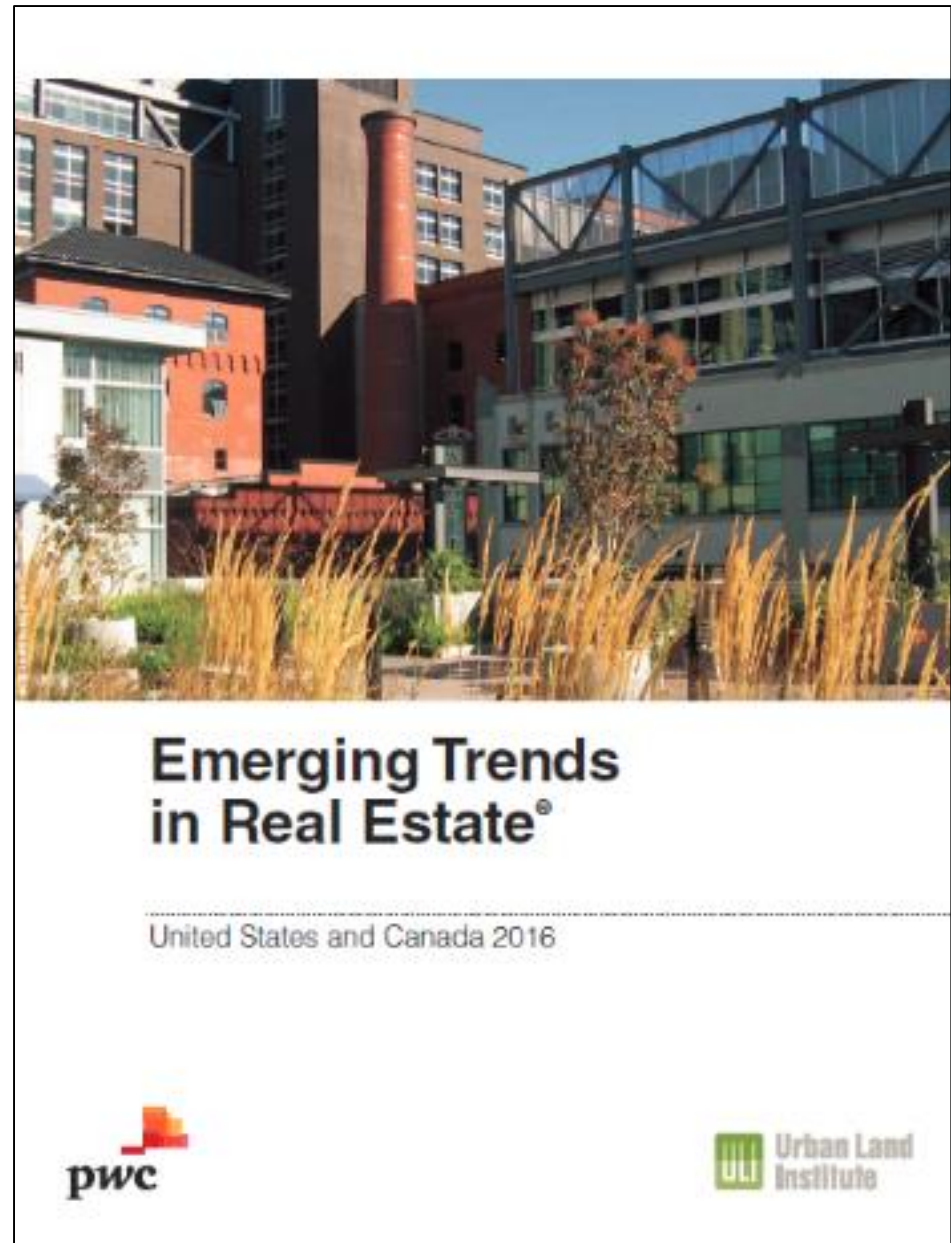


Emerging Trends in Real Estate 2016

uli.org/et16

Coordinating Offense
and
Defense in 2016



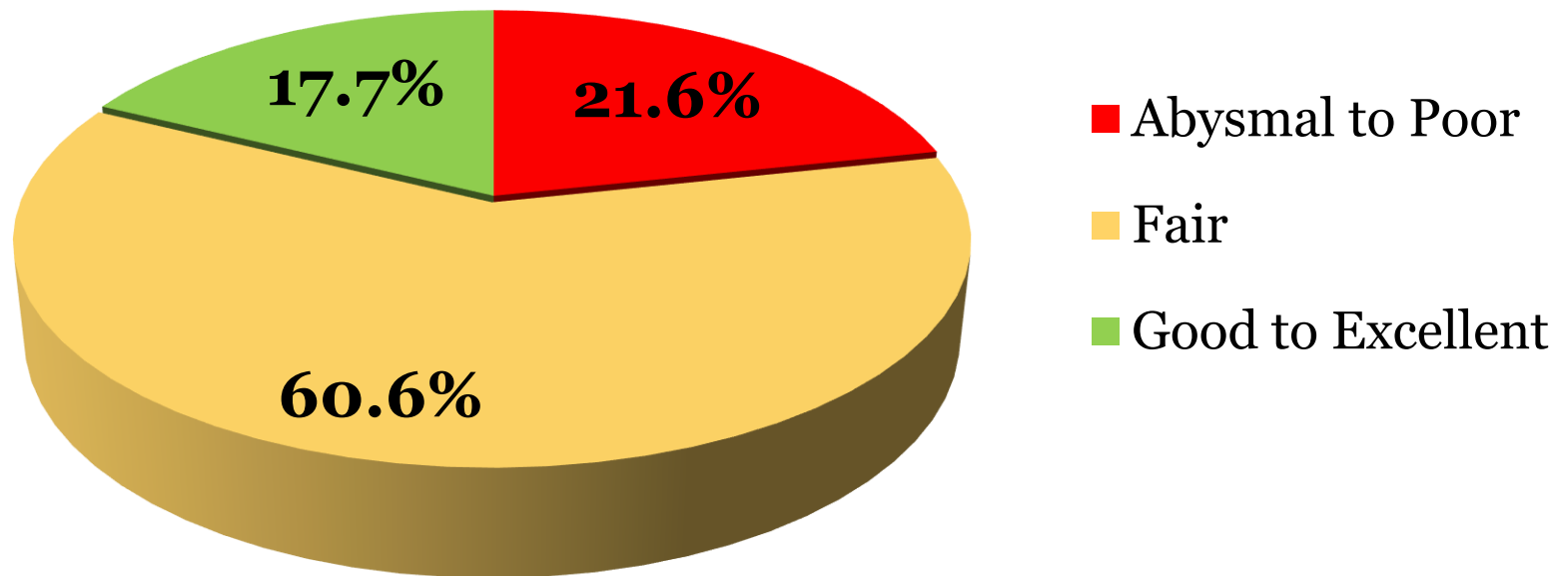
- PwC – ULI
- Outlook on Trends
- 37th edition
- 404/1,465
- Who?
- A record total
- ULI Triangle–Thank You!



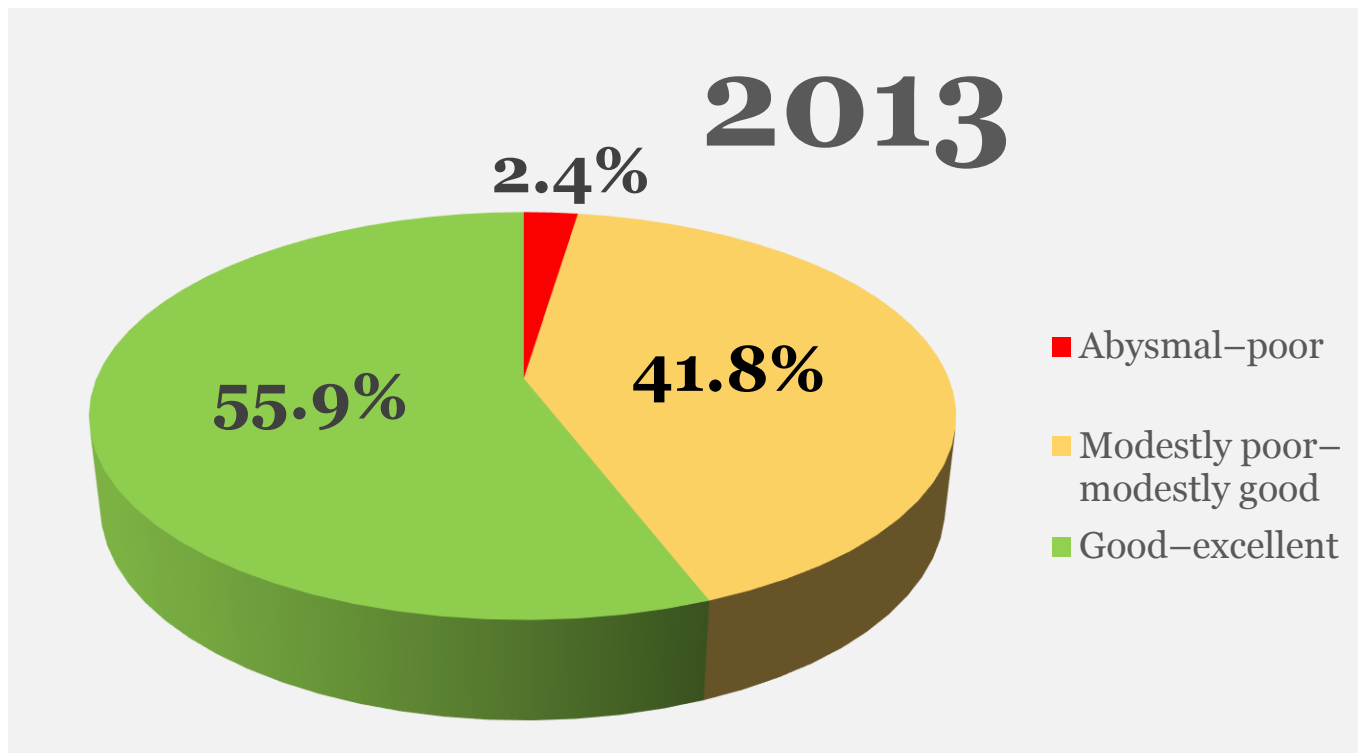


Profitability outlook

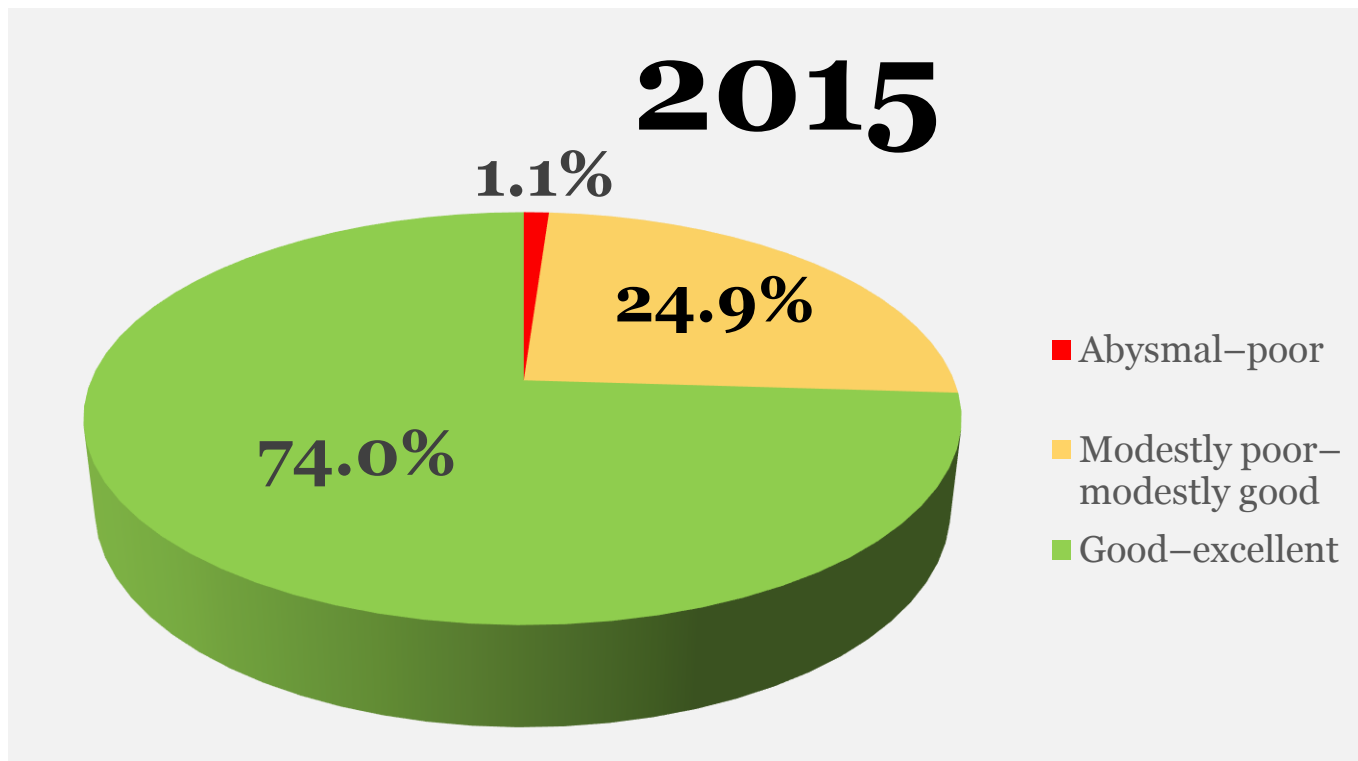
2010



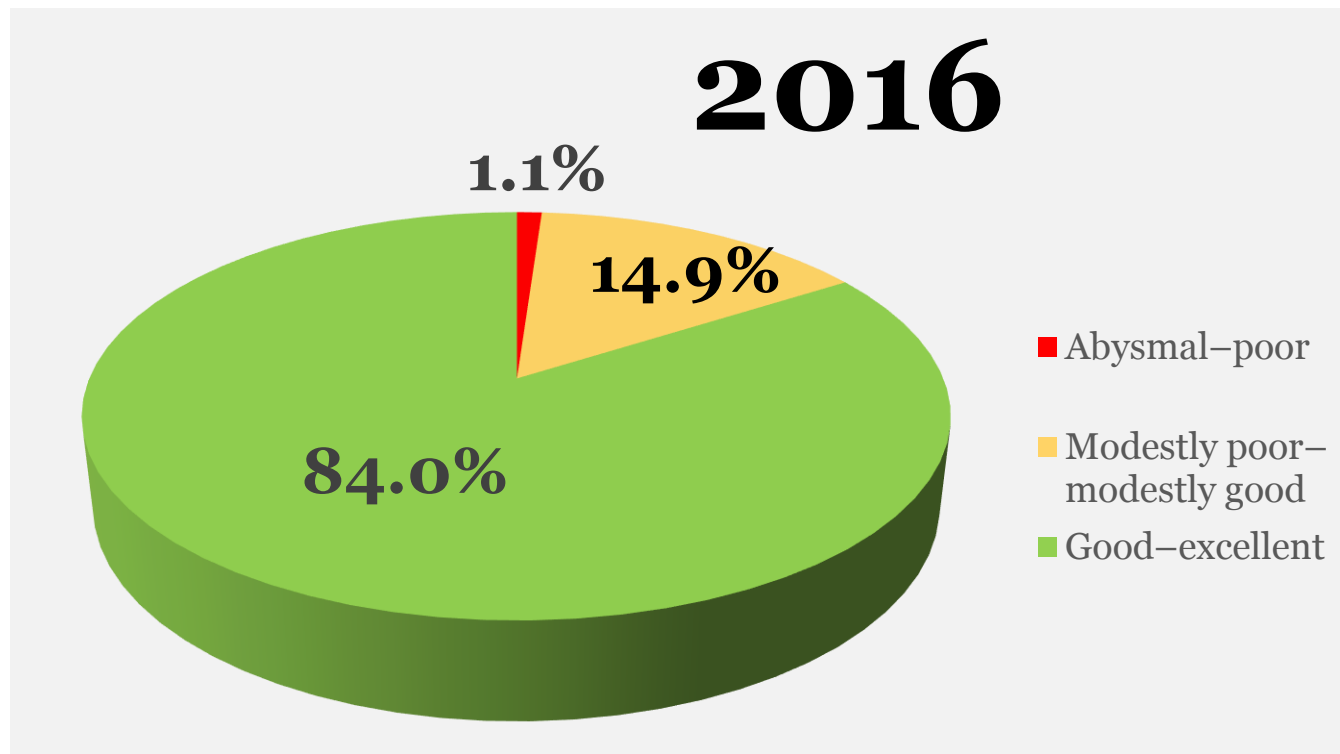
Profitability outlook improving



Profitability outlook still improving



Profitability outlook still improving

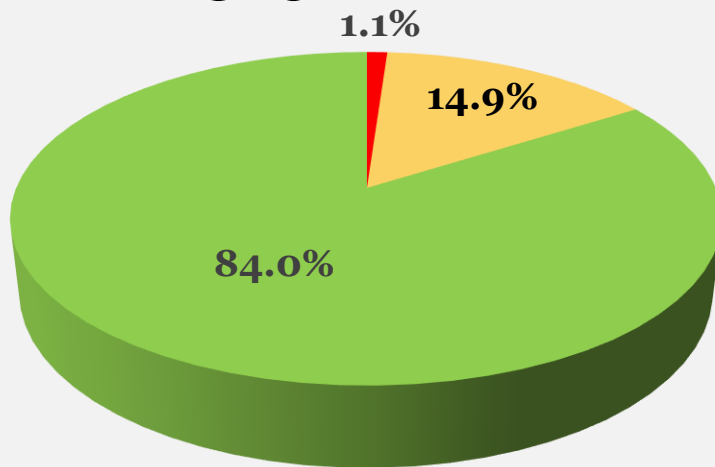


Look what we found

*Expectations
are high*

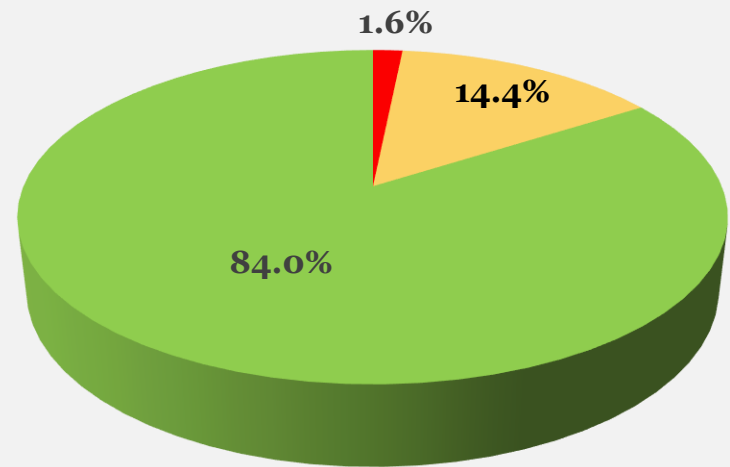


2016



- Abysmal-poor
- Modestly poor-modestly good
- Good-excellent

????

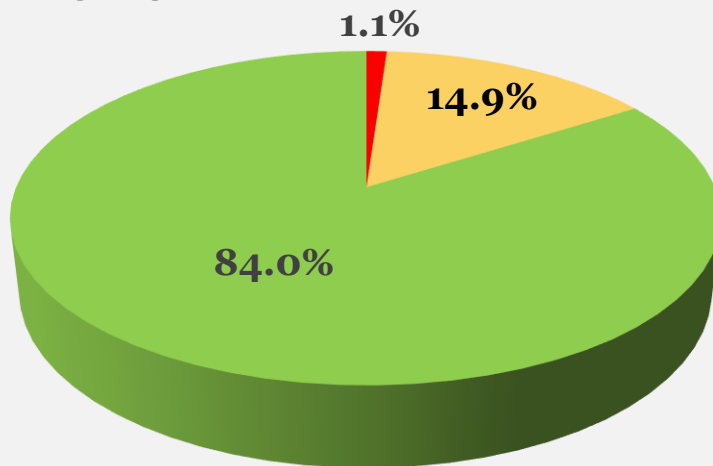


- Abysmal-poor
- Modestly poor-modestly good
- Good-excellent

Deja Vu all over again?

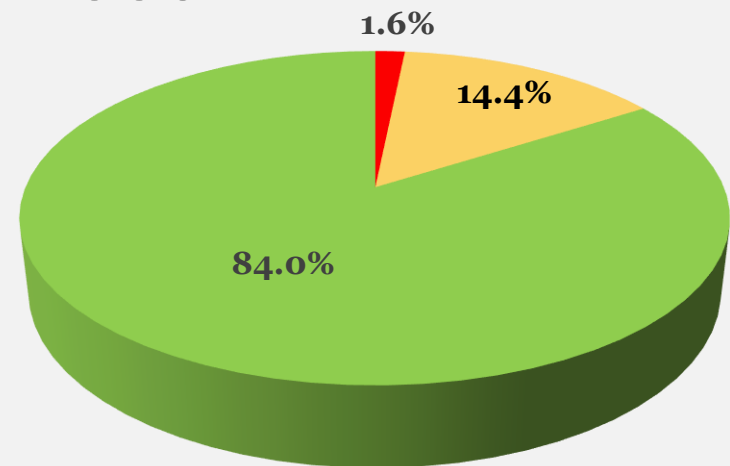
*Expectations
are high*

2016



- Abysmal-poor
- Modestly poor-modestly good
- Good-excellent

2006



- Abysmal-poor
- Modestly poor-modestly good
- Good-excellent

2016 Emerging Trends



18-Hour cities 2.0



Next stop: The suburbs



***Office: A Barometer
of Change***

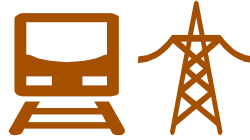


***A housing option
for everyone***



***Parking for
change***

2016 Emerging Trends



***Infrastructure:
Network it! Brand it!***



***Food is getting
bigger and closer***



***Consolidation breeds
specialization***



***We raised the capital,
now what do we do
with it?***



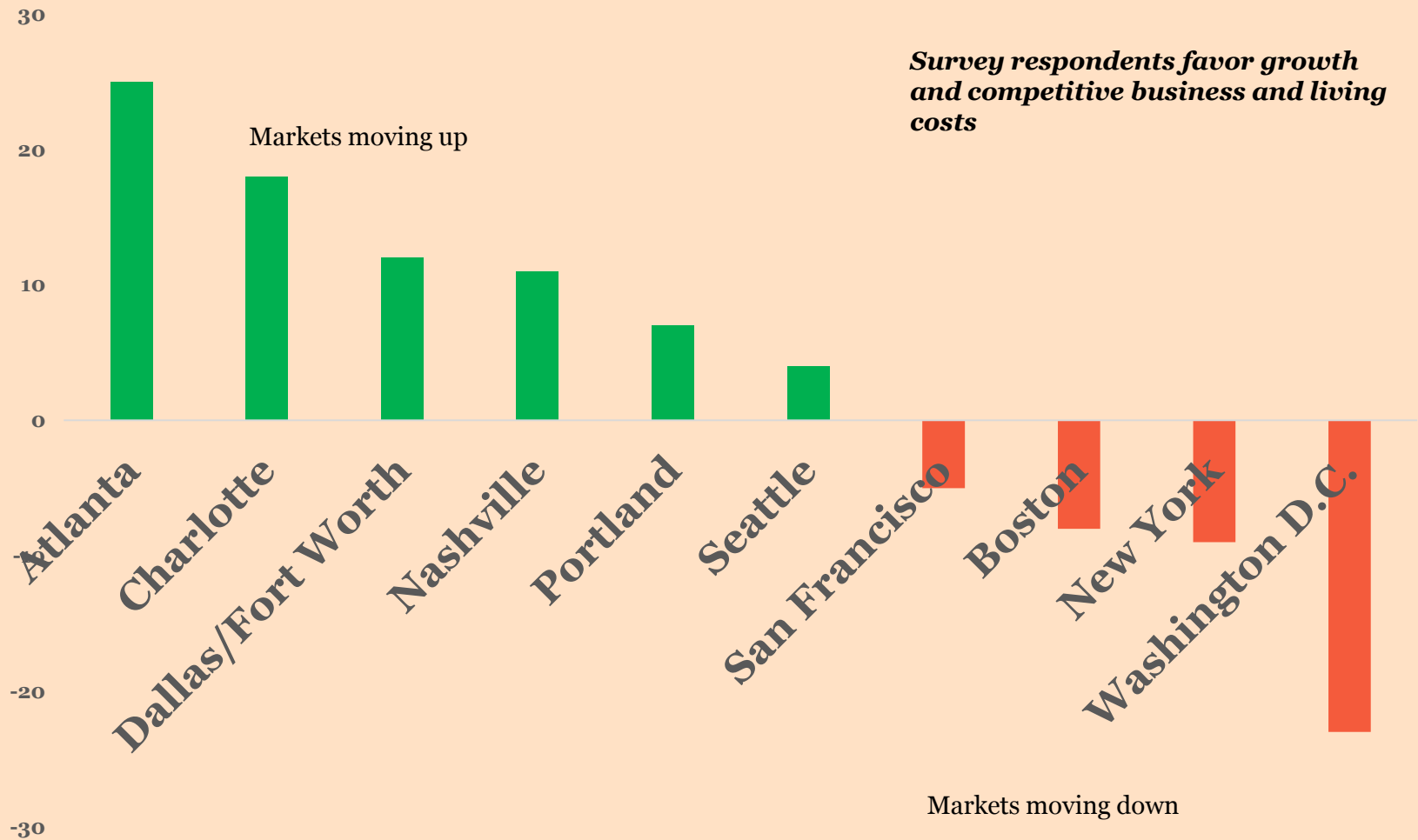
***The return of the
human touch***

18-Hour Cities 2.0

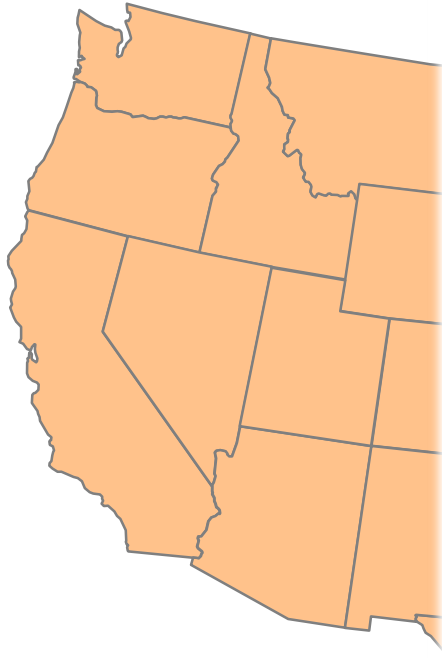




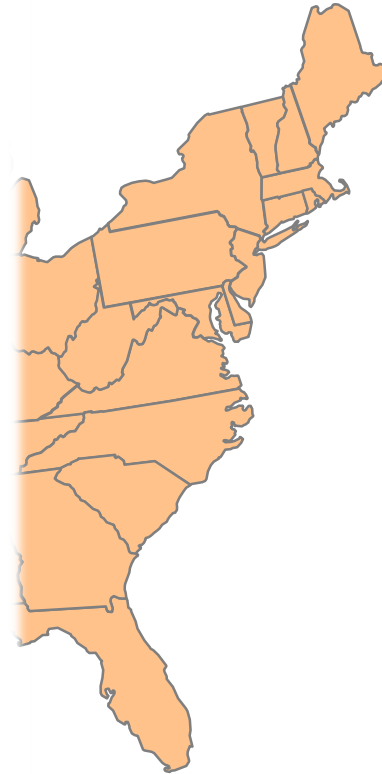
Emerging Trends outlook ranking change 2010 - 2016



Top ten markets in 2013?



San Francisco
New York City
San Jose
Austin
Houston
Boston
Washington D.C.
Dallas/Fort Worth
Orange County



Top ten markets in 2016?



Dallas/Fort Worth ▲

Austin

Charlotte ▲

Seattle ▲

Atlanta

Denver ▼

Nashville

San Francisco ▼

Portland

Los Angeles ▼

Raleigh/Durham ▼

Out of the top 10 in 2016?

Washington D.C. (24)

New York City (15)

Orange County (14)

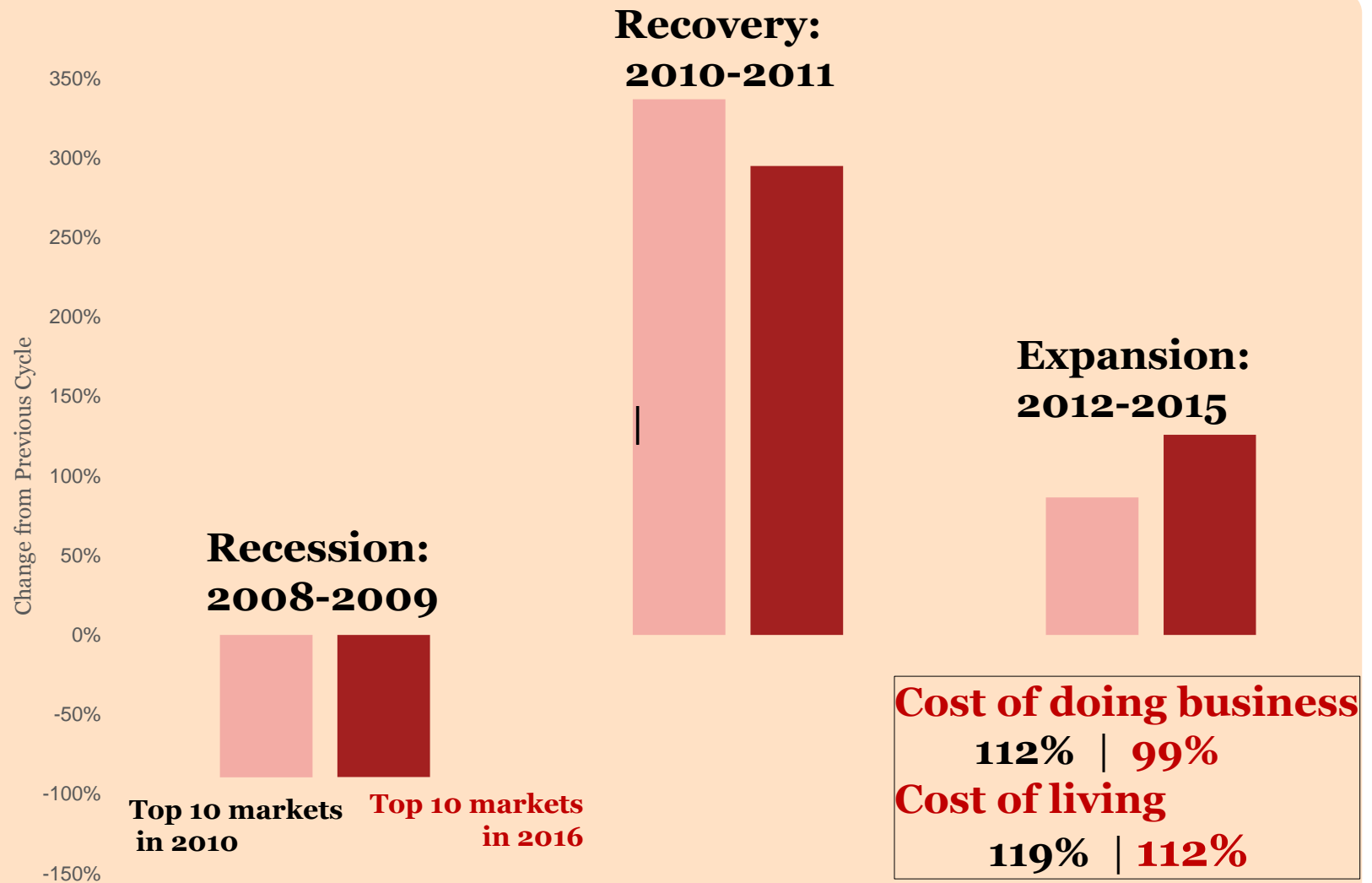
Miami (19)

Houston (30)

Boston (13)

Raleigh/Durham (11)

Transaction Volume in Top 10 Markets 2010 v 2016



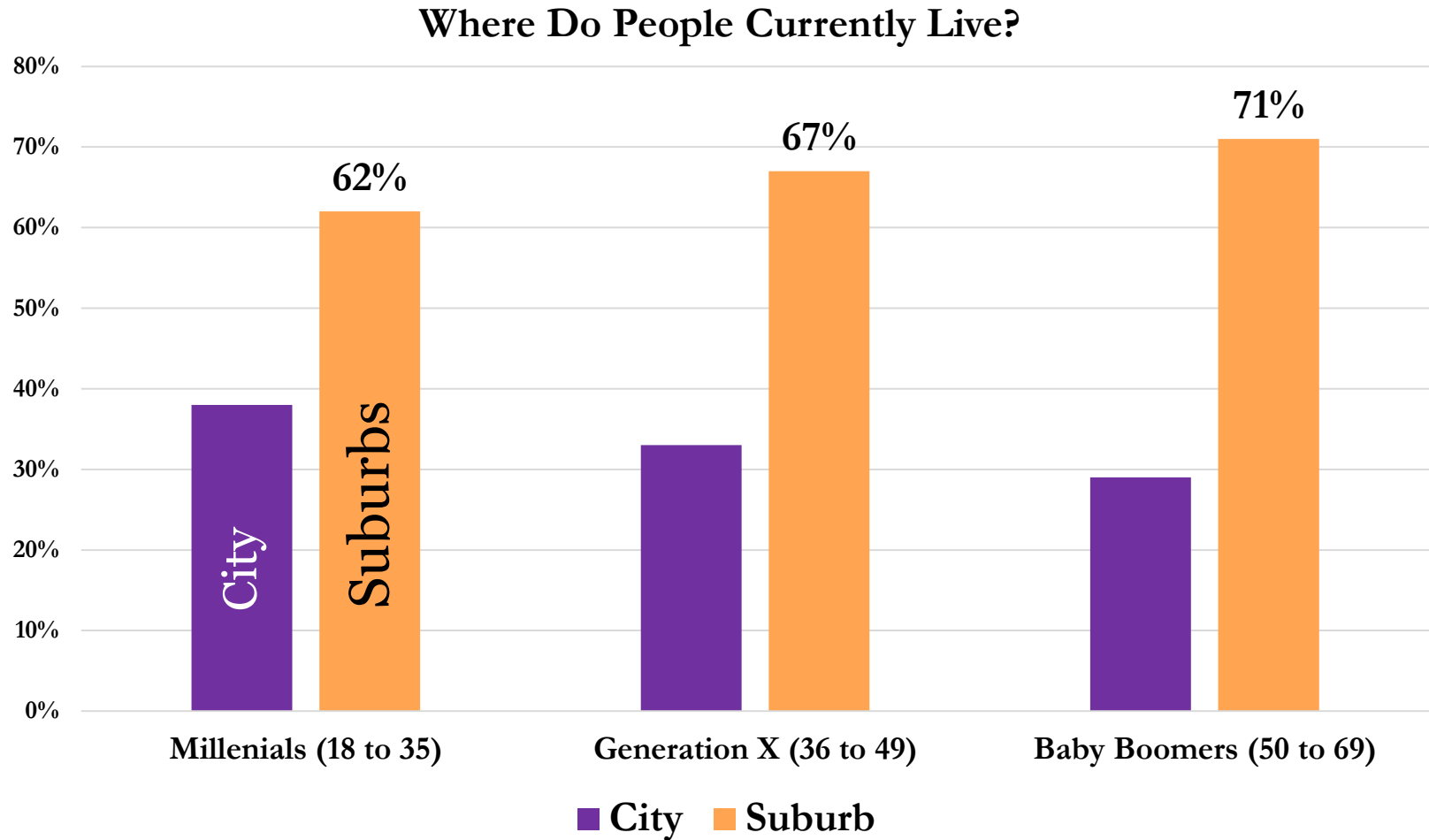
Next stop: The suburbs...



Generations are on the move, with millennials the most footloose

Next stop: The suburbs....

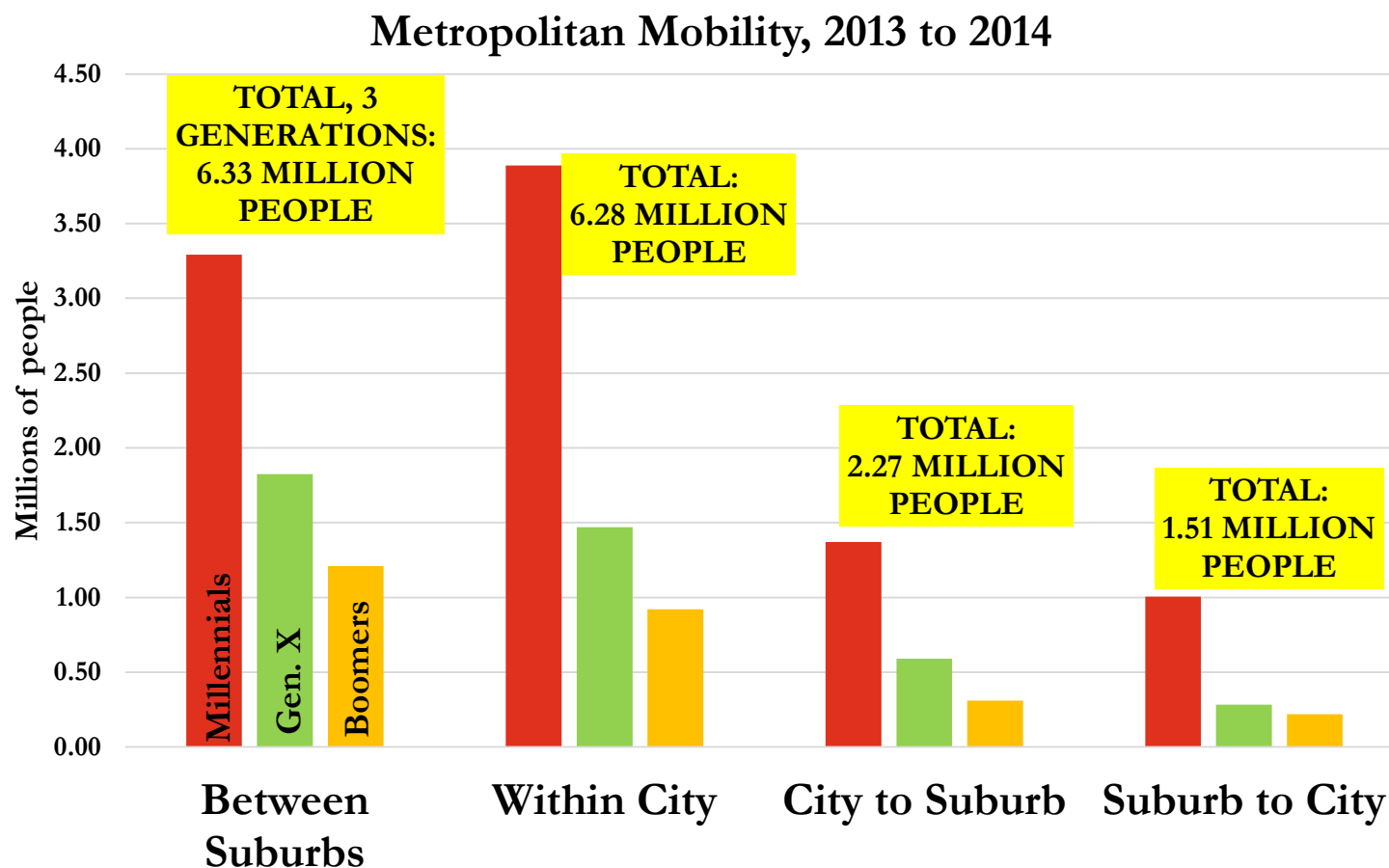
Where do people currently live?





Next stop: The suburbs....

Metropolitan mobility by location

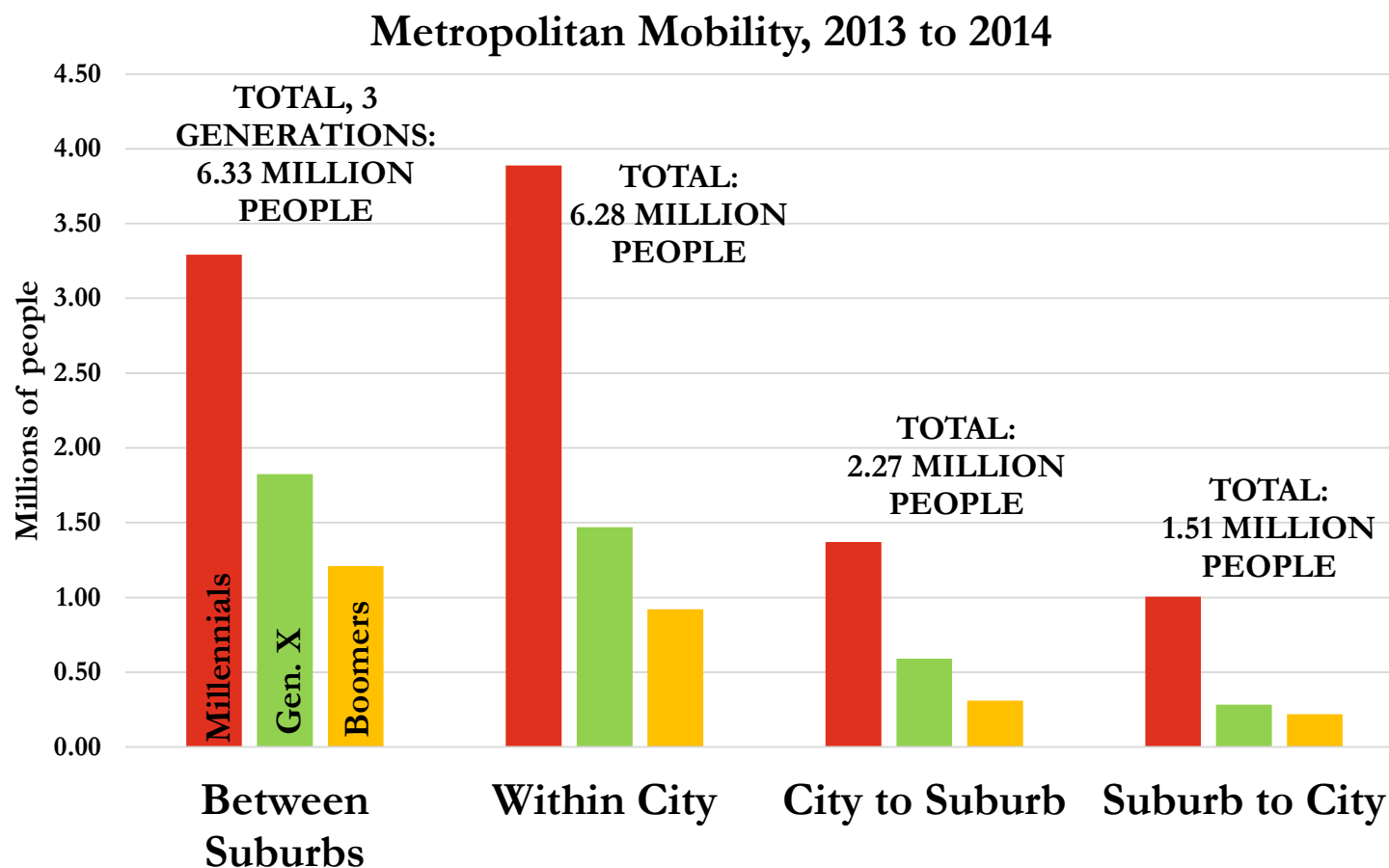


Source: U.S. Census Bureau



Next stop: The suburbs....

Metropolitan mobility by generation



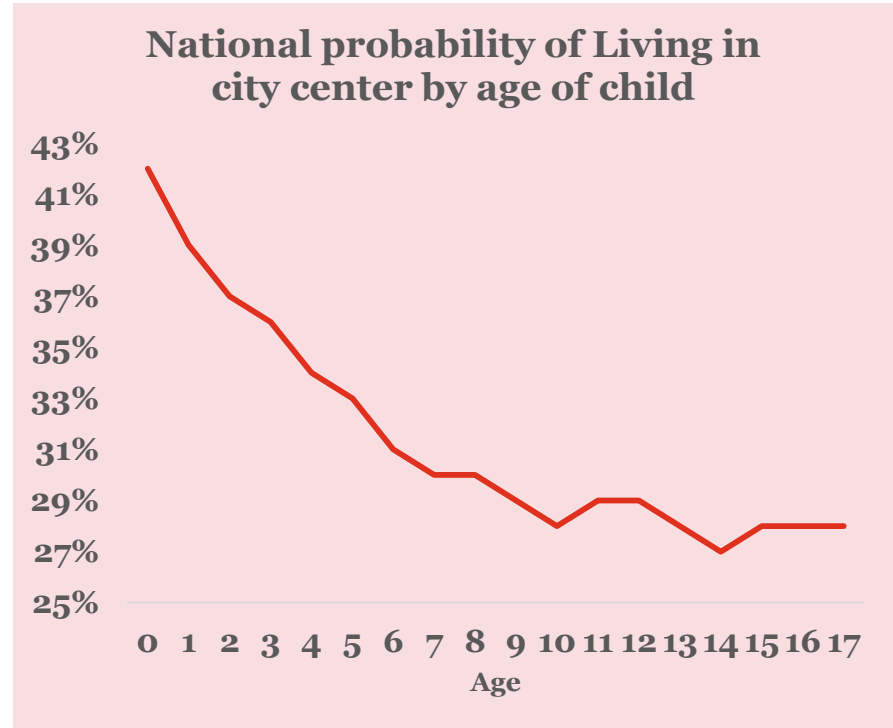
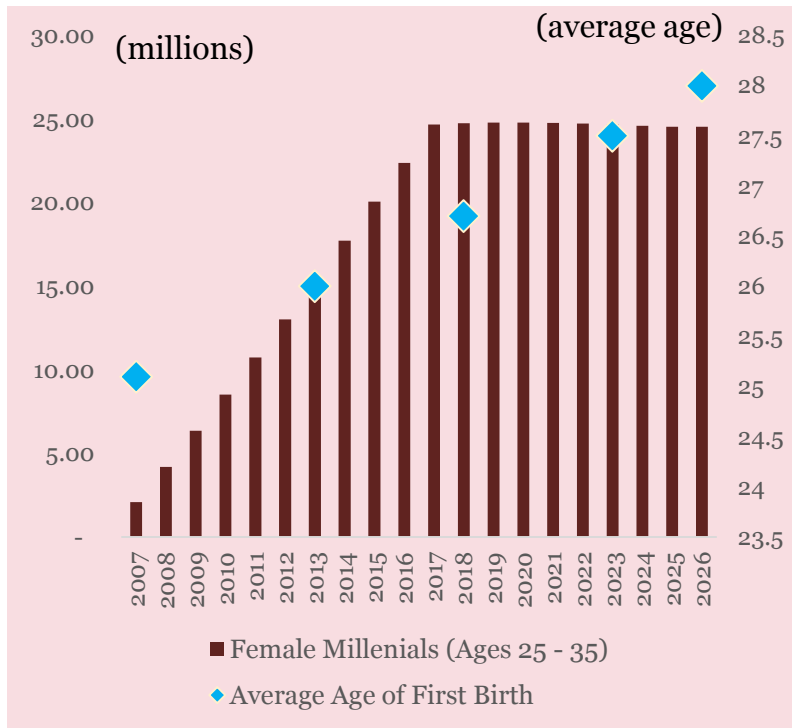
Source: U.S. Census Bureau



Next stop: The suburbs....

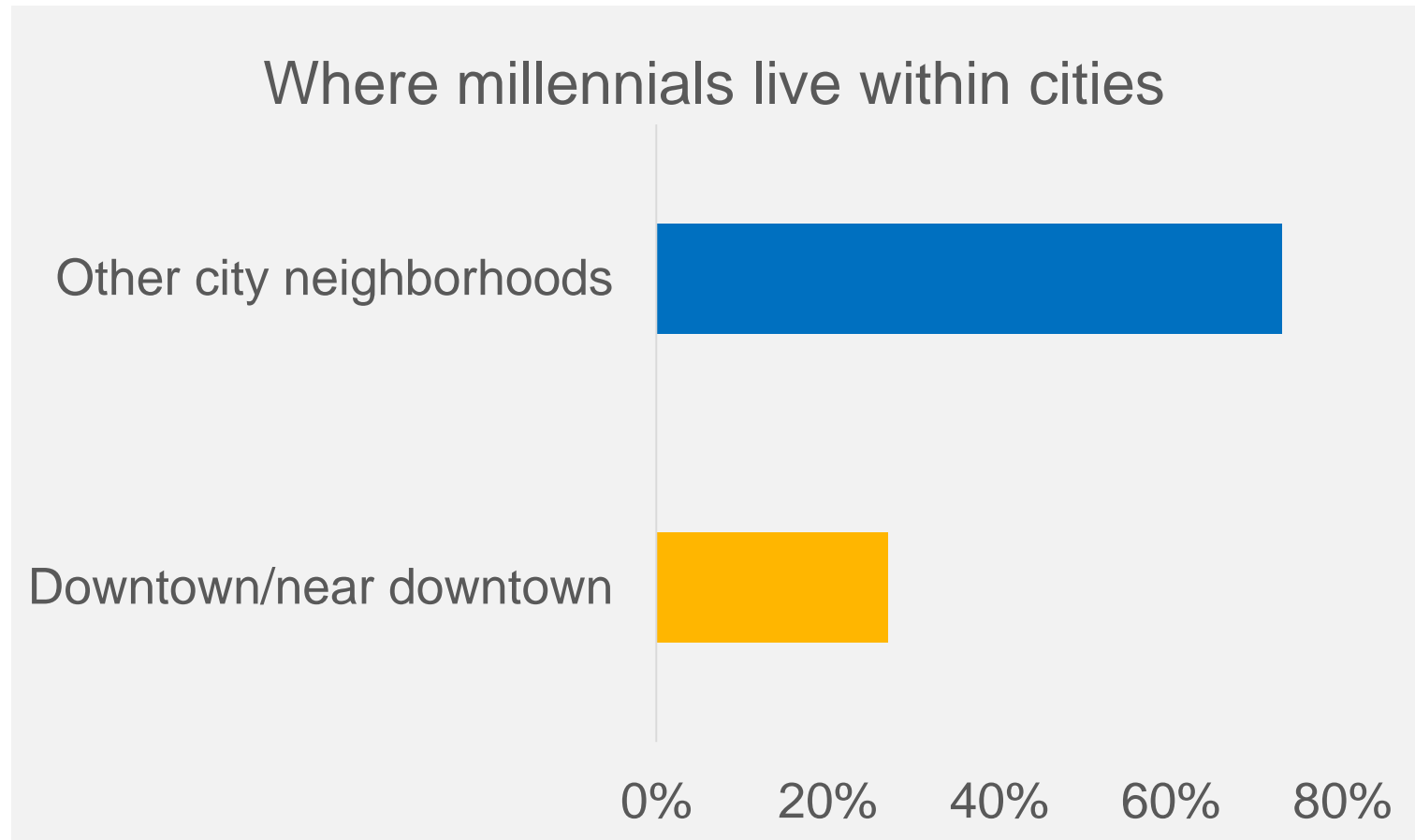
It may be all about the kids!

It may be all about the kids!





Next stop: The suburbs.... Millennials within cities.



Offices: A Barometer of Change



2000

2010

2020 ?



253 sf per worker



225 sf per worker

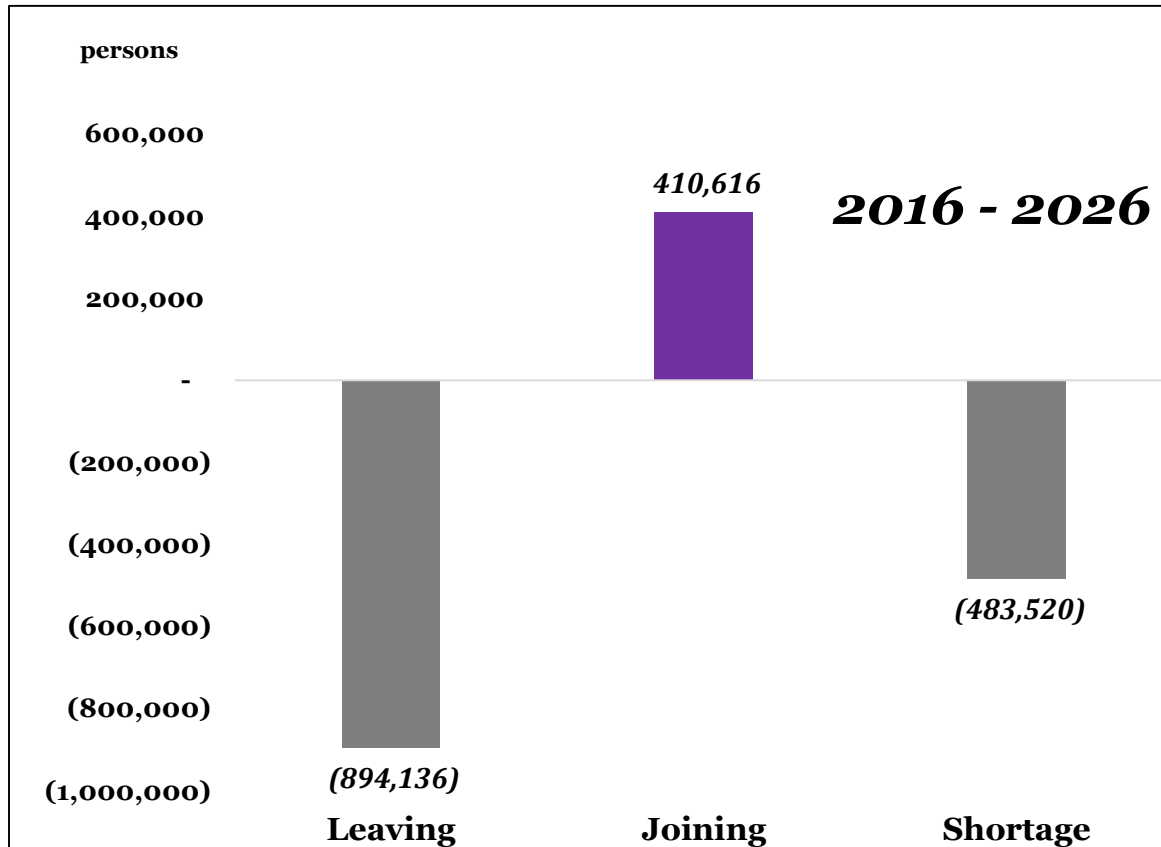


138 sf per worker

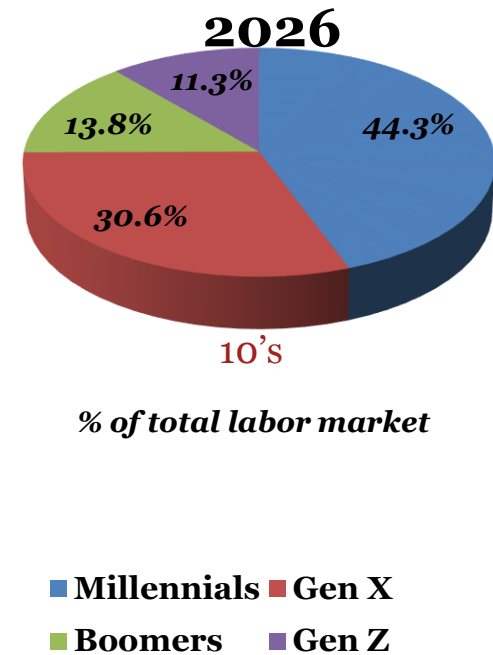
Number of workers per 1,000 sf

Offices: A Barometer of Change

10-year labor force poses the question...

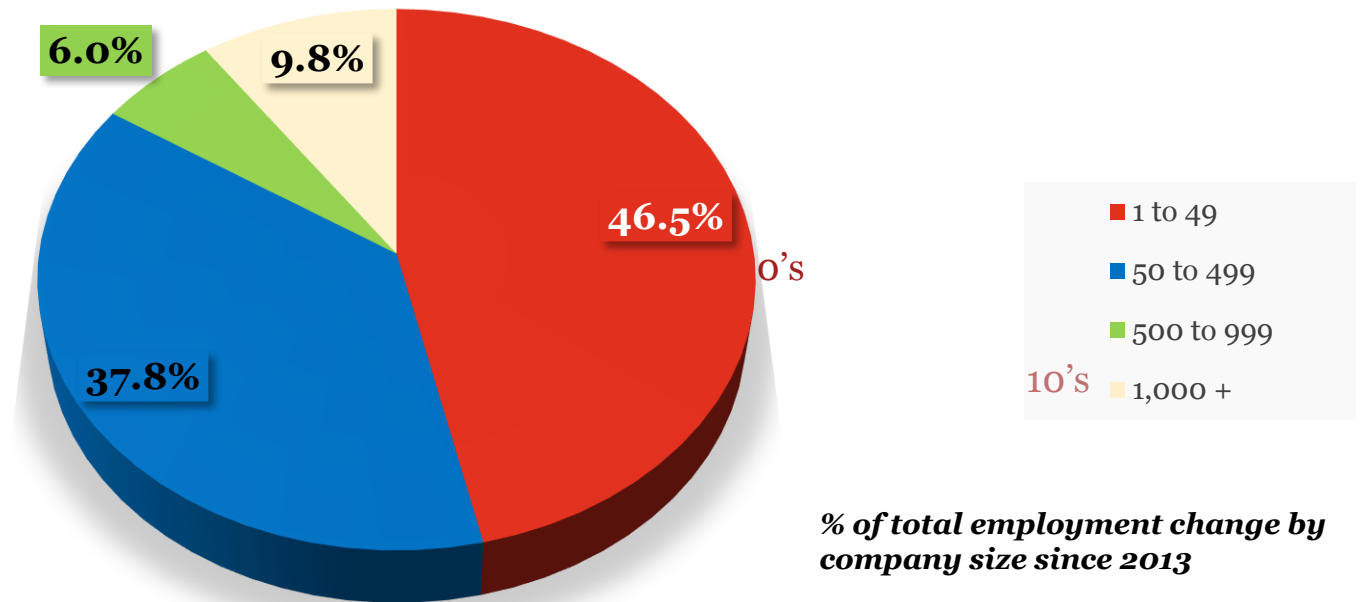


...Who is in charge?



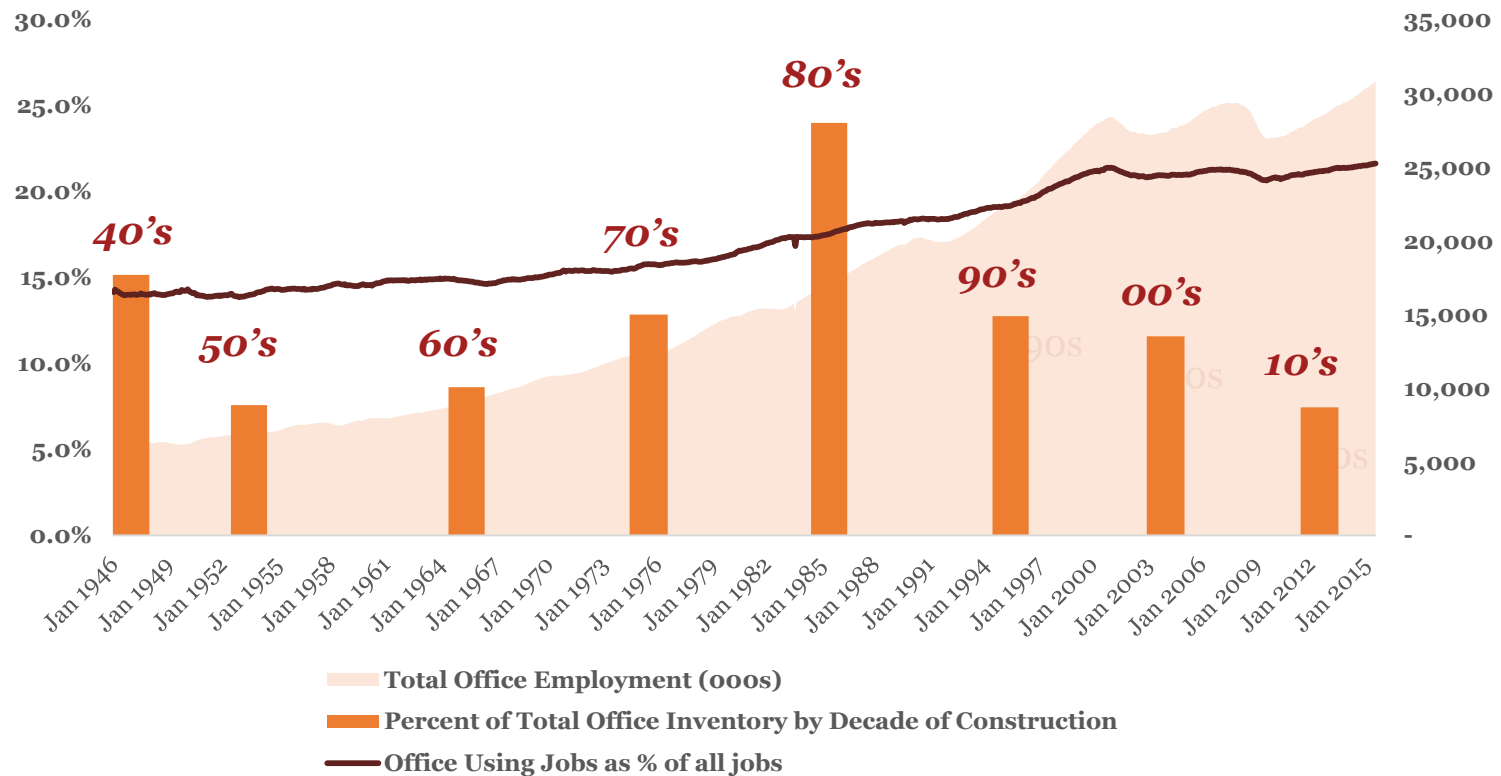
Offices: A Barometer of Change

Small business, big impact





Offices: A Barometer of Change



A Housing Option for Everyone

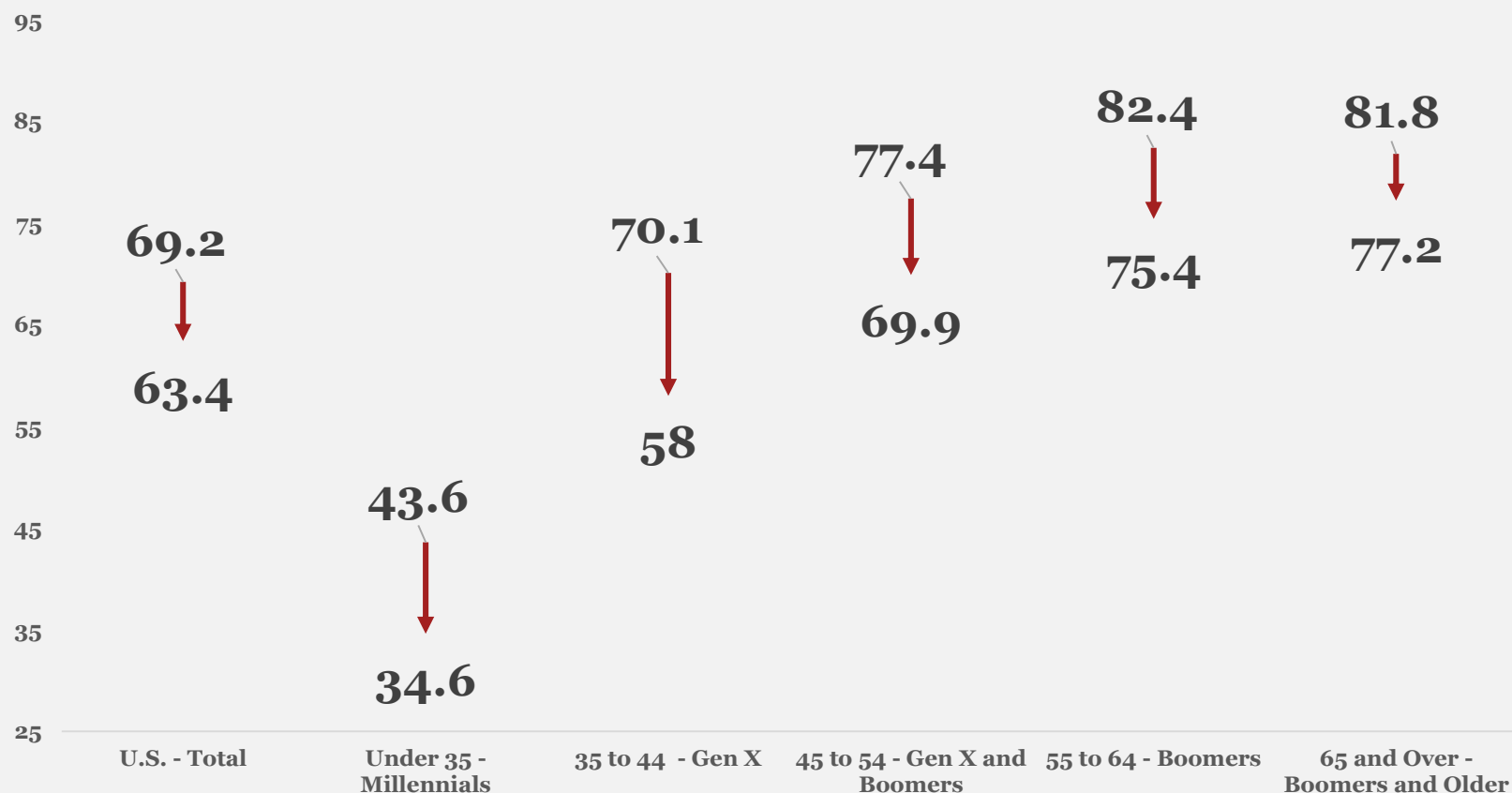


Can you rent the American dream?



A Housing Option for Everyone

Decline in Home Ownership % by Generation





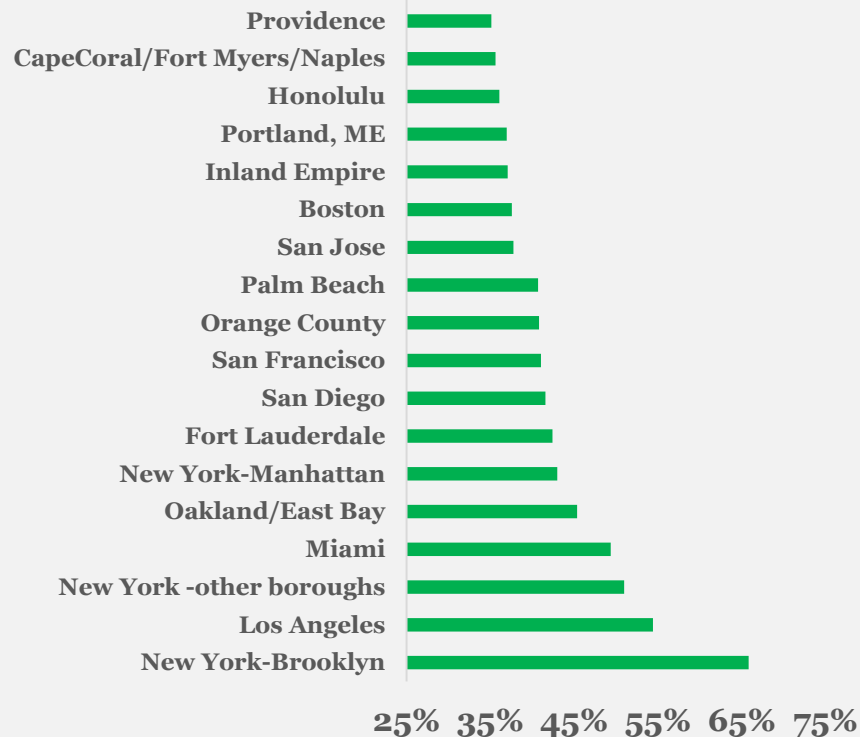
A Housing Option for Everyone

Rent and Income

Average Rent as % of Median Income

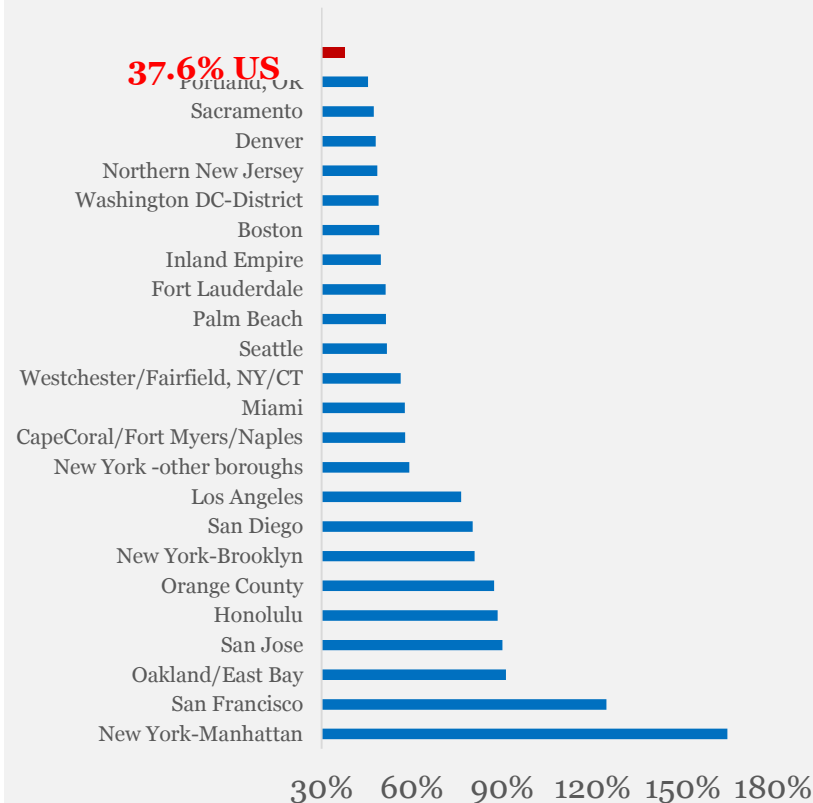
27.6 % Raleigh/Durham

31.4% US

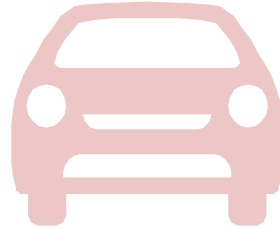


Own as % of Median Income

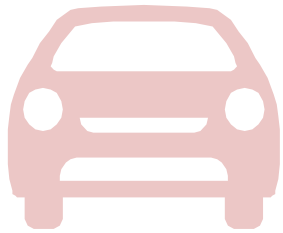
37.6% US



Parking for Change

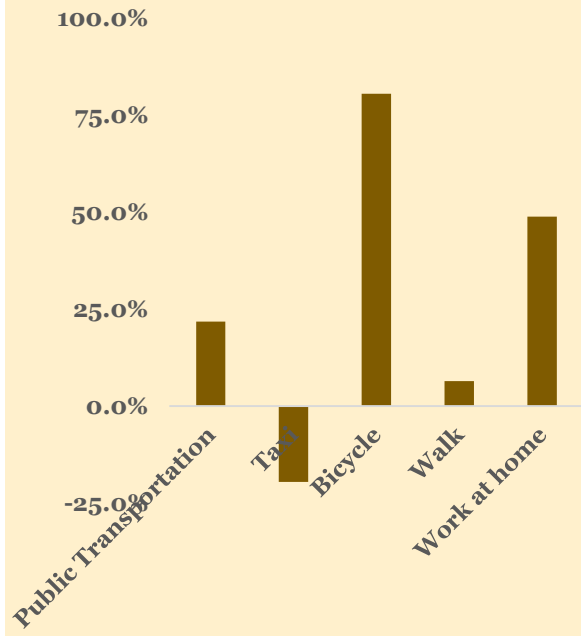


***Parking was once a must-have....
....building owners will now have options***

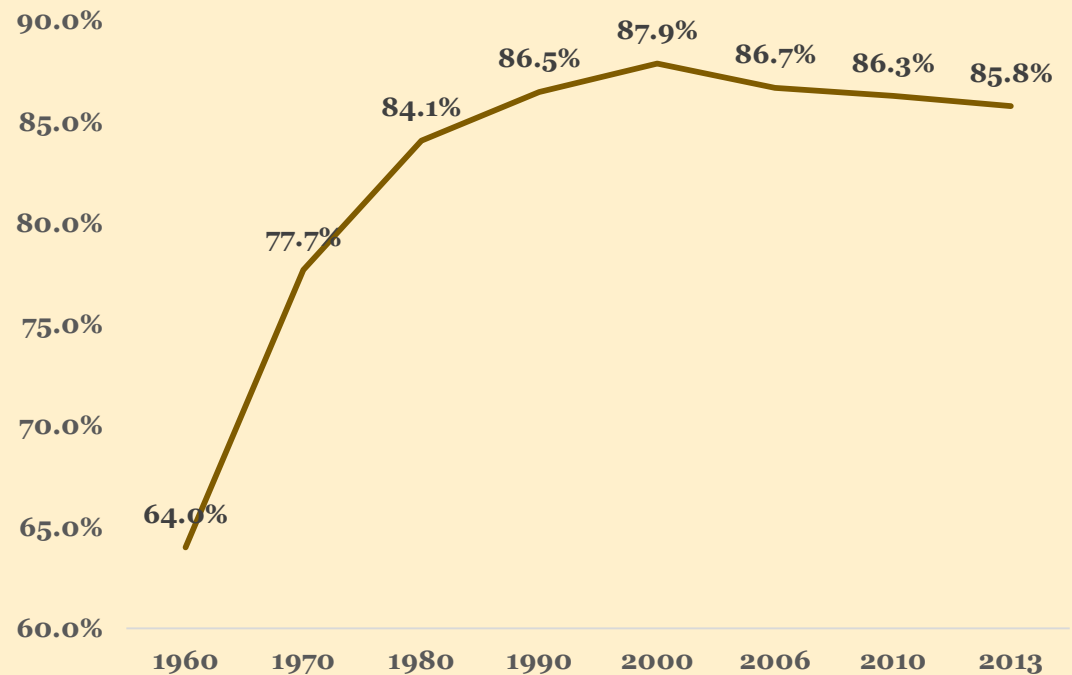


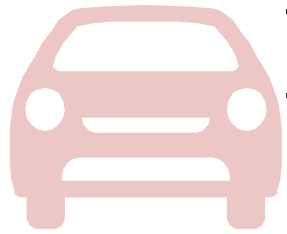
Parking for Change

Parking- free commuting (change 2000 to 2013)



Percent of Drivers Commuting by Automobile





Delaying Licensure

Top Reasons for not getting a drivers license:

- Only 44% obtained a driver's license within 12 months of the minimum age
- Only 72% obtained a license before turning 18

1. Not having a car ✓
2. Ability to get around without driving ✓
3. The cost of gasoline
4. Driving was too expensive
5. “Just didn’t get around to it”



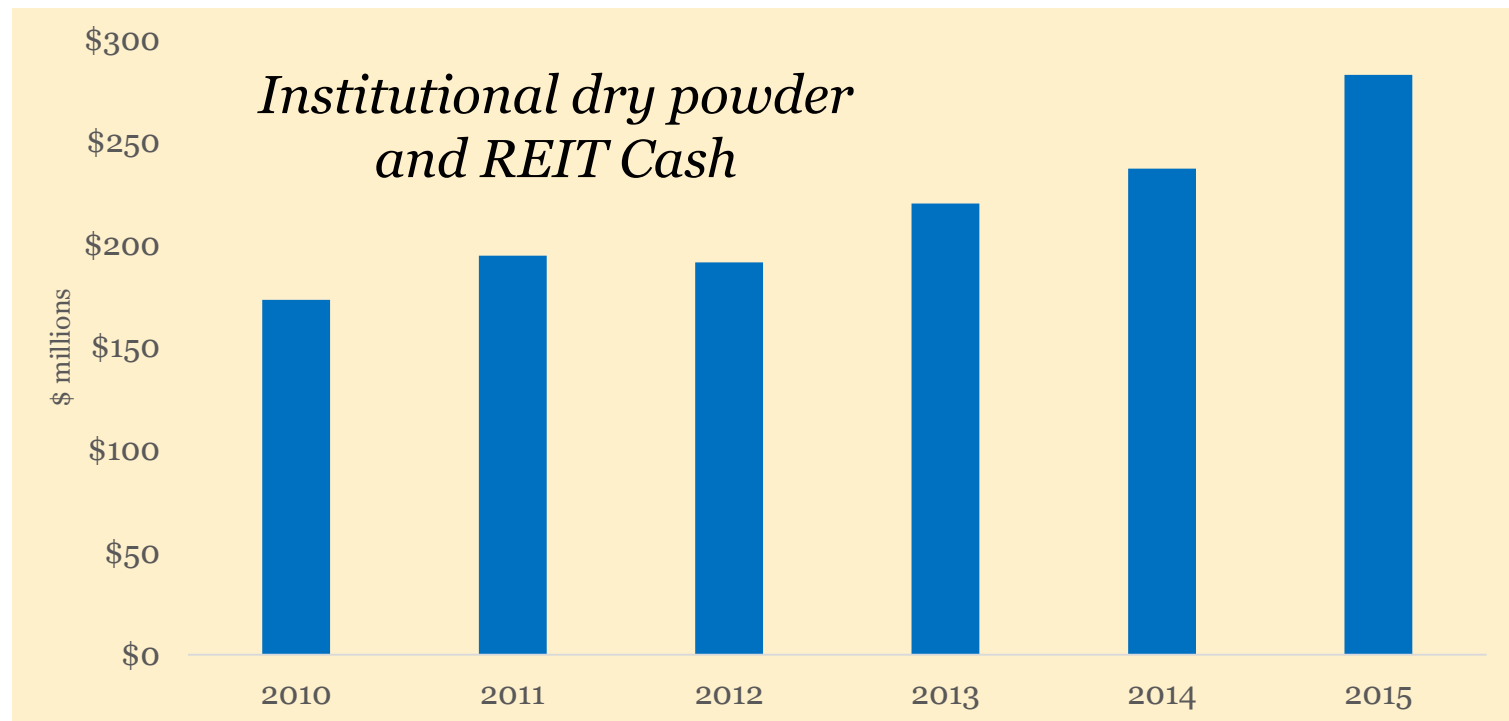
***We raised the capital,
now what do we do with it?***





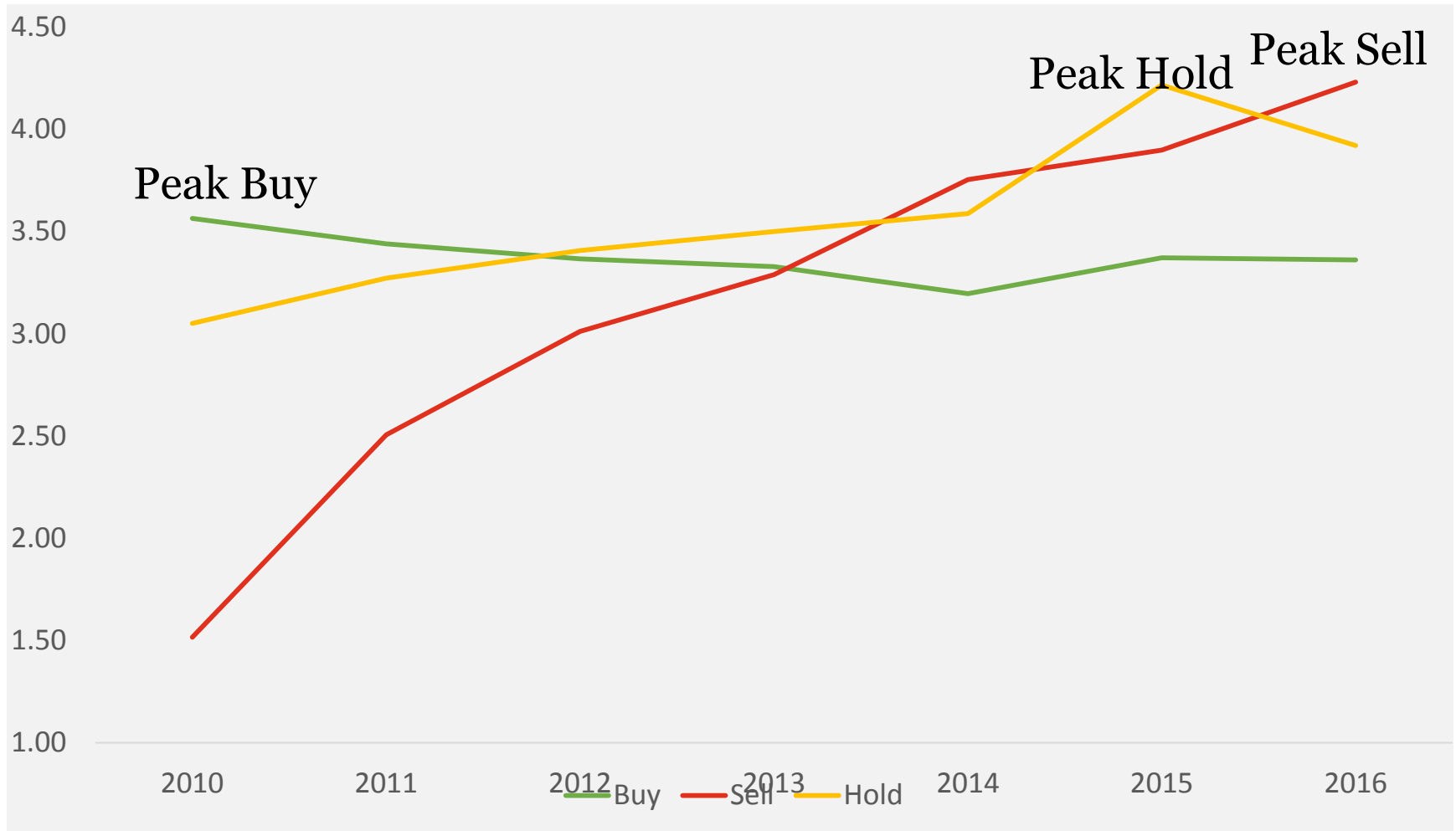
We raised the capital ...

Dry Powder





Emerging Trends Barometer: Buy? Hold? Sell?



And a few other Issues....

Interest rates

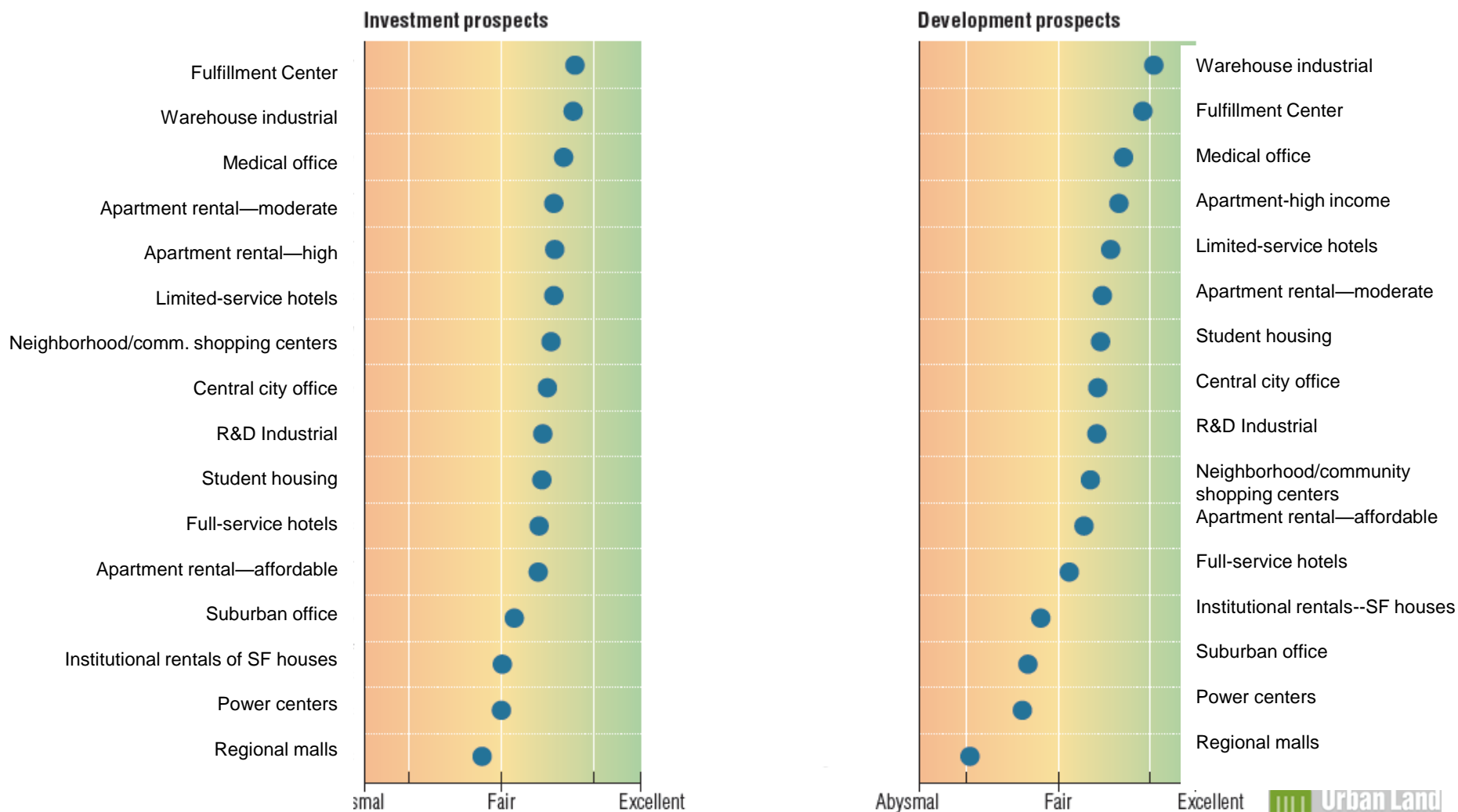
Water

Gen X

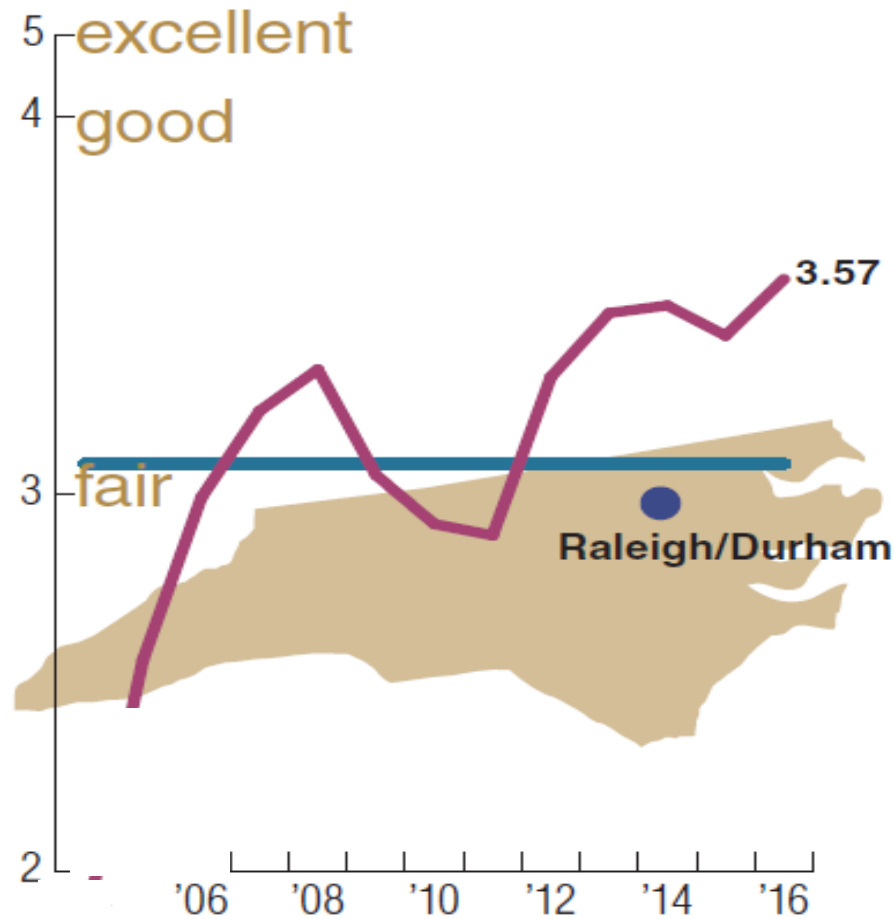
The Fair Housing Act and the affordability crisis

Good jobs and income mobility

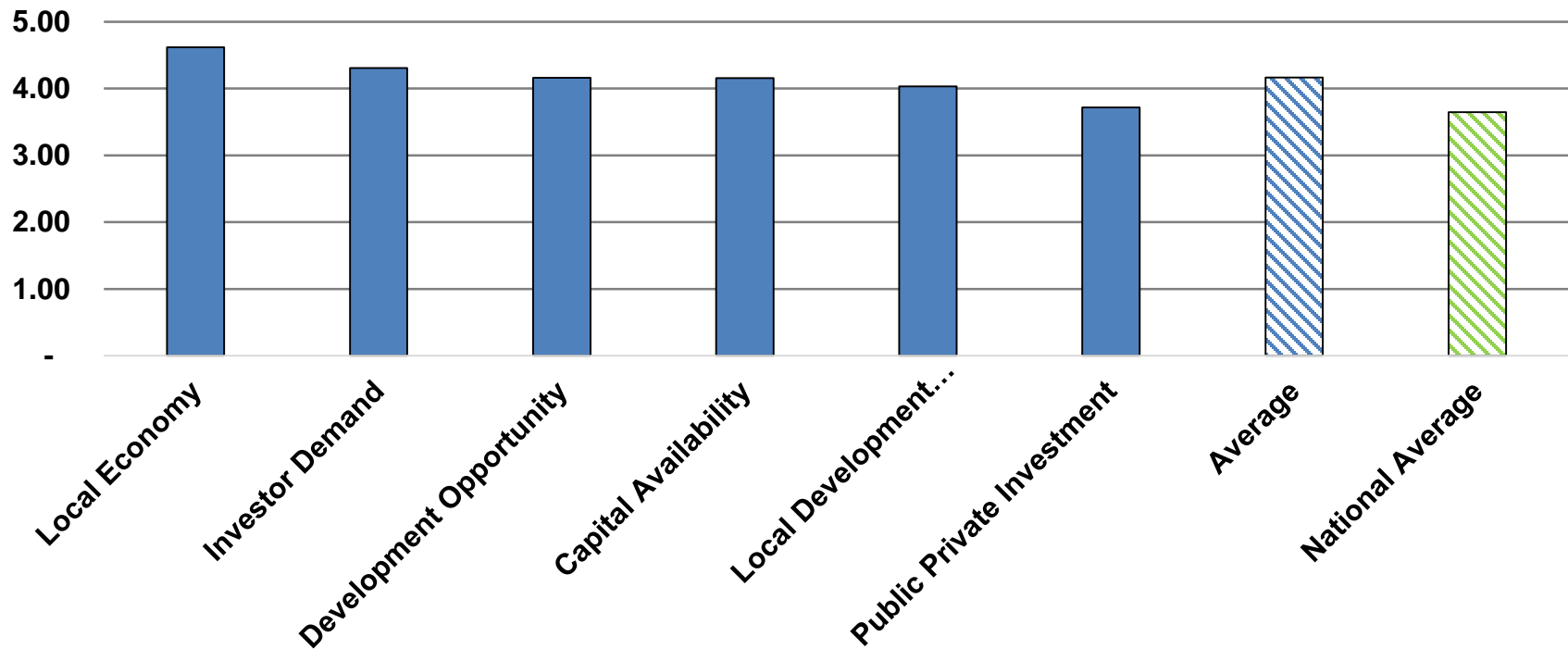
Prospects for Commercial/Multifamily Subsectors in 2016



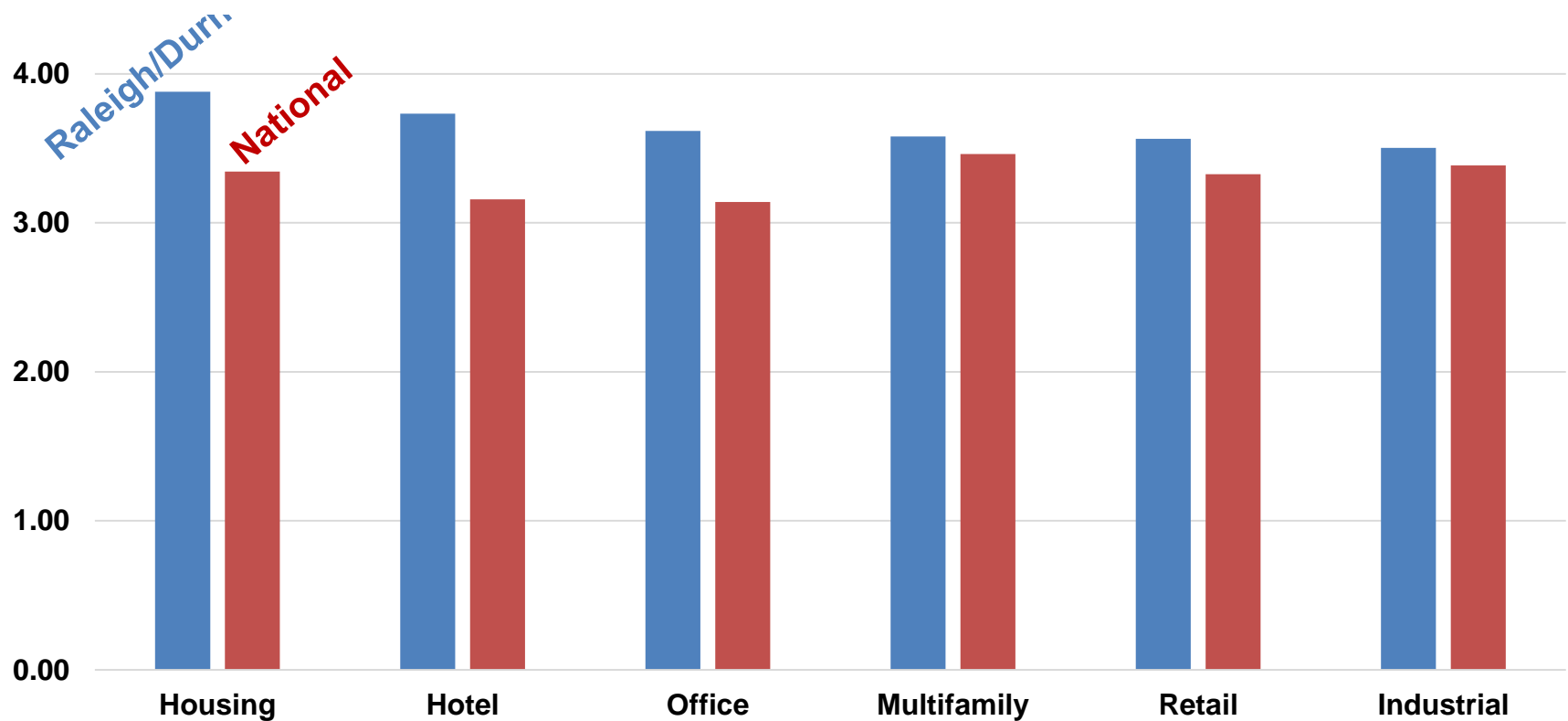
Raleigh/Durham Investment Prospects



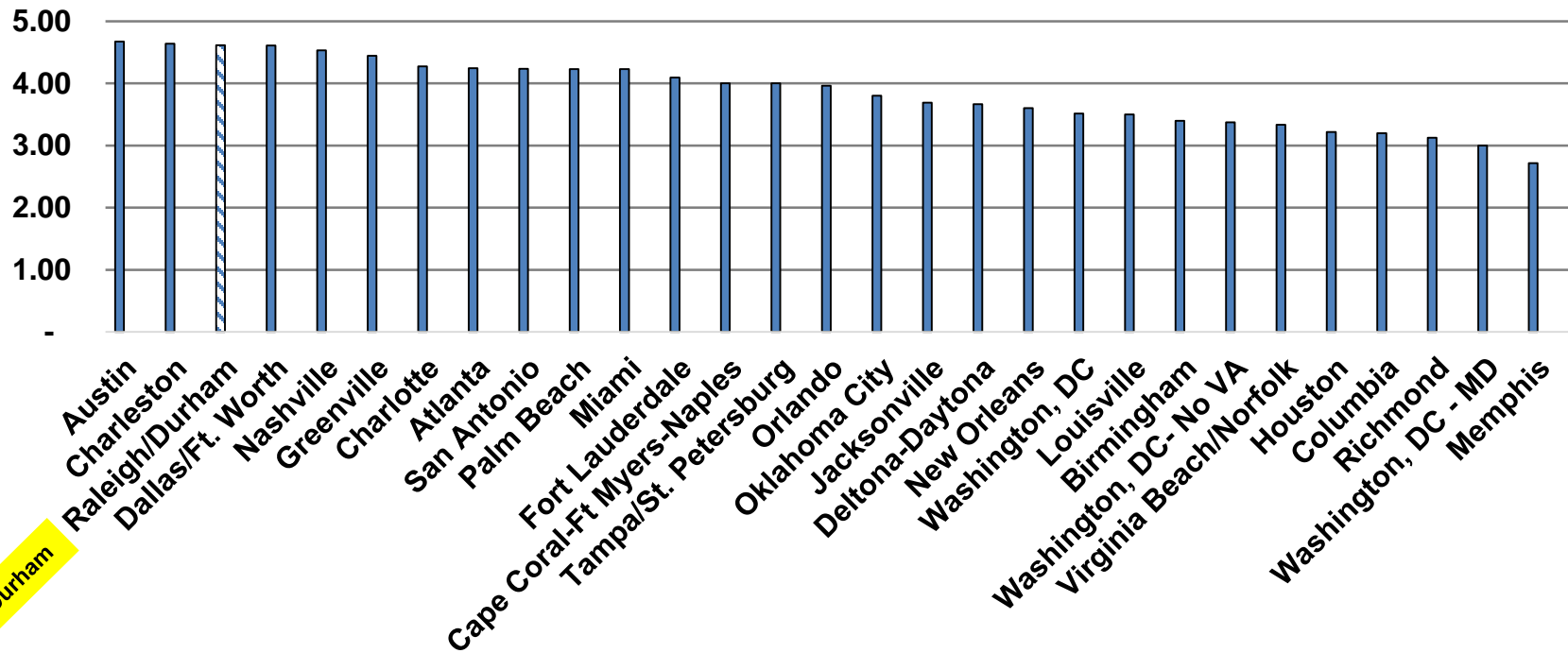
2016 Local Outlook: Raleigh/Durham



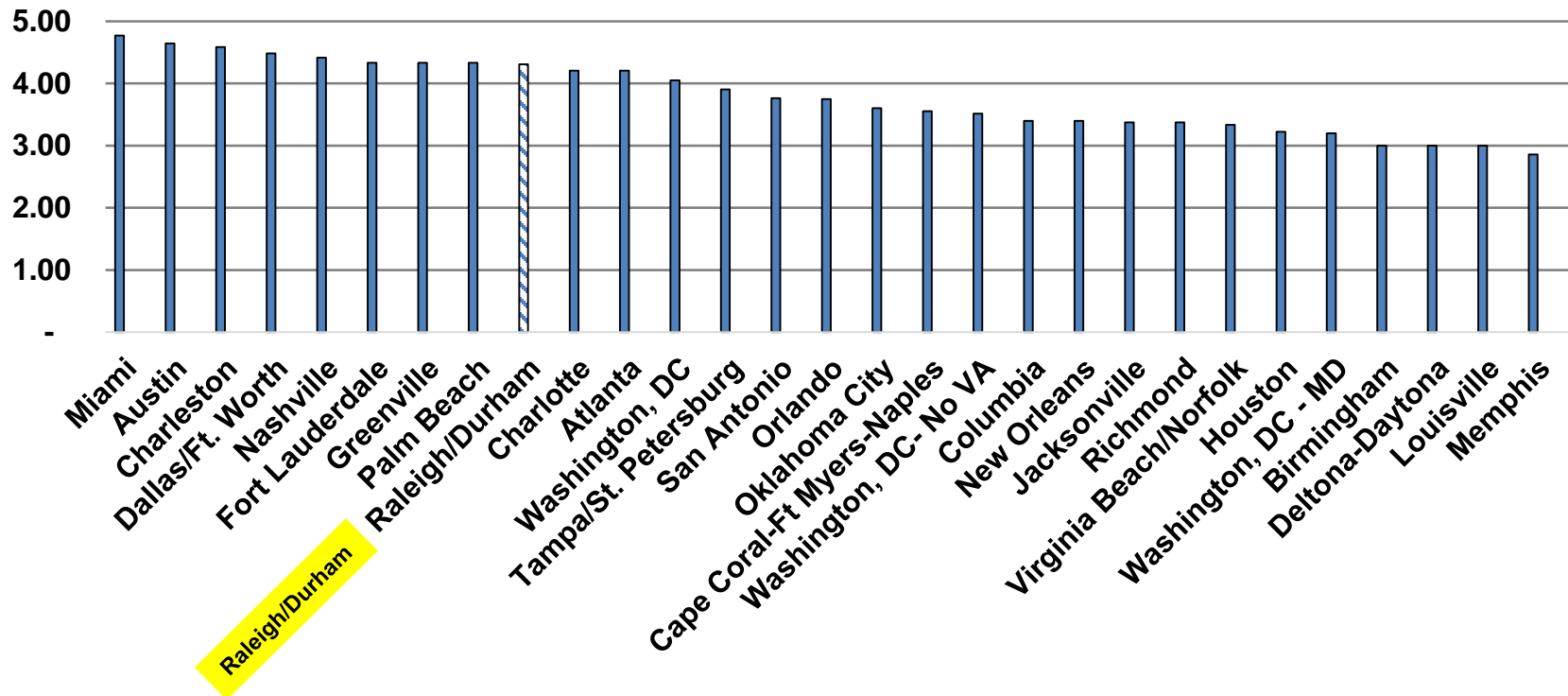
2016 Sector Outlook: Raleigh/Durham



2016 South: Local Economy

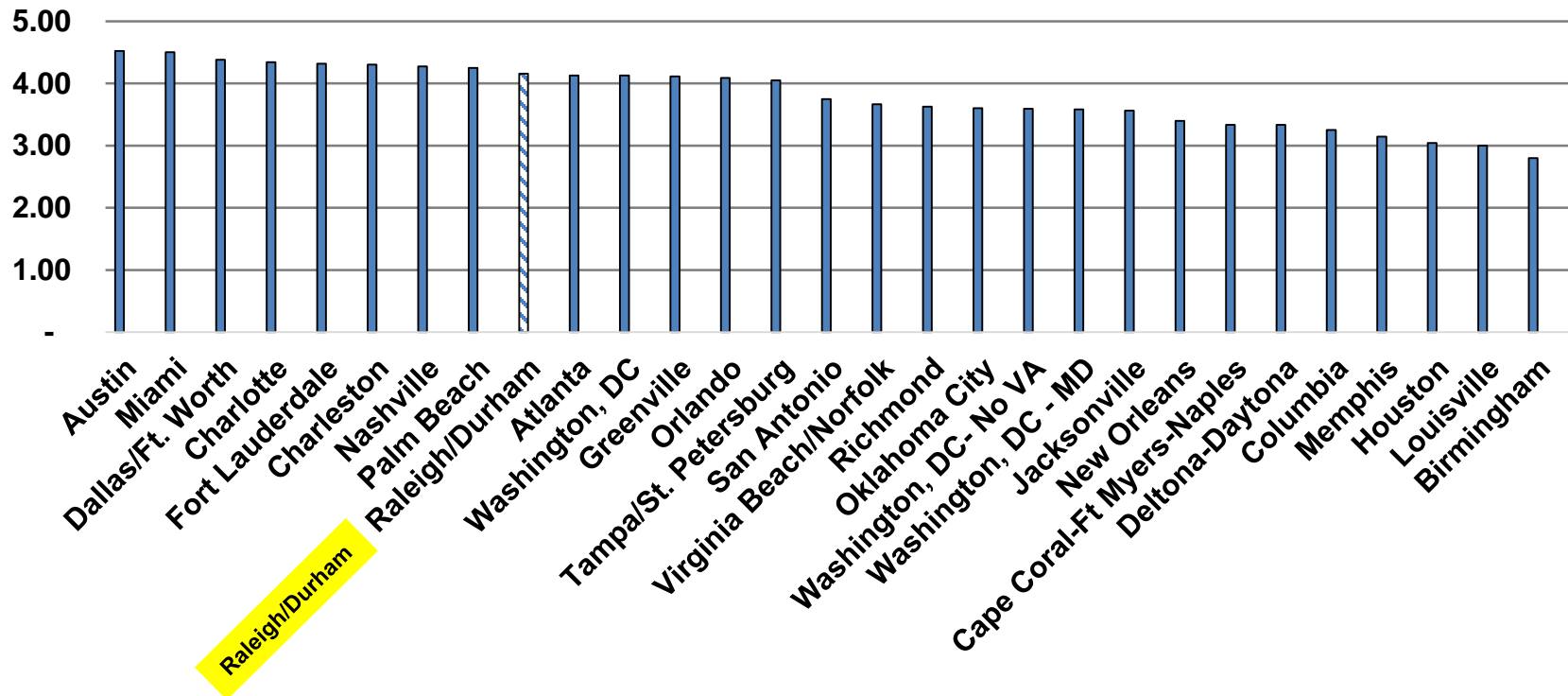


2016 South: Investor Demand



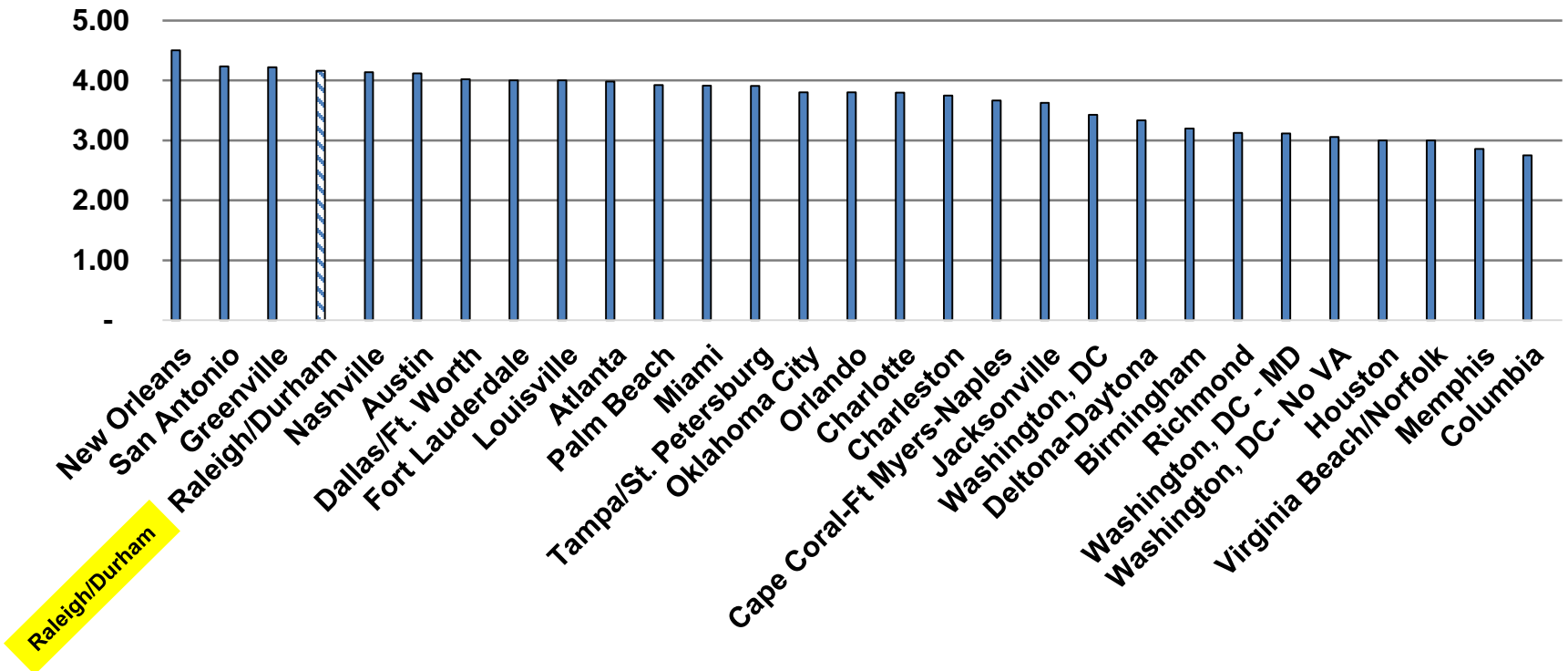
Raleigh/Durham

2016 South: Capital Availability

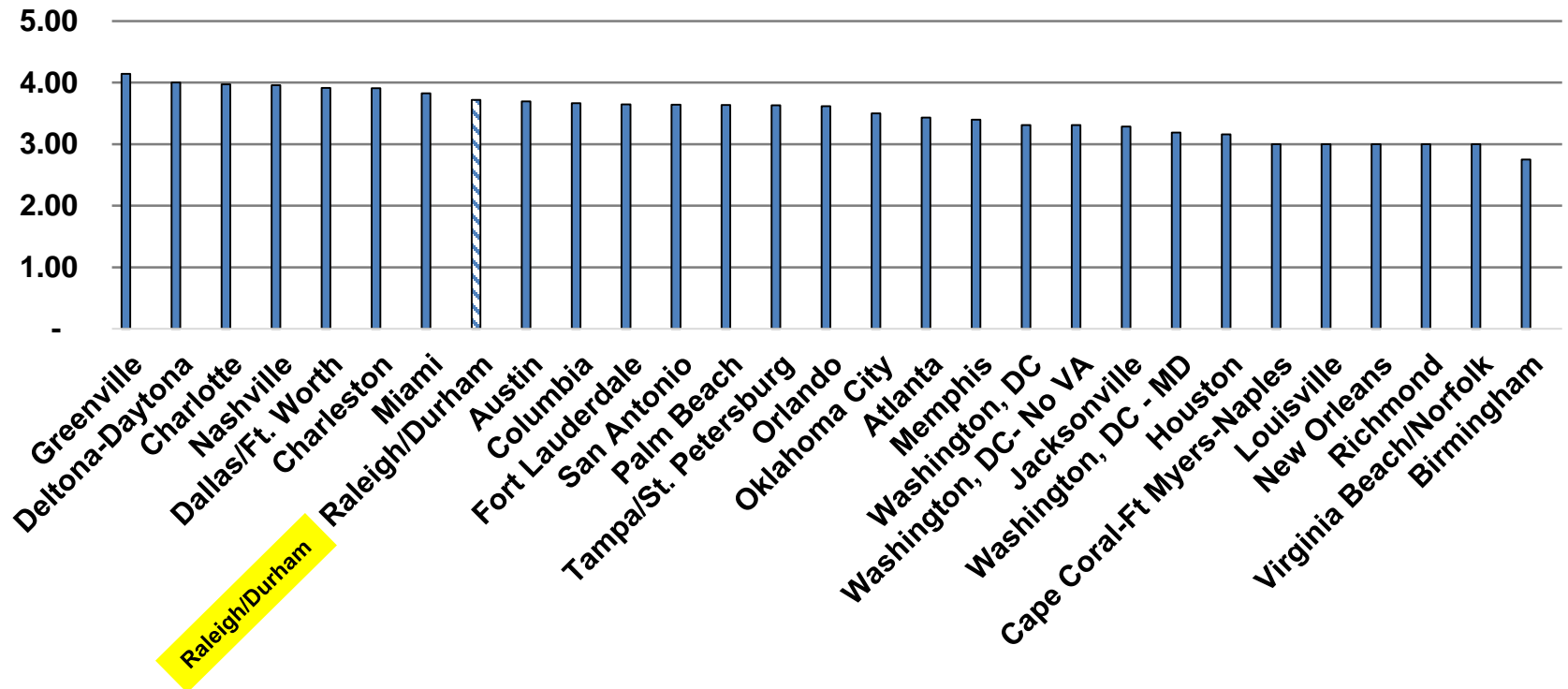


Raleigh/Durham

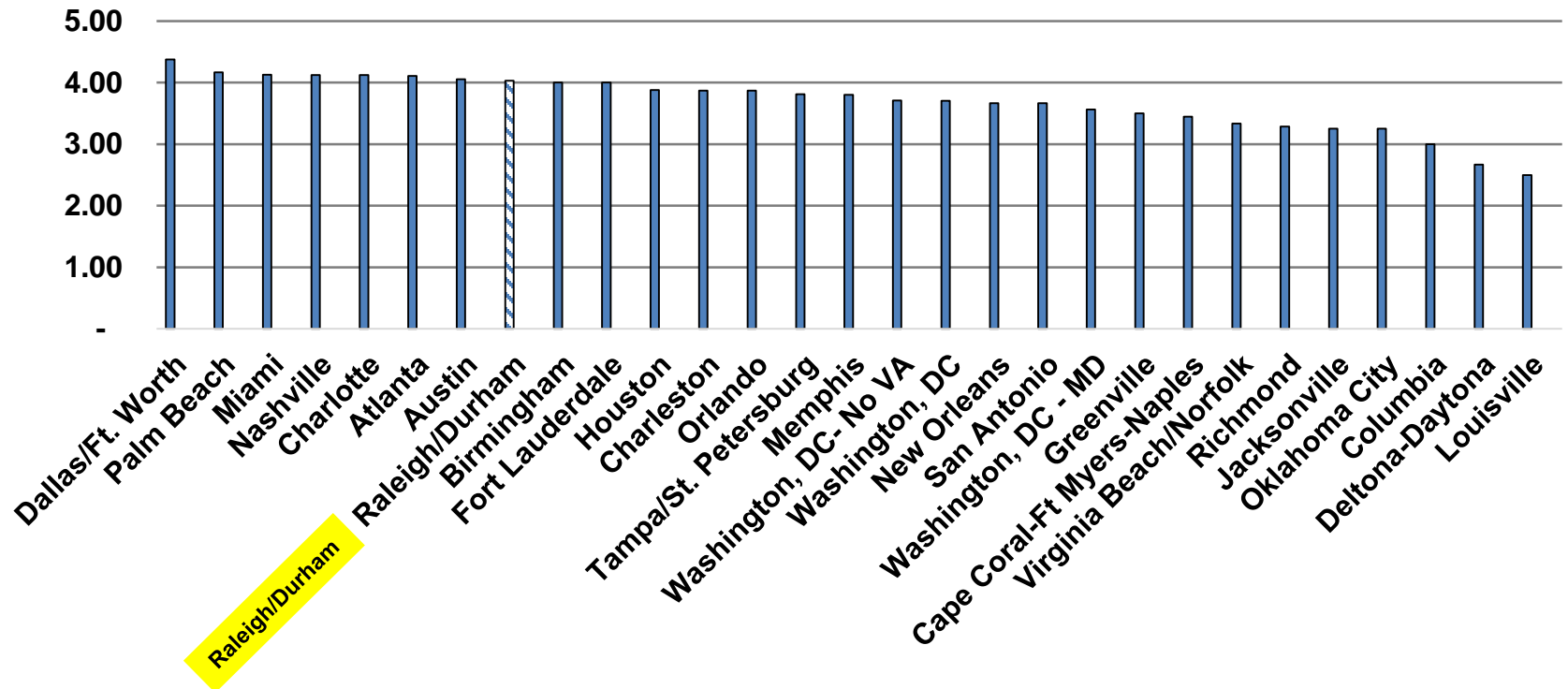
2016 South: Development Opportunity



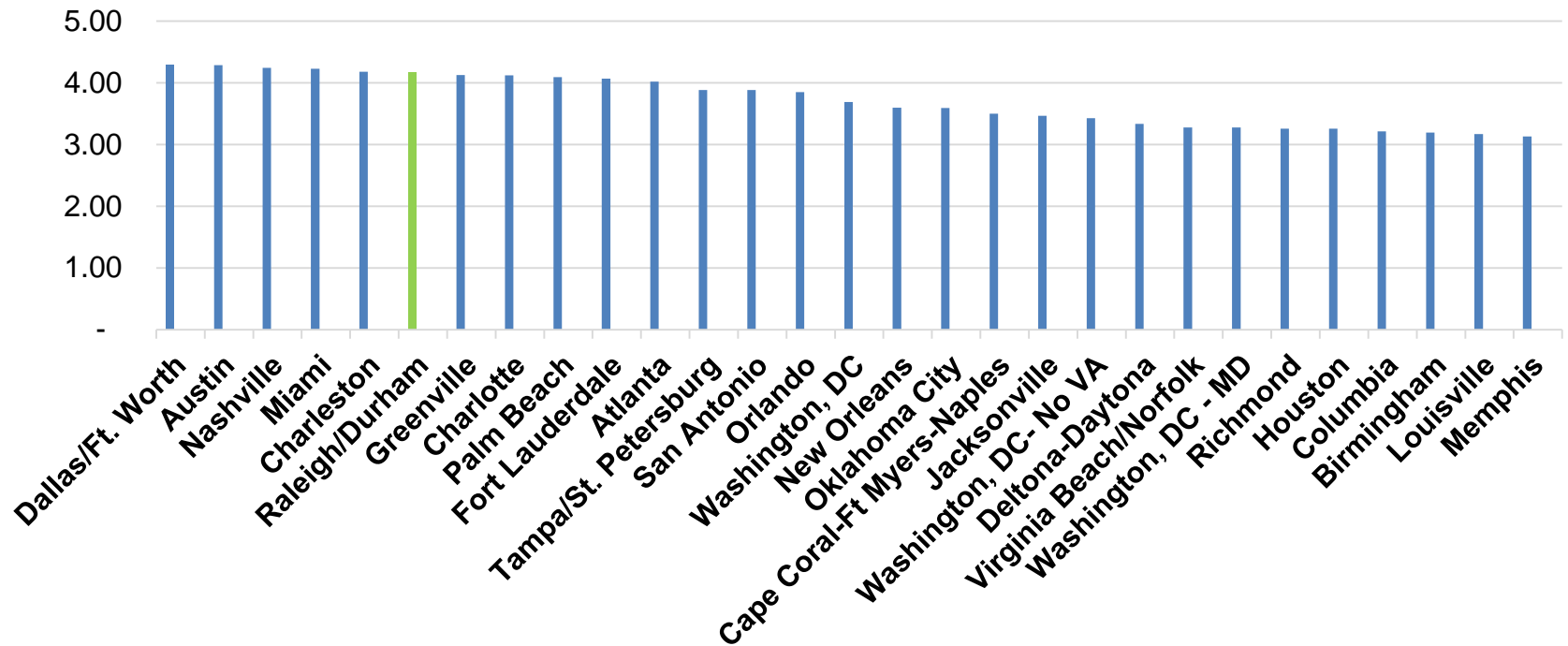
2016 South: Public/Private Investment



2016 South: Local Development Community



2016 South: Local Outlook



2016 Expected Best Bets

Go to Key
Secondary
Markets

Middle-Income
Multifamily
Housing

Take a Deep
Dive into the
Data

Plan Your
Parking For
Change

Emerging Trends in Real Estate 2016

uli.org/et16

Coordinating Offense
and
Defense in 2016

