics

- Two biggest generations
  - Boomers
  - Millennials or Gen-Y
- Will shape demand for all types of real estate

And one other?

**2015 Age Pyramid**

Age	Men	Women
75-79	3.4	4.4
70-74	5.0	6.0
65-69	7.3	8.3
60-64	9.0	9.8
55-59	10.5	11.1
50-54	11.0	11.4
45-49	10.4	10.5
40-44	10.1	10.1
35-39	10.4	10.2
30-34	11.1	10.8
25-29	11.3	10.9
20-24	11.7	10.7
15-19	10.4	9.8
10-14	10.7	10.3
05-09	11.0	10.6
00-04	11.4	10.9

Age | Men | Women

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### The "Y" is the online generation

- Top search engine is not Google
- It's Facebook
- #3 is YouTube
- Any answer you need can be found on the internet
- 1 out of 8 couples married met online




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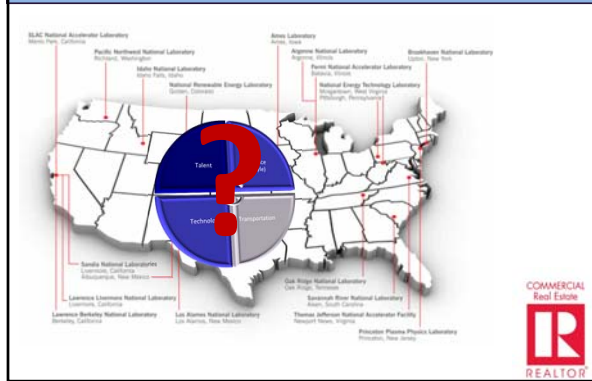
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### Great Communities




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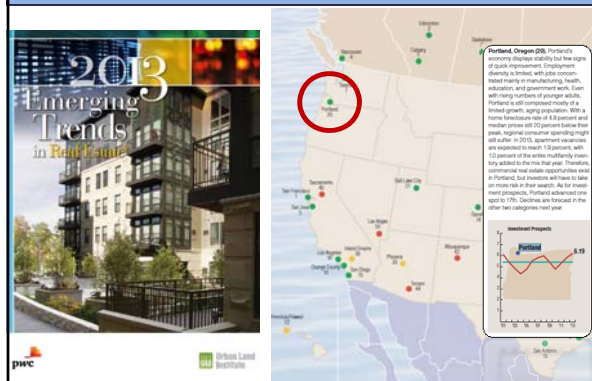
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### ULI's Emerging Trends 2013




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### Transportation



*AeroTropolis: They way we will live next*  
- Greg Lindsay

- Driver of urban, economic and social change:
  - 18<sup>th</sup> century – seaports
  - 19<sup>th</sup> century – railroads
  - 20<sup>th</sup> century - airports
- The “AeroTropolis” was ranked amongst top 10 ideas that will change the World by



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### Transportation


space required to transport 60 people



car



bus



bicycle

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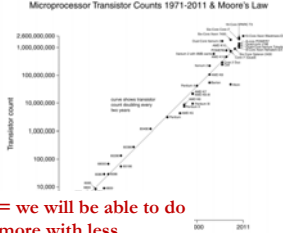
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### Technology

- Driver = Moore's Law
- Where does Moore's law place technology in 5 years?
- Where does Moore's law place storage in 5 years?

Microprocessor Transistor Counts 1971-2011 & Moore's Law



**= we will be able to do more with less**  
**= By 2049 one \$1,000 computer will have more processing power than the combined human race**

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iPod = intersection of design with tech



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Technology

Has moved away from the engineers specifications, to a product designed by humanists

- Consumer driven
- Value Add
- Will soon grow so small it will disappear



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Technology – Social Networking



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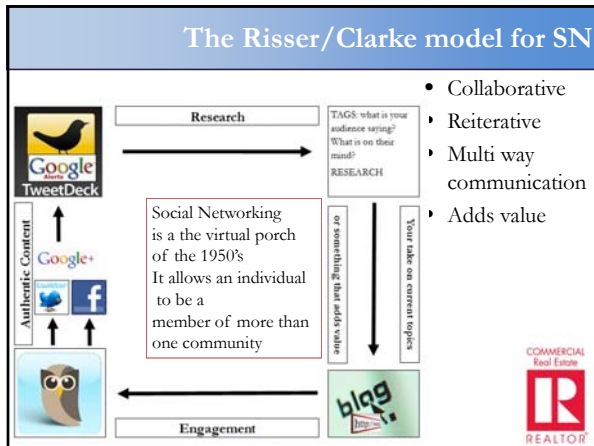
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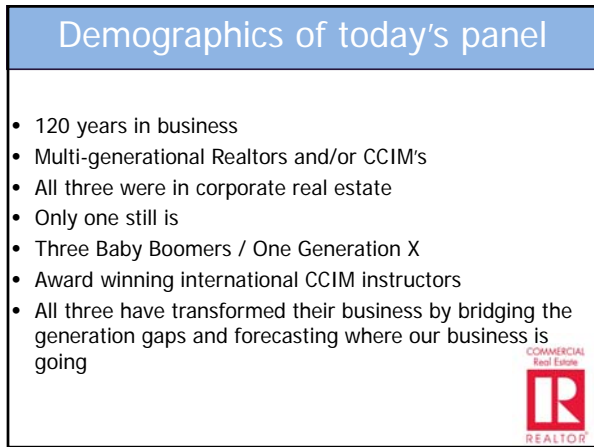
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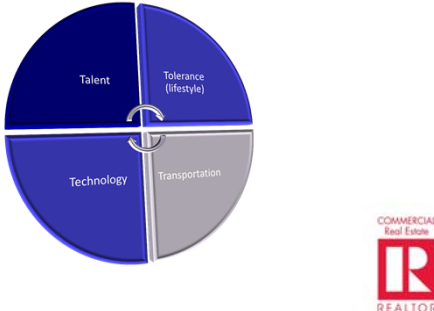
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Today's Topics



COMMERCIAL  
Real Estate  
**R**  
REALTOR

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Results by discipline:

- Patricia – Office
- Sam – Industrial
- Todd – Residential



COMMERCIAL  
Real Estate  
**R**  
REALTOR

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Key transformations:

- More than the 4 T's
  - Technology
  - Transportation
  - Talent
  - Tolerance

**How much of our current real estate product is obsolete?**



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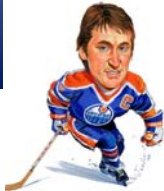
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Can you use today's information?



"A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be"



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To find where the puck is going

In your market?



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In closing



Tolerance  
Transportation  
Technology  
Talent

COMMERCIAL  
Real Estate  
**IR**  
REALTOR

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Additional sessions available via NAR  
Commercial Signature Series:

- Patricia
  - Negotiations
  - Consultative
- Sam
  - Market Analysis
  - Tenant Representation
- Todd
  - Technology / Social Networking
  - Moving from contingency to fee based income

**Q&A**

COMMERCIAL  
Real Estate  
**IR**  
REALTOR

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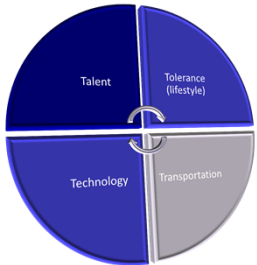
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Q&A



Talent  
Tolerance (lifestyle)  
Technology  
Transportation

COMMERCIAL  
Real Estate  
**IR**  
REALTOR

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