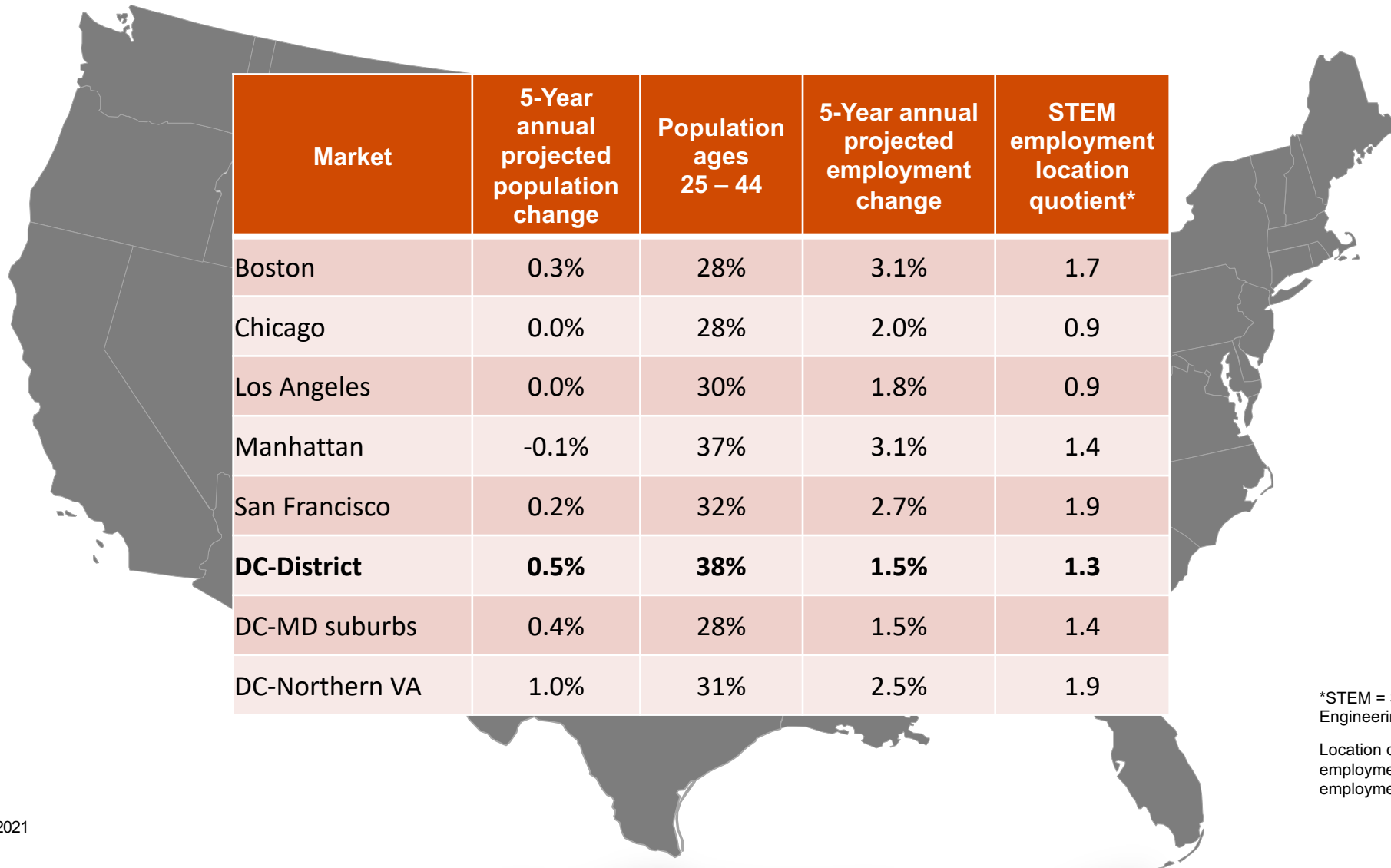


Emerging Trends in Real Estate 2021

February 2, 2021



Gateway market economic outlook



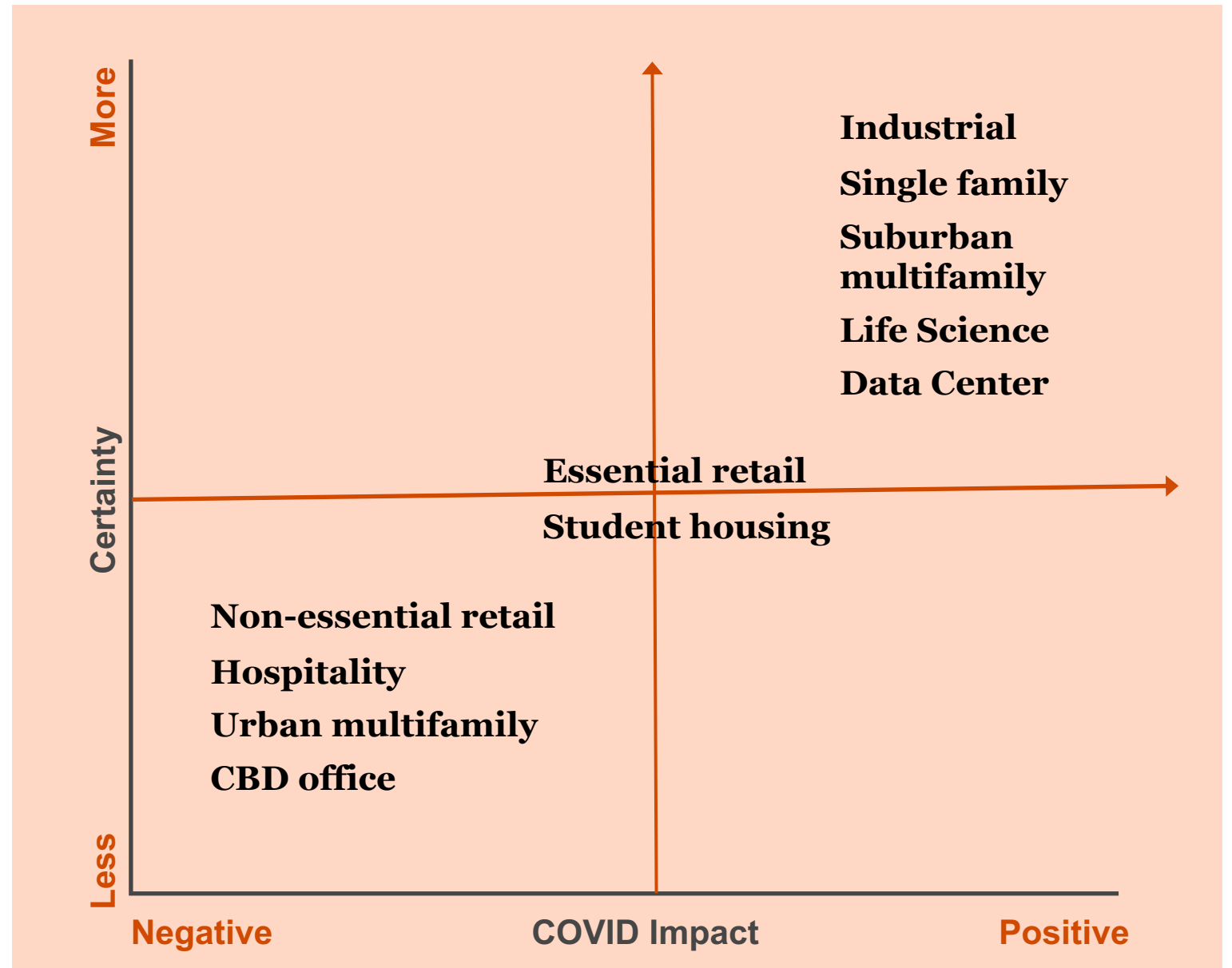
Market	5-Year annual projected population change	Population ages 25 – 44	5-Year annual projected employment change	STEM employment location quotient*
Boston	0.3%	28%	3.1%	1.7
Chicago	0.0%	28%	2.0%	0.9
Los Angeles	0.0%	30%	1.8%	0.9
Manhattan	-0.1%	37%	3.1%	1.4
San Francisco	0.2%	32%	2.7%	1.9
DC-District	0.5%	38%	1.5%	1.3
DC-MD suburbs	0.4%	28%	1.5%	1.4
DC-Northern VA	1.0%	31%	2.5%	1.9

*STEM = Science, Technology, Engineering, Math

Location quotient = % of total metro employment/% of total US employment

Divergent outlooks

- Pandemic has had an unequal impact on the current property type outlook
- The uncertainty around the pace of the recovery raises different questions around each sector
- Investor interest will impact future valuations



Emerging Trends Survey respondents like...



Industrial

- E-commerce makes every city a distribution hub
- Shifting supply chains bring manufacturing onshore
- Life science and data centers attractive niche sectors



Single Family Housing

- Single family enjoys favorable demographics and pandemic tailwinds
- Single family rental now a more accepted asset class



Multifamily Housing

- Suburban multifamily benefits from residents seeking more personal space and lower density
- Concern about oversupply of luxury urban core product

Emerging Trends Survey respondents don't like...



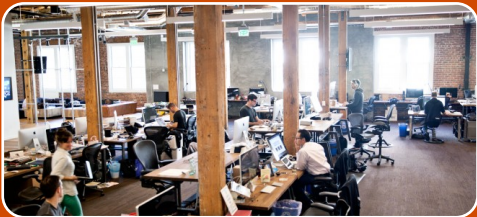
Retail

- Bifurcation between “Essential” and “Non-essential”
- Evolution toward seamless omni channel retailing
- Brick & mortar survives, but will have a different look



Hospitality

- Devastated by the pandemic
- Segments will recover differently – Poised to benefit from pent-up demand
- Hospitality may take this opportunity to improve efficiency



Office

- Real questions about what office will look like post vaccine
- Space needs will be impacted by employees desire for flexibility and employers need to maintain culture and foster collaboration



Questions?

Contact me at byron.carlock.jr@pwc.com

Thank you



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