DEBT & EQUITY RAINMAKERS

GlobeSt.

Real Estate Forum

An ALM Publication

JANUARY/FEBRUARY 2021

AN UNEVEN RACE TO RECOVERY

+

FEATURING

HEALTH AS AN AMENITY

UNDERWRITING FOR A PANDEMIC

TECH INFLUENCERS

30 Years as THE Leading Multifamily Event

NATIONAL EVENT **GlobeSt.** A MULTIFAMILY CONFERENCE

SPRING 2021

APARTMENTS

VIRTUAL | MARCH 4, 2021

Deal Makers & Influencers

A New APARTMENTS Virtual Experience

New for 2021, the **GlobeSt. APARTMENTS** events platform will be expanded to include a SPRING conference edition. Held virtually on **March 4th 2021,** GlobeSt. APARTMENTS SPRING will combine thought leadership, deal-making, and recognition into a full-day information and networking platform for the entire multifamily community.

This one-day program has been strategically designed to cover critical topics from both a NATIONAL and REGIONAL perspective and will feature a 90-minute dealmaking session that connects buyers and sellers by region and property class.

Join 1,000 senior-level decision-makers for this **FREE,** full-day virtual program.

Secure your free* registration today and join 1,000 senior-level decision-makers on **March 4th.**

*Select markets will be charged $295 to attend

FOR SPONSORSHIP INQUIRIES, CONTACT:

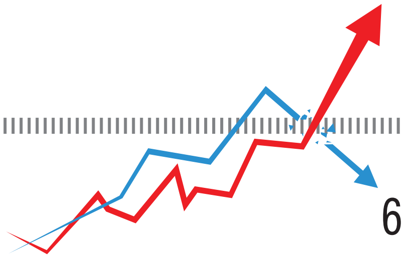
Rich Tomko | rtomko@alm.com | 917-334-9939

https://www.event.globest.com/apartments

ALM Events

CONTENTS

VOLUME 77 | NUMBER 1 | 895TH ISSUE | JANUARY/FEBRUARY 2021



ALSO IN THIS ISSUE

REAL ESTATE FORUM (ISSN 0034-0707) is published monthly, except for combined issues in January/February, March/April, July/August, and November/December, by ALM, 150 East 42 Street, Mezzanine Level, New York, NY 10017. Periodical postage paid in New York, NY and additional mailing offices. For past issues, single copy sales, address changes, yearly subscriptions and customer service inquiries, please write PO Box 3136, Northbrook IL 60065; call 800-458-1734; email RealEstateForum@omeda.com. **POSTMASTER:** Send address changes to Real Estate Forum, PO Box 3136, Northbrook, IL 60065. **CANADA POST:** Publications mail agreement No. 41471017. Return undeliverable Canadian addresses to Express Messenger International, P.O. Box 25058, London BRC, Ontario, Canada N6C 6A8.

How Long to Recovery?

I HAVE GOOD NEWS AND BAD NEWS ABOUT 2021. The good news is that numerous vaccines are hitting the market this year, and an economic recovery of some type is all but assured, certainly by the second half. The bad news is that there are challenges that lie in wait, starting with a fumbled rollout of these vaccines and numerous states that did not receive the necessary support and prep work to help deliver the last mile of shots in the arm. The good news is that even though it was long in waiting and less than some may have wanted, December's stimulus measure is going to boost the economy. The bad news is that for certain sectors, such as multifamily, the $25 billion allotted to it is widely deemed to be not nearly enough. Also, all this stimulus could well introduce inflationary pressures in the economy, upending investment decisions.

Starting to get the picture? Progress in 2021 will be a start-and-stop affair, taking the proverbial one step forward and then two steps back. On one hand, it won't be easy recovering from the wallop the pandemic delivered, but on the other those steps forward are important ones.

The same story will unfold within the commercial real estate industry as the various asset classes push to recovery. Some, such as multifamily and industrial, are way ahead already, with fundamentals that withstood the assault and, in the case of industry, strong demand that is driving investment and revenues. Others are further behind, working hard to overcome the pounding the pandemic delivered to their business. In our cover story we examine various asset classes and the progress they are making as the year gets underway.

There will be some bright spots amid this slog. CRE underwriting remains conservative but is also showing further signs of adapting to the pandemic. We take a look at this subject in our article on page 16. We also take a look at the role health and safety is playing as owners work to bring back office tenants and ease apartment renters concerns about contagion on page 30.

Certainly, it may be a grueling year for some landlords. The good news: it can't be worse than 2020.

Erika Morphy

Erika Morphy
Managing Editor

GlobeSt.
Real Estate Forum®
America's Premier Real Estate Business Magazine

EDITORIAL STAFF

Senior Executive Editor Natalie Dolce, ndolce@alm.com
Managing Editor Erika Morphy, emorphy@alm.com
Editorial Coordinator Ingrid Tunberg, itunberg@alm.com

REPORTERS

Kelsi Borland, Lynn Pollack, Les Shaver

ART/PRODUCTION

Art Production WNS Global Services
Production Director Sam Wong, swong@alm.com

GLOBEST. EVENTS

VP and Global Events Director Scott Thompson
Sponsorships Rich Tomko
Conference Producer Masi Azizi
Conference Producer Amy Griffin

SALES

VP Sales, Real Estate, Peggy Schecter
Eastern Regional Sales Director, Eric Gordon
Western Region Sales Director, Elizabeth Ames
Sales Support Specialist, Amit Mehra

MARKETING

Online Marketing/Custom Content Coordinator Geoffery Metz
Art Director, Integrated Marketing Ron Schoeffler
Audience Marketing Director Lynn Kruetzkamp
Senior Brand Marketing Manager Linda Levine

HOW TO REACH GLOBEST. REAL ESTATE FORUM

150 East 42 Street, Mezzanine Level, New York, NY 10017
Tel: 212.457.9400 Fax: 646.822.5365

SUBSCRIPTIONS & BACK ISSUES

PO Box 3136, Northbrook, IL 60065
Phone: 800-458-1734 · Email: RealEstateForum@omeda.com

REPRINTS AND LICENSING

Email: STorres@alm.com · Log on to: www.almreprints.com

ALM Senior Management

Bill Carter, CEO, **Jon DiGiambattista,** President, Information Services, **Mark Fried**, President, Events and CFO, **Matthew Weiner,** President, Marketing Services, **Erin Dzieken**, Sr. VP, Human Resources, **Jimi Li**, Chief Technology Officer, **Molly Miller**, Chief Content Officer, **Allan Milloy**, Chief Sales Officer, Paid Content

ALM, an Integrated Media Company, is a leading provider of news and information for the legal and commercial real estate markets. ALM's market-leading brands include The American Lawyer, Corporate Counsel, GlobeSt.com, Insight Conferences, Law.com, *Law Journal Press, LegalTech, The National Law Journal and GlobeSt. Real Estate Forum.* **Learn more about ALM, visit www.alm.com.**

UPFRONT

A comprehensive look at what's trending in the world of commercial real estate

JOE BIDEN IS PRESIDENT. WHAT'S NEXT FOR CRE?

There is a lot of fear in the market about potential tax increases coming this year under the new Biden administration and a Congress controlled by Democrats.

But Richard Barkham, global chief economist and head of Americas Research at CBRE, doesn't see this as an immediate threat.

"I certainly think that it would be unlikely that we would see those tax increases in 2021 because, although we're optimistic about the economy, until this virus is defeated, it is still very much touch and go," Barkham said on CBRE's "The Weekly Take" podcast.

Barkham thinks the Democratic majority will allow Joe Biden to get elements of his legislative program through, including another stimulus that will provide a second boost to the economy. In the meantime, the $900 billion second stimulus, which is 4% of GDP, coming into the US economy will provide a shot in the arm early in the year, according to Barkham.

"It's the second biggest stimulus in history, and that's coming in Q1," Barkham says.

Also, the vaccine rollout, which will provide a literal shot in the arm, should also offer an economic boost. "It may take us longer than the six months that we originally thought, but it's going to be in place largely by mid to late 2021, and that means a revival in economic activity," Barkham says.

Peter Linneman, principal and founder, Linneman Associates, thinks that Democrats will prioritize impeachment, social justice legislation, and environmental legislation. Tax legislation should fall behind these other priorities. "It won't get radically redone," he said on "The Weekly Take" podcast. "And I think the upper tax bracket gets tweaked, [and] the rest not radically redone."

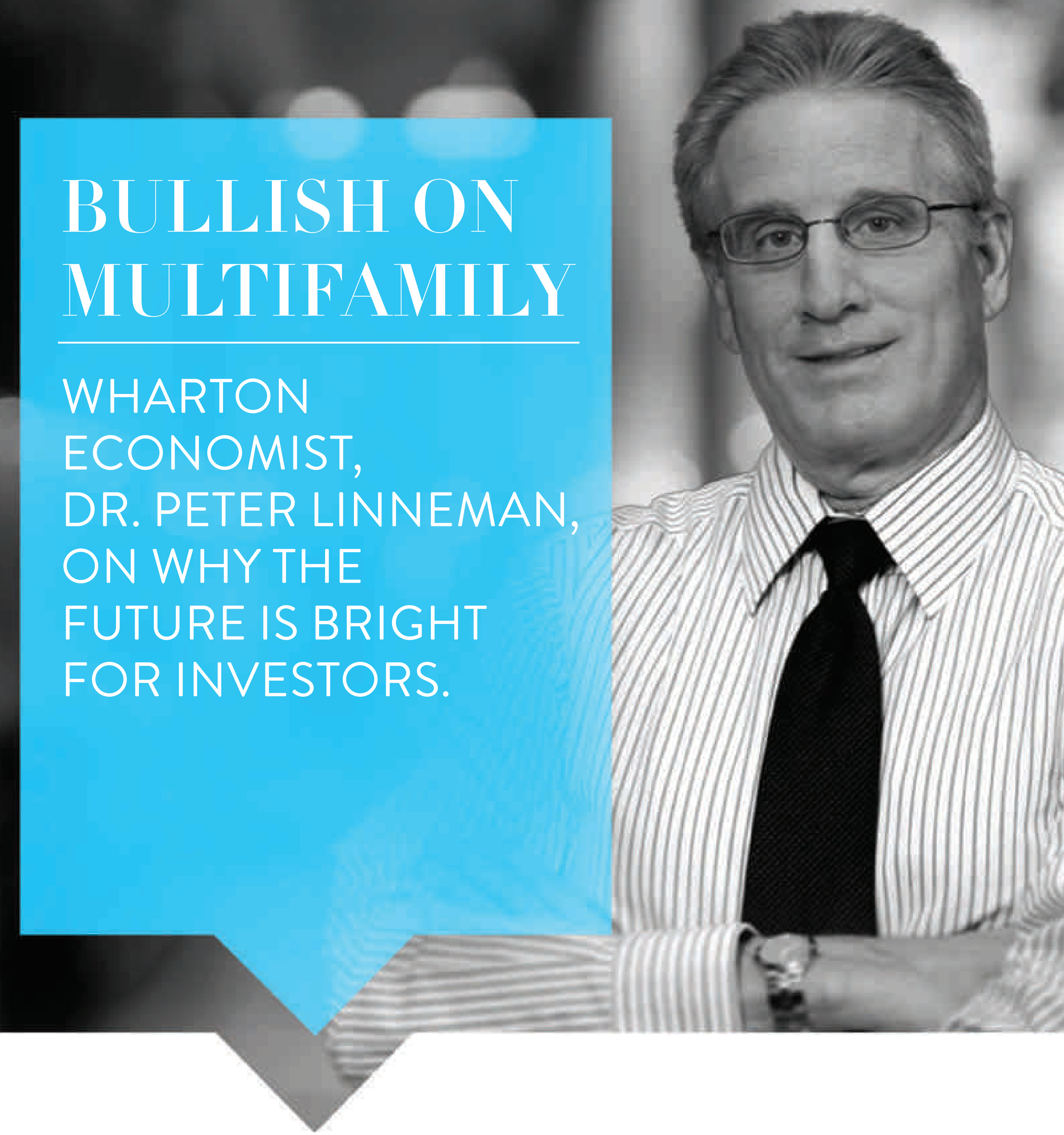
Eventually, Barkham thinks some tax increases will be coming for the wealthier families in America. But he sees those tax initiatives coming later, probably in 2022. By then, the midterms will be on the horizon, which might dissuade politicians from raising taxes. But even if there are moderate tax increases, he thinks it is unlikely to derail economic growth in the United States.

With all of the stimulus money being pumped into the economy, inflation is a concern. Barkham could see inflation increasing 2% and 3%. But he doesn't expect inflationary rates of 7%, 8% or 9%. "I do see inflation trending up from this point onwards, but not to dangerous levels," Barkham says.

In fact, Barkham thinks the inflation that may hit the market could be useful for running the economy. In real estate, the 10-Year Treasury is used to price prime property or high-grade property. Barkham doesn't think investors will see any real issues this year, though. "If anything, it's an issue for 2022, 2023, but it is one that we will keep under review," Barkham says.

While the political atmosphere has become very toxic in the US, Barkham thinks it will have little effect on the economy. "My general feeling is that probably politics is not really that material for the macroeconomy or for real estate when all of the debate and noise dies down," he says.

—Les Shaver


BULLISH ON MULTIFAMILY
WHARTON ECONOMIST, DR. PETER LINNEMAN, ON WHY THE FUTURE IS BRIGHT FOR INVESTORS.

HOW NET LEASE STANDS TO BENEFIT FROM THE BIDEN ADMINISTRATION

While 1031 exchanges are a potential problem with the Biden administration and a Democratic Senate and House of Representatives, some potential policies could make net lease investors happy over the next couple of years.

Randy Blankstein, president of The Boulder Group, is optimistic about the Opportunity Zone program.

"Opportunity Zones will probably expand in the Biden administration," Blankstein says. "The areas of net lease that focus on lower-income areas will expand under a Biden administration. So perhaps people will be targeting those areas, especially properties in Opportunity Zones."

Matt Berres, executive managing director of Net Lease Capital Markets at Newmark. also sees some potential positives for the sector from a Biden administration. "Opportunities may arise in sectors like education and medical-retail as the new administration increases education and healthcare spending," he says. "For instance, with expanded healthcare coverage, there could be increased demand for easily accessible medical space, including urgent cares, clinics located inside grocery and drugstores."

Some tax law changes could drive growth in new areas, continuing the migration to places like Florida, Texas and Las Vegas. "High-tax markets could face headwinds as a result of increased corporate taxes, which could accelerate the trend of corporations leaving some major gateway markets and moving to more business-friendly areas," Berres says. "The office and industrial sectors could be both the largest beneficiaries and hardest hit, depending on an asset's location.

The biggest Biden contribution to net lease, and really the country as a whole, would be a successful, timely rollout of Paycheck Protection Program (PPP) Loans and COVID-19 vaccinations.

"We are anticipating that the next round of PPP will give businesses 2.5 months of payroll and get them through the spring," says Camille Renshaw, CEO and Co-Founder of B+E. "Assuming the vaccine is truly available to everyone who wants it by June, many of our tenants will begin to sprint over the summer as we all pour into in-person venues and spend money."

Renshaw and most of her clients are unconcerned about changes in 1031 exchange law due to the slim Democrats' majority. "Congressmen will have difficulty getting much done over the next two years unless the Democratic Party is completely aligned on an issue," she says. "And conservative and centrist Democrats support the current 1031 exchange law."

Others echo those thoughts. Jonathan Hipp, principal, US Capital Markets and head of U.S. Net Lease Group at Avison Young says multiple administrations have talked about doing away with 1031 exchanges. "It's not like this is the first time it has ever been brought up," Hipp says. "The fact of the matter is Biden's administration has got a lot on its plate with the pandemic. I don't think they're going to eliminate it. There could be some modifications to it, but I don't think they're going to wipe it out."

—Les Shaver

VACANCY CLIMBS AS RENTS FALL ACROSS MULTIPLE ASSET CLASSES

Apartments, office and retail are all following a similar trend: rising vacancy rates with declining rents. Moody's Analytics calls the dynamic "bleak, but not dire," noting that while most metros are following a similar pattern, most of the declining fundamentals are more moderate than originally expected.

The national apartment vacancy rate climbed to 5.2% in the fourth quarter, up nominally from 5.1% in the third quarter and 4.7% in the fourth quarter 2019. Apartment rents fell an additional 1.4% in the fourth quarter and are down 3.1% for the year.

THESE 11 SECONDARY MARKETS ARE POISED TO THRIVE

Eleven secondary US counties are poised to thrive over the next decade amidst a rapidly changing real estate landscape, according to CBRE research.

The markets include counties in the Boise, Columbus, Des Moines, Grand Rapids, Greenville, Indianapolis, Kansas City, Knoxville, Ogden, Omaha, and Spokane metro areas.

The research highlights the growing appeal of secondary markets and the push away from large gateway cities—a trend that accelerated during the pandemic, as COVID-19 shutdowns forced many companies to recalibrate priorities of location strategies and their real estate footprints.

"It's important to keep in mind what this analysis shows us and what it doesn't," said Tedd Carrison, senior financial analyst in CBRE's Location Incentives Group. "What this demonstrates is that you can analyze many locations against wide ranging economic, education, environment, fiscal, transportation, and health metrics. And the results don't always point to the largest metropolitan centers."

The CBRE report evaluated the regions on the basis of population size and density, population growth and momentum, public transit dependence, housing costs and foreclosure risks, fiscal impacts, university pipeline, major airport access, and climate.

The report noted that COVID-19 will be central to any near-term location strategy, as concerns about population density, remote work, indoor entertainment and public transportation continue to mount. It also identified a "sea change" in national demographics that could have long-lasting implications for HR departments to maintain hiring advantages: as millennials move into middle age, they are increasingly flocking to more affordable, family-friendly suburbs and smaller cities between the coasts.

While the largest American "superstar" cities—which led the economic comeback from the last recession—will always function as dynamic centers of talent, innovation, and culture, secondary markets may be "less-heralded alternatives" providing their own advantages over the coming years.

—Lynn Pollack

The national office vacancy rate climbed to 17.7% in the fourth quarter, up from 17.4% in the third quarter and 16.8% a year ago. Office rents have been slower to decline, falling .6% in the fourth quarter and only .7% for the year.

Retail has been among the hardest hit commercial real estate sectors; however, fundamentals have not deteriorated more significantly than apartments of office. Retail vacancy increased to 10.5% at the end of the year, up from 10.4% in the third quarter and 10.2% last year.

Unfortunately, Moody's doesn't have a better outlook for 2021. The report expects fundamentals to continue to decline this year, particularly in office and retail where tenants that have been locked into long-term leases have not yet had the opportunity to downsize or vacate the property.

—Kelsi Maree Borland

AN UNEVEN RACE

BY ERIKA MORPHY

MULTIFAMILY, INDUSTRIAL, RETAIL, SELF-STORAGE, LIFE SCIENCES AND OFFICE CAN LOOK FORWARD TO A YEAR OF RECOVERY, PUNCTUATED BY NEW TRENDS THAT EMERGED WITH THE PANDEMIC.

Located at 8 Spruce St. in New York's Financial District is the New York by Gehry. The 76-story apartment tower sports one of Manhattan's most interesting designs, with the exterior appearing to be crinkled halfway down the south façade. Built in 2011, the 800-unit building, which also houses an elementary school, was praised in the *New York Times* by critic Nicolai Ouroussoff as "the finest skyscraper to rise in New York since Eero Saarinen's CBS Building went up 46 years ago".

And yet, according to Trepp, first-time servicer watchlists indicate that the tower's occupancy has fallen by more than 20% since 2019.

The $550-million loan backing the apartment has remained current throughout the pandemic and the owner has not requested COVID relief. Still, the loan is in trouble. In 2019, it posted a debt service coverage of 1.93 when occupancy was 98%. The loan was put on a servicer watchlist after its DSCR fell to 1.84x and occupancy dropped to 74% in the first nine months of 2020.

On one hand, the plight of New York by Gehry could be a story about Manhattan's struggles during the pandemic. The borough has nearly 16,000 empty rental apartments— its highest vacancy rate in at least 14 years.

But in a larger sense the complex is also representative of the recovery in commercial real estate. It is well-known that many economists have described the recovery as a K-shaped one, with some sectors of the economy performing better than others. That is doubly true within CRE, which has seen certain asset classes, such as multifamily and industrial, outperform certain hard-hit sectors, such as hotels and retail.

What has been less examined is the shifting fortunes within these asset classes.

TO RECOVERY

Multifamily, for instance, is not without its weaknesses, which could have an effect on its recovery.

Indeed, the New York by Gehry is a story with national, not just New York City, legs.

Inspired in part by the New York by Gehry, Trepp searched for all multifamily loans from private-label, US CMBS deals where occupancy had fallen more than 15% from 2019 through partial-year 2020. It found about 50 loans totaling almost $1.5 billion in outstanding balance. That total represents about 3.8% of the loans that have reported partial-year 2020 occupancy.

Since apartment tenants have one-year or two-year leases, Trepp has previously warned that dips in apartment occupancy were expected to emerge much more slowly than in the hotel sector. And even with this data in hand, Trepp still believes "it's too early to make a call as to whether these loans are a harbinger of more bad news to come or that the relatively small number is a hopeful sign for the market."

Still, it cannot be ignored that the vacancy rate increased 10 basis points in Q3, according to Moody's REIS, which put it at 5.0% at quarter's end. The long-term average vacancy rate in the sector ranges from 5.2% to 5.4%.

VACANCY, BUT NO DISTRESS

In particular, class A apartment deals are facing a double whammy right now. Before the pandemic, there was a softness in some urban areas as construction deliveries rose. Then, COVID hit. With office employees free to work from wherever they wanted, many have decided to leave urban core apartments in places like New York and San Francisco for cheaper housing with more space. "The markets that are going to struggle are very tourist-driven or the urban cores, like downtown San Francisco and

downtown Manhattan," says Sam Isaacson, president of Walker & Dunlop Investment Partners. "It's going to be soft."

Even after a vaccine, Isaacson isn't convinced that things will go back to normal.

"This might just be the new normal," he says. "Urban class A is going to be impacted for sure."

But vulture buyers may want to look at other places for opportunities. "It doesn't look like it's going to be so severely impacted that there's going to be true distress in that sector," Isaacson says.

Isaacson doesn't see many apartment developers handing their keys back to the bank, which could happen in other sectors. Even if there isn't real distress in the market, he thinks a lot of developers will want to get out of deals because "their equity is wiped out."

"You're sitting at 95% of the [capital] stack, and you're just going to move on and build the next deal," Isaacson says. "You'll make it up on the next deal or 10 deals or whatever the case may be."

A STORY THAT APPLIES EVERYWHERE

Multifamily is, of course, just one of the asset classes that make up the CRE community, but its story is being writ large across the industry as the 2021 recovery gets underway. For most of these sectors it will be two steps forward and one step back as they deal with not only troubles that arose during the pandemic but also disruptive trends that had been emerging before the world had even heard of COVID. Retail, to name the most obvious example, will greatly benefit as the economy reopens but it is still dragging its pre-pandemic baggage behind it. In many cases, special servicers have been stricter with retail loans seeking forbearance compared to hospitality ones because of the structure issues the sector is facing. Even industrial, which has been surging all year is not without its own conundrum.

"Industrial is doing really well but there may also be some softness there," Isaacson says.

Specifically, Isaacson thinks industrial properties with small business tenants could struggle if more of those organizations go out of business. There is also the risk that investors could overpay for assets as bidding gets even more intense.

Industrial, of course, is currently regarded as the crown jewel of CRE. So if there are issues in that sector, there are potential problems everywhere.

"There really is an interesting dynamic going on across commercial real estate," Isaacson says.

THE SINGLE-FAMILY RENTAL HOME SECTOR RISES

For some lucky asset classes, the skies ahead are blue and cloudless.

At the start of 2021, JLL revealed it had formed a team dedicated to the single-family home sector. The move was a direct response to increasing institutional interest in the sector, it said. The sector had the wind at its back before the pandemic, but as the effects of COVID became clear to renters, fundamentals in single-family rental homes really took off as people fled apartments in the cities to live in houses in the suburbs.

According to the Single-Family Rental Market Index produced by the National Rental Home Council and John Burns Real Estate Consulting, 59% of new single-family rental home residents relocated from urban residential environments in the third quarter of 2020.

The index is designed to measure the single-family rental home market's relative health by evaluating key leasing activity, household occupancy and anticipated demand. Fueled by growing numbers of individuals and families transitioning away from urban residential locations, the index hit 74.4 in Q3, the second-highest level on record after the 2Q 2020 reading of 76.3.

These properties make sense for renters as the average rental rate for single-family rental homes remains below the average monthly mortgage cost for owner-occupied, single-family entry-level homes. "Fifty-three percent of owners reported homes leasing more quickly than one year ago, with overall market occupancy reaching 97%," said David Howard, executive director of NRHC, when the report was released.

While SFRs are a growing asset class, institutions with more than 100 homes still own less than 3% of total stock. That provides new entrants with a lot of runway for growth, according to JLL.

Since the pandemic has begun, a number of large transactions have occurred as institutions looked to scale up. JLL points to a recent $133.7 million capitalization that it closed on behalf of Haven Realty Capital with an institutional equity source for a six-property portfolio of new and to-be-built homes in the greater Atlanta area.

In November, RangeWater Real Estate revealed plans to deploy $800 million in Sunbelt markets to build 15 build-to-rent single-family communities over 18 months. The single-family rental communities will be called Storia.

In October, Invitation Homes and Rockpoint Group formed a $375 million joint venture that will acquire single-family homes to operate as rental residences. The JV will deploy a total of more than $1 billion, including debt, to acquire and renovate single-family homes in markets within the Western US, Southeast US, Florida and Texas, where Invitation Homes already owns homes.

Perhaps most significantly, over the summer, a syndicate of investors led by Blackstone Real Estate Income Trust re-entered the market with a $300 million preferred equity investment in Toronto-based Tricon Residential, with BREIT acquiring $240 million of the preferred equity.

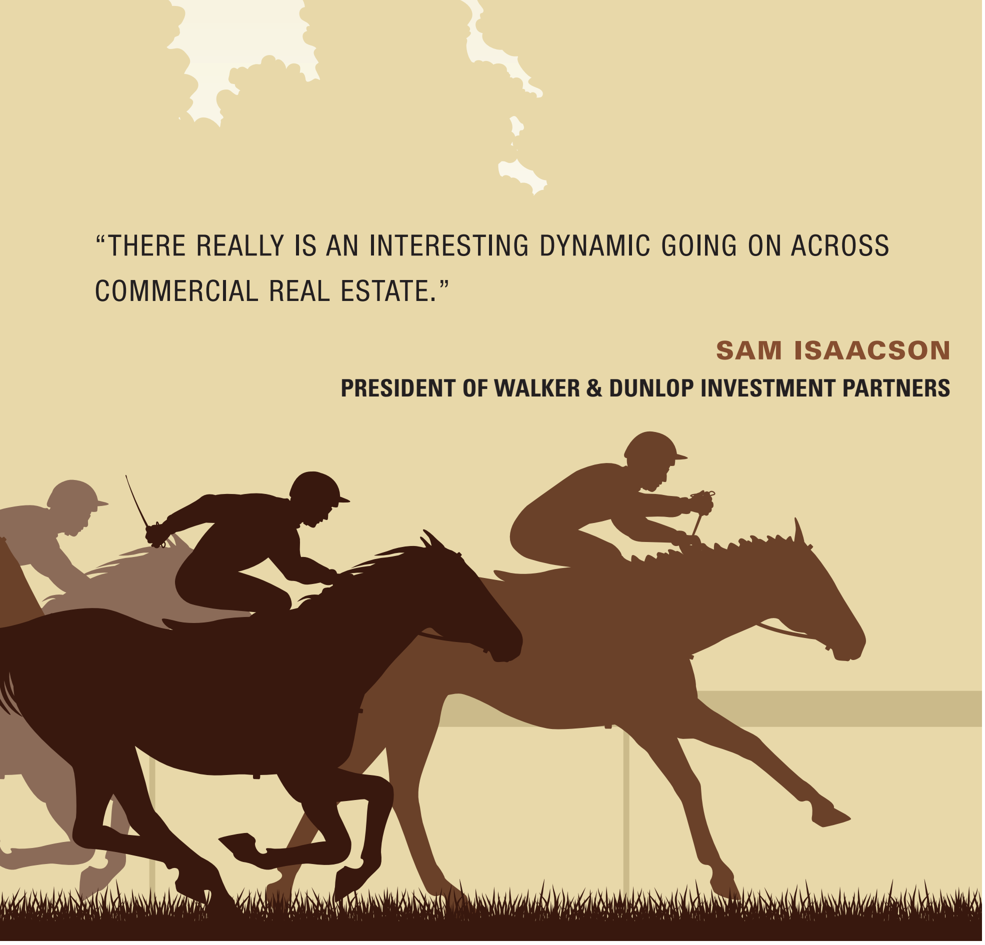
2021 RETAIL WILL CALL FOR PLUCK

The industry is well aware of the burdens that retail had as we entered the pandemic last year, as well as the additional pain the shutdowns and social distancing brought to the category. Late last year, Moody's Analytics REIS examined the servicer commentaries for both the hotel and retail industries. It found that there was a clear leaning towards forbearance on lodging properties versus a leaning towards foreclosure for retail.

"These comments and data support the economic narrative that while hotels have a better chance of 'returning to normal' over the next few years, retail is going through a structural change," according to REIS.

Servicers, therefore, are being less supportive with retail workouts, and appraisers are harsher with longer-term cash flow projections, REIS concluded.

But retailers can find opportunities in the nooks and crannies of the recovering economy. Consider the example of bank branches, which have been closing and consolidating for years now as banking moves online. Enter COVID, which highlighted the value of having a drive-thru and related zoning.



"THERE REALLY IS AN INTERESTING DYNAMIC GOING ON ACROSS COMMERCIAL REAL ESTATE."

SAM ISAACSON

PRESIDENT OF WALKER & DUNLOP INVESTMENT PARTNERS

"Once you figure out how to work around the bank vault and the installation of restaurant equipment and fixtures, the existence of a drive-through will help the permitting process for a retrofit to a restaurant," says Noah Shaffer, senior director of asset management for Confidant Asset Management.

If banks don't become restaurants, they can also work as medical or general office and retail space, such as cellular stores or funeral homes, according to Shaffer. Regardless of the use, they are usually attractive options for tenants.

"Somebody else will want to be in a decently well-profiled location," Shaffer says. "They're usually in a nice-looking building, with high-quality building materials, in a retail corridor, but the new tenant is just not going to pay the same rent as the bank would. But we typically see some restaurants and then maybe general retail, such as a cellular store or something along those lines move into those spaces."

This is not to say that there is a wholesale rush to drive-thru space.

"We've had a lot of conversations with tenants who are beginning to think along those lines, but they're just not making that call yet," Shaffer says. "They aren't actively reaching out and saying like, 'Hey, we've figured out that this is what we're going to do. Let's sign the lease because we're going to do a drive-through mattress pickup store now. I think every tenant who is contemplating a shift in real estate strategy still has seven or eight ideas on the chalkboard, but they haven't figured out exactly what strategy to execute going forward, and there is going to be a lot of speculation."

But Shaffer expects a lot more interest in drive-thrus over the next few years.

Other restaurant chains are also rolling out more drive-thrus. "Panera was doing a pretty big roll-out plan, moving from stores to drive-thrus," Shaffer says. "Those are different stories and are on the fast track. Maybe they were trying to do drive-thrus at 10% of their stores a year. Now it may be 25%.

Regardless of what tenant moves into retail space, many landlords who lease to banks will soon need new tenants. They might be pleasantly surprised at the range of options.

BLACKSTONE'S INTEREST IN SELF-STORAGE

In October, Blackstone Real Estate Income Trust announced it would acquire Simply Self Storage from a Brookfield Asset Management real estate fund for approximately $1.2 billion. Simply Self Storage is one of the top five private owners of self-storage and operates a portfolio totaling eight million square feet across the US. BREIT, for its part, owned a $300 million portfolio of self-storage facilities, and with the acquisition it became the third largest non-listed owner of storage in the US.

As is usually the case with Blackstone, the acquisition caused investors to give self-storage a second look. What they found was an asset class that shone throughout the pandemic.

One of those investors is Buchanan Street Partners, which launched a self-storage investment platform with plans to buy $350 million to $500 million over the next five years. "As we expected, self-storage has continued to perform very well during the pandemic, further reinforcing our investment strategy," according to Timothy Ballard, president and CEO at Buchanan Street Partners. "The pandemic reaffirmed the belief of self-storage being a recession resistant sector."

The demand is driven by heightened consumer interest in storage facilities, which have led to strong occupancies. "With consumer demand at an all-time high, the sector appears to have proven that it is a need among consumers," says Feerooz Yacoobi, VP at Buchanan Street Partners. "That's why in terms of occupancies, we're seeing same store pools among the REIT operators at an all-time high, in the mid-95% range. We think this sector will continue to weather the storm."

"Many of these self-storage facilities are coming available as developers, merchant builders or shorter-term capital are looking to sell early and realize gains, or they're struggling with short-term oversupply that is causing them to miss pro forma projections," says Yacoobi.

These problems are actually not due to slowing demand during the pandemic but rather overbuilding issues throughout the last two years. "We've seen overbuilding as a lot of new product was delivered in 2018 and 2019. That has negatively impacted market rates, but rents are now starting to pick back up in certain trade areas," says Yacoobi. "As noted, we think those are interesting opportunities to come in and acquire class A newly-built product. Our patient capital doesn't need immediate cash flow, which enables us to invest in institutional-quality assets in strong locations."

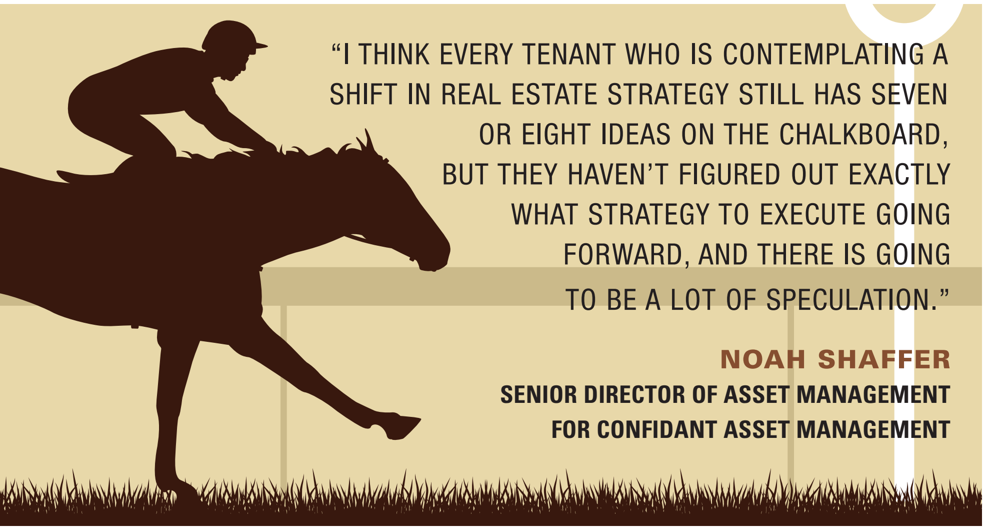
LET THE GOOD TIMES ROLL

It is hard to overstate how well the industrial asset class has performed during the pandemic, but here is one measure: John Chang, director of research services at Marcus & Millichap, says that now is a good time to buy in almost every sector—except industrial. For industrial, caution is advised, and it might even be a good time to sell with prices elevated in some areas of the country.

Industrial pricing is up 7.4% year-over-year and 1.9% from Q2 to Q3 2020, according to Real Capital Analytics. In Q3, industrial rents reached a historic high of $6.32 average per square foot nationally, which is a more than a 36% increase over the previous cycle record set in 2007, according to JLL. Rent collections hit 99.4% in July.

With COVID delaying development pipelines by two or three months, new deliveries will be limited in the second half of 2021, according to JLL. That could lead to bidding wars for new properties, which would only increase values, JLL cautioned.

Jonathan Needell, president and chief investment officer of KIMC, though, notes that people shouldn't assume that assets across the industrial sector are trading at those frothy prices. "The reality is that not everybody can get a tenant like that, and not every property deserves a cap rate backed by those kinds of tenants, such as Amazon and FedEx," he says.



"I THINK EVERY TENANT WHO IS CONTEMPLATING A SHIFT IN REAL ESTATE STRATEGY STILL HAS SEVEN OR EIGHT IDEAS ON THE CHALKBOARD, BUT THEY HAVEN'T FIGURED OUT EXACTLY WHAT STRATEGY TO EXECUTE GOING FORWARD, AND THERE IS GOING TO BE A LOT OF SPECULATION."

NOAH SHAFFER
SENIOR DIRECTOR OF ASSET MANAGEMENT FOR CONFIDANT ASSET MANAGEMENT

Needell says the Amazons of the world demand features that aren't found in even reasonably new buildings. Fifteen years ago, buildings had a 32-foot clear height, and there were deep truck courts for turnaround. These buildings also had one per thousand parking.

But today's high-tech users have different demands. He says they have advanced beyond what was once the lowest technology and innovation level within real estate.

"Now, if you lease to someone like Amazon, you have to have three per thousand parking," Needell says. "They've done a mezzanine triple deck in the middle of the large industrial building that is essentially a small office building."

Instead of having just docks and a turnaround court, industrial buildings now need one-third more space in truck courts for storing trucks that are not being docked or turned.

"They've got a whole extra third of depth that they're adding for the containers and trailers," Needell says. "So, instead of two depths, because you need to turn around, it's three depths."

Between the need for more storage trailers, parking requirements and the sophisticated processing power through the same infrastructure demanded inside the building, not every warehouse can serve high-tech users.

"It is a different building than the majority of industrial, even the stuff that is only 10 or 15 years old where there was 32-foot clear height and one per thousand parking," Needell says.

Needell says the traditional investment-grade industrial user, who represents a deeper part of the market than the Amazons of the world, doesn't need properties with super low cap rates.

"You have essentially everyone jumping into a sector thinking that their alternative tenant case is going to be a sophisticated e-commerce user or at least an omnichannel user, like a Walmart," Needell says. "Those people are way more sophisticated and not going to take the traditional industrial building from five or 10 years ago. So there is a bit of a trap there."

Right now, Needell says there is bifurcation in the market between the traditional industrial and high-tech properties for e-commerce users.

"There is also a need for both," Needell says. "The industrial user who is shipping parts is not going to be needing the same kind of systems that an Amazon, Walmart or FedEx would."

PANDEMIC HIGHLIGHTS LIFE SCIENCE'S ALLURE

Interest in life sciences was heating up before COVID-19. But the pandemic has accelerated that trend for obvious reasons. However, while investor interest has been fueled by the arrival of a vaccine, the problems in hotel, retail and even office are also playing into life sciences' strength.

"Buyers are looking for other market segments subject to the same structural tailwinds enjoyed by industrial and apartments in which they can deploy capital," Tom Leahy of Real Capital Analytics wrote in a blog post.

In addition to the search for a vaccine, Leahy writes that advancements in technology, data capture and analysis and a rapidly aging population in the developed world are attracting vast amounts of capital to the life sciences sector, which encompasses

An Uneven Race to Recovery
. . . continued on page 48

UNDERWRITING ADJUSTS AS PANDEMIC CONTINUES

IT IS LITTLE SURPRISE THAT UNDERWRITING HAS GOTTEN MORE CONSERVATIVE DURING THE PANDEMIC, BUT DEALS ARE STILL PENCILING IN.

BY ERIKA MORPHY

Last August a multifamily property went on the market in Los Angeles with cash-flow issues that would have made an underwriter pause even without a pandemic underway.

There were five vacancies and seven additional tenants weren't paying rent due to the pandemic. Income in the property was completely off, according to Mike Hanassab, a senior director at James Capital Advisors, who was marketing the building. The building sold in an off-market trade to a buyer that was not concerned about the loss of income and who was able to secure a 70% loan-to-value. If it had gone to market, it could have traded for about $500,000 more, Hanassab speculated.

In this case it is unclear exactly what made the underwriter sign off on the deal, but Hanassab's business partner, Elliott Hassan, has his ideas.

"Every property is a case-by-case situation, based on location as well as operations and rent collections.

“WE SUSPECT THAT THE HIGHER-THAN-NORMAL INCREASE IN DEBT SERVICE RESERVES WILL REMAIN FOR THE ENTIRE 2021 AND PERHAPS EVEN INTO 2022.”

DANIEL WITHERS

SENIOR VICE PRESIDENT AND SENIOR DIRECTOR AT MATTHEWS REAL ESTATE INVESTMENT SERVICES

Properties with bad operations are not going to be able to get top dollar, but well-managed properties are still going to go out there and do well based on collections,” Hassan said.

Here’s a secret to CRE underwriting in the COVID era: once the initial shock of the pandemic wore off, underwriters haven’t been as conservative as many had feared. Of course some asset classes almost write themselves: for instance, in some markets multifamily has returned to pre-pandemic pricing making the underwriting a routine matter. Other asset classes, such as hotels and retail, are experiencing more profound shifts for obvious reasons.

None of this is to say that underwriting hasn’t become more conservative. It undoubtedly has. But underwriters haven’t seized up in paralysis and, in fact, many are putting in place workarounds to make deals pencil in.

For example, some lenders are now doing what’s called a “COVID Reserve” where they hold some capital back for six months to one year or until the pandemic is over and have the confidence that tenants are paying their rent again. Then they release the funds back to the borrower.

That said, underwriting clearly has been affected by the pandemic-led downturn. In short, lenders are using higher vacancies and reserves to underwrite, leading to more conservative loan proceeds.

For instance, loan to values are down 5% across the board, an example being if somebody was matching out at 70% loan to value before the pandemic lenders are likely to max out at 65% now. If there was a debt-service coverage ratio of a minimum of 120% now, lenders are likely at 125%. Cash-out on properties has been conservative as well with lenders wanting to see as much equity in the property as possible.

Even in the multifamily space, where government-sponsored enterprises have been active, assumptions surrounding operating expenses, vacancies, market concession rates and supply trends are being closely examined by lenders. Concessions, for example, have increased significantly since the pandemic and underwriting is now taking that into account, according to Daniel Withers, senior vice president and senior director at Matthews Real Estate Investment Services. The market is seeing operators offer one to three months of free rent and waive an array of fees that they would have previously charged, such as pet deposits, parking fees, and key/removal charges, he says.

Increased concessions will put downward pressure on revenue and net operating income. To secure a debt on a deal, investors will need to increase capital reserves to compensate for this decrease in revenue. “When going out to the capital market, operators should anticipate increasing reserves in both purchasing and refinancing,” says Withers. “Lenders now require six-18 months with debt service reserves to proceed. We suspect

that the higher-than-normal increase in debt service reserves will remain for the entire 2021 and perhaps even into 2022.”

Lenders are also scrutinizing borrowers’ credit profiles more closely than before and in many cases are declining to work with companies that have received strategic forbearance.

GETTING DEALS DONE

However, once you navigate past these limits, deals are getting done.

For instance, according to a Marcus &

Millichap report, apartment and industrial properties have been able to draw greater interest with banks and non-agency lenders remaining active originators, most often funding five- to seven-year loans with rates in the upper-2 to mid-3% range. Evolving e-commerce trends, challenges in the single-family home market and limited capital expenditure requirements have helped to ensure financing remains available at favorable terms for both asset classes, Marcus & Millichap said.

For the office class, though, most lenders have been more selective when assessing properties in spite of strong rent collections, favoring suburban office deals while requiring loan-to-values closer to 50% for buildings in larger downtown markets. Life insurance companies have been targeting lower leverage deals in the sector as well as focusing on multifamily and single-tenant retail assets, according to the Marcus & Millichap report.

In some cases, lenders are willing to stretch their comfort level to make a loan, depending on the asset class. Life sciences, clearly, has become a popular asset class but not many lenders understand the nuances associated with it. James Millon, vice chairman, debt and structured finance at CBRE, points to the recent life science conversion of a traditional office building at 345 Park Avenue South in New York City that his firm conducted. At first lenders did not understand the infrastructure required to attract the lab tenants and that a life science project could exist outside of a traditional hub, like Cambridge, he says.

On the other hand, asset classes with reputational risks can be difficult to underwrite even if the hard numbers pencil in. Lending to a senior housing facility that has had COVID deaths could potentially provide a reputational risk for lenders. "Frankly, it's just better to wait things out, let the storm blow over and start financing these asset classes again," Millon says.

Even retail, which suffered a wallop from the pandemic, is finding that deals can be underwritten. "There is a myth that retail is unfinanceable today and that's absolutely untrue," says Christopher Drew, senior managing director, capital markets at JLL Americas. "When structured appropriately, plenty of financing is available to investors. In fact, certain lenders like local and regional banks never stopped lending. Lenders seek the same characteristics for retail that investors pursue, which is well-located assets with essential tenancy."

JLL capital markets retail debt placement teams closed $542.83 million worth of retail financings between July 1, 2020 and November 30, 2020. Of the 29 JLL retail transactions closed during that time period, 12 were grocery-anchored retail assets. The remaining loans were a mix of non-grocery-anchored, shadow-anchored retail, retail condominiums and single-tenant assets. The average loan-to-value was 62% with an average interest rate of 3.96%. Grocery-anchored deals had an average LTV of 63% and average rate of 3.79%, with an average loan term of 10 years.

Insurance companies and local and regional banks led the way toward getting retail deals done in 2020, according to Claudia Steeb, managing director, capital markets, JLL Americas. "They have flexibility, tend not to have significant exposure in any particular asset class and are able to arbitrage the market so when competitors pull out, they can jump in and gain extra yield for their portfolio." ◆

"THERE IS A MYTH THAT RETAIL IS UNFINANCEABLE TODAY AND THAT'S ABSOLUTELY UNTRUE."

CHRISTOPHER DREW
SENIOR MANAGING DIRECTOR, CAPITAL MARKETS AT JLL AMERICAS.

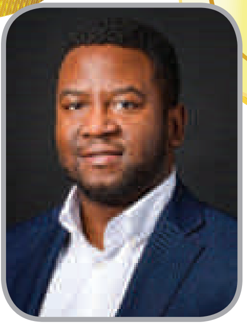
RAINMAKERS IN DEBT & EQUITY

Choosing the most influential rainmakers in the commercial real estate industry is not an easy task even in the best of times. Our criteria is to look for the men and women that have delivered something new, structured a highly-complex deal or introduced a change that bettered a process or transaction. But making those choices during a pandemic, when dealmaking has collapsed, investors are sitting on the sidelines and tenants and landlords are in disarray? The selection process becomes downright difficult. Anyone, it seems to us, who can cut a deal in these times is deserving of the title. However as we went through the nominations we were more struck than ever with the grit, expertise and dedication of the people in this particular slice of the CRE industry. Despite the paralysis, deals did get done, complex structures were put in place and innovation ran amok. On the following pages you will meet these debt & equity rainmakers and learn about their accomplishments.

INDIVIDUALS

VALERIE K. ACHTEMEIER

As an EVP in CBRE's capital markets debt and structured finance group, Valerie K. Achtemeier leads a national capital markets advisory service team focused on debt and structured finance transactions. In her 39-year career, she has closed more than $40 billion in transactions. She also serves alongside Darla Longo and Barbara Perrier on National Partners, an industrial and logistics capital markets team that has closed more than $25 billion of industrial sales and debt capital markets transactions in 2019 alone. In the past three years, Achtemeier has closed more than $3 billion in debt deals, including a $910 million industrial portfolio loan she brokered in 2019. When she isn't at the deal table, she is leading the industry in other ways. She is a member ULI Women's Leadership Initiative and National Executive Board and is a mentor for young female professionals entering the industry. Last year, she helped place 80 women in CRE-related internships.



JOE F. BIAOU

Joe F. Biaou has built a reputation on providing clients with credible solutions to market changes. He is the founder and managing partner of FRB Realty Capital, and has spent more than a decade as a financial intermediary for debt and equity for real estate transactions. He takes a creative approach to capital solutions, and customizes a unique deal structure for each client. This approach has led him to successfully close deals like the recapitalization on a ground lease on a New York City hotel estimated at $125 million. This is an innovative way to secure more favorable terms for the senior debt position. In the last decade, FRB Realty Capital has grown organically without the need for outside partners, and in 2021, it plans to continue that growth pattern with the integration of mREIT Millennium Mortgage Trust, which will focus on ESG projects, and Millcap.

ABBE FRANCHOT BOROK

With a strong track record of sourcing and underwriting commercial real estate debt, Abbe Franchot Borok structures value-add solutions for borrowers. Borok leads Amherst Capital's commercial real estate lending business, serving as managing director and head of investment management. Since joining the firm in 2015, she has overseen the issuance of $1 billion in loan originations and has provided 41 loans to fund projects in 26 cities in the US. She drives activity through her strong industry relationships with 75% of her loan volume coming from pre-existing borrowers. Recently, she executed the firm's first collateralized loan obligation, a $400 million portfolio of commercial mortgage assets. This was the firm's entry into the public market. In addition to guiding significant activity and growth at Amherst Capital, Borok is also a committed mentor to young female professionals entering the industry.

MICHAEL DERK

In 18 years at Marcus & Millichap Capital Corp., Michael Derk has built a reputation as an innovator in the mortgage banking business by focusing on the dynamics of each deal and the client's needs rather than on a specific niche or product type. Derk currently serves as senior managing director of capital markets, overseeing capital markets for the company's Orange County office. While he focuses on client relations rather than transaction volume, he has still generated impressive numbers. In the last three years, Derk has been named a Chairman's Club and Circle of Excellence award winner, the highest honors possible within the company. He has earned a National Achievement Award every year for more than a decade, continually breaking his own records for transaction volume. Outside of the office, Derk works with Camp Ronald McDonald, YMCA, Boys & Girls Club of America and the Women & Children's Shelter of Long Beach.

BRAD L. DOMENICO

"Get it done better," is Brad Domenico's outlook on closing successful commercial real estate finance deals. He joined Progress Capital seven years ago with one analyst. Today, he is a partner at the firm and manages a team of six, encouraging members to take a creative look at the loan process and cultivating an entrepreneurial environment. As a result, he has expanded his clientele to the New York and New Jersey markets and typically works on deals over $50 million. In the last 12 months, he has closed more $900 million in loan transactions, and since joining Progress Capital, he has worked on more than $4 billion in loan closings. In his role as partner, Domenico is responsible for sourcing customized financing solutions for high profile commercial real estate investors, owners and developers, originating short-term bridge loans, analyzing the market and advising clients.

MATT DOUGLAS

CEO and founder of Venture West Capital, Matt Douglas has more than 30 years of experience in real estate finance and works with prominent owners both in California and across the country. Through his deeply developed relationships, Douglas continually originates high quality loan volumes each year. In the last five years, he has arranged $1 billion in financing for multifamily and commercial properties, and in his 30-plus year career, he has originated more than $5 billion in loans. In the last three years, Douglas has averaged $220 million in loans closings annually across a broad range of loan products, including permanent, bridge, and construction loans for multifamily and commercial assets. In addition to serving clients, Douglas also believes in serving the community. He has been active in funding low-income and section-8 housing units that help provide an affordable housing option in California, a market suffering from a housing crisis. He works closely with developers to explain and secure funding options for these projects.

MICHAEL ELMORE

With more than 30 years of experience, Michael Elmore has demonstrated acute financial skills to guide and oversee complex financial transactions. As an EVP and managing director at NorthMarq, Elmore structures debt and equity transactions. During his 27-year tenure with the firm, he has closed 600 transactions totaling nearly $13 billion, and he has regularly been named as a top producer. Advanced Real Estate Services is one of Elmore's longest standing clients. The firm has a 10,000-unit multifamily portfolio, and Elmore has worked with them to secure $2.3 billion in financing transactions, leading to loan servicing of $1.2 billion for the firm. When he isn't working with clients, Elmore is mentoring new talent, both students and new entrants into the firm. Brendan Golding is a prime example of Elmore's mentoring. Golding joined the firm two years ago and worked closely with Elmore to develop his book of business, resulting in $40 million in loan volume.

CHARLES J. FOSCHINI

Charles J. Foschini is the senior managing director at Berkadia with more than 22 years of experience in structuring complex financing of commercial and multifamily transactions. Foschini co-leads the firm's commercial mortgage banking teams in Florida from his Miami office, working with both institutional and private equity clients across property types, funding deals ranging in size

from $10 million to $200 million. In his more than two-decade career, Foschini has been involved in the sale or financing of more that $20 billion in transactions, and in 2019 alone, he closed $1 billion in deals across 27 states. Based on this deal volume, he is ranked number two in the state of Florida among commercial mortgage brokers. Even during the pandemic, Foschini has managed to close impressive transactions, including a $97 million construction-to-permanent loan for two new Miami apartment towers totaling 256 units on behalf of developer, The Brunetti Organization. The activity is a testament to Foschini's relationships and track record in the market.

PAUL M. FRIED

In his two-decade career, Paul M. Fried has established himself as the go-to source for debt and equity placement. He takes a holistic approach to financing solutions and aims to help optimize and grow his clients' existing real estate portfolio as well as navigate market turbulence. He joined Greystone Capital in 2016 and currently serves as the executive managing director, but his career includes tenures at L&L, where Fried worked on projects totaling $4 billion, Deutsche Banc Mortgage Capital and Allegiance

Capital as well as at Milbank, Tweed, Hadley & McCloy as an attorney. In leading Greystone's equity capital markets group, Fried has worked on significant transactions, including the $160 million equity placement for Douglaston and Ares' Hudson Yards mega-development, a 931-unit luxury mixed-used residential development in Manhattan and a $63 million speedy bridge loan for a client needing a tight turnaround to acquire a three property, 731-unit portfolio.

MAX FRIEDMAN

As the CEO and founder of Mandri Capital, Max Friedman has built a reputation as a leader in structuring and arranging senior debt, mezzanine debt and joint venture equity transactions for middle market operators and investors. Since founding the company two years ago, his overarching goal has been to provide best-in-class financing for sponsors across the capital stack. But, Friedman is also continually looking for ways to break new ground and develop new verticals, and he has made progress by growing the sub institutional debt and equity markets. He has established deep relationships with leading funds to provide clients with the best capital opportunities. In his down time, Friedman takes an active role in the community, working with UCLA's REAG Endowment Circle, running a an internship program for undergraduates and coaching local youth sports teams.

DANIEL HARTNETT

Daniel Hartnett has quickly risen to an elite status in the commercial real estate finance world. He started at Greysteel in early 2016 as a capital markets associate and in four short years, he become the senior director and co-lead of Greysteel's National Debt & Structured Finance and JV Equity Practice Groups. He focuses on structured debt, mezzanine and joint venture equity placement across asset classes for middle market and institutional clients. Hartnett has driven significant expansion for the firm, creating a top-to-bottom capital market solution for all major asset classes. In the last three years, he has arranged the financing of $267 million in total finance volume, with $126 million in the last 12 months. He has also played an integral role in supporting the adoption of new technologies at the firm. Leveraging Greysteel's proprietary capital tracking database, Hartnett balances technology adaptation with flawless capital execution to improve a seamless client experience.

TUCKER KNIGHT

Tucker Knight joined Berkadia in 2015 to build the firm's Houston-based practice from the ground up, and in just five-short years, he has placed the office on the map. The office ranks among the firm's top performers nationally. In the last two years, the office has originated more than $2 billion in debt and equity financing through 80 transactions. Knight himself is consistently ranked among the top five producers at the firm, and workers with a roster of notable clients, including Hines, Venterra and Fowler Property, specializing in multifamily, office and industrial product. As a senior managing director at the firm, he oversees loan origination, equity placement and management. Outside of the office, Knight is actively involved in a number of community organizations, including as the chairman of the board for the Institute of Stem Cell Research and Education and as board member of the Houston Livestock Show and Rodeo Committee.

BETH LAMBERT

In her 30-year career, Beth Lambert has closed more than $20 billion in debt and equity transactions, and for the last 8 years, she has served as an executive managing director at Cushman & Wakefield where she has continued to close a significant number of deals. She

focuses on originating and structuring institutional debt and private and institutional equity for all property types, and the last three years alone, she has closed more than $1.5 billion in real estate transactions. She also recently served on the Operating Committee and Investment Committee that led Cushman & Wakefield's first M&A transaction, the acquisition of a $750 million national portfolio. This activity landed her a place on the firm's top 100 list last year. She is currently a member of the ULI IOPC Red Council and a board member of The Real Estate Council. Lambert works closely with the firm to create initiatives that support the growth and advancement of women in the industry.

CHAY LAPIN

Since 2012, Chay Lapin has played a fundamental role in driving growth at Kay Properties & Investments LLC, one of the largest DST firms in the US. As SVP, Lapin has helped to drive the firm's participation in more than $15 billion in real estate offerings, and is considered a top ranked performer in the US. Lapin works with clients nationwide on a variety of transactions, and has sponsored and co-sponsored the syndication of more than $400 million in two million square feet of DST properties, including multifamily, net lease, industrial and office sectors. This year, Lapin led the close of nearly $500 million in real estate transactions. Prior to working with Kay Properties & Investments, Lapin founded Cove Capital Investments, one of the leading asset management firms in the DST space.

NATHAN PROUTY

In 2016, Nathan Prouty became the youngest managing director at NorthMarq. Based in the San Francisco office, Prouty completes debt and joint venture equity production and works with the firm's life company correspondent lenders to finance core stabilized assets. He has a notable roster of institutional investors and structured finance lenders on hand for opportunistic transactions, as well as relationships with traditional financing sources, including Freddie Mac, Fannie Mae, institutional equity investors, debt funds and banks. In 2019, Prouty's office completed $1.42 billion in financing transactions. Personally, his average annual transaction volume is $700 million. In the last five years, he has closed $3.5 billion in debt and equity deals, and he is consistently ranked in the top five producers at the firm. While he specializes in hotel deals, Prouty has closed several notable multifamily deals, including a $336 million

Fannie Mae loan on the 1,000 unit Mansion Grove Apartments and a $75 million cash out refinance on Mediterranean Village, a garden-style apartment building.

ADAM RANDALL

With deep expertise structuring collateralized loans for conventional multifamily, student housing and seniors housing, Adam Randall is a leader in multifamily debt solutions. As the vice chairman at Newmark, Randall specializes in loan requests with tax-exempt bonds and tax credits, structured complex credit facilities and affordable forwards, and he boasts strong industry relationships that he leverages to connect clients with opportunities and the best capital solutions. In his nearly 20 years with Newmark, Randall has closed more than $8 billion in financing transactions, and this year alone, he has completed $660 million in loan deals, a total of 32 transactions. As became standard for 2020, many of these deals have had challenges, including bad debt, troubled lease up or increased concessions. However, Randall and his team managed to close every transaction. He is a top producer at Newmark and a member of the firm's Chairmen's Circle.

STEVE ROTH

In his 36-year career, Steve Roth has been a trailblazer in the mortgage banking industry. With a focus on the industrial sector, he has closed record-breaking transactions. Throughout his career, he has structured and arranged $27 billion in capital for more than 1,200 deals, and in the last three years, he has closed $6.2 billion in loan volumes with more than two-thirds of the transactions on industrial assets, which the remaining 25% of transactions were construction deals. He is currently a vice chairman at CBRE, and this year alone, he has arranged more than 30 debt transactions, not including a $330 million deal, a $172 million deal and a $110 million deal that are all scheduled to close in the fourth quarter. On average, he closes between 55 and 60 transactions per year, and he is frequently ranked in the top 1% of producers at the firm.

SHARONE SABAR

Sharone Sabar has built is 14-year career entirely at Marcus & Millichap, climbing the ladder to senior managing director of capital markets. He has built a reputation as a problem solver with in-depth knowledge of a broad range of property types and the ability to provide solutions for complex problems. With the

responsibility of securing commercial debt and equity financing, Sabar is connected to both regional and local funding sources as well as agency lenders, CMBS lenders, life insurance companies and private and public funds. During his career, he has closed more than $3 billion in loan transactions, and in the last three years, he was consistently named one of the firm's top five originators. In 2019 he was the top originator at the company. Sabar has been regularly highlighted by industry publications and organizations as a leader.

MITCH SINBERG

As one of the leading mortgage brokers in the country, Mitch Sinberg works with some of the largest institutional and private equity investors on multifamily and single-asset transactions. Leveraging his network and skill, he has played a crucial role in driving growth in the Florida market at Berkadia, where he is a senior managing director. Since joining the firm in 2013, he has played a significant role in building the business from $200 million in annual deal volume to more than $3 billion in 2018 and 2019. In 2019, his team alone was responsible for $2.2 billion in loan volume, representing 100 transactions in 20 states. He has also grown the team from 15 professionals to more than 50 throughout the state. Prior to joining Berkadia, Sinberg was the co-manager of Beech Street Capital, were he also built a reputation for driving growth by obtaining a Freddie Mac seller-servicer license for the firm.

NICHOLAS WALKER

As the managing director at Waterway Capital LLC, Nicholas Walker has helped to develop new debt products at the firm, including construction-permanent credit-tenant-loan financing. Known for his innovation and unique market perspective, Walker works closely with borrowers to create efficient capital solutions. Recently, he has secured construction-permanent credit-tenant-loan financing for a manufacturing facility, a build-to-suit hospital and a distribution facility in Southern California. He has a decade of experience in the mortgage banking industry, and has spent the duration of his career at Waterway Capital.

TEAMS

BERKADIA JV EQUITY & STRUCTURED CAPITAL GROUP

Berkadia's JV equity and structured capital group focuses exclusively on the equity side of the capital stack, but works on everything from large new construction deals to small value-add transactions in a wide range of equity positions, like JV equity, senior equity, preferred equity, stretch senior and co-GP/entity-level. The team, which includes Chinmay Bhatt, Cody Kirkpatrick and Noam Franklin, joined Berkadia in 2019. Since, it has closed 27 deals with a total transaction volume of more than $1 billion. The team's recent transactions include an $8 million preferred equity investment in Amber Ridge Apartments near Los Angeles and the equity recapitalization of a $138 million multifamily portfolio in Florida and Georgia. The team has also played a critical role in helping clients fill financing gaps during the pandemic as well as driving opportunities and growth at the firm. Bhatt, Franklin and Kirkpatrick have all been recognized by various industry organizations and publications for their impressive track record.

CBRE'S NORTHERN CALIFORNIA MULTIFAMILY DEBT AND STRUCTURED FINANCE TEAM

Since 2013, Andrew Behrens and Jesse Weber have been the A-team behind CBRE's Northern California multifamily debt and structured finance team. Both members of CBRE's elite institutional group, routinely rank in the top 10% of brokers at the firm. The team has closed more than $15 billion in loans since 2013, consistently increasing loan volumes each year. Last year alone, they closed $3.2 billion in loan volume. Behrens and Weber work with both direct lending products, like Fannie Mae and Freddie Mac, and capital sources in the broader capital markets such as life companies, CMBS, banks as well as alternative debt sources and equity capital. In 2018 and 2019, the team was one of Fannie Mae's top five lenders. This year, they have forged ahead despite the pandemic, closing 50 transactions through October 2020.

JAMES CAPITAL ADVISORS CAPITAL MARKETS TEAM

Senior director, Brad Kraus and senior associate, Jorge Gomez took the helm of James Capital Advisors' debt and equity advisory group in January 2020, growing the platform from the ground up. This year, they have focused on educating the firm's 40-plus brokers to better understand capital markets and financing structure that can be used to augment deals and support clients through the entire transaction process. This includes hosting educational meetings with brokers and providing weekly market information on changing rates, lender appetite and economic fundamentals. Despite the downward market shift due to the pandemic, Kraus and Gomez have continued to close new deals and were able to complete all deals that were initiated prior to the economic shutdown in March by working with lenders that continued to originate deals, illustrating that the lending market was simply limited and not completely dead during the pandemic.

MARCUS & MILLICHAP CAPITAL CORP.'S O'CONNOR, AGNEW AND ELLIOTT TEAM

Chad O'Connor, Patrick Agnew and Kevin Elliott make up Marcus & Millichap Capital Corp.'s national Southern California team. The trio—which is responsible for securing commercial debt and equity financing across all asset classes—has become known for its innovate and creative approach to capital solutions and the ability to unearth opportunities. They work with a wide range of national and local funding sources, including Fannie Mae and Freddie Mac, commercial banks, CMBS lenders, life insurance companies and bridge lenders. O'Connor serves as senior managing director on the team and is regularly a top originator. He has been a top five producer every year since 2013 and a recipient of the national achievement award every year since 2010. The team is among the top teams within Marcus & Millichap Capital Corp.

NEWMARK SANTA MONICA MULTIFAMILY CAPITAL MARKETS AND DEBT TEAM

Newmark's Santa Monica multifamily capital markets and debt team has an impressive track record. Since Mitch Clarfield founded the team in 2001, it has grown to 15 team members and has closed more than $15 billion in multifamily loans and more than $10 billion in commercial and multifamily mortgage acquisitions and sales. The team, which in addition to Clarfield includes Josh Braceros, Ryan Greer and Meghan Varga, has average annual debt originations of $1.5 billion, and in the last three years, the team has completed $6 billion in total production. Despite the pandemic, 2020 has been a particularly prosperous year. The team has originated $1 billion in the third quarter alone, including closing two credit facilities totaling more than $650 million. The team also established the firm's analyst training program, which cultivates top young talent through a rigorous two-year multifamily lending training program. The program funnels trainees into the company and positions them for growth.

SABAL CAPITAL PARTNERS' SERVICING TEAM

Led by Vartan Derbedrossian, chief fulfillment and servicing officer, Sabal Capital Partners' servicing team has originated more than $4 billion nationally and services a $4.3 billion portfolio of both multifamily and commercial loans. Last year, the team began servicing for the largest loan portfolio in Freddie Mac's Optigo Small Balance Loan history, a $189 million 880-unit portfolio with UPB of workforce housing properties located in Harlem, New York. Along with Derbedrossian, the serving team includes Marilyn Pennebaker, Ken Kraemer, Steve Chung, Donna Kelly, Linda Tran and Jaime Villalobos. It prides itself on being a standout from other companies because it is designed to serve a wide range of borrowers with different needs and it leverages proprietary technology to streamline the capital placement processes. This has launched the servicing team to be a top producer in both up and down cycles. During the current down cycle, Sabal was able to help borrowers through the downturn by navigating repayment, forbearance and refinance options.

ORGANIZATIONS

AZTEC GROUP INC.

Boutique commercial real estate investment and merchant banking firm, Aztec Group is focused on more than just volume. In the 39 years since its inception, Aztec has focused on execution, custom solutions and client objectives, working with developers, operators, investors and entrepreneurial clients. Under the leadership of president, Peter Mekras, the firm works with debt, equity, venture partners and investors to create custom solutions, and it structures permanent, construction, bridge and mezzanine loans on all property types and asset classes. Aztec also plays an active role in the local community, working with several charity organizations, including United Way of Miami Dade, Legal Services of Miami, Greater Miami Jewish Federation, University of Miami and University of Florida.

B6 REAL ESTATE ADVISORS

B6 Real Estate Advisors lives by a tried and true philosophy: each commercial real estate property is unique and unlocking the property's true value requires a granular-level knowledge of all factors that make the property distinct. This philosophy is even reflective in the company's name, B6, which stands for building by building, block by block. In the last three years, the firm, which serves the New York City Metro, has averaged 9,500 transactions per year with an average dollar volume of $105.9 billion annually and an average individual loan size of $11.1 million. B6 serves the middle market with a loan size ranging from $1 million to $250 million, and 77% of all deals in the last three years have fallen within that category. The firm's proprietary technology helps to achieve these goals by efficiently analyzing and curating data that combined with the team's local market expertise helps to maximize value for clients.

TOP TALENT.
INDUSTRY LEADERSHIP.
MARKET INTELLIGENCE.
Andrew Behrens
Jesse Weber
Val Achtemeier
Steve Roth
Congratulations to **Andrew Behrens**, **Jesse Weber**, **Val Achtemeier** and **Steve Roth** for being recognized as 2020 Rainmakers of the Year.
We are proud to have distinguished members of CBRE recognized for their contributions to the CRE industry.
cbre.us/sanfrancisco
CBRE

GEORGE SMITH PARTNERS

With more than 25 years in business, George Smith Partners has established a reputation as an ethical and innovative capital brokerage firm. Since its founding, the firm has closed more than $58 billion in financing deals, serving both developers and investors to structure acquisition, construction, bridge and permanent loans. The firm also secures mezzanine loans, highly leveraged participating loans and joint venture equity on behalf of its clients. Last year, the company closed its largest transaction to date, a $460 million loan, and even through 2020, the firm has maintained strong transaction volumes, despite the recent market disruption. As a leader in the industry, George Smith Partners does more than just close deals. It publishes a weekly CRE resource called FinFacts, which is read by more than 50,000 people. The firm is also deeply invested in mentoring young talent, operating a rotating analyst program to develop future leaders. Often, these analysts become full-time employees with the firm.

GOWERCROWD

GowerCrowd works with clients to raise equity and develop investor lists by leveraging the marketing power of the Internet and new technologies to create a completely passive process for the sponsor. Using this method, all capital is raised online from interested investors, essentially reshaping the way that deals are financed and changing the capital formation. Led by Adam Gower, who has 30 years and $1.5 billion of transactional experience, GowerCrowd clients have raised tens of millions of dollars. Gower has a Ph.D. in risk mitigation, and is known for creating The Investor Acquisition System, a capital formation program. When he isn't innovating the capital raise, Gower mentors students beginning their commercial real estate careers and gives them insight into crowdfunding and new technologies revolutionizing the industry.

MESA WEST CAPITAL

When founded by Jeff Friedman and Mark Zytko in 2005, Mesa West Captial was one of the first companies to focus exclusively on commercial real restate debt. The move has made the firm a pioneer in the debt fund space and its success has earned it a name as one of the top 50 real estate debt fund managers in the United States. For the last decade, the firm has generated $500 million in loans annually and has sourced and closed more than 300 transactions totaling more than $19 billion. Mesa West funds non-recourse first mortgage loans for a variety of deal types, including core and core-plus, value-add and transitional properties with loan sizes ranging from $20 million up to $400 million. This year, notable deals have included providing Sares Regis Group with $65 million first mortgage debt for the acquisition of The Preston, a 169-unit multifamily community in Los Angeles.

MOSAIC REAL ESTATE INVESTORS

Founded in 2015 by Ethan Penner and Vicky Schiff, Mosaic Real Estate Investors set out to become a leader in the debt fund space by structuring deals that reduce the impact of economic down cycles—a strategy that has served clients well in this year. In that short five years, the firm has accomplished its goal by carrying out in-depth initial due diligence, structuring strong protective covenants, performing hands-on asset management, and working with experienced sponsors with successful track records. This has culminated in more than $2 billion in originations. The success isn't surprising. The firm's leadership team has a collective $50 billion-plus and three decades worth of real estate and lending experience. The team has leveraged that experience to close deals like a $68.75 million dollar loan for the construction of a new UC Merced student housing development totaling 270 units. The founders are continuing to evolve the company and raise the bar by embracing new opportunities. This, the firm says, ensures a bright future.

RED STAR MORTGAGE CORP.

As a non-bank lender, Red Star Mortgage Corp. provides financing solutions for self-employed borrowers looking for alternative forms of financing. The firm is able to provide 30-year fixed-rate commercial mortgages—a rarity in the commercial mortgage industry—without the need obtain qualifying tax returns or cash flow analysis. Focusing on the small balance market, the firm funds loans from $250,000 to $7.5 million. It funds permanent private loans up to 75% loan-to-value and fixed rates with flexible credit and underwriting standards on all property types, including retail, office, industrial and multifamily. By serving this niche market, Red Star has continued to see strong lending activity through the pandemic, particularly helping small businesses and investor owners with purchase, refinance and cash out opportunities. When the firm isn't closing deals, it is mentoring young talent on strategic market tactics and participating in the local community's Chamber of Commerce.

TURNBULL CAPITAL GROUP

Newport Beach-based, Turnbull Capital Group is a leader in the leisure and hospitality investment banking sector. Donald W. Wise and Michael P. Branigan are at the helm of the firm, with a combined 55 years of experience and an impressive track record in the industry. Wise established what today is CBRE Hotels in 1984 and founded the leisure and hospitality investment banking lending practice at Johnson Capital in 2007, which is now at Walker & Dunlop. Branigan has been involved in more than $10 billion in debt and equity placements. Turnbull Capital Group has a team of 15 senior managing directors and has completed nearly $20 billion in preferred equity and debt placement along with several other capital needs, like hospitality workouts, bankruptcies and note sales. Among its most notable deals, the firm has represented a joint venture between the Platt Companies and Marriott International on the purchase of One Beverly Hills.

MULTIFAMILY CAPITAL MARKETS

Newmark Congratulates Our Professionals Named in Real Estate Forum's 2021 CRE Rainmakers in Debt & Equity Finance Influencers

MITCH CLARFIELD
Vice Chairman
Santa Monica, CA
mitch.clarfield@ngkf.com

JOSH BRACEROS
Senior Managing Director
Santa Monica, CA
joshua.braceros@ngkf.com

RYAN GREER
Managing Director
Santa Monica, CA
ryan.greer@ngkf.com

MEGHAN VARGA
Managing Director
Santa Monica, CA
meghan.varga@ngkf.com

We are so pleased to honor these exceptional team members, who consistently execute extraordinary capital solutions in partnership with our clients. Congratulations on this outstanding achievement.

NEWMARK

nmrk.com

CRE'S MOST IMPORTANT AMENITY

BY LES SHAVER

WHILE SCIENCE SAYS LOW-TECH SOLUTIONS, LIKE MASKS, CAN HELP COMBAT THE SPREADS OF COVID-19 AND OTHER PATHOGENS, THE PANDEMIC IS CAUSING MANY LANDLORDS TO LOOK AT HIGH-TECH SOLUTIONS.

As the country began to understand the realities of COVID-19 in early March, many things started to happen. People limited their trips to public places, like stores, bars and restaurants. They started washing their hands a lot more. And, they began hoarding sanitizing wipes, soaps and even toilet paper.

Commercial real estate owners also needed to secure this personal protective equipment. But the job often proved too big for one person. Like a number of companies, Wood Partners, an apartment developer, owner and manager in Atlanta, set up a special task force focused on procuring much needed supplies for its apartment communities.

But even with Wood's buying power and relationships, finding supplies wasn't easy. Items like electrostatic sprayers and masks were incredibly hard to find.

"We had four people calling every vendor during business hours," says Steve Hallsey, executive vice president of operations for Wood Residential Service, which is Wood's property management company. "We were hitting every supplier we could think of—medical suppliers, apartment suppliers and commercial suppliers."

With Wood's corporate offices closed, many company associates took delivery of supplies at their homes.

"They had all of these supplies out in their driveway," Hallsey says. "They would put it together, have a driver come and pick it up, or they would take it to the UPS store and ship it. It was just an amazing adaptation to a critical situation."

Adaption was a critical skill for many CRE firms throughout the pandemic. Companies had to hustle to get the supplies to protect their employees and residents. While science says these low-tech solutions, like masks, can help combat the spread of COVID-19 and other pathogens, the pandemic is causing many landlords to take a step back. They're not only thinking about what can protect their occupants from COVID, but what high-tech investments can make their buildings healthier in the future.

MOBILIZING FOR SAFETY

Wood Partners wasn't alone in setting up task forces. In March, Village Green, an apartment management company based in Southfield, MI, convened a group that included CEO Diane

Batayeh and its heads of national procurement, risk management, people services (human resources), sales and marketing and facilities management.

Early on, the team tapped into its national relationships with suppliers to secure needed PPE, centralized its procurement and did an audit of the protective equipment that it had at its sites.

"Many of our sites were using masks and gloves for doing turns, drywall, painting and those sorts of things," Batayeh says. "In the beginning, we wanted to get our arms around what inventory exists. We saw where there were shortages and moved inventory around internally. Then we placed orders early."

AMLI Residential, an apartment owner, developer and manager based in Chicago, charged its procurement team with securing products while also checking to ensure they were on the list of approved products to combat COVID.

"We dug through what was effective in disinfecting versus what was only optics or a feel-good thing," says Maria Banks, president and CEO of AMLI Management Co. "We didn't want to create a false sense of safety."

Beyond cleaners, AMLI secured face masks, booties and other supplies for its onsite teams when they entered residents' apartments.

When Wood reopened its leasing offices, it also installed Plexiglass and rope barriers, like the ones the airlines use. "They made the walkways well-delineated, and there was separation," Halsey says. "We spent a lot of money trying to think through customer service and the customer experience."

Before things reopened, Batayeh says Village Green posted signage that limited capacity in amenity areas and opened sanitation stations at each of its properties.

But even stocking the sanitation station could sometimes be challenging in some areas.

Like many office operators, Dallas-based Lincoln Property Co. put hand sanitizer in its lobbies. Typically, companies can refill the hand sanitizer dispensers by just snapping in a new cartridge when the old one is empty. But those cartridges aren't refillable. If you can't find the cartridges, the entire system is useless.

Fortunately, other businesses redirected their operations to fill the sanitizer need, often selling it in gallon jugs. To support local business, Lincoln bought sanitizer from a local brewery. But to accommodate that sanitizer, it needed to purchase basic dispensers.

"We had to back away from technology and just go to a basic machine that didn't use cartridges," says Lincoln's senior vice president of management services Shane Froman.

OFFICE CHALLENGES

Apartment operators weren't the only ones who had to scramble. While apartment residents stayed in their units when COVID hit, many retailers shut down, and office workers stayed home.

The uncertainty around when those tenants would return presented a challenge for companies like Lincoln. Early on, the company relied on mass communication systems to connect to via voicemail, text and email. As COVID played out, the company used online surveys to understand how its tenants were approaching reopening.

"For any given building that might have 15, 20 or 30 tenants in it, we were trying to understand what each of those companies was planning to do [as far as reopening]," Froman says. "We also put together information about each tenant and what type of business they do to understand whether they were essential."

Gaining knowledge was only part of the battle.

Lincoln's office management team spent a lot of time thinking about the basics—how frequently high-touch point areas needed to be cleaned and how to create pathways for people and deliveries to enter and exit buildings. Along with sanitizer, it put out directional signage in the lobbies.

"This wasn't high tech," Froman says. "It was going back to the basics of property management."

With employees wearing masks and social distancing and Plexiglass barriers to protect cashiers, the safety investments are obvious in retail.

Doug Schneider, executive vice President of operations at Bayer Properties, a Birmingham, AL-based company that owns and operates retail and office space across the country, thinks these safety upgrades are giving retailers a boost.

"What is important to the retail customer is that they can visually see you are making an effort to keep them safe," Schneider says. "A store might have the technology, like UV lighting or MERV filters, but a customer isn't going to see these precautions or take the time to read about them. They want to observe that an employee has a face mask, there's hand sanitizer available and there's plexiglass protection at the cash register."

Retailers and restaurants also began using their parking lots for sales. Early in the pandemic, between April 1 and April 20, curbside pickup jumped 208% compared with a year earlier, according to Adobe Analytics.

"I think that kind of retail experience—where you can use your car as a buffer between you and other people—is successful," says JLL's managing director of property and asset management Randy Fink. "Drive-throughs are going gangbusters right now."

During the first six to eight weeks after COVID, Schneider says

WIDE OPEN SPACES

For a decade now, developers of class A apartments have been waging the amenity wars. As developers continued building apartments, they started outdoing each other with more sophisticated common spaces, whether it was high-tech gyms, coffee lounges or pet parks.

When COVID hit, they suddenly had to shut down those spaces, often leaving the crown jewel of their building sitting vacant. As those spaces reopened, apartment operators needed to come up with creative solutions to ensure residents observed social distancing regulations.

"In some places, we removed pool furniture to ensure compliance with government guidelines," Maria Banks, president and CEO of AMLI Management Co. "For fitness centers, we've shut down certain pieces of equipment to allow for social distancing. In the business centers, some spaces may be closed off to ensure that people stay separate from one another."

The movement to more open spaces won't be a change for apartment REIT Camden. Camden CEO Ric Campo thinks his REIT's amenity design was helpful for social distancing.

"With amenities and clubhouses, we've been using big open spaces and then using furniture to define the spaces," Campo says. "I think that has helped with social distancing. So we can move our furniture around easily and put partitions between things as opposed to having to reconfigure full rooms and knock walls out."

Village Green CEO Diane Batayeh thinks COVID will accelerate the adoption of even more extensive open amenities spaces, though they will be outside.

"My prediction is that we're going to see more open-air amenity spaces when it's possible from a climate perspective," she says.

Inside, Batayeh thinks amenity areas might shrink. When residents are working from their apartment community, which will probably happen a lot more after COVID, she thinks they will use more private areas.

"We'll see fewer communal gatherings and more privacy-driven amenity designs," she says. "We may also see more of a trend toward larger unit styles because I think more people will work from home. So they're going to need that extra space for offices."

deliveries or curbside pickup drove most of his retail and restaurant tenants' sales.

"Right now, we're trying to retrofit existing parking lots," Schneider says. "You can designate parking spots or build curb cutouts where consumers can pull in and get immediate access to the retailer or restaurant. With restaurants, we have already allocated a certain number of parking spots to curbside pickup."

With the increasing adoption of parking apps, where customers can reserve a parking spot as they arrive, Bayer is also looking at numbering these pickup spots.

CLEANING THE AIR

Worrying about air quality is nothing new to AMLI Residential. The company has a long track record of building LEED Certified buildings with MERV filters.

Now that COVID has put a focus on air quality in commercial buildings, other CRE developers and owners could soon adopt those practices. Froman says air quality will be a massive consideration in Lincoln's office portfolio.

"The operating procedures for filtering your return air, outdoor air intake and exhaust air on each floor are all being re-evaluated," he says.

But there are some potential hang-ups. Froman worries MERV 13 or higher filters could hinder a building operator's ability to cool and remove humidity out of the building appropriately because they lower the air changes per hour on these floors.

"While we want to have some of this technology and put in these filter systems, we cannot negatively affect the building's design," Froman says. "That could cause other problems, like tenant discomfort, mold, and excessive humidity and other issues like that. We're walking a fine line of how much do you want to implement to be cautious and protect against COVID or similar health-related concerns."

COVID is also shining a spotlight on HVAC systems and precisely where they spread air. In many buildings, the air moves from one room to another, which can increase the risk of transferring airborne infections, according to Cynthia Curtis, senior vice president of sustainability at JLL. She advocates improvements to existing ventilation systems in a recent article on the company's site.

In its office and residential portfolio, Bayer is thinking about the same things. The company is studying HVAC systems that can create better air circulation and filtration systems to eliminate bacteria or smaller microscopic particles. "That's something we will look at on recent developments," Schneider says.

Ultraviolet technologies that can kill viruses in the circulating air are also gaining a lot of momentum. In some buildings, ultraviolet UV-C light technology is placed inside light fixtures or within HVAC systems.

These are the kinds of technologies that Bayer is considering.

"There is a light product that will disinfect," Schneider says. "An employee can't sit under it while it's on. However, at night when no one's present, this light product can be very effective at eliminating a virus and bacteria."

LIMITING TOUCH

The science behind COVID is developing. Early on, there was a hyper-focus on how to limit the spread of the virus via surfaces. While recent research has shown that the virus is transmitted through the air, many CRE executives are focused on how to limit contact with high touch surfaces, like elevator buttons and door handles, in their buildings.

"We've certainly been exploring different types of keyless entry systems," AMLI's Banks says. "In some of our renovations, we have technology where you can unlock doors from your cell phone. But then you still have to pull or push on the door to open it. So one of the things we're exploring is if we can get a no-touch door."

Wood is also looking at separating elevator corridors and adopting buttonless elevators, which Hallsey says will be an "incremental cost" in new development. "It's changing how we're underwriting," he says.

Touchless technology is nothing new in class A office buildings. But Fink expects it to expand. He sees elevators that apps can control on the horizon. And, he expects more touchless adoption in older buildings, though he says there hasn't yet been a financial "trigger" where tenants are demanding it.

"Tenants are asking what we've done for COVID, but they're not pushing us to do new things," Fink says. "They're documenting what we have in place."

TOO FAR, TOO FAST?

While existing tenants may not be pushing landlords to do new things, CRE companies are implementing new technologies to court new tenants. Firms across multiple sectors have adopted virtual leasing technology, which allows prospects to tour spaces without risking in-person interactions with leasing staffers.

"Everybody implemented virtual leasing and a lot more online capabilities to capture new customers rather than rely on [in-person] tours," says William Spransy, CFO of Chapel Hill, NC-based apartment owner Eller Capital Partners.

While the industry has adjusted on the fly to meet the demands imposed by COVID, many are looking into their crystal ball to figure out what new safety technology could be on the horizon. As they do this, they're looking to Asia, which is more accustomed to dealing with airborne diseases than the US.

For instance, when people enter many buildings outside of the US, they walk past a thermal camera that measures their temperature. While that may never be widely adopted in the US., the system has been installed in one of Lincoln's managed properties in Norcross, GA.

"There is a main entrance where employees come in, and a temperature scanner has been installed there," Froman says.

Schneider is intrigued by other technologies, such as a Japanese system that sprays a fine mist on children as they walk into the school. But he thinks there might be a limit to what Americans accept.

As the debate over masks has proven, Americans aren't always as accepting of protective measures—whether they're high tech or low tech—as citizens of other countries, especially when they see them as intrusive.

"It would be interesting to see whether the US customer will be as accepting of this approach," Schneider says. ◆

GLOBEST. REAL ESTATE FORUM PRESENTS

CRE TECH INFLUENCERS

What a difference a decade makes. Ten years ago, commercial real estate was a laggard in advanced tech adoption, content to make do with paper-based processes and back-of-the-envelope forecasts and projections. That world is long gone, fortunately, and in its place is a sector that is robust with industry-specific venture capital and an array of offerings ranging from artificial intelligence to 3D virtual tools.

It is worthwhile to occasionally ponder how we got here, if only because such musings facilitate even more advances. Some will say that CRE embraced tech when its people finally felt comfortable giving up the old ways of doing business. We disagree with that notion. Our belief is that CRE took longer to embrace technology than other industries because the technology itself was harder to customize for our space. It was when smart, visionary and entrepreneurial-minded men and women pushed through the complexities to deliver CRE-specific software products and platforms that the disruption began. It didn't take much buy-in on the part of the industry—it was ready to go.

On the following pages you will find some of those men and women who solved the puzzle for us and brought the CRE industry on par with fintech and consumer technology.

INDIVIDUAL INFLUENCERS

GARY S. BRANDEIS
VERTALO

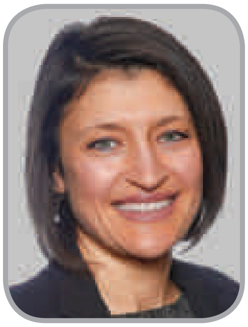
With more than 30 years of industry experience, Gary Brandeis has assisted major companies in integrating technological advances since the dot com days. During his career, he has led numerous prop tech companies, served as the principal partner in four real estate investment funds and founded the real estate technology companies, PropertyLogic LLC and iBuilding. Continually seeking innovative opportunities to apply to real estate, Brandeis remains at the forefront of technology improvements within the field. He currently serves as the president of Vertalo Real Estate, where he bridges and applies client's real estate offerings to the company's asset agnostic platform in order to issue digital, programmable equity. Within his role, Brandeis structures and closes deals related to the firm's technology, while building out real estate specific functionality on the firm's platform. Thoroughly understanding requirements for effective platforms, he continues to utilize his creative, thoughtful mindset as a consummate entrepreneur.

TIM CURRAN
BUILDING ENGINES

Since being appointed to his current role of Building Engines' CEO in 2017, Tim Curran has proven influential by developing the company's growth strategy and vision, and propelling the firm forward as a reliable platform for building operations. Under Curran's leadership, the firm delivers technology to address the industry's needs. During the COVID-19 pandemic, Curran spearheaded a project to deliver free access to critical building operations software in effort to support tenants. More recently, he led the release of the company's new building operations software platform, Prism, to improve users' net operating income and address all elements of building operations through a single, comprehensive interface. In addition to securing infusions of capital and engraining his values of trust, integrity and transparency in the company's platform, Curran serves as a board director, advisor and investor for more than a dozen software start-ups.

OLI FARAGO
COYOTE SOFTWARE

While previously serving at the chief technology officer of M7 Real Estate, Oli Farago created software which scaled the company to $9.3 billion in assets under management and led to the origination of Coyote Software, as its own business from M7's proprietary asset management software. As the co-founder and CEO of Coyote Software, Farago has led the real estate asset management platform to amass more than $300 billion of assets under management on its platform since 2017. As a global PropTech expert, Farago serves as the driving force behind the technologies that power digital CRE firms. Since the onset of the COVID-19 pandemic, Farago and his team have added numerous purpose-built functionalities to the platform to better serve the changing needs of clients. In addition to providing companies with the data-driven software needed to overcome a myriad of challenges, Farago also serves on the boards of several prominent PropTech organizations, internationally.



NEDA FIELDS
BERKADIA

Empowering Berkadia's producers to effectively advise clients on how to best make investment decisions, Neda Fields leads the research efforts in developing cutting-edge solutions as product manager for Berkadia's data tools platform. Through expansive data intelligence, analytics and actionable insights, Fields develops unique tools that assist investors in finding the best deals. Orchestrating data from property fundamentals and demographics into a visual interface, Fields is able to visualize the psychology of how people live and offer a targeted, customizable investment analysis through an efficient platform. Using creative strategies to roll-out her software, Fields is able to continually reach a diverse user base with varying degrees of technology aptitude. Driving the efforts to innovate Berkadia's suite of technology tools, Fields has assisted in winning numerous large portfolio deals through the use of data. Her drive and work have evolved Berkadia's production network into tech-enabled advisors for clients.

ZANDER GERONIMOS
METAPROP

Continuously building relationships and supporting key players across the field, Zander Geronimos has excelled in his career by acting as the main link between established real estate firms and the emerging PropTech community. As the head of strategic partnerships and business development at MetaProp, Geronimos works to build the future of commercial real estate by partnering with innovative-minded investors to focus on software and technology-enabled services, in effort to rethink and improve aspects of the global industry. Geronimos additionally mentors numerous PropTech start-ups; providing connections, building strong sales strategies and scaling operations. With an in-depth understanding of the start-up community's future technologies, he is able to assist in revolutionizing the space. Furthermore, Geronimos speaks on various industry panels, and he founded the University of Virginia Alumni in Real Estate networking group, which boasts more than 700 members today.

MICHAEL GREEBY
WORK.SHOP

Unsatisfied with traditional and inefficient processes within commercial real estate, Michael Greeby challenges the norms and aims to provide new solutions to common issues within the industry. A visionary within the field of retail development, Greeby serves as the CEO of the boutique owner's representative and technology firm, work.shop. Seeking easily adoptable solutions and working to constantly improve the company's products, Greeby guides the firm to partner with entrepreneurial clients to create software and deliver services in effort to streamline the retail leasing and tenant space delivery process. He successfully created the online retail information platform, Digital Design Criteria Manual and two lightweight scheduling apps for leasing, design and construction, as well as Status Plan, a comprehensive app to manage the entire workflow process. A truly hands-on leader, Greeby remains intimately involved with every aspect of the company's operations, while continuing to launch revolutionary advancements within the field.

MIKE A. HARGRAVE
REVISTA

Highly-regarded within both the senior housing and healthcare real estate sectors, Mike Hargrave has successfully developed prominent products during his career that are widely used by investors and brokers within the industry. Initially brought on at

National Investment Center for the Seniors Housing and Care Industry in 2005 to develop and lead the NIC MAP data and analysis service, as the first ever real estate data firm dedicated to the senior housing and care industry, Hargrave grew the concept to become the sector's leading data provider. In 2013, Hargrave, alongside his partners, launched Revista, a national data service with property-level information, focused on hospital and medical office assets. As principal of the firm, Hargrave recently rolled out a new, robust version of the Revista data and analysis service. Further serving the industry, Hargrave also participates as a frequent keynote speaker on the subject.

JOSH D. HERRENKOHL
FTI CONSULTING INC.

As a "innovation connector" and a "real estate futurist," Josh Herrenkohl works to identify needs and gaps within the industry, while facilitating relationships among investors, developers and users of technology. Herrenkohl assists well-known industry stakeholders in navigating technology and innovation challenges surrounding the built environment and helps them to better understand various operating models and navigate the quickly evolving business environment. Well-respected within the PropTech community and active within the VC community, Herrenkohl connects the technology ecosystem of interdependent players, in effort to introduce new software as an advisor and help technology companies refine their strategies for future success. Focusing on the data challenges of the real estate industry, he pushes the envelope by looking outside of the industry for solutions in order to conceptualize effective delivery of automated processes. He defines practical solutions based on fact, reality and available technologies, as senior managing director and business transformation leader of FTI Consulting's real estate solutions practice.

BRIAN HIGGINS

ADITUM

During his more than 20-year industry career at the helm of numerous technology enterprises, serial entrepreneur, Brian Higgins founded the privately-owned technology company, Aditum in 2014, upon selling his previous venture, the private wireless internet service, ForePoint Networks. As CEO, Higgins launched Aditum as a competitive service provider to fill a void in the multi-tenant connectivity space. He leads the platform to offer a hybrid-cloud solution; enabling owners to fully equip their multi-tenant properties with broadband infrastructure for better connectivity in the digital future. Addressing residents and tenants demands, while accommodating a variety of smart devices and systems, Higgins works with business and solution partners in order to assist customers and improve both the physical structure and internal technologies of properties. Under Higgins' direction, Aditum has emerged as a leading platform; delivering double-digit growth for a sixth consecutive year.

PATRICK E. KLEIN

ESSEX PROPERTY TRUST

With combined knowledge from experience across each sector, Patrick Klein has applied his learnings to create an optimal model for future success as EVP and chief technology officer at Essex Property Trust. Over the past several years, Klein has introduced innovation and new technologies across the firm's portfolio as a leader of cross functional teams. During his tenure with the firm, he has transformed the business from a paper-reliant operating model to fully mobile-enabled, electronic processes. Responsible for evaluating new and existing business operations and processes, while offering thoughtful technology solutions, Klein has additionally introduced change management and program management at the firm in effort to ensure business outcomes are ultimately met and/or exceeded. In addition to implementing cloud services at the firm, minimizing its existing data center footprint and streamlining office efficiency tools, Klein also serves on several real estate advisory boards.

STEVE KURITZ

KROLL BOND RATING AGENCY

Paving the way for CMBS surveillance research and analytics, Steve Kuritz has developed industry-first products and platforms aimed to support CMBS investors. A founding member of Realpoint, an online surveillance platform for the CMBS market, Kuritz led countless achievements for the company for 13 years, before joining Kroll Bond Rating Agency in 2013 to spearhead the KBRA Credit Profile, which he has grown to become a trusted, industry leading service. Developing an entirely new research report and web interface, Kuritz has evolved the platform into an essential credit monitoring service for CRE securitizations and loan-level analysis. As senior managing director, he establishes partnerships for KCP integration, expands offerings and ensures topical and timely research on credit events effecting the industry. Earlier this year, Kuritz was additionally named the head of KBRA analytics, where he will oversee numerous divisions and all subscription-based tools.

GABRIELLE MCMILLAN

EQUIEM

As one of few female C-suite executives in the PropTech field, Gabrielle McMillan has proven to be a pioneer within the space. Founding Equiem in 2011 as a property technology solution in Australia, CEO, McMillan has grown the platform to be a widely-adopted, global leader in tenant experience. Empowering commercial landlords to make informed decisions, McMillan leads Equiem to offer data-driven tools and analytics. Driving the platform's innovation, McMillan has rolled out the technology across more than 215 properties and more than 175,000 users, worldwide. She has cultivated a team of more than 230 experts, led the company's recent funding round and guided the platform to become the first coast-to-coast commercial tenant experience technology provider in the US. More recently, McMillan transformed the company's offerings to better serve clients during the COVID-19 pandemic. Since March 2020, the platform has achieved more than 40% growth in the US alone and a 50% increase in its US user base.

NATALIA MYKHAYLOVA

WEAVAIR

With a PhD in chemical engineering and vast experience in data processing, sensor and IoT product manufacturing and algorithm development, Natalia Mykhaylova has launched various companies globally, and developed novel devices and adaptable networks to target major unmet needs. Aiming to promote sustainable infrastructure and communities by monitoring air distribution systems through proactive insights, Mykhaylova founded

KBRA KROLL BOND RATING AGENCY

KBRA Proudly Announces Globe Street's 2021 CRE Tech Influencer

Steve Kuritz
Senior Managing Director,
KBRA Analytics

kcp.kbra.com

the start-up PropTech company, WeavAir, which develops sensor modules to improve indoor air quality and energy efficiency of HVAC systems. Leading product development from concept to scale as CEO, Mykhaylova strives to improve the built environment while addressing responsible consumption. Under Mykhaylova's direction, WeavAir helps operators save up to 60% of energy and 30% in operation and maintenance costs. She recently developed new sensor technology to detect the spread of bacteria and track space occupancy inside buildings. Mykhaylova continues to expand operations globally while developing new technologies, data-driven solutions and predictive software to accurately measure metrics.

DAN PALLONE

SS&C TECHNOLOGIES

With extensive experience in finance, operations and investment risk, Dan Pallone serves as an active participant and contributor within the commercial real estate lending space. Pallone joined SS&C Technologies in 2015 and has since built its CRE lending outsourcing practice; successfully adding more than 30 clients to the company within the past three years. As VP of loan solutions, Pallone oversees and leads client relationship management, operations, accounting and reporting services for SS&C's mortgage REIT and mortgage loan client base. He remains ahead of the curve regarding industry trends and regulations in order to lead client engagement and discussions within and outside of the company. He leads workshops and panels at SS&C's annual client conference, he serves as a frequent speaker on the Mortgage Bankers Association's technology panels, and he guest lectures at Baruch College in New York City on the nuances of REITS.

DAWN H. PFAFF

STATE LISTINGS INC., PARENT COMPANY OF MY STATE MLS AND NY STATE MLS

Aiming to fill a void in the technology market and offer agents and brokers their own statewide MLS with streamlined listing options, ownership of data and various customized tools, Dawn Pfaff founded State Listings Inc. in 2009 for the state of New York. In response to nationwide demand, she expanded the technology platform to My State MLS in 2015. The platform now covers the entire nation with more than 50,00 members, as one of the largest MLS platforms in the US. As president and CEO, Pfaff leads the platform to offer a suite of custom solutions, educational services and webinars as a resource for the industry. She created the platform's proprietary MLS software and a RESO web API to deliver all property listings electronically, while continuing to seek ways to improve the software and service members. Committed to educating and supporting the industry, Pfaff leads the platform to assist agents and brokers in navigating new restrictions, rules and regulations.

RYAN P. TURNER

REFINERE

With 15 years of experience in commercial real estate brokerage, upon closing his first commercial transaction at the age of 19, Ryan Turner has developed a keen sense for corporate occupiers' needs. Turning his deep understanding into a first-of-its-kind solution, Turner founded the single-source SaaS solution for corporate real estate teams and workplace strategists, RefineRE. Creating a business model that caters to user challenges and equips corporate teams with software and unbiased information needed to make smarter, faster, data-driven decisions, Turner has developed a true end-user's solution that improves the way deals are done. While guiding the company's direction and running macro-level operations as CEO, Turner allows his team to thrive and innovate and remains focused on staying ahead of the competition. He has scaled the business exponentially; expanding its client base and geographic footprint globally, while growing the platform's revenue substantially in its current third year.

MARK ZIKRA

CA VENTURES

Commencing his career at CA Ventures as a leasing manager for one of the firm's very first assets, Mark Zikra constantly sought out ways to streamline operations and solve inefficiencies through the use of technology. Now as VP of innovation for the firm, Zikra continues to seek cutting-edge technology to enhance the lives of residents, the value of assets and the return for investors. An integral part in shifting the industry from segmented property technology to cohesive, integrated smart buildings, Zikra explores new and emerging products and services, and aligns the firm with technology companies to improve operations and position properties for the future. As the sole interface with general contractors and vendors to ensure successful developments and high-quality resident-facing technology, Zikra notably created the firm's master specification guidelines for all technology across new development projects.

BHAKTA CAPITAL LLC

Aiming to identify and uncover hidden, under-the-radar markets, ripe for investing in franchised hospitality assets, Bhakta Capital LLC strives to chase yield in resilient, local niche markets by leveraging big data. Utilizing private and public data sources to underwrite every possible micro-region nationally in order to uncover relevant opportunities and identify key sites of local operators and owners, Bhakta Capital works to place an institutional lens on such markets for upper-midscale branded hotel assets. The company combines its proprietary software and various data sets to run queries, powered by AI and machine learning, on specific micro-market dynamics in effort to obtain an understanding of the areas and implement institutional capital. Through its technology, Bhakta Capital has ranked more than 950 secondary and tertiary markets throughout 11 Western states. With the goal to deliver superior, risk-adjusted returns across markets, the company utilizes its extensive hospitality operations and data science experience to execute on compelling opportunities and effectively acquire, invest in and operate hotel assets. The company consistently delivers strong returns by maintaining financial discipline and operational best practices that withstand market cycles.

BRACTLET

Making sense of buildings' complex ecosystems, Bractlet evaluates the impacts of changing environmental conditions and economic trends to uncover value and inefficiencies at scale. Through its Intelligence Platform™, Bractlet drives economic value, creates better work environments and mitigates climate change by offering a holistic, software and intelligence solution with tiered products for its customers. Providing owners and property teams with powerful building performance monitoring, investment decision making and ESG reporting solutions, Bractlet digitally collects, processes and stores utility and weather data and is additionally able to create a Digital Energy Twin of a building to predict energy consumption with 98% accuracy. The company's premium product also offers tools to support and streamline project implementations and ensure investments returns are achieved. Founded in 2012, the platform has been used to evaluate more than 100 office buildings; encompassing more than 35 million square feet of space. Improving tenant comfort and safety, while reducing energy and maintenance expenses, Bractlet's technology additionally assists in analyzing space utilization for lease negotiations and annual budgeting.

CADRE

Addressing the barriers and challenges of the highly-illiquid asset class of commercial real estate, Cadre leverages technology to provide a platform for qualified individuals to invest in high-quality assets that are traditionally limited to institutional investors. Democratizing access to wealth, paving the way for more individuals to invest and leveling the playing field within the industry, Cadre has achieved major breakthroughs by offering an accessible platform for first-time investors, and lowering the required minimum to invest on the platform. Simplifying and automating the acquisition process, Cadre's Secondary Market platform offers a marketplace where buyers and sellers can transact and access documents, reports, statements and insights into properties. Cadre's portfolio management platform additionally offers rapid, consistent analytics, through more than 500 operational metrics, for operators to drive strong performance and identify sources of risk at each property. Focused on innovations, the company recently launched a cash deposit account, which provides investors with a 3% reward on an FDIC-insured bank account with the company. In 2019, the company reached the milestone of returning more than $100 million to investors on the platform. Cadre's strong returns and innovations have led to more than 25,000 registered accounts on the platform.

CHERRE

Solving the industry challenge of absorbing and connecting the immense volume of data within commercial real estate, Cherre has generated a comprehensive model to assess the entire commercial real estate ecosystem. As a leading real estate data management platform, Cherre's greatest accomplishment encompasses building its proprietary and patented knowledge graph at the center of its platform, which enables customers to connect all types of real estate datasets. Cherre customers are able to analyze and predict the behavior of all players in the industry, from private homeowners and corporate owners to large banks and insurance companies, and instantly explore their connected data for immediate and actionable insight. Leveraging machine learning and advanced natural language processing, Cherre's knowledge graph is able to clean the incoming data to connect sources that are not typically connectable in real time. With 500 million nodes and more than 1.5 billion edges, the comprehensive mapped knowledge graph of the built world allows for the faster and easier ability to ingest, standardize, resolve and connect any dataset.

COHESION

Launched in 2018, Cohesion has reached a global scale within a matter of two years as a leading intelligent buildings platform. Providing a connected tenant, operator and owner platform for commercial real estate, Cohesion presents autonomous building technology and advanced building intelligence capabilities, which unlock more flexible and data-enabled properties. Through actionable insights, connected building systems and enhanced tenant experiences, the company empowers real estate owners by increasing portfolio value. Cohesion's web- and mobile-based integrated building app offers tenants day-to-day benefits such as touchless entry, indoor air quality transparency and communication tools. The cutting-edge, converged IoT platform also allows for amenity reservations, vendor approvals, service requests, waiver signing, fault detection and more in effort to benefit all stakeholders through its software. As a leader within the PropTech industry, Cohesion continues to deliver value through holistic data by enabling buildings to reduce costs, exceed sustainability goals and become smarter. Showcasing rapid growth, Cohesion has contracted nearly nine million square feet worth of class-A building projects since inception, and within the past 12 months, the company has doubled in size.

THE COLLIERS PROPTECH ACCELERATOR POWERED BY TECHSTARS

An industry-first, global program in real estate, Colliers International's PropTech Accelerator Powered by Techstars combines emerging PropTech companies' expertise in technology innovation and building accelerators, with Colliers' real estate experience and global network, in order to advance the industry. Offering opportunities for emerging companies to flourish by providing them with financial support and access to mentors, the Colliers program allows ten early-stage PropTech companies to work closely with more than 150 hand-selected experts each year; to receive guidance on business plans, gain traction in the market and pitch products to potential investors. Establishing the program two years ago, Colliers has since worked with 20 early-stage start-ups and companies and launched 19 pilot projects with its program graduates. As a catalyst for collaboration, Colliers has successfully integrated program participants' technology within its offerings. Shaping technologies and developing valuable solutions by utilizing innovations from around the world, Colliers PropTech Accelerator Powered by Techstars has benefitted the industry at large by supporting both new ideas and enterprising founders.

DEALPATH

Empowering investment managers to make faster, more informed business decisions through real-time access to critical data and documents, Dealpath offers a game-changing solution for how built environment industries transact. Founded in 2014 with the mission to offer digital insights, data and collaboration through purpose-built software, Dealpath has successfully created a leading intelligent software solution. Modernizing real estate services through a suite of features, the platform's deals dashboard provides transparency and the ability to discover specifically tailored assets as an intelligent search feature and intuitive content management system. As a leading cloud-based, deal management platform, Dealpath is leveraged by top investment and development firms for smart pipeline tracking, powerful deal analytics and collaborative workflows, to achieve optimal risk-adjusted returns. Unlocking value within the built world, Dealpath recently surpassed $6 trillion in real estate transactions that have been evaluated on its platform; where clients have additionally accomplished an average 475% ROI, annually. Dealpath has gained the backing of top-tier VC and strategic investors, including Blackstone and JLL, in addition to Nasdaq, as its first-ever entry into the real estate space with its recent Dealpath investment. The platform continues to grow its presence due to its revolutionary technology, streamlining power and tangible impact on the industry.

HQO

Committed to the experience economy and the notion that buildings are only valuable with people in them, HqO launched in 2018 to generate value for commercial office owners by providing them with the technology to engage occupants. Generating real connection among office buildings, tenants and everyday technologies, HqO transformed its tenant experience software into a complete end-to-end operating system for commercial real estate owners, in effort to solve the major industry business issues. Within its platform, the firm delivers its tenant app, which provides flexibility for changing work environments, its marketplace, where users can find and manage apps and vendors, and its digital grid, where HqO captures and structures all data on each building's usage. Seamlessly connecting each of these layers within an easy-to-use desktop view, HqO offers customers the ability to efficiently and intelligently operate a modern commercial real estate portfolio. Through its recent creations, HqO gained additional prominence and has commenced establishing its European presence. In addition to securing an impressive roster of partners and clients, HqO currently powers more than 100 million square feet of commercial real estate space, globally.

JUNIPER SQUARE

Driving a digital transformation of the industry by streamlining fundraising, improving the timeliness and accuracy of investor reporting and enabling real-time access to data, Juniper Square serves as the first investment management software company designed specifically to serve the commercial real estate industry. Delivering tremendous value to the industry through software that enables general partners to communicate with investors, the company additionally assists investment managers in scaling their businesses through a modern approach to tracking and understanding investment performance. Founded less than four years ago, Juniper Square now has more than $1 trillion in managed assets, spanning 21,000 investments and 800 general partner clients on its platform. Since its launch, the firm has raised nearly $80 million in venture capital, in addition to more than doubling its revenue each year and doubling its number of clients each year. Providing product offerings, including client relationship management, fundraising automation, investor reporting, partnership accounting and an investor portal, Juniper Square's platform offers a competitive advantage to clients; with customers reporting a 40% increase in fundraising activity through the use of its software.

LANE

Creating an all-in-one workplace experience platform for property managers who oversee numerous buildings, tenants and vendors simultaneously, Lane utilizes technology to streamline all aspects of day-to-day life for both managers and tenants. Highlighting three core competencies, the company offers a mobile app, allowing tenants to manage and maneuver the workplace; a content and events manager, allowing building teams to drive engagement; and a web solution platform, allowing property teams to streamline operations and leverage data for more informed decisions. Connecting the workplace ecosystem of any office building, Lane's technology organizes core building activities, provides automation, integration and amenities, and offers perks and rewards to users. Upon launching in 2018, the company was invited to be a part of Colliers Techstars, before successfully partnering with Colliers International's Neighborhood platform. Lane has since launched in Dubai and Australia, opened its new headquarters in Toronto and has tripled its staff in the past year. While working to integrate its software with common industry tools, Lane has recently, rapidly adapted to help property managers prepare for and coordinate a safe return to work.

LOBBY CRE

Upon launching numerous successful commercial real estate technology start-ups throughout his career, Robert Finlay founded Lobby CRE in 2019; bringing to market an innovative and practical solution to meet the challenges of real estate professionals. Lobby CRE serves as an asset management platform that assists commercial real estate firms in aggregating, analyzing, reporting and visualizing property performance. As one of the first asset management software platforms to collect, organize and store a multitude of data sources in real-time, the platform offers companies with immediate access to all of their data sources. Providing a library of customizable dashboards and reports, Lobby CRE enables commercial real estate companies to manage and accelerate property performance. Developing, marketing and utilizing modern technology, such as machine learning and artificial intelligence, the platform helps users identify risks and opportunities within their portfolio. Further transforming portfolios through intelligent data management and analytics, the company streamlines operations and property data to deliver accessible and actionable insights to clients.

LOGICAL BUILDINGS

Logical Buildings has emerged as a premier energy technology platform within the building energy management environment. Providing property owners and managers with real-time, data-driven insight and perspective guidance as a PropTech solution, the platform empowers and equips building staff with actionable insights to optimize energy utilization, boost revenues and improve building systems. The company's hardware-agnostic and customizable, SmartKit AI software platform and app offers a simplified interface for owners and managers to implement cost-saving decisions and proactively run building systems by unifying monitoring and control of energy-consuming equipment. In 2019, the platform launched a first-of-its-kind tool, Energy Procurement Advisory eXchange, which breaks down energy market data from thousands of utility accounts and smart meters and uses machine learning and predictive analytics to forecast energy consumption; allowing landlords to mitigate energy price risk without paying broker fees. The company also recently established a partnership with one of the largest power and gas providers, which integrated Logical Buildings' software into its offerings to provide property managers with a powerful data platform. Logical Buildings currently has 300 buildings in its portfolio, and it continues to play a vital role in the future of real estate energy use and broader energy operations.

NORTHSPYRE

Recognizing that commercial real estate was lagging behind other industries in its use of automation, data analytics and proactive insights, Northspyre was founded in 2017 with the vision to introduce innovations and address traditional challenges faced by project delivery teams. Built for owners, developers, project management firms and internal real estate teams, Northspyre serves as a collaborative digital solution, which provides real-time information and access to smartly indexed data; eliminating dependence on error-prone spreadsheets and outdated legacy applications. Allowing project delivery professionals to achieve consistent, predictable outcomes, Northspyre aims to upend the status quo and represents the only intelligence software, purpose-built for real estate professionals. Through its tailor-made software, real estate teams are able to build credible forecasts, ensure delivery timelines, track costs, and review and approve proposals, contracts and invoices. Allowing professionals to experience further control and visibility into their projects, the platform automates tedious tasks and has proven to save teams at least 2% in overall project costs and up to 30% in staffing hours. Since the platform's launch, it has facilitated more than $15 billion in customer projects spanning all asset classes. Northspyre is additionally experiencing its highest-ever user engagement this year.

RET VENTURES

Aware of the challenges that prevent technology solutions from gaining traction within the industry, RET Ventures was established to create an improved process as a pioneering venture capital firm focused solely on bringing cutting-edge PropTech solutions to the real estate market. Striving to drive innovation and improve technology in the single-family rental and multifamily sectors, the firm brings on real estate companies as strategic partners, rather than raising capital from financial investors. Through its unique approach, RET Ventures constantly assesses early-stage start-up technology companies and their ability to add value and alleviate pain points for owners and operators. Identifying and investing in technologies that will benefit the space, RET Ventures then remains heavily involved in guiding each company's growth by leveraging its own collective experience to direct start-ups, beyond financial investment, to help them scale. The firm's 36 strategic partners also provide great value in nurturing the fledging technology companies by serving as development partners; helping refine products to meet industry needs. Founded in 2017, RET Ventures has invested in 15 real estate-focused technologies to-date, each of which improve operations and offer convenience to professionals and residents.

ROBOTIC PARKING SYSTEMS INC.

Recognizing the notion that available parking space can define a commercial real estate project's success or failure, Robotic Parking Systems Inc. launched to efficiently reduce parking space and allow for greater development capacity and added revenues. In 1994, the company coined the term "robotic parking" to describe its patented automated lift and run parking technology. The company's technology compresses up to three times the amount of parking spaces in the same size as a typical concrete parking ramp by utilizing simultaneously operating robots for parking. As no individuals enter the parking garages, and as no cars run in the parking garages, Robotic Parking Systems greatly increases safety and eliminates major carbon dioxide and carbon monoxide emissions. While offerings a premium valet experience, the system additionally offers financial benefits for commercial properties by featuring numerous cameras for reduced insurance costs, and by utilizing an app for contactless parking and current health concerns. Considering the many factors that impact commercial real estate properties, the company has incorporated a strategy which assesses connectivity software, autonomous driving, car sharing services and car charging stations. Leading the integration of emerging transportation technologies, the company continues to provide major advantages to commercial real estate properties.

SPACEQUANT

Founder and CEO, Laura Krashakova set out to disrupt the commercial real estate financing and investment world by launching SpaceQuant in 2015. Developing the first AI-powered automation and decision platform to value, underwrite and track the performance of commercial real estate, SpaceQuant offers a data processing solution through the use of automated analysis, AI, algorithms and natural language processing. Remaining at the forefront of the investment lifecycle revolution, SpaceQuant's software delivers accurate real-time results and proactive solutions for lenders, servicers and borrowers to benefit from. With access to detailed property data three months prior the rest of the market, and with assistance in underwriting, lending and servicing, SpaceQuant users report a significant reduction in time spent on analyses; resulting in corresponding cost reductions. Eliminating human error and enabling faster, smarter decision-making, SpaceQuant's intelligent automation continues to target the industry's core problems. Within three years, SpaceQuant cultivated an impressive roster of clients, including top-tier players and Fortune 500 companies. The company has continued to see strong growth and expansions throughout the pandemic.

STARCITY

As pioneers in the burgeoning co-living asset class, Starcity has emerged as one of the largest co-living brands in the world. Using cutting-edge technology as both a developer and an operator, Starcity's fully-integrated housing solution allows the company to deliver housing units at a fraction of the cost of a traditional developer. Bringing the cost of living down, Starcity allows young urbanites making minimum wage to experience opportunities in the world's most sought-after cities. The company flawlessly controls the entire end-to-end experience, from when a potential resident uses its website, to when the tenant moves into their new home. In addition to raising more than $75 million in venture capital to-date, Starcity currently has more than $200 million in assets under management and expects significant growth year-over-year for the foreseeable future. In addition to ensuring a diverse staff at each community, Starcity partners with local community groups for each new development in effort to engage and help the most marginalized communities, while providing a source of energy to residents and surrounding areas.

TENANTBASE

Shifting the dynamic of leasing processes, digital leasing platform, TenantBase is designed to help the rent paying tenant. Providing a modern consumer experience, TenantBase uses best-in-class technology and professional service to offer an end-to-end leasing experience to businesses. In May 2020, TenantBase released its online transaction platform, TenantBoard, where qualified tenants' requirements are posted for the leasing community to review. Owners are then able to view general company characteristics, such as size, lease term and location, to determine a good fit and submit their property to the tenant for consideration. Empowering the leasing community to transact business digitally, the software utilizes AI algorithms to suggest best matches and proprietary machine learning models to connect tenants to vacant space. The platform enables rapid feedback between the tenant, their broker and the leasing community, and it allows professionals to schedule tours and discuss deal terms. Offering a dramatic change to the typical leasing process, TenantBoard additionally serves as a free marketing tool for the leasing community. Further modernizing the commercial real estate leasing process through TenantBoard's launch, TenantBase is continues to deliver high-quality service to small and mid-sized businesses.

TFLIVING

Executing its core mission to build community and provide affordable experiences within the multifamily and office sectors through innovative technology, TFLiving continually pushes the envelope in order to serve clients, property managers, buildings, residents and tenants. Leveraging its technology to create time-saving and cost-saving solutions for property managers, TFLiving also provides an all-in-one portfolio solution to engage residents. Its customizable platform, TFLiving Connect offers a suite of amenities, including fitness classes, wellness programs, pet care, lifestyle services, staff appreciation events and more, to improve tenant experience, create community and increase net operating expenses. In addition to its services, TFLiving has also helped more than 1000 wellness professionals get paid through its offerings. Through a partnership with Colliers International, TFLiving has extended its reach to service more than 200,000 residential units. Within the past three years, TFLiving has increased its portfolio and expanded throughout the US. Continuing to foster community during stay-at-home restrictions this year, while keeping buildings and residents safe, TFLiving remained agile and provided its amenity offerings by incorporating virtual services to engage tenants.

THE CXAPP

Allowing business and experts to stay better connected through a mobile-app solution, the CXApp works to build the foundation for the future of the workplace. Its technology-focused team sets the workplace up for success by enabling hyper-focused communication, creating touchless environments, contactless interactions, active monitoring and offering better insights into space utilization through investment in IoT, mobility and cloud solutions. Within the office landscape, the app's campus platform consolidates disconnected business systems to provide on-demand access to relevant features and content across corporate campuses. As the first solution for a connected workplace with an open ecosystem for partners and technology provider integrations, the CXApp Smart Campus offers employees with a mobile command center for workplace related items, such as managing visitors, campus information, real-time news, colleague's locations, live indoor mapping, mobile food ordering and more. The company's agile team built additional software and capabilities this year, such as contactless remote access and conference room booking, and proprietary peer-to-peer social distancing alerts, to assist companies looking to re-enter the office. With its intelligent partner ecosystem and a SaaS model built for scalability across people and venues, the CXApp continually provides the ability to manage various workplace factors from personal devices.

VERO LEASING

Leveraging an insider's perspective on the common inefficiencies of the leasing process, and cognizant of the paint points affecting both landlord and renter, Vero Leasing built a cloud-based platform to revolutionize such issues. Through proactive innovation and technology, the company enables users to lease residential properties with unprecedented speed, ease and security. Founded in 2018, Vero Leasing has achieved success by modernizing and implementing a truly mobile and digitally native solution, which reduces the time it takes to turn a lead into a renter by more than 99%. In January 2020, the firm closed its $3.2 million seed funding round, and it has since continued rapid adoption within the industry. The company utilizes mobile tools and employs its new patent pending financial software, Vero built income and asset verification, which grants property owners the ability to verify key insights into each renter's financial history; helping landlords mitigate risk and protect property valuation. Uncovering comprehensive financial stories, the fintech solution extends beyond credit checks, by scanning data points through analytics. The firm's thoughtfully-designed platform is additionally layered with robust, institutional-grade security protocols; offering peace of mind and security as a trusted partner to renters and landlords.

Real Estate Forum®

Top Commercial Real Estate Lender's Guide

REAL ESTATE FINANCING

ANGELO GORDON

245 Park Avenue, 26th Floor, New York, NY 10167
P: (212) 883-4157 • **F:** (212) 883-4141
Website: www.angelogordon.com/net-lease-re
Key Executives:
Gordon J. Whiting; Portfolio Manager & Managing Director: gwhiting@angelogordon.com
Chris Capolongo; Managing Director : ccapolongo@angelogordon.com
Services Provided: AG Net Lease provides real estate sale-leaseback financing to owners-occupiers of corporate real estate and also purchases net leased corporate real estate. AG Net Lease has extensive experience providing sale-leaseback financing to financial sponsors' portfolio companies, privately-held companies and public middle market companies. Sale-leaseback financing provides positive leverage for buyouts, add-ons, refinancing, and recapitalizations and expansions, allowing users to access 100% of their real estate value while maintaining longterm operational control. AG Net Lease also has experience providing build-to-suit and improve-to-suit financing to develop properties to fit the needs of corporate users. Angelo Gordon, with its significant experience as a principal investor in credit and real estate assets, provides a robust underwriting platform, enabling the Net Lease Group to execute transactions with a great degree of certainty, timeliness, and sophistication.
Company Description: Angelo Gordon, founded in 1988, is a privately held firm focusing on alternative money management activities for institutional clients and high net worth individuals. The firm manages capital across four investment categories: (i) corporate credit, (ii) direct lending, (iii) securitized products, and (iv) real estate. The firm is an SEC registered investment adviser. The firm has approximately $41 billion of assets under management, as of January 2021.
Service Territory: United States and International

Premium Listing

INTERMEDIATE & DIRECT LENDER

BELLWETHER ENTERPRISE

1375 E. 9th Street Suite 2400
Cleveland, Ohio 44114
P: (866) 420-2966
Email: info@bwecap.com
Website: www.bellwetherenterprise.com
Key Executives: Ned Huffman, President: Debbie Rogan, Executive Vice President: Adrian Corbiere, Production Consultant; Todd Harrop, EVP, National Director of Capital Markets; Phil Melton, EVP, National Director of Affordable Housing & FHA Lending
Services Provided: Bellwether Enterprise provides the most flexible market rate and affordable financing solutions in the industry. Our unique lending products are available to our clients thanks to long-standing relationships with a variety of lending sources, such as Life Insurance Companies and Pension Funds, Freddie Mac Optigo™ seller/servicer, Fannie Mae DUS Lender (Multifamily affordable and Market Rate Housing Lender), FHA, USDA and CMBS to name a few. We are Capital on a Mission!
Company Description: Bellwether Enterprise is a national, full-service commercial and multifamily mortgage banking company that puts people and communities first. We provide flexible, competitive financing solutions with streamlined underwriting and enhanced loan servicing for Market Rate, Affordable Housing, Workforce Housing, Manufactured Housing Communities, Seniors Housing, Senior Communities and Long-term Care Facilities.
Service Territory: Nationwide

Premium Listing

REAL ESTATE FINANCING

CHASE COMMERCIAL TERM LENDING

3 Park Plaza, Suite 1000
Irvine, CA 92614
P: (877) 344-3080
Website: www.chase.com/CTL
Key Executives: Greg Newman, Head of West Multifamily Lending; Kaj Lea, Head of Central Multifamily Lending; Kurt Stuart, Head of East Multifamily Lending; Troy Applegate, Head of Commercial Mortgage Lending
Services Provided: Chase Commercial Term Lending is the nation's #1 multifamily lender; providing owners the best financing solutions for purchasing or refinancing stabilized apartment buildings, and industrial, office, retail, and mixed use properties.
Description: Our Commercial Real Estate teams provide clients insights, hands-on service, comprehensive financial solutions and unrivaled certainty of execution they need to be successful throughout the cycle. Clients benefit from our no hassle loan process, simplified documentation, competitive pricing, low fees, and excellent customer service from start to finish. Our goal is to provide the best, straightforward multifamily and commercial property loan financing experience in the industry. Call us today to learn how to put our resources to use on your next deal.
Service Territory: Nationwide

An Uneven Race to Recovery

. . . continued from page 14

pharmaceuticals, biotech and medical technology industries.

Examples of investor activity proliferate. Alexandria REIT, which is the largest player in the space, made a significant acquisition with the purchase of the Karlin Palmer portfolio in the Research Triangle Park in Raleigh/Durham, North Carolina for $615 million late last year. In October, Ventas acquired a three-building portfolio in San Francisco for around $1 billion.

While other sectors struggle with falling rents and rising vacancies, rents are continuing to increase in life sciences. "It's a function of basic supply and demand, and supply has not kept up with demand in many areas, so rental rates keep chasing the supply," according to CGS3 attorney Dawn Saunders.

Traditionally, life sciences companies tend to form in hubs around universities like Oxford and Cambridge in the UK, Munich in Germany and San Francisco and Boston in the US. However, there is some evidence that life science hubs could emerge in new markets due to high costs and the fact that employees are moving away to take advantage of telework policies implemented during the pandemic. "This has created the perfect storm for life sciences companies to re-evaluate their real estate footprint and look at tier-two cities that have some of the factors essential to their success in a market," Mark Hefner, CEO and shareholder of MGO Realty Advisors, says.

WHITHER THE OFFICE?

By now it has become an exhausting exercise trying to determine what role the office will play in companies' operations once the economy reopens and employees have no safety fears to keep them at home. The consensus is that there is still a place for the office, though remote work productivity will likely remain strong.

But recent research from Cushman & Wakefield suggests that the work from home trend may eventually lose its luster.

In a focus group with 32 owners, occupiers and placemakers, Cushman & Wakefield found that not only were both management and professional staff able to do their work remotely, but administrative and non-exempt workers were also able to execute at a high level.

"It was an 'aha moment' that we can actually be very productive when you put 90% of your colleagues fully remote," one executive told C&W.

Still, the occupiers in C&W's focus groups indicated that increased remote work has created a perceived cost in long-term productivity, corporate culture and innovation and creativity. They shared that employees wanted to go back to the office to connect and collaborate. In fact, work-from-home fatigue is setting in, which is partially driven by video conferencing. The technology has led to "meeting sprawl" as meetings have increased for many people.

While employees surveyed by C&W were comfortable with remote work today, there was a feeling that this might not be sustainable once employees return to the office. C&W pointed out that it could be a much different experience for a worker if they're on video in a meeting where everyone else is in a conference room.

Developments in overseas markets also gives office owners a reason for hope. An owner with locations in Korea and China indicated that as of October 2020, businesses were back in the office at pre-pandemic levels in those countries. It is encouraging to note that they too had slogged their way through Zoom fatigue. ◆

AdIndex

This advertising index is provided as an additional service. While every attempt has been made to this as complete as possible, listing accuracy cannot be guaranteed.

Parkview Financial is one of the West Coast's leading private real estate lenders specializing in ground up construction financing across the United States. Parkview has successfully executed in excess of $1.7 billion in financing for more than 127 multifamily, retail, office, industrial and mixed-use projects. The executed loan size ranges between $5 million to $200 million.

Tacoma, WA $9,400,000

$300M+	4Q Loan Originations
26	Loans Closed Nationwide
41%	Fund AUM Growth in 2020
$600M+	Total Loan Originations in 2020

Newport Beach, CA $80,000,000

310-996-8999 lending@parkviewfinancial.com parkviewfinancial.com