



2021 IAAO Conference in Chicago: Embracing Change

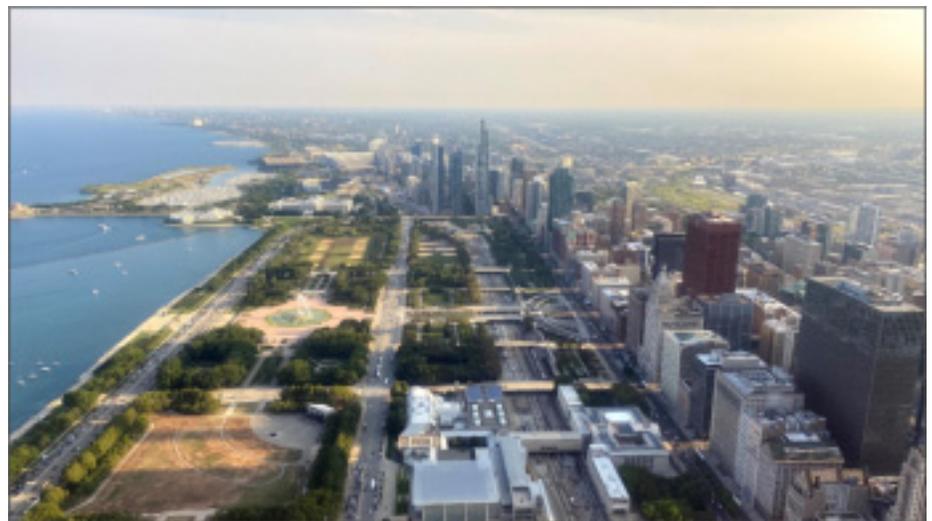
By Brad Eldridge, MAI, CAE

Conferences provide us connections with people and opportunities for professional growth. Over the years, we build professional relationships and find inspiration to solve problems in our daily roles in assessment. I heard the comment “It was like a family reunion” several times and it was true.

Morris Morrison took us on an emotional rollercoaster in the opening session, which provided the experience needed to understand his concept of disruption and using emotional intelligence to help us navigate through uncomfortable change. Morris kicked off the conference with great energy and reinforced the importance of the networking at the conference.

The past couple of years have been tough, but people in our assessment community have found ways to continue growing in their profession. It was great to see accolades received by our friends. What joy it is to see someone you shared the classroom with walk across that stage to receive their designation.

TEAM Consulting enjoys providing support to the IAAO conference each year. This year, TEAM Consulting sponsored the U-40 and Professional Designee receptions, where we were able to celebrate recent designees and



Chicago (and a glimpse of Indiana in the Horizon). Image taken by Brad Eldridge from the 80th floor of the Aon Center building.

encourage the next generation on their pursuit of professional growth. We have several groups expanding their IAAO education and in-house professional development in California and Alabama.

While each IAAO conference has had meaningful themes and content, this year’s conference theme of embracing change hits home on many levels. IAAO conferences usually provide several nuggets to take back home and this one was no different.

I particularly enjoyed the Developing a Strategic Plan session by Wade Patterson and Kevin Prine, RES, AAS, MPA. Wade incorporated the importance of addressing diversity in strategic planning. We

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need to make sure we address diversity in age, sex, and people in our assessment office so that we resemble the community we serve. From work-from-remote to succession planning, it is important that we have a strategic plan in place and review/revise as needed so we can adapt to change.

The inner geek in me is always

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satiated by a session from David Cornell, MAI, CAE. David provided a real-time demo on how to build a Power BI Dashboard in 30 minutes. If you haven't had the opportunity to set in on one of his sessions, you're missing out. Dashboards were discussed in several conference sessions this year and are a great way for us to check in on the current status of our assessment office.

The legend, Peter Korpacz, MAI, CRE, FRICS, lead a plenary session on appraising in the COVID-19 pandemic. A lot of the forecasts are projecting a three- to four-year recovery time for commercial real estate. He also reminded us that cap rate surveys are not based on sales, but they rely on people who make the sales happen or are close to the sales—buyers, sellers, brokers, and appraisers. Who else has the ability to provide real-time insight as to the conditions in the market?

One of my new connections, Paul Harrison, MAI, CAE, RES, did a session that posed the question, *Can Valuing Parcels Individually Violate USPAP and Highest & Best Use?* The discussion included a great deal of legal citations and references to help the assessor find the answer to this question. Paul also mentioned that we need to **keep struggling to do better**, which is a great segue to the Management Matters section in this issue. (See page 5.)

I think we can do better with the diversity of instructors and leaders that we have in the assessment field. Some of us might have to step out of our comfort zone and take a chance on someone who doesn't look like us. Maybe it's recruiting talent through different human resource channels than we normally rely on. Have a conversation with someone you usually avoid—maybe they need a mentor. Embrace change. ❖



U-40 Reception at Giants Brewery. Image taken by Brad Eldridge.



Chicago River. Image taken by Brad Eldridge (facing Michigan Ave.)

TEAM Instructor Kara Endicott Receives IAAO's Instructor of the Year By Brad Eldridge, MAI, CAE



Kara Endicott, CAE, RES, RMA

TEAM Consulting instructor Kara Endicott, CAE, RES, RMA, received the 2021 IAAO Instructor of the Year.

Kara was recognized at this year's

IAAO conference in Chicago. Congratulations, Kara!

Kara is a Senior National Instructor for IAAO and has taught numerous courses across the country. She has mentored hundreds of students

in the classroom and helped them achieve their professional goals over the years.

Kara has also been a dedicated leader of IAAO's Education Committee as chair for the past three years. Kara previously served on the Instructors Relations Subcommittee for IAAO. She has also chaired several task forces for IAAO. Kara has over two decades of appraisal experience in county government and she currently works in Johnson County, Kan., as the Commercial Real Estate Manager. ❖

TEAM Instructor Dan Cypert Receives IAAO's AAS Designation

By Brad Eldridge, MAI, CAE

TEAM Consulting instructor Dan Cypert, RES, AAS, was recognized with the AAS designation at this year's IAAO conference. Congratulations, Dan!

Dan has more than 20 years of experience in state and county government working in the property assessment field conducting ratio studies, market analysis, identifying trends, property valuations, and reporting for revenue projections. From 2013 to 2017 he served as Division Administrator-Ratio Studies for the Arkansas Assessment Coordination Department. In 2018 he returned to his home county to continue in the role of Chief Deputy Assessor for the Washington County (Ark.) Assessors Office, a role he previously held from 2003 to 2012.

Dan previously served on the IAAO Executive Board and is a Past-President of the Arkansas Chapter of IAAO. He is a certified instructor and professional designation advisor for IAAO. Dan was named IAAO's Professional Designee of the Year in 2016. ❖



Dan Cypert, RES, AAS, on stage at the 2021 IAAO Conference to receive the AAS designation from IAAO President Greg McHenry, AAS. Photo by Brad Eldridge.



Halloween Special:

Ghost Kitchens

By Brad Eldridge, MAI, CAE

*It was a dark and stormy night.
Then...we started to hear sounds. Off
in the distance, we could hear it: metal
pots and pans clanging.
<https://bit.ly/3CTxZkq>*

*The sounds became louder...and
louder...and louder.*

*Then it stopped. Was it a ghost? Then
it started back up again. But this time,
something was different. Someone
was yelling, "WHO USED ALL THE
CHEESE?!" Must be a ghost in the
kitchen.*

Ghost kitchens are a real thing and have gained in popularity over the past several years. A ghost kitchen is a commercial kitchen that is optimized for food delivery—no dine-in or drive-through restaurant service. They are usually located in urban areas where there is a high concentration of demand for food delivery.

As you can imagine, the Covid-19 pandemic gave ghost kitchens increased popularity as

we used our phone apps to order delivery, with hopes of someone spoon feeding us dessert for an extra \$4.99. Ghost kitchens operate using a digital storefront, so visibility from a major commercial street is not important.

However, the ghost kitchen does want to be located near the people it feeds. So it might occupy that portion of commercial buildings that have poor access and/or visibility, with parking only available for its delivery drivers. Good news for ghost kitchen tenants: rents are typically cheaper than conventional restaurant space. Good news for landlords: you finally get to rent that space that no one else wants.

The typical ghost kitchen is tech savvy. Think about the Uber phone app and how it connects drivers with the people it serves, with estimated times that are pretty darn accurate. The ghost kitchen will utilize an app that allows the food preparation and delivery drivers' timing to

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Workshop Spotlight By Brad Eldridge, MAI, CAE

stay in sync.

Not all ghost kitchens are alike. There are Commissary, Commercial, and Incubator kitchens, as well as Kitchen Pods.

▶ Commissary kitchens focus on providing food prep space that is shared with different users that rent time slots based on a particular schedule. These kitchens also provide food storage spaces that are a good complement to food trucks.

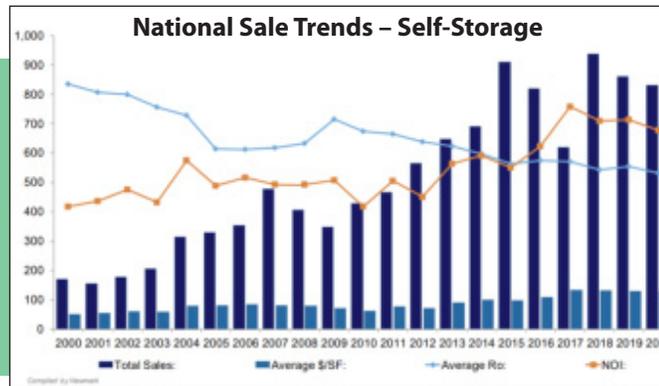
▶ Commercial kitchens are large, industrial kitchens that are better suited for catering companies and restaurant brands. Specific time slots are not an issue with this type of ghost kitchen, as the space is dedicated to one user.

▶ Incubator kitchens are temporary kitchens that are attached to a brick-and-mortar restaurant, and could be a food truck or kiosk. The food prep area is designed specifically for fielding delivery orders and sometimes a specific section of the menu, allowing the primary kitchen to support general food services.

▶ Kitchen pods are small transportable buildings that can be used as flexible kitchen space. They may be found in the form of a modular building or built out in a shipping container. Kitchen pods usually lack windows, so interior lighting and ventilation can be an issue.

As you walk through your neighborhood this Halloween, watch out for the zombies, but also beware of the GHOST KITCHEN!!! (and those pesky cheese thieves). ❖

This article incorporated information from *The Ultimate Guide to Ghost Kitchens*, updated May 6, 2021. (<https://bit.ly/39GfluD>)



TEAM Consulting’s education content and subject matter is directly influenced by our peers in the assessment community. Frequent questions and classroom discussions inspire us to create new workshops or integrate new content when we update our existing courses. Our goal is to have workshop content that helps assessors kickstart the data they need in their work file.

Self-Storage properties have been considered “recession resistant” by those active in commercial real estate for many years. Through the pandemic, self-storage properties hit a few bumps in the road, but continue to be very popular among real estate investors. The *Valuation of Self-Storage Properties* workshop has been updated in 2021 to include the most current data available for this property type.

Fast Food properties have also been well-liked by property investors due to their tendency to hold steady during economic downturns.

During the Covid-19 pandemic this continued to be true, as the drive-through feature kept many of these businesses going during the stay-at-home order. We have also recently updated the *Valuation of Fast Food Properties* workshop to include the most current data available on this topic.

TEAM has always strived to keep the costs reasonable for the jurisdictions we serve. We have been able to keep our workshop material fees flat for several years. Like most organizations experience, the cost of doing business continues to increase.

In 2022, TEAM will be increasing the workshop material fees to the following schedule: \$330 minimum; 0-74 students at \$27.50 per person per day; 75-99 students at \$25.00 per person per day; and 100+ students at \$22.50 per person per day.

If you would like to schedule a TEAM Consulting workshop in your jurisdiction, please contact me at 785-550-0945 or eldridge.brad@gmail.com. ❖



Management Matters: The Impact of Making Small Improvements

By Brad Eldridge, MAI, CAE

Small efforts along the way can help you
achieve your long-term goals.

Source: MS Office Stock Images

I just don't have the time. The benefits won't exceed the effort required to fix the problem. I really don't feel like trying harder. The best solution requires more time or human resources than we actually have.

Any of these phrases sound familiar? It can be difficult to motivate others or even ourselves. It's a human condition and we're all wired differently. Some of us are satisfied with the status quo, while others are naturally inclined to find ways to make improvement. Just like construction quality in real estate—there is a spectrum and some folks fall somewhere in the range. Is there a way to get everyone to the middle ground on making improvements?

Our colleague, Kevin Prine, MPA, RES, AAS, recently posted a quote on LinkedIn from his daily desk calendar:

Small daily improvements are the key to staggering long-term results.

— Unknown

If you haven't run into Kevin yet, he's presented some great sessions at recent IAAO conferences regarding management and strategic planning. He's a great example of how putting forth a little extra effort here and there can propel you forward. Thank you, Kevin, for sharing your tips for professional and personal development.

What's the true cost of not putting forth the effort? It's tough to quantify, but most folks in assessment know how to do some math—so let's give it a shot. We'll enumerate "doing nothing" as a base of 1.00 and "small efforts" as 1% more than a base of 1.00, or 1.01. The exponent will be number of days in one year.

Doing Nothing at All vs Making Small Consistent Efforts

Doing nothing 365 days per year:	$(1.00)^{365} = 1.00$
Making Small Efforts Once Per Month:	$(1.01)^{12} = 1.13$
Making Small Efforts Once Per Week:	$(1.01)^{52} = 1.68$
Making Small Efforts Twice Per Week:	$(1.01)^{104} = 2.81$
Making Small Efforts Five Days Per Week:	$(1.01)^{260} = 13.29$
Making Small Efforts Every Day:	$(1.00)^{365} = 37.78$

Even with putting forth a little more effort once per month, there is a difference. Numbers don't lie. Well... usually. There was that ONE time, but that was because we paired the wrong dependent and independent variables for the correlation coefficient regression. But we DO know that the decrease in the number of pirates HAS caused global warming (<https://bit.ly/3zjhJap>). That's basic science.

Whether it is learning something new or integrating new tasks into our daily routine, working with small, bite-sized pieces can make it easier to do. Making small efforts over time is better than doing nothing at all.

What small efforts can we do to improve our assessment office? What small efforts can we make for professional development? Implement small efforts along the way and see what it can do to help you achieve your long-term goals. ❖

Will That Ever Sell?

By Brad Eldridge, MAI, CAE

Like many of you, I'm a fan of turquoise waters and tacos. Well-crafted nachos also hold a special place in my heart. I came across this listing on the edge of Megan's Bay in the USVI. Competitively priced at \$9.9 million (off-pricing always gets me...is \$10 million too much?!?), which is not bad for walking distance to one of the Top 10 beaches in the world. We may need do to some research for comps when this one sells—I'll meet you in Red Hook for the boat charter! <https://bit.ly/3wde2l6>



Is it a house or a boat? This land yacht could satisfy a boat enthusiast or maybe a land lubber with aspirations to be out at sea. Perched next to Lake Huron with a view of Saginaw Bay, Mich., this 74-foot house boat is permanently moored. For a modest \$750,000, this waterfront property could be yours! (Unintentional nautical theme this month.) <https://bit.ly/3EYjMof>



Changes Coming for TEAM Consulting Newsletter

By Brad Eldridge, MAI, CAE

For many years, Grace Patterson has helped TEAM Consulting produce a professional newsletter and advertisements for a variety of publications. Please join us in celebrating Grace and her contributions to our group. Thank you, Grace! We wish you the best in retirement!

Like many organizations experience when someone with decades of experience retires, it takes two people to replace them. TEAM Consulting has found two excellent people to assist us in producing our newsletter.

Please welcome Christine Metz Howard and Cody Howard to our crew. Cody and Christine have a combined 50 years' experience in media. How appropriate that a husband-wife team be the next publication staff for TEAM Consulting?

Cody and Christine will be re-designing the TEAM newsletter and adapting it for the variety ways we consume digital content these days. The email you receive for your next newsletter in January 2022 will look different. Do not be alarmed—this is part of the plan! We hope you continue to enjoy the newsletter as you have in the past. ❖

Meet Our TEAM

Brent Bailey, ASA
Kishin Bharwani
Fred Chmura, AAS, FIAAO
Ed Crapo, CFA, ASA, AAS, FIAAO
Keith Cunningham, PhD
Pete Davis
George Donatello, CMS, FIAAO
Brad Eldridge, MAI, CAE
Lath Harris, CAE, SRA
Jeff Holsapple, CAE, RES, RMA
Marion Johnson, CAE, FIAAO
Dan Muthard
Richard Norejko, CMS
Henry Riley, CAE, PhD
Ron Schultz, CFA
Rick Stuart, CAE, FIAAO
Ken Voss, MAI, AI-GRS, SRA, CAE



■ **Single-Family Rentals Come of Age**, by Adam Kaufman, *Wealth Management Real Estate*, Sept. 13, 2021. "Single-family homes have historically been owned by one of two groups—homeowners who lived in the houses and "mom-and-pop" investors who rented them out. With the emergence of the build-to-rent segment for single-family rentals, it's clear the sector's appeal is here to stay." (See chart) <https://bit.ly/3IsxSoP>

■ **Single-Family Rent Growth Hits 16.5-Year High**, by Molly Boesel, *Core Logic*, Sept. 21, 2021. "In July 2021, the increase in single-family rents was nearly five times the July 2020 increase. Rent growth for single-family detached rentals was double that of single-family attached rentals." (See chart) <https://bit.ly/3mcFMmQ>

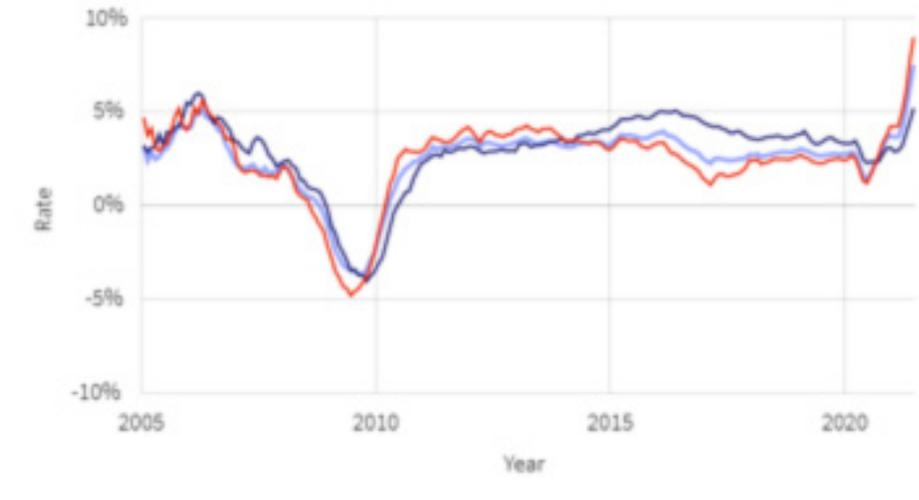
■ **Where real estate investors bought the most homes in 2020**, *Inman*, by Libertina Brandt, Aug. 30, 2021. Submitted by Lisa Ree. "A new report by CoreLogic found that in 2020, investors showed the most interest in markets where prices were low and the population was growing. The study compared the metros with the most investor activity in 2011 to the metros with the most investor activity in 2020." <https://bit.ly/2XkzFVg>

■ **Seller Activity Warms Up as 432,000 Newly-Listed Homes Hit the Market**, *Realtor.com*, Sept. 2, 2021. "U.S. housing inventory



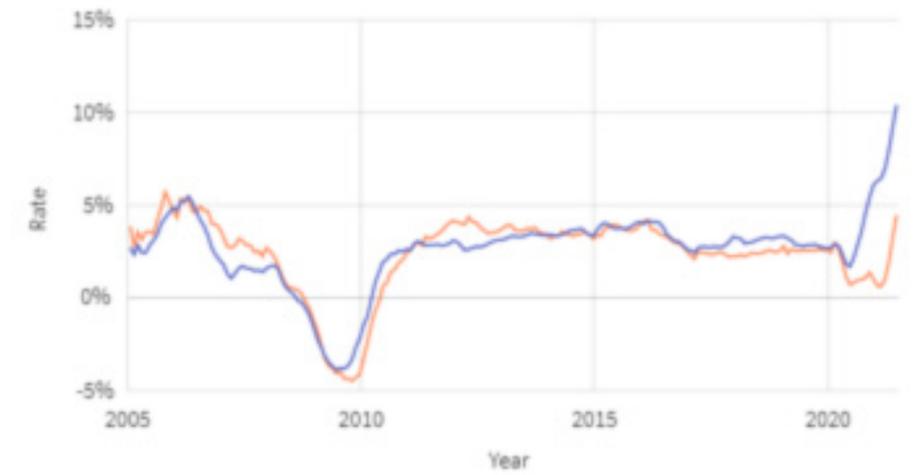
Brad Eldridge, MAI, CAE, is a senior consultant with TEAM Consulting, LLC. eldridge.brad@gmail.com

Figure 1: National Single-Family Rent Index Year-Over-Year Percent Change By Price Tier



Source: CoreLogic Single-Family Rent Index, July 2021 © 2021 Copyright, Inc., All rights reserved
SFRI 7.5% **Low Tier** 5.2% **High Tier** 9%

Figure 2: Rent Growth for Detached Properties was Double That of Attached Properties



Source: CoreLogic Single-Family Rent Index, July 2021 © 2021 Copyright, Inc., All rights reserved
SF Attached 4.5% **SF Detached** 10.4%

declines (-25.8%) and new listings growth (+4.3%) continued to improve over last year; August listing price adjustments approach typical 2016-2019 levels." <https://bit.ly/3zcM3n4>

a Record 18% in July, *Bloomberg via Wealth Management Real Estate*, Sept. 7, 2021. "U.S. home prices increased 18% in July compared to a year earlier, according to a CoreLogic Inc. report. The jump is the largest 12-month gain in the index since

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the series began 45 years ago. On a month-over-month basis, home prices increased by 1.8% in July from June." <https://bit.ly/3EkFYZm>

■ **The Housing Shortage Is Significant. It's Acute For Small, Entry-Level Homes**, *National Public Radio*, Uri Berliner, Sept. 4, 2021. "America's roaring real estate boom is leaving millions of would-be homebuyers out in the cold. The problem is most severe in that corner of the market that once propelled the American dream: the small entry-level home." <https://n.pr/3zOLz7O>

■ **Mortgage Rates Remain Relatively Flat**, *BankRate.com*, Sept. 14, 2021. "30-year fixed refinance rate: 2.99%; 15-year fixed refinance rate: 2.29%; and 10-year fixed refinance rate: 2.27%." <https://bit.ly/3Ac8t97>

■ **FHFA Releases 2nd Quarter 2021 Foreclosure Prevention and Refinance Report**, *Federal Housing Finance Agency*, Sept. 23, 2021. "Fannie Mae and Freddie Mac (the Enterprises) completed 217,020 foreclosure prevention actions in the second quarter of 2021, bringing the total number of homeowners who have been helped during conservatorships to 6.030 million." <https://bit.ly/2YcypIT>

■ **Want to Live Above a Bomb Shelter? Project Could Build Condos Over Boise Fallout Shelter**, *www.BoiseDev.com*, By Don Day, July 13, 2021. Submitted by Jeff Middleton. "The Highlands Community Fallout Shelter was a prototype—and the first of its kind in the US. In the event of a nuclear attack, families who owned shares could have taken up residence inside. The bomb shelter was a sign of its time perhaps. And in a sign of our current era—a

developer hopes to build as many as nine condos on top of the shelter." <https://bit.ly/3rbPU18>

■ **What Doesn't Kill You, Makes You Stronger (Retail Market Update)**, by Ed Hanley, *2021 Midyear Outlook – Wealth Management Real Estate*, August 2021. "The National Retail Federation raised its outlook for 2021, citing a quicker-than-expected recovery and eagerness to shop. Retail sales are expected to grow between 10.5 percent and 13.5 percent to an estimated total of \$4.44 trillion to \$4.56 trillion in 2021." <https://bit.ly/3CmVpPI>

■ **Record Low Cap Rates for Single-tenant Dollar Stores**, *The Boulder Group*, August 2021. "Cap rates within the single-tenant net lease dollar store sector compressed to a new historic low for Dollar General (5.75%) and Dollar Tree (6.50%) properties in the second quarter of 2021. Cap rates for all three of the major dollar store brands (Dollar General, Family Dollar and Dollar Tree) compressed during the second quarter to an aggregate level of 6.11%. This represented an 87 basis point decline in cap rates year over year for the dollar store sector." <https://bit.ly/3xsYs5r>

■ **US Sales Activity Expands, Price Growth Accelerates in July**, *Real Capital Analytics*, Aug. 26, 2021. "U.S. commercial real estate sales climbed in July and the rate of price growth accelerated as most but not all property sectors advanced past the pandemic recovery phase. Deal volume for the month rose 74% from a year ago and was above the average pace set across each July since 2005." <https://bit.ly/3lmDfWU>

■ **Latest Composite Price Indices Continue To Post Steady Gains, With Values Rising Across All Segment Slices**, *CoStar*, Aug. 27, 2021. "This month's CoStar Commercial

Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through July 2021. The investment grade segment rose by 16.1% year-over-year since July 2020, and the general commercial segment increased by 14.3% year-over-year since July 2020. The Sale Price-to-Asking Price Ratio surged in July 2021 to 94.4%, signaling that buyers are increasingly willing to pay top dollar for commercial real estate assets. The ratio, which hit a new record in July 2021, is up from 93.9% in June 2021 and from 91.8% recorded in July 2020." <https://bit.ly/3tETjqJ>

■ **Cushman & Wakefield's Hospitality & Gaming U.S. Lodging Industry Overview Mid-Year 2021**, by Elaine Sahlins, *Cushman & Wakefield*, Aug. 30, 2021. "The first half of 2021 brought more than a year of impact from the COVID-19 pandemic and a roller coaster of hotel activity. The roll-out of vaccinations in the first quarter of 2021 spurred hotel demand at a level beyond forecasters' expectations. Leisure drive-to travelers continue to be the primary users of hotels, and while construction and infrastructure crews have returned to economy and midscale hotels, the road warrior corporate business traveler has not yet returned in any significant numbers." <https://bit.ly/3lpKFZl>

■ **Diving Into the Travel and Tourism Recovery**, by Shira Petrack, *Placer.ai Blog*, Sept. 22, 2021. "Domestic tourism visits (visits by individuals living more than 50 miles away from the visited area) increased across all states in July when compared to July 2019, and the visit growth remained positive throughout August. While visits to resorts, airports, inns, and motels have more or less recovered, visits to city center hotels remain far below their 2019 levels." <https://bit.ly/3l3Owwn>

■ **Cap Rates in Quick-service Sector at Historic Low**, *The Boulder Group*, Sept. 2021. "Cap rates in the net lease quick service restaurant (QSR) sector decreased to a new historic low of 5.26% in the second quarter of 2021 representing a 39 basis point decrease when compared to the prior year. Cap rates for corporate leased QSR properties declined by 20 basis points to 5.00% while QSR properties leased to franchisees declined by 43 basis points to 5.40%. The primary contributing factor to the decline in cap rates is related to the increased investor demand for net lease properties with a drive-thru component." <https://bit.ly/3EiEJd7>

■ **Urban E-Grocery Startups Create Demand for Mini Fulfillment Centers**, by Tom Martin, *Wealth Management Real Estate*, September 2021. "The rise of rapid grocery delivery startups is creating demand for a new kind of logistics property. Since early 2020, consumer demand for delivery of basic essentials has triggered major growth for specialized online grocery services, a relatively new subsector that's already impacting major urban real estate markets." <https://bit.ly/2VIVeNX>

■ **Employment Situation Summary, U.S. Bureau of Labor Statistics**, Sept. 3, 2021. "Total nonfarm payroll employment rose by 235,000 in August, and the unemployment rate declined by 0.2 percentage point to 5.2 percent, the U.S. Bureau of Labor Statistics reported today. So far this year, monthly job growth has averaged 586,000.

In August, notable job gains occurred in professional and business services, transportation and warehousing, private education, manufacturing, and other services. Employment in retail trade declined over the month." <https://bit.ly/3s3FEJ0>

■ **For many workers, the return to offices has become 'The Great Wait.' It's costing employers millions**, *www.cnb.com*, Sept. 2, 2021. "Google became the latest major company to announce another delay in its return-to-office plan, pushing its reopening date to January 2022. As of late August, 66% of organizations are delaying office reopenings due to Covid variants, according to a Gartner survey of 238 executive leaders. As employers chase down solutions to an unending list of safety questions, such as the expense of trying to bring employees back." <https://cnb.cx/3lpsO4S>

■ **Everyone's Hiring At Once: Two-Thirds Of CRE Firms Facing Covid-Era Talent Shortage**, by Patrick Sisson, *BisNow*, Sept. 8, 2021. "Roughly 60% to 70% of all commercial real estate firms are facing a talent shortage or talent challenge, according to a leading industry analyst. The current problem finding talent has stemmed in large part from existing issues within the industry. Roughly 44% of workers in CRE are over 50, a demographic concentration that creates a bottleneck that stymies youth hiring, mobility, and career advancement (other industries typically are 25% to 30% 50-plus)." **Editor's Note:** A recent study by the Appraisal Foundation revealed 67% of its appraiser survey respondents fall in the 55+ age group. Recruiting and training the next generation of assessors will continue to be an issue. <https://bit.ly/3hypPG3>

■ **Where Big Companies Stand on Delta Variant and Return to Office Plans**, by Riley de Leon, *CNBC*, Aug. 5, 2021. "A new CNBC flash survey of a select group of human resource executives at large companies, the majority of which employ over 10,000 workers, shows that new concerns are not yet upending all

plans to return to workplaces. Recent surveying from Gartner shows most firms encouraging vaccination for employees, but not mandating it, while the number of companies planning to reopen offices in Q3 has fallen." <https://cnb.cx/3yxw3wc>

■ **Employers React to Workers Who Refuse Vaccination as COVID-19 Cases Rise**, By Allen Smith, J.D., and Lisa Nagele-Piazza, J.D., *SHRM-SCP, Society for Human Resource Management*, Aug. 23, 2021. "As mandatory COVID-19 vaccines become more widespread, many employers are asking what they can do if workers refuse. The Equal Employment Opportunity Commission (EEOC) has weighed in with guidance that answers some workplace vaccination questions. The agency said that federal anti-discrimination laws don't prohibit employers from requiring all employees who physically enter the workplace to be vaccinated for COVID-19. Employers that encourage or require vaccinations, however, must comply with the Americans with Disabilities Act (ADA), Title VII of the Civil Rights Act of 1964 and other workplace laws." <https://bit.ly/3kcyQWV>

■ **Job Openings Requiring Vaccination are up 90% in August Compared to July**, by Jennifer Liu, *www.cnb.com*, Aug. 19, 2021. "The share of roles requiring job-seekers be vaccinated in general, but don't mention Covid-19 specifically, is up by 90% month-over-month. The keyword "Covid-19" might not be there, she tells CNBC Make It, but anyone "reading it as a person living through the pandemic" will understand the message." <https://cnb.cx/3zg6hw6>

■ **From McDonald's to Goldman Sachs, here are the companies mandating vaccines for all or some employees**, By Haley

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Messenger, *NBC News*, Aug. 3, 2021. "After the Food and Drug Administration granted full approval to Pfizer's Covid vaccine on Monday, more companies are expected to mandate that employees be vaccinated. Here is a list of the companies who have already announced their vaccination plans." <https://nbcnews.to/3zjgM1W>

■ **The Pandemic Caused a Baby Bust, Not a Boom**, by Tanya Lewis, *Scientific American*, Aug. 30, 2021. "When the COVID pandemic led to widespread economic shutdowns and stay-at-home orders in the spring of 2020, many media outlets and pundits speculated this might lead to a baby boom. But it appears the opposite has happened: birth rates declined in many high-income countries amid the crisis, a new study shows."

Editor's Note: I also thought that we would see a baby boom. I was wrong! This could have an impact on real estate 20 years from now, as the number of humans is one of the primary demand drivers for real estate. <https://bit.ly/38lo3NB>

■ **Why Affordable Housing Is No Longer a Niche Investment Strategy**, by Jenn Elliot, *Wealth Management Real Estate*, Sept. 27, 2021. "When we first started, we were very granular... But we should have bought everything and taken every opportunity because it's all making money now. The majority of assets we buy and own were built with tax credits that require them to be affordable, or they're funded by HUD as Section 8. About 20 percent of what we own is naturally occurring affordable housing (NOAH) or workforce housing, which are nice B properties that are never going to be A properties. Throughout COVID, our performance has been really

strong. Our portfolio is 99 percent occupied, we've had 99 percent on-time rent and third-party valuations are up 20 percent."

Editor's Note: On the surface, this article looks like an advertisement (it is), but it has several interesting nuggets in it such as the concept of "naturally occurring affordable housing" (NOAH), typical holding periods for their investments, and environmental operations. Go fish! <https://bit.ly/2Y95Dnz>

■ **US Real Estate Price Growth Gathers Pace in August**, By Shane Omundsen, *Real Capital Analytics*, Sept. 23, 2021. "All four major U.S. commercial real estate types posted double-digit annual price growth in August, propelling the US National All-Property Index to a 13.5% year-over-year increase, the latest RCA CPPI: US report shows. The index rose 1.5% from July." <https://bit.ly/3kLOAAz>

■ **The Fed is holding its rates near zero for now. Here's what it means for you**, by Jessica Dickler, *CNBC*, Sept. 22, 2021. "Even though the Federal Reserve didn't raise its benchmark rate Wednesday, your borrowing costs may still start to head higher. Rising prices brought on by the economic recovery are paving the way for the central bank to unwind last year's bond buying. While the central bank said that interest rates will stay near zero for now, the tapering of bond purchases is seen as the first step on the way to interest rate hikes." <https://cnb.cx/3m42P37>

■ **Port Markets Record Strongest Rent Growth, Large Projects Drive Phoenix Pipeline**, by Irina Lupa, *Commercial Edge*, Aug. 26, 2021. "U.S. average rents for industrial space reached \$6.31 per square foot. The vacancy rate was 5.8% across the top 30 markets. Sales closed since

the beginning of the year totaled \$30 billion. 500MSF of new industrial space under construction at the start of August. Port markets lead rent growth; Southern California records highest increases." <https://bit.ly/3uHxUh6>

Editor's Note: After reading the previous article, do you think there is a correlation with the volume of shipping? Check out the next article for such details...

■ **The director of one of the largest ports in the US warns the shipping industry is in 'crisis mode' as 66 cargo ships float off the California shore**, by Grace Kay, *Business Insider*, Sept. 29, 2021. "On Tuesday [Sept. 28, 2021], the ports housed 144 ships — including 66 container ships waiting off the shore at anchor or in drift areas, according to data from the Marine Exchange of Southern California. Before the pandemic, the ports typically saw an average of zero to one ship waiting to dock, but now the ships wait weeks to unload." <https://bit.ly/3B4blp2>

Editor's Note: According to *GuidedImports.com*, it usually takes 15 days for a container ship to cruise from China to the west coast of the U.S. Imagine taking a two-week trek across the Pacific, then waiting in line for two weeks until you can unload your cargo!

■ **Net-Lease Investment Gains Pace in Q2**, *CBRE*, Sept. 30, 2021. "Net-lease investment volume increased by nearly 90% year-over-year in Q2 2021 to \$18.7 billion. Total commercial real estate investment volume grew by 176% over the same period. The broader market's more robust growth was primarily due to base effects. Broader market volumes declined more severely during the downturn, resulting in a sharper recovery." <https://bit.ly/3kZdKf7> ❖