

WHAT IS NEXT IN 2021

#### THE ECONOMY OVERVIEW:

#### The GOOD

- Food, Medical, Health and Services Industries Doing Well
- Interest Rates/Inflation at All-Time/Near All-Time Lows
- Pandemic in Late Innings Full/Partial Recovery is Within Reach
- Pent-Up Demand will Positively Impact/Enable Economic Recovery
- People's Ability to Adapt & Recover is GOOD

#### The **BAD**

- Recovery WILL Happen But SLOWLY
- State & Local Governments: SEVERELY Constrained
- The 800-Pound Gorilla: The Fed and Tax Policy Going Forward
- Hospitality Industry May Be Damaged For a LONG Time to Come



### COMMERICAL REAL ESTATE OVERVIEW:

Office, Retail/Shopping/Strip Centers, Industrial, Multi-Family, Self-Storage





Prices and Valuations Staying Firm & CAP Rates Low or Going Lower

High Amounts of Institutional Debt/Equity Funding and "Dry Powder"





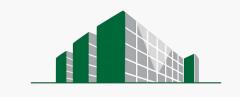
Urban/Primary Markets v.
Secondary/Tertiary Markets:
A Shift???

SPAC's are Forming at An Unprecedented Rate





Lenders and SMBS Loans – What Happens Next?



## What corporate and services firm occupiers need to know regarding their buildings or spaces in in 2021:

## OFFICE: THE WILD, WILD WEST!

Services industries likely to undergo BIGGEST footprint changes

Industries needing collaboration will go back to their offices but in different ways/configurations (Marketing, Data Analytics, etc.)

Downtown v. Flight to Suburbs?

Lasting Impacts of Pandemic – TBD!

## INDUSTRIAL: GOING GREAT GUNS!

Distributors & Warehousing: No End in Sight to Growth

Manufacturers: Onshoring IS Happening

Light Assembly, 3PL Logistics & Reverse Logistics

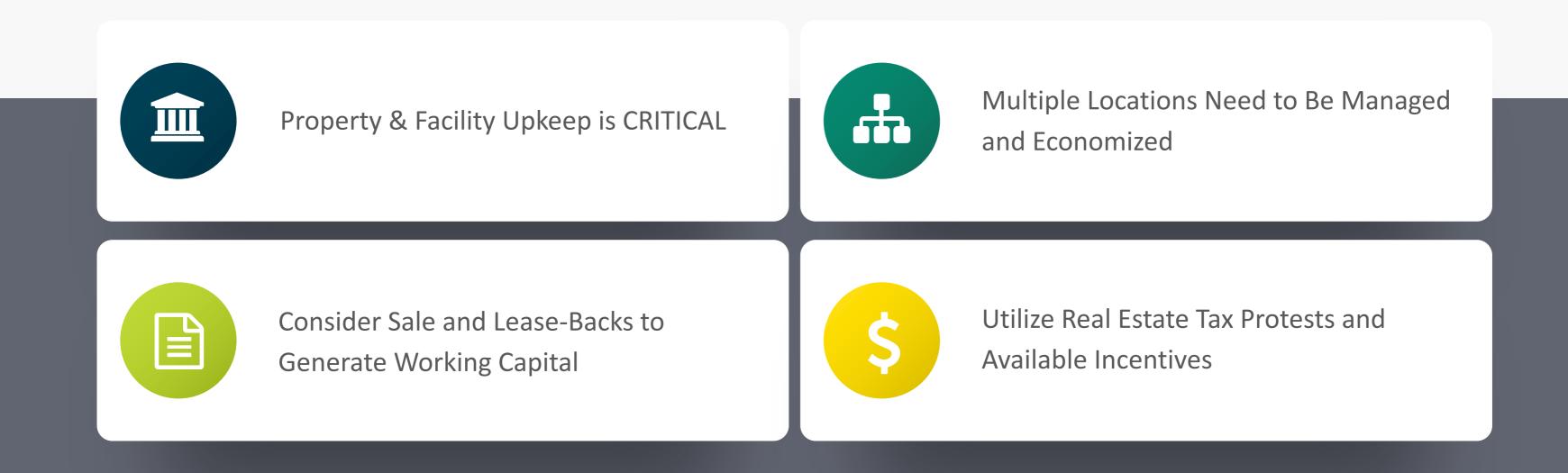
# RETAIL/REGIONAL CENTERS: WELCOME TO MANY NEW FACES!

Adaptive Re-use is the NEW Normal

Infill Sites Will See Increased Redevelopment / New Uses



## What facility considerations/planning should M&A industry specialists take into account when advising their clients:



How the value and marketability of office and industrial buildings and spaces could impact businesses' going concern prospects/values:

- Industrial Properties Will Remain Valuable for YEARS to Come
- Office Properties: Depends on the Location & Sub-Market
- Office & Industrial (& Retail) Leases:

  Use Professional Representation to

  KEEP COSTS LOW!!!!





## To Sell, Lease/Sublease or Keep the Business Real Estate in the Deal - What's Changed OR What MAY Change?



Early in Negotiations, Determine the Property's Estimated Market Valuation: Broker's Opinion of Value v. Market Value **Appraisal** 

High Capital Investments (esp. Manufacturing): Keep the Property OR Sell **AND Lease Back** 

Own v. Lease -Case by Case!

Consider Impact of New Lease **Accounting Rules Going Forward** 

Beware of What The Fed May Change: Capital Gains, 1031's, etc.



## THANK YOU



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