

The Weekly Take

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High Hopes: Why Commercial Real Estate Is Poised for Continued Growth in 2022

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Spencer Levy

I'm Spencer Levy, and this is The Weekly Take. Forecasting the future in times of uncertainty can be risky business in any line of work. But on this episode, we rise to the challenge. We'll look to what's ahead in the new year for commercial real estate with the help of two guests who bring deep economic experience and policy insights.

Richard Barkham

Well, I think we would stand behind the optimism, Spencer, with a few caveats.

Spencer Levy

That's the familiar voice of Richard Barkham to lead our analysis of the economy. A frequent contributor and visitor to our show. Richard is CBRE's Global Chief Economist and head of Americas Research. In that role he was one of the lead authors of CBRE's U.S. Real Estate Market Outlook for 2022, which is hot off the presses right now.

Ryan McCormick

Every senator is a president right now in the U.S. Senate, so you've got to work with everyone to find where that common ground is. There's a lot of different ways and directions things can take at this point.

Spencer Levy

And that's Ryan McCormick with an inside view on policy and its impact on real estate. Ryan was a staffer on Capitol Hill for more than a decade, working on tax, finance and economic growth issues, most recently as senior counsel to former Florida Senator Bill Nelson. Ryan is now the senior V.P. and counsel of the Real Estate Roundtable, which represents some three million people working in the industry nationwide – members who hold assets collectively valued

at more than three trillion dollars will delve into a wide range of issues and events that are affecting the markets today, and we'll share perspectives on trends and projections for commercial real estate this year. Coming up, our market outlook for 2022. That's right now on The Weekly Take. Welcome to The Weekly Take and to help us with today's discussion, we have our old friend, Richard Barkham. Richard, thanks for coming back.

Richard Barkham

Thank you, Spence. Pleasure to be with you.

Spencer Levy

Always great to be with you, Richard. And our friend Ryan McCormick, the senior vice president and counsel for the Real Estate Roundtable, the Premier Real Estate Organization, lobbying on behalf of our industry. Ryan's been a great friend of CBRE and today is his first appearance on the show. Ryan, thanks for coming out.

Ryan McCormick

Thank you, Spence. Thank you for the invitation and great to be with you.

Spencer Levy

Well, thanks for coming on, Ryan, and we're going to get a little bit more specific in a minute about some of those policies that will have the greatest impact or potential greatest impact on our industry in just a moment. But speaking about our industry, let me turn now to Richard Barkham. Richard, you just published the terrific 2022 Outlook. I reviewed it and you know, it looked quite optimistic given where we are. What's your take on it, Richard?

Richard Barkham

Well, I think we would stand behind the optimism, Spence, with a few caveats. In the time since we went to press, obviously, Omicron has come front of mind and we have to, I think, look beyond that. But it's a little bit difficult to do that because it's it's in the news. But we do expect Omicron to spike and possibly even peak as early as next week in the United States and then subside. And fingers crossed that doesn't lead to too many casualties. But we needn't be too pessimistic that this will have too big an impact on economic growth in 2022. The economy has a lot of momentum behind it. There's a lot of consumer spending and pent up demand that is driving the economy. I think we sense as well the business community wants to invest, particularly in information and communications technology, to facilitate new ways of working. And even despite – and Ryan will comment on this – the fact that we're not getting the fiscal stimulus from the Build Back Better bill, we've still got a pretty dynamic economy above trend growth in 2022, and that's going to be driving real estate in all of the sectors.

Spencer Levy

So good macro tailwinds that will propel the macro economy in the U.S. and maybe beyond for the next couple of years. But you did mention that some of it is impacted by the amount of fiscal stimulus we have or may not see in Washington. So Ryan, let's turn to you there. We certainly

saw an unprecedented amount of fiscal stimulus in the last 18 months, but some of it hasn't come to pass. The Build Back Better plan, Exhibit A, is hasn't come to pass yet. What's your take on the fiscal stimulus that has happened and what might be coming?

Ryan McCormick

There was obviously a lot of legislation at the beginning of last year and continued response to the pandemic, including the American Rescue Plan, which added a lot. I think everyone understood that that was going to gradually wear off. And the next set of proposals from the President and Congressional majority have really been, I would say, less fiscal stimulus and much more kind of long-term investment-oriented – one being the infrastructure bill which has been enacted, the other being the social spending and social infrastructure, human infrastructure, whatever you want to call it, it's very fate seems much less certain. But regardless of what happens with that, I'm not sure that that's a big fiscal stimulus anyway because the legislation is largely offset with tax changes and a lot of the spending that would occur is further out in the out years. So I think a lot of the fiscal stimulus effects we saw from the COVID-related relief efforts have been winding down. Some of it's already been discontinued. And I think a lot of that is probably pretty well baked in. I just add on to the macro outlook – and I'm going to get a little bit out of my lane here because my focus is really on the policy – but we do do a sentiment index quarterly at the roundtable, where we survey industry leaders, and the Q4 Sentiment Index, which we reported on a couple of weeks ago, was very high. The index goes from zero to 100. If you're over 50 it's positive. And the score was seventy three, which I think reflects continued optimism about market conditions generally. And that was taken during a period when I think the fate of the build back better bill was very much uncertain. Maybe a little bit more optimism about it, but probably not a tremendous amount.

Spencer Levy

Richard, let me turn to you now. Not only on the whipsawing or this material change in sentiment that we saw, but also all this money that was pumped in. What's it going to do to inflation and is that a good thing or a bad thing for real estate?

Richard Barkham

Well, I think you've got to look at the labor market. 2021 was an incredible year of recovery in the labor market. And so we've now got rates of unemployment that are well below the long-run average and real estate is very heavily linked to the labor market, both in terms of, you know, giving people places to work, but also demand for housing. So I think we can look at that phenomenal optimism on real estate coming out of the recovery in the labor market. And every indicator that we look at right now states that the labor market is continuing strong. In fact, it's so strong that it's a bit of a problem. There are a vast amount of jobs out there and not enough workers at the moment willing to fill those jobs. That's creating supply constraints. It's creating a little bit of wage inflation. And that brings us back to the question that you raised, Spencer, you know, inflation. Well, historically, inflation has been quite good for real estate. So, real estate may not react immediately to inflation. In fact, there might be some initial wobbles, particularly if the central bank tightens. But generally speaking, real estate in the long run capital preserver.

We think inflation is just a temporary thing. It's around the economic stimulus impacting the economy where labor shortages are relatively high. And we think that will all ease up by the end of 2022. However, inflation is high, and it's not going away quite as quickly as people anticipated. So the Fed will be reacting in the classic way. It will want to ease back quantitative easing, which is tapering, which is taking place right now. And then over the course of the year, maybe two to three hikes. I think probably not enough to slow the economy. It's because the economy is doing so well that the Fed has to tighten interest rates.

Spencer Levy

So Ryan, why don't you walk us through some of the key issues that you're working on right now for the roundtable, and your outlook for the same.

Ryan McCormick

Sure. Sure. So on the tax front, we really started last year with tremendous amount of potential change on the table, potential risk for real estate, a lot of potential changes to taxation of capital investment, capital formation, capital gains, long-term depreciation schedules, small pass-through businesses and just rates generally. And a lot was put on the table by the new President and his initial budget. Things like repealing or limiting like kind exchanges, raising estate taxes, eliminating the step up in basis of assets at death and other other changes. And as this process kind of unfolded, we continued to kind of make headway in raising the concerns that these would have on not just real estate in particular, but local communities, local governments, property tax revenue at the state and local level and the jobs that flow from those industries and those services that are provided. And you know, we're in such a closely divided Washington right now – yes, Congressional Democrats and the Democratic Party controls the House, the Senate and the Presidency – but the numbers are so slim, particularly in the Senate, where you have an evenly divided Senate decided by the Vice President. It's just been very difficult to find the political will for another massive tax reform and spending bill. And that's kind of where we've found ourselves. I think today, all of the proposals that were really on the table early on in the year have largely fallen off of the current legislation in the current legislation the Build Back Better Act is really kind of hanging by a thread at this point, and it's really kind of going back to the drawing board based on concerns and opposition raised by the senior Senator from West Virginia, Joe Manchin. At this point, you know, it's really going to require a new set of negotiations at the absolute principle level of the President and Senator Manchin, maybe Senator Schumer. And that's going to determine the outcome here. But, you know, every senator is a president right now in the U.S. Senate. You got to work with everyone to find where that common ground is. There's a lot of different ways and directions things could take at this point. They could go small. They could try to do something on a bipartisan basis. I think the most likely scenario is they will kind of whittle back the Build Back Better Act further from where it is today, which is about a one point seventy five trillion bill. I think there's a decent chance that we'll get something more along the lines of a one, one and a half trillion dollar legislation. And, you know, tax issues are back on the table because Senator Manchin has one of the areas where he is very flexible, is on raising rates on upper income taxpayers, ending carried interest and making a number of changes in corporate rates and individual capital gains rates. So in

many respects, we're kind of back where we started 2021, which is a number of issues that are back at the negotiating table that could have a big impact on real estate. And we're just going to kind of continue plugging away to demonstrate what purpose these provisions serve and how they would affect the overall economy.

Spencer Levy

But for the most part, would you say it's fair to say that even if we do see a rise in taxation, a lot of the worst-case scenarios for rising taxes aren't on the table?

Ryan McCormick

I would absolutely agree with that. Although it's really kind of an open slate at this point because things have fallen apart towards the end of the year and someone's got to pick up the pieces now and put it back together. And you could have new individuals at the negotiating table and what their priorities are going to be is not entirely set yet. We'll have to see how the politics kind of unfolds. But the real estate issues are absolutely part of the conversation for how to find and finance some of these major social spending programs.

Richard Barkham

I was just going to add the point about fiscal stimulus. You know, I wouldn't want to make any argument about any specific component because people will have thought about them and they might be directed at very specific needs in the economy. But I think from a macroeconomic perspective, you can easily make the argument that the U.S. economy does not need another fiscal stimulus at this stage. And I suspect that might have been weighing a little bit on Senator Manchin's mind. Without that, you're still going to have – because of the momentum in the economy, because of consumer spending, because of the legacy impact of the previous fiscal expansion – an economy, if it shrugs off Omicron, with a lot of momentum behind it. So the wind back of the fiscal stimulus doesn't concern me too much from a macroeconomic perspective.

Spencer Levy

Last year, I don't think we've seen the final numbers yet, but we may have had a record year from RCA standpoint of total number of sales capital markets. But I think part of that was due to the uncertainty that Ryan was talking about as people were trying to figure out who might be better off selling now in 2021 versus 2022, so may have pulled forward some of the sales, and that remains to be seen. So Richard, I'd love to hear what you have to say.

Richard Barkham

You've talked specifically about capital markets and people were trying to figure out whether to sell now or later because of tax changes. I've done my own analysis of this, so I'm going to come down to probably what you'd expect me to say. I think that capital markets react pretty strongly to the economy and we had a very substantial above trend growth in GDP last year. That, to me, explains the optimism about real estate capital markets. And I think in 2022 it's not going to be of the same nature. It's not going to be such an unexpectedly large GDP growth. But we're still going to have above trend GDP growth. We're going to have employment being

created and we're going to have positive fundamentals in most real estate sectors. And I think that's going to be very positive for real estate capital markets. It's not going to be the growth that 2021 had over 2020. That's not going to be repeated. But I could still see 2022 showing an increase in capital markets activity over 2021.

Spencer Levy

So let's now talk about the sectors for a moment. And generally, when we talk about this topic, we start with the Big Four – office, industrial, multifamily and retail – and then we go to the smaller asset classes, second operational rules. But this time, I'm going to start in a reverse order. And the reason I'm going to start in reverse order is because operational real estate is called operational real estate for a reason. You have to operate it, and that means you need more people. That means you need more labor. And one of the things you mentioned, Richard, was while the labor markets are robust, there's a labor shortage out there. And some of the asset types, like senior housing, requires a tremendous amount of labor. That cost is rising. The labor's scarce. I was in a bagel store in Florida last week and the owner was there. He says. I normally have 15 people on shift, I have seven and I'm working the counter. He couldn't even find somebody to work in the store. So how do you see Labor specifically impacting the different segments of real estate in 2022 and beyond?

Richard Barkham

Yes, it's interesting. You should say that, Spence. I mean, I do think these labor shortages will ease up. I think they reflect to a large extent the fact that the U.S. household sector, because of previous stimulus, has got more cash in the bank than it ever had. But I think as that works its way out, people will come back into the labor force. So this will ease up over the course of 2022. But I think the impact on sectors. it's going to vary. I was talking to James Breeze, our head of industrial research, just today, actually, and he was telling me the unemployment rate for warehouse workers is actually 11 percent. It's pretty high. But those people are not coming back into the labor market. They're not there. So I think it was his view that that's going to accelerate automation. Now automation will take place over a long period. There's not going to be something that just takes place in 2022. So if the labor shortages persist – I don't think they will persist – but I think we'll begin to see automation coming in. And we'll begin to see that as well in the hotel sector and in other sectors where companies can deploy technology to take the place of labor. I think that's what we're going to see.

Spencer Levy

Let's now go to the big asset classes, the bigger asset classes that aren't as labor dependent. One of the most interesting things I saw in the Outlook and in some of our quarterly reports was the massive rise in rents that we saw in multifamily and industrial. Certainly not as much of an office in retail. But first of all, talk a little bit about that. And how long can that continue

Richard Barkham

In the industrial sector, all of the trends that we've seen over the last year – industrial's got everything going behind it. It's got structural shift towards e-commerce. It's got companies

wanting to move away from the just-in-time stock holding concept to having enough stock to be able to be resilient in the face of supply constraints. We're even seeing, to a certain extent, manufacturing activity picking up in the United States. I think all of the factors that preexisted in the industrial sector just continuing. So I think we continue to see pretty strong rental growth there. It's a slightly different story in the case of multifamily. We had six or seven or eight percent rate of rental growth in 2021. It was a recovery story. Multifamily is almost completely recovered from the COVID hit. So I think we probably see the rate of rental growth easing up in multifamily because there isn't an inexhaustible supply of people wanting to take apartments. What's going to be really interesting I think for multifamily in 2022 is just the fact that whilst the sector as a whole has recovered, it's the big cities such as San Francisco, New York, San Jose, the big multifamily cities where the recovery is still taking place. I think it might be those markets where we see rental growth at a higher level in multifamily, but easing off in the more broad multifamily market. And what's underpinning all of that, I think despite the revival in the single-family homes market in the United States, the United States, as the rest of the Western world is just not building enough houses, can't build enough houses. We don't have enough construction workers. And all of that, I think, is part of the picture that supports the rental growth, albeit easing rental growth, in the multifamily sector.

Spencer Levy

Now, Ryan, you are an umbrella organization. You cover all asset types. But I do know you work closely with an NMHC, the National Multi Housing Council, the ICSC in the retail side. How are you trying to address some of these sectoral issues that Richard is talking about? And the one he just mentioned a moment ago is the shortage of housing, the shortage of affordable housing. Is there anything that the roundtable is doing about that? Anything the industry is doing about that?

Ryan McCormick

I'd say organizationally, our strength is really on cross asset issues. So I work in tax and basically most of the tax rules apply to all types of structures. There is some differentiation between the taxation of residential and nonresidential, but for the most part, the tax rules are the same, and we are, as an industry, very good at coalescing and coming together and unifying on questions of tax policy as they relate to real estate. When you start getting into individual policy issues affecting a particular class of assets, we will work very closely with the leaders in that area and they will often be coordinating with an NMHC on multifamily housing or ICSC, International Council of Shopping Centers, and NAREIT on publicly traded real estate issues. Really, our focus is generally going to be on issues that have crossed asset application as a policy matter. Take something like labor, which you raised, which we were just discussing. Labor's an issue that affects all different types of asset classes. It's a problem for everyone. I certainly hear about it a lot from our members anecdotally. We've always been real strong advocates for a number of policy solutions there, one of which would be something like comprehensive immigration reform. Unfortunately, in this political environment that is not really on the table and it's unlikely we're unlikely to see any time without some real big change in the political environment in Washington, I think. But those are the types of big, major policy fixes you

really need to get at some of these issues. Talk to the advocates of the Build Back Better Act, they'll say a big problem is people aren't going back into the labor force because of the cost of child care, so they're putting hundreds of billions into child care investments. And so there are a number of ways to get at the labor issue, I think. And one of the areas we've really emphasized is the issue of immigration reform.

Spencer Levy

Richard, we spoke about industrial and multifamily and in fact, all of 2021, I was saying industrial and multifamily, particularly industrial, is the land of milk and honey. I don't even know why we talk about on the show. It's been so good there. But there are retail and office where there is a much more mixed opinion in the marketplace. Though I will go on the record, say the following. My number one investment idea right now as we speak, is open air non grocery anchored retail because the cap rates there are three or four hundred basis points higher than you're going to see in multifamily that you're going to see in industrial and the consumer is spending. What's your point of view on retail first? And then we'll turn to office, Richard.

Richard Barkham

I would agree with you. Not just in the United States, but I see in Western Europe as well. We've had a decade in the retail sector when there's been really no new development. You've got a supply side that's constrained. And despite the fact that e-commerce is growing, the overall level of goods that are flowing through the economy continues to rise. And it's risen phenomenally strongly over the course of COVID. So I think if you look at, as our colleague Brandon Isner, who's head of retail research, often tells us, if you look at those turnover to floor space ratios, the amount of spending or turnover the retail centers can get relative to individual per square foot, then they've grown. The retail space has become more efficient. So any rents – which have been stagnant, probably for four or five years – very well supported by fundamentals, not a lot of new supply coming along. And I know that investors as well are beginning to put retail at the top of their agenda because it looks well supported, particularly the open air, the suburban. But not just that, actually. The malls in the United States have got footfall rates that are higher than they were pre-COVID. So I think retail is probably, you know, one of the sectors that is showing some pretty good forward rates of return, and I know that investors are looking at that very carefully. And it's obviously a very competitive market with e-commerce. And then you referred to office so let's tackle that. Because throughout the course of 2021 as, you know, COVID ebbed and flowed, our initial estimate that there would be a full scale return to the office in Q3 2021. And it sort of started and then it petered out again with Delta. And then we put it back to Christmas. And of course, it turns Christmas and you've got Omicron full frontal. So we've put off that full return to the office yet another quarter. If you look at this in classic economic terms as a rental cycle that's delayed the bottoming out of office rents, probably to the end of 2022. So there's no doubt, despite the optimism of the economy and the general real estate picture that there are some negatives, probably from the office sector perspective. We do expect a return to the office. It won't be in a traditional way. We expect a hybrid working or the combination of in-office and remote working to dominate. And maybe that's what we're seeing at the moment. We're seeing a kind of a slow return to the office, but it's not just COVID related. It's this new form of working

related as well. But there's no doubt that the Omicron surge has probably delayed the recovery in the office now again. You've got to be very careful with the specifics. There is a flight to quality going on underneath. Companies are preferring offices which are A-grade, have got a lot of amenities. They see that as a better platform in which they can create new ways of working, new hybrid working patterns. And we've seen that in the transaction activity in 2021, and that's going to continue in 2022 as well.

Spencer Levy

The other area that we've talked a lot about on the show and this comes to you, Ryan, is the change in how ESG is being viewed by investors. The gold standard used to be LEED and Energy Star. And now it may be the U.N. Principles on Responsible Investing, which has a very different way of measuring green compliance. So Ryan, how much is ESG coming up in the roundtable as an important issue for our industry? And what are some of the changes you might see coming forward?

Ryan McCormick

Very big issue, Spencer. It's big, as you mentioned for investors. It's also big at the local government level and the state. I mean, we're seeing increasingly regulatory actions taken on real estate owners and real estate industry to take actions to reduce their climate impact. We are expecting probably in the first quarter of this year, that the SEC will put out a proposed rule for reporting on financial risks of climate for the real estate sector that we've been influential in participating in that process and contributing comments and helping determine how those rules should be written. That's an issue not just for real estate that trades on public exchanges, but it can be, of course, an issue in terms of reporting for privately held real estate because they've got pension funds and foreign investors and others that care deeply about this. So that's the E side of it. I think the S and G, it gets a little bit more challenging while we have these metrics that are becoming pretty well developed for analyzing the climate impacts of real estate and the environmental and energy side. I'm not sure that we really have those full metrics yet on the Social and Governance side for real estate, but that's one area where we're really hearing a lot more from roundtable members as well that want to be out front and want to be active and be forward thinking on the social and governance side of things. And I think there's been some struggling with those metrics. You can look at the firms you hire your board representation and others, but those are still kind of in their infancy stage. At the roundtable we're in the very early stages of developing kind of a database and an ecosystem related to the hiring and supplier networks for minority-owned firms so that real estate businesses can consciously take efforts to ensure that all aspects of the financial activities, from hiring suppliers to hiring construction companies to accounting firms and all those involved in their enterprise, are moving towards more diversity and making forward actions there. But it's a big issue and it goes beyond just the environment aspects.

Spencer Levy

Before I get to the wrap up of the future outlook I just want to ask you a few more questions about some specific things, Ryan, that people ask us questions about all the time. Number one,

the future of opportunity zones. How have they worked? Will we see more of them? And the second to go back to an issue you mentioned before about immigration, speaking specifically about EB-5. So tell us about both of those things.

Ryan McCormick

Sure. Opportunity Zones is the area I would know best. I'm very bullish. Look, they started out as a very bipartisan concept, as bipartisan legislation, had a lot of support from members of both sides. It was enacted and has become much more polarized. The rules were written during the Trump administration. We now have a Democratically controlled Congress. It's become a bit more divisive and less consensus around that. But I think we're going to get to because of the success of so many opportunities on projects in districts really all across the country. At this point, the programs mobilized about 75 billion in capital for opportunity funds. We don't know exactly how much of that has been deployed, but that's a significant amount of funds. These are projects that are in every Congressional district in the country. They're having a positive jobs impact. We do have deadlines, some of which just expired a few days ago related to Opportunity Zones. So we're working on legislation to extend those. But I think as we get further away from the last few years, I think that bipartisan consensus on Opportunity Zones will reemerge and we'll work through it for the existing ten year time frame of the program and we'll hopefully get an extension and maybe a new designation of districts going forward. On EB-5, that's obviously a hot topic I know are very important in certain parts of the country that have been very successful in pulling in foreign capital for real estate projects. It's a great source for capital formation. The program needs an extension, and I know that there's a lot of close coordination with Congressional leaders to try and get something done. I believe in eight appropriations bill appropriations currently expire in February or if not maybe a version of one of these Build Back Better or other must-pass legislations in the near future. EB-5 is one of those programs that tends to get short-term extensions very regularly. There have been work on fundamental reforms to the program. I'm less versed in those, but I know those reforms are part of the conversation as well.

Spencer Levy

So, Richard, I'd love to get your final thoughts. I'd love to put on your crystal ball not hat, but hold it in your hands. And I'd like to be speaking to you right now, two years out at the end of 2023 and let's look back. How did 2022 and '23 go from a commercial real estate perspective?

Richard Barkham

Now I'll always talk about the economy. I think we'll see 2022 see a GDP growth of three to four percent. It'll be lower in 2023 as the economy reverts to its long-run trend. This might be the point over the next 24 months where interest rates actually start to increase. They've tried their hardest over the last decade, but I think they might. But I don't think they will rise to dangerous levels. We're not going back to a world of 4.5 percent treasuries, though, as we've discussed on many occasions. There's just too much capital in the world with too few investment opportunities, so it tends to dominate the financial landscape and in particular, the fixed income market. So interest rates will rise a little bit. Over the course of those eight quarters, one or two

of them will throw up really positive shocks. One or two of them will throw up very negative shocks. And it may well be Q1 in 2022 that turns out less good than we think. There might be a geopolitical event. We don't think so, but there might be something going on there that disrupts markets and causes a quarter or so loss of GDP growth. That is the way that the world evolves. It's not all perfect. There are risks, There are upside and downside risks. There will be volatility along the way. But I think we're looking to continued gains in real estate value over the next 24 months, Spence.

Spencer Levy

So Ryan, let me go to you now for the last word. Any other issues that may hit our radar screen in the next year or two that we should be thinking about?

Ryan McCormick

Yeah. Spencer, one of the questions we get most often is what's going to happen with the SALT deduction, the deductibility of state and local taxes. There is a big change proposed in the Build Back Better Act. And if that legislation gets back on track, I expect we'd see some changes in SALT that will be quite favorable to taxpayers in high tax states. If the legislation doesn't get back on track then we expect current law to continue. Legislatively I think that I don't see too much out there that should be a cause for freezing or chilling real estate transaction activity. I think if there are tax changes, they're not the type of changes that should have a freezing sentiment in the marketplace. You talking about going from a capital gains rate of 20 to 24 percent, that's a lot different from going 20 to 40 percent, which is where we started last year. So I feel pretty positive on that front. A lot of it comes down to the ESG issues, and that's a big focus on investments that the real estate industry is going to be making in the energy efficiency side and trying to get the federal policies in place that facilitate those investments is a big priority for us.

Spencer Levy

And on that front, I'd like to thank our two terrific guests today. Richard Barkham, CBRE's Global Chief Economist, Head of Americas Research. Richard, thank you for joining the show once again.

Richard Barkham

Pleasure, Spence.

Spencer Levy

And then our new guest and old friend Ryan McCormick from the Real Estate Roundtable, senior vice president and counsel, our tax guru and many other things. Ryan, thank you. And I also want to thank specifically the Roundtable all the great work you do on behalf of our industry.

Ryan McCormick

Thank you, Spence. It's great to be here and thanks for all your help with our activities as well.

Richard Barkham

Happy New Year, Spence.

Spencer Levy

Happy New Year, everybody. Let's hope '22 is a good year and rock on. For more on our show and CBRE'S 2022 U.S. Real Estate Market Outlook, check out our website [CBRE.com/TheWeeklyTake](https://www.cbre.com/TheWeeklyTake). We'll post a link where you can read the full report we just discussed. Now, as we look to the programming year ahead, we hope you'll join us for more, including upcoming episodes on markets such as Chicago and Dallas, and an episode where we explore ways to address financial challenges in the commercial real estate space. Stay tuned for those shows, and more, on the horizon. In the meantime, please share the show as well as subscribe, rate and review us wherever you listen. Thanks again for joining us. I'm Spencer Levy. Be smart. Be safe. Be well.