

A nighttime photograph of a modern city square. In the foreground, a large, illuminated fountain with multiple jets of water is in motion. The water jets are lit up, creating a dynamic pattern of light and water. In the background, a modern building with large glass windows is visible. The building's interior lights are on, and some signs are visible, including "Antero Resources". The overall scene is vibrant and urban.

# *Emerging Trends in Real Estate 2019*

*A New Era Demands New Thinking*



*40 years and counting*

“Real estate as an asset class has matured. Market participants need to realize this and make the appropriate adjustments.”



## *Market sentiment*

“Sure it feels like the activity level will moderate, but more like a plateau and not a sharp downhill slide.”

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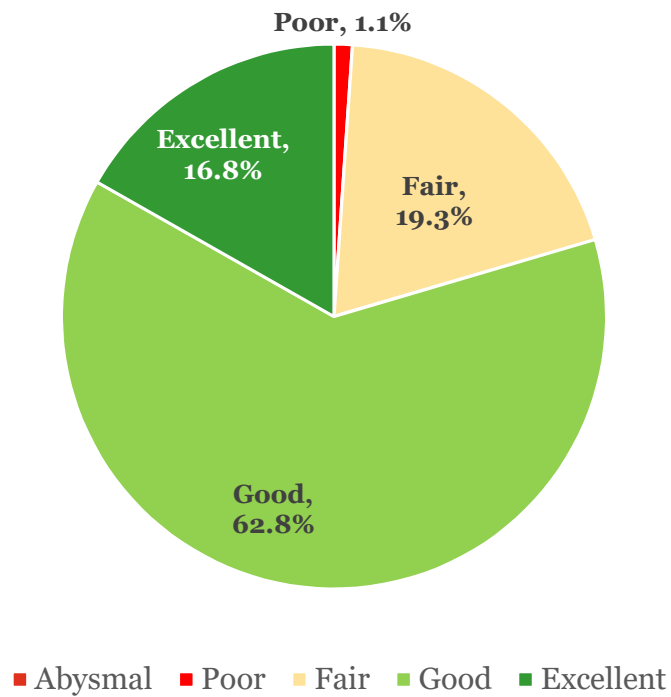
## *What word would you use to describe the 2019 real estate market?*

### *Top 5*

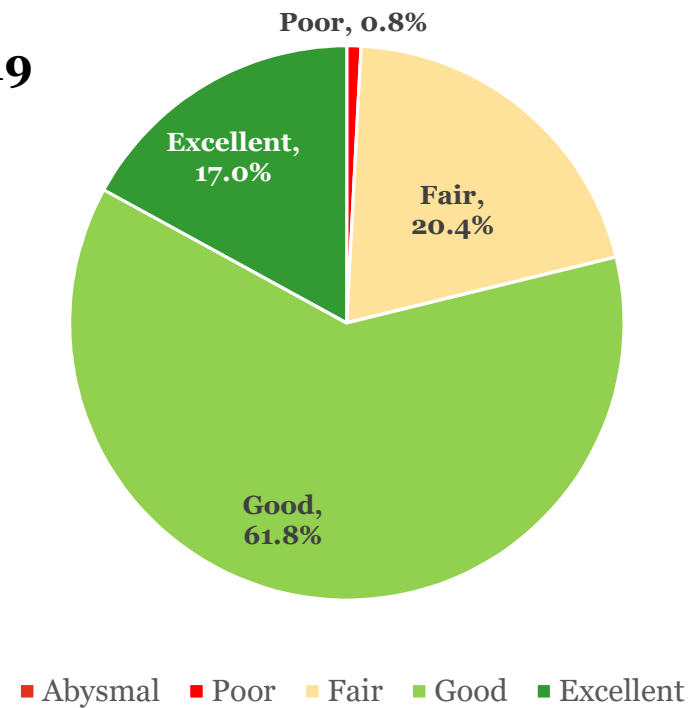
<b>#1</b>	<b>Plateau</b>
<b>#2</b>	<b>Competitive</b>
<b>#3</b>	<b>Cautious</b>
<b>#4</b>	<b>Evolving</b>
<b>#5</b>	<b>Overheated</b>

## 2019 Expected Profitability

2018

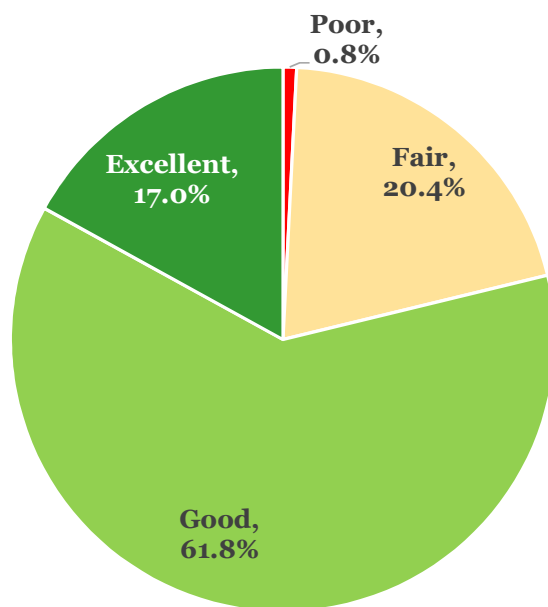


2019



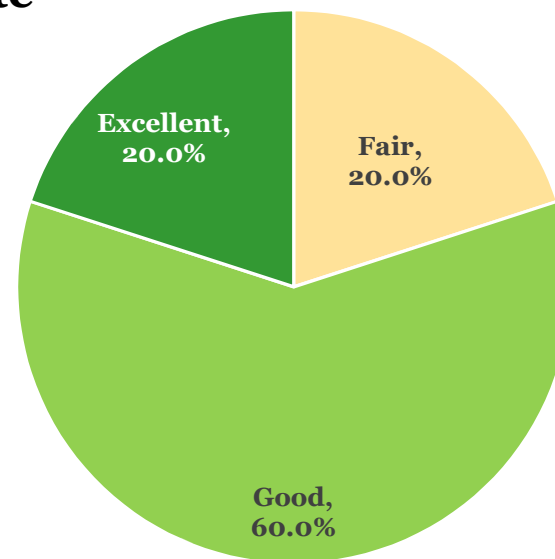
## 2019 Expected Profitability

**Total  
Market**



■ Abysmal ■ Poor ■ Fair ■ Good ■ Excellent

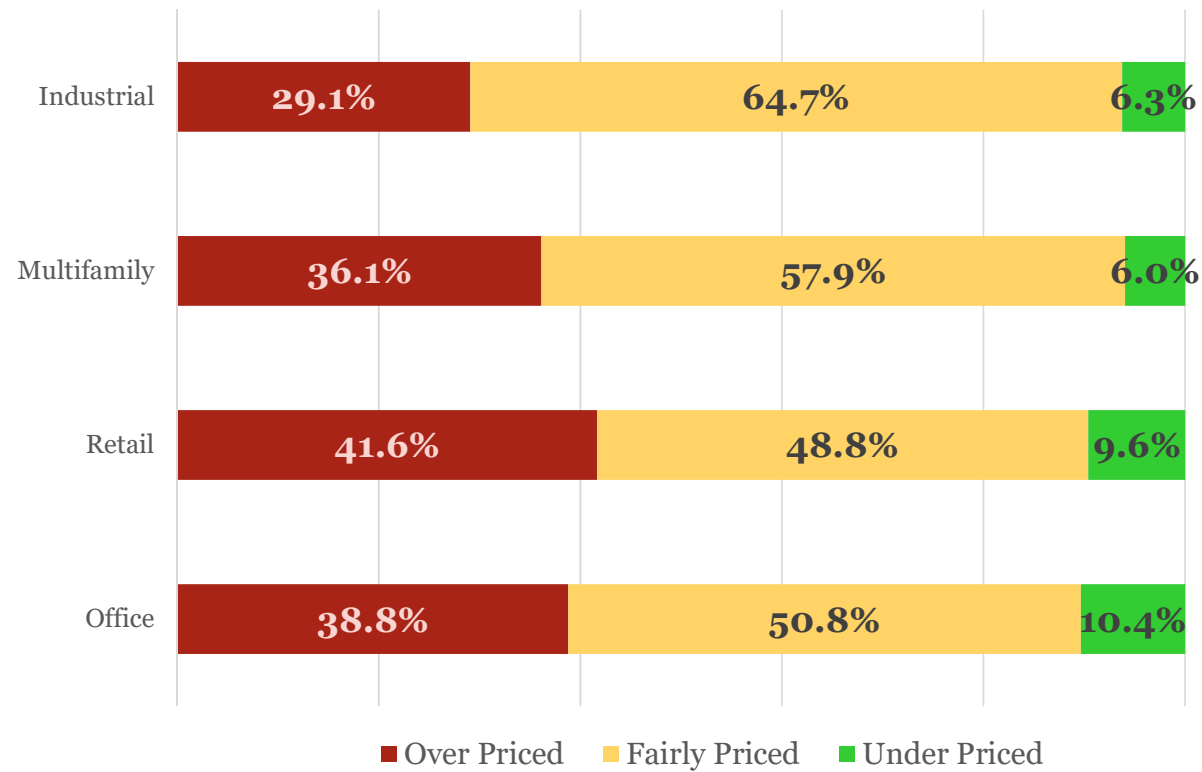
**Charlotte**



■ Abysmal ■ Poor ■ Fair ■ Good ■ Excellent

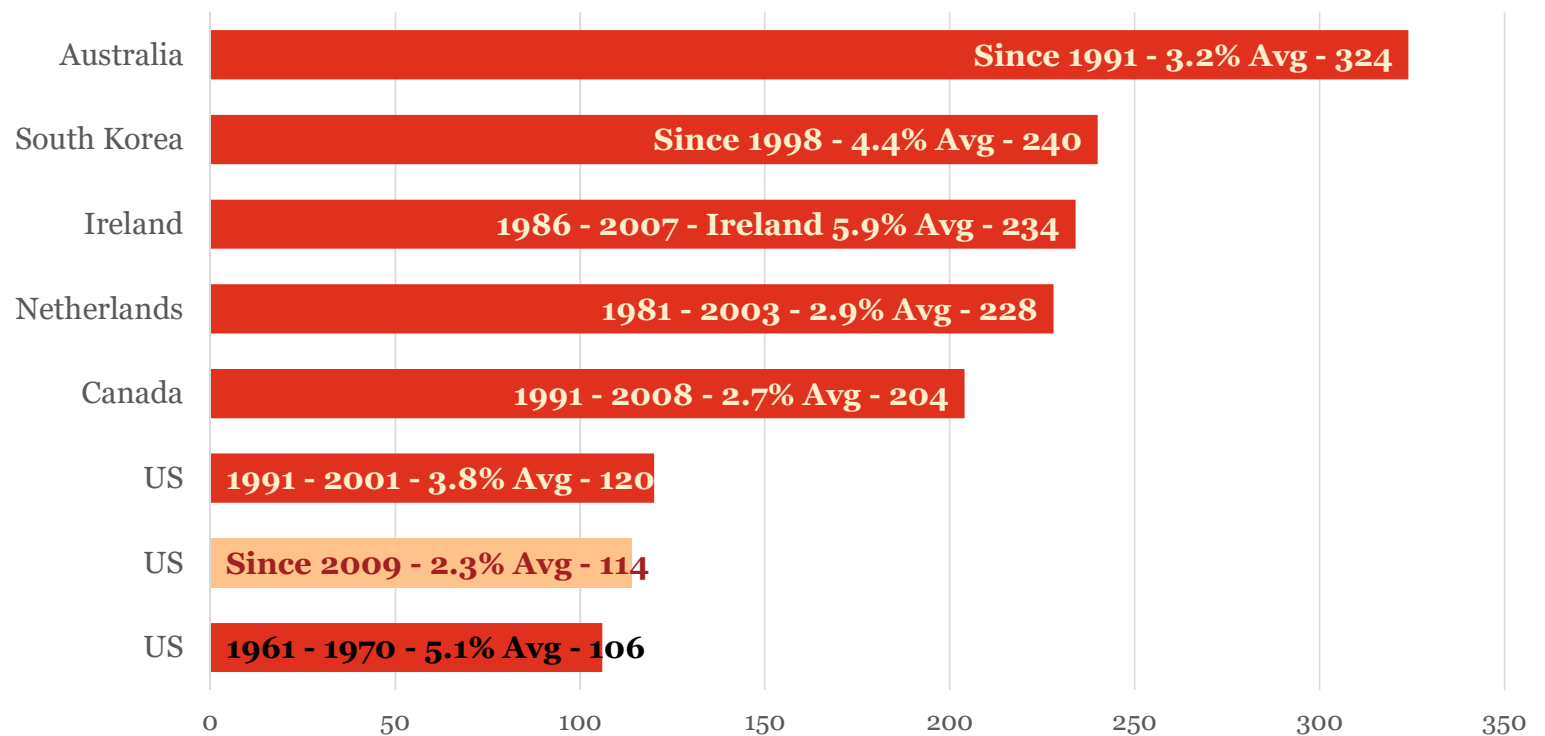
## 2019 Market Outlook

*Opinion of current pricing doesn't appear to indicate a market peak*



## Market Outlook

*Long  
economic  
expansions  
aren't that  
uncommon*





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*What inning are we in?*

# 25 innings

Longest major league game in baseball history. On May 8, 1984 the Chicago White Sox defeated the Milwaukee Brewers, 7 – 6.





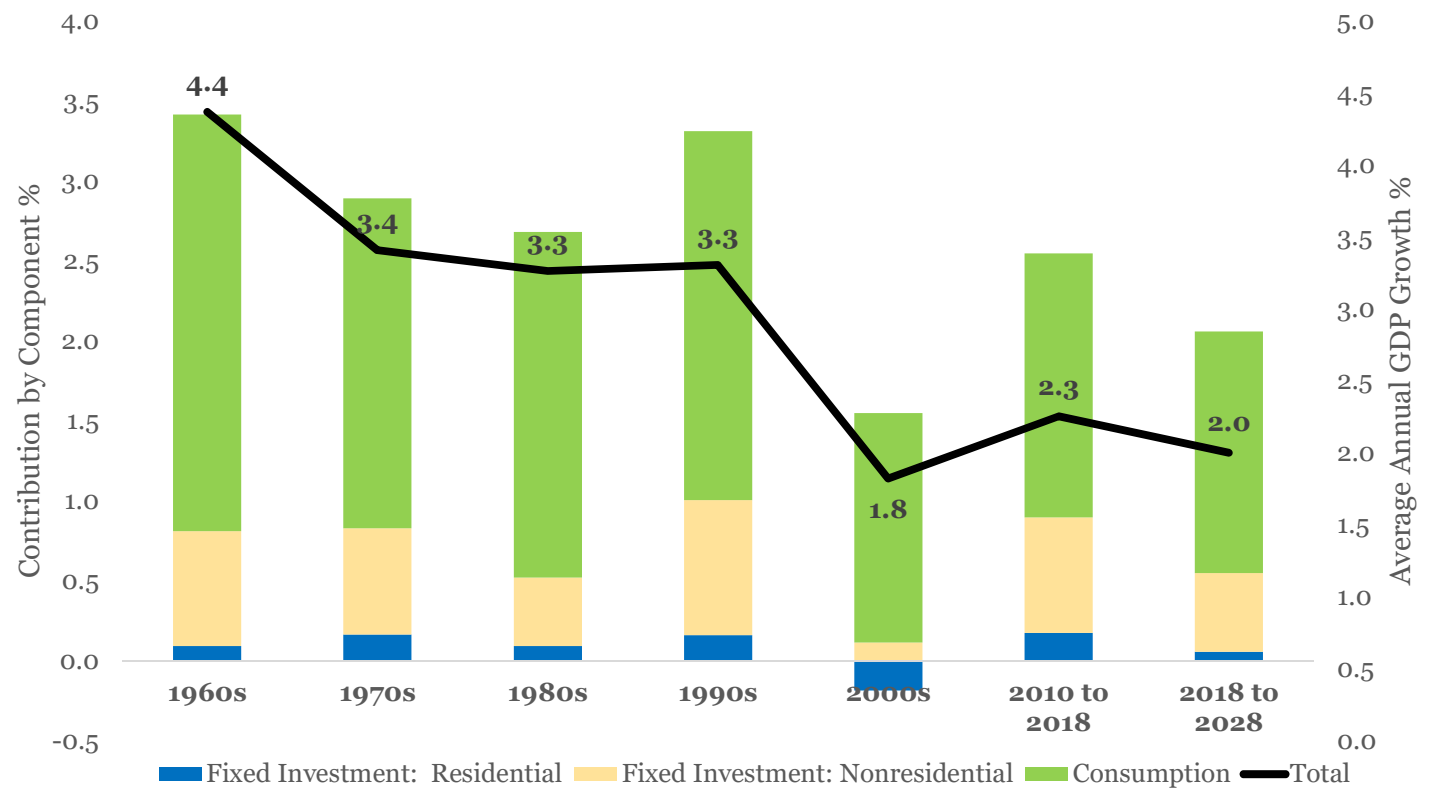
## *A changing industry*

- ❑ Intensifying transformation
- ❑ Easing into the future

“Demographic growth is slowing and you can’t deny it will have an impact on the real estate industry. Making the right choices will be key.”

## Intensifying Transformation

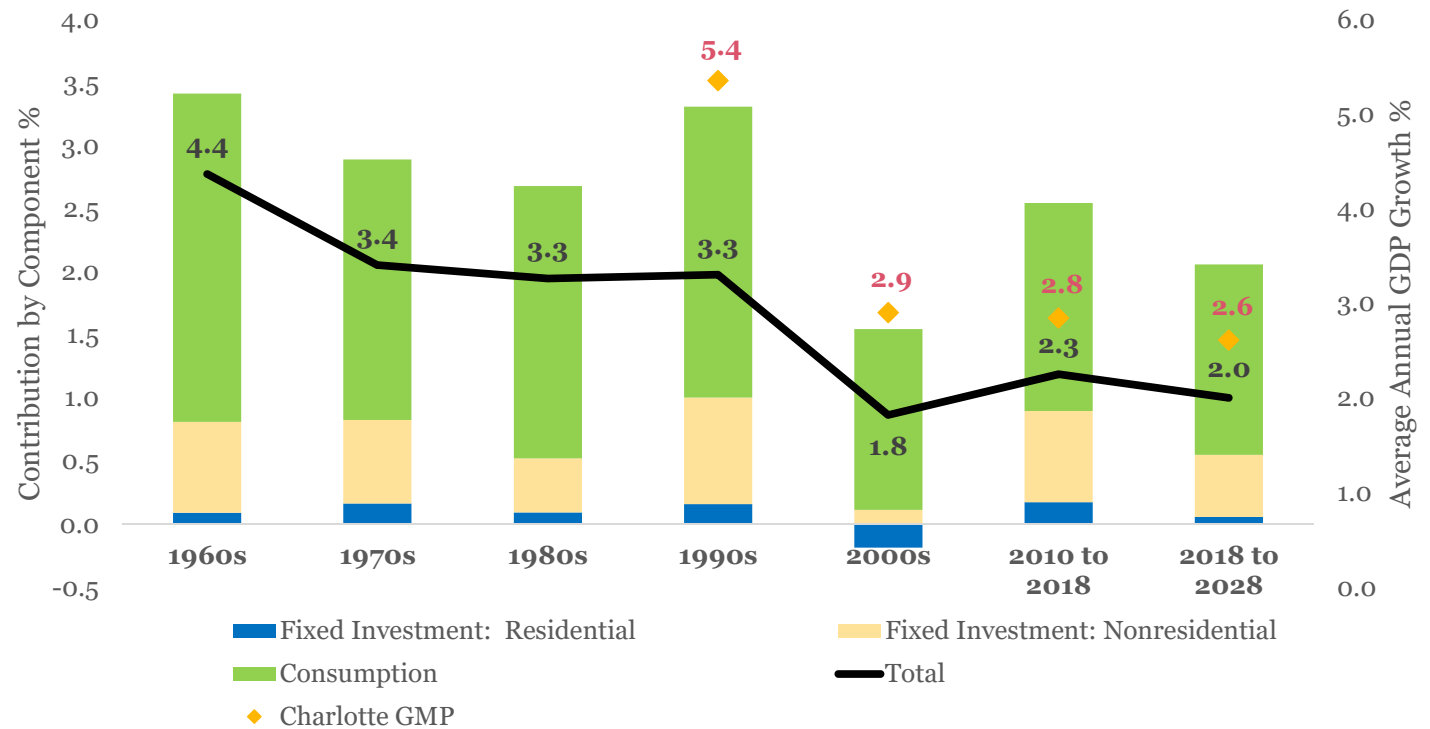
*Slower GDP growth projected to be the norm, but contribution by component remains stable*



# Intensifying Transformation

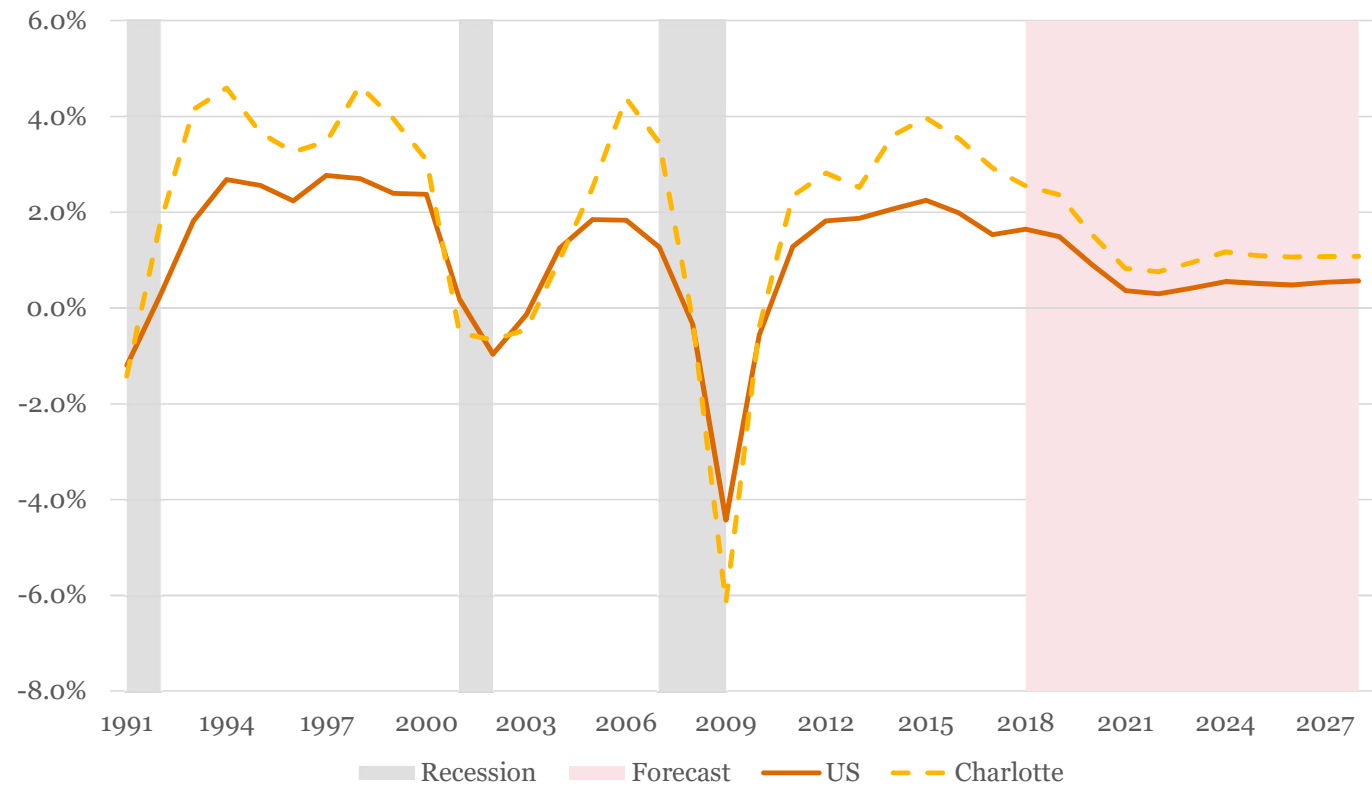
*Slower GDP growth projected to be the norm, but contribution by component remains stable*

*Charlotte continues to exceed the US rate*



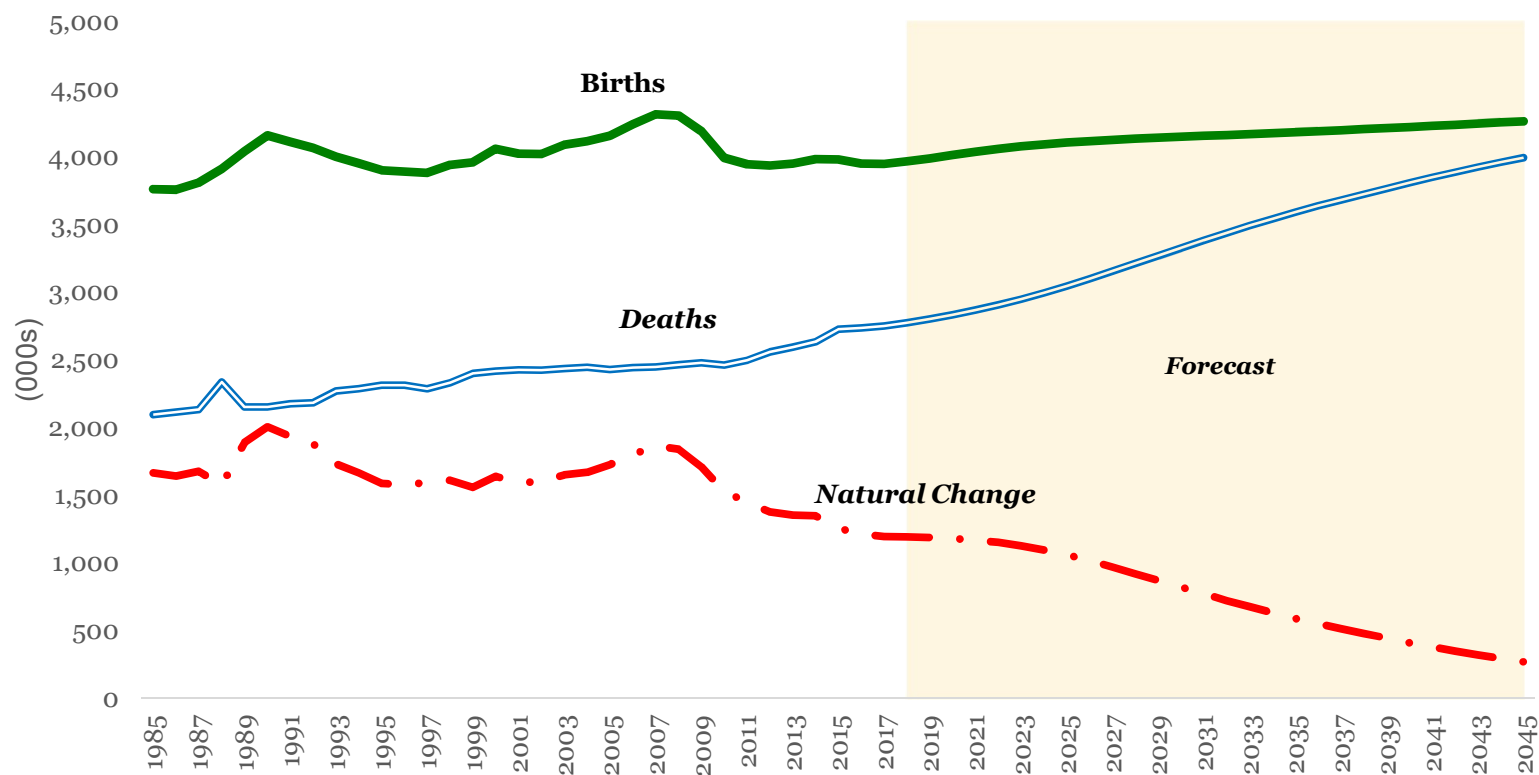
## Intensifying Transformation

*Charlotte  
Annual  
Employment  
Growth  
Versus the US*

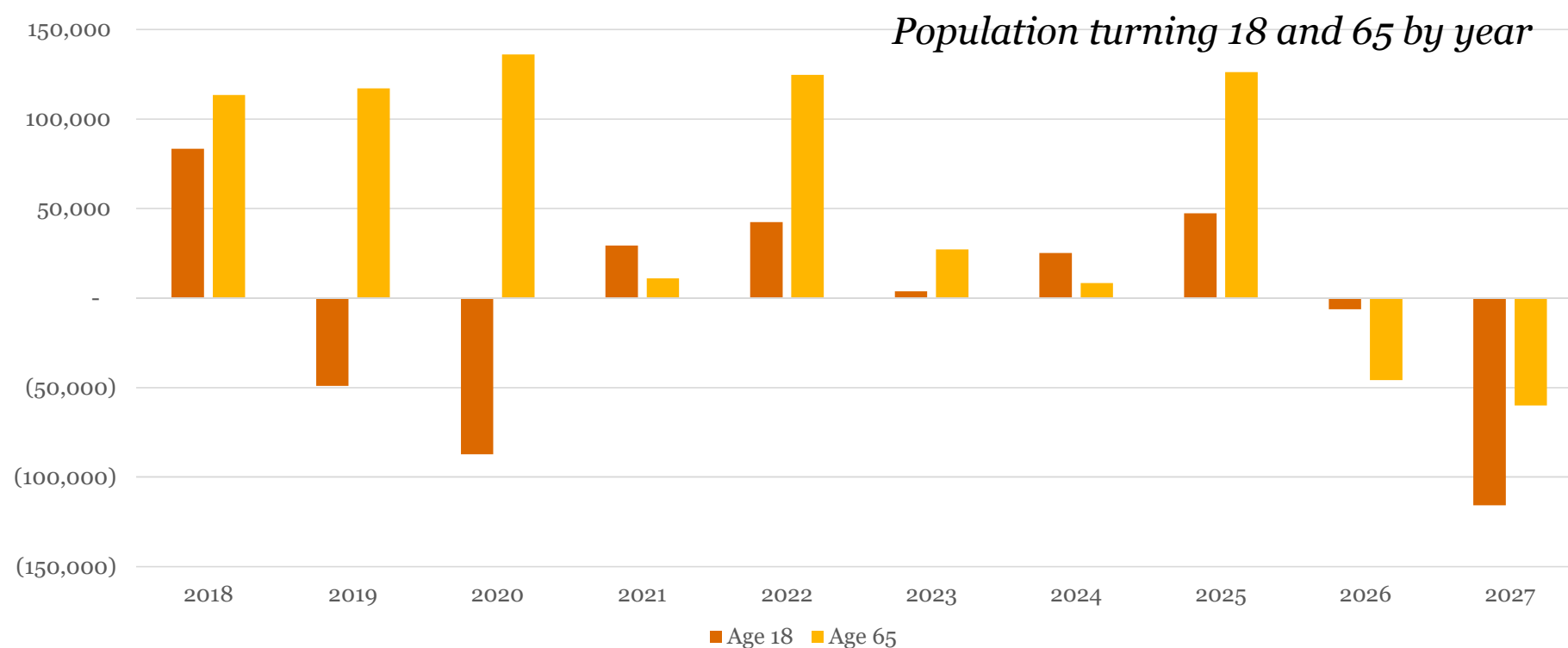


## Easing into the Future

Natural  
population  
change



## *Easing into the Future: More workers leaving the workforce*





“Someday, the most valuable component of an office building may be the data it generates.”

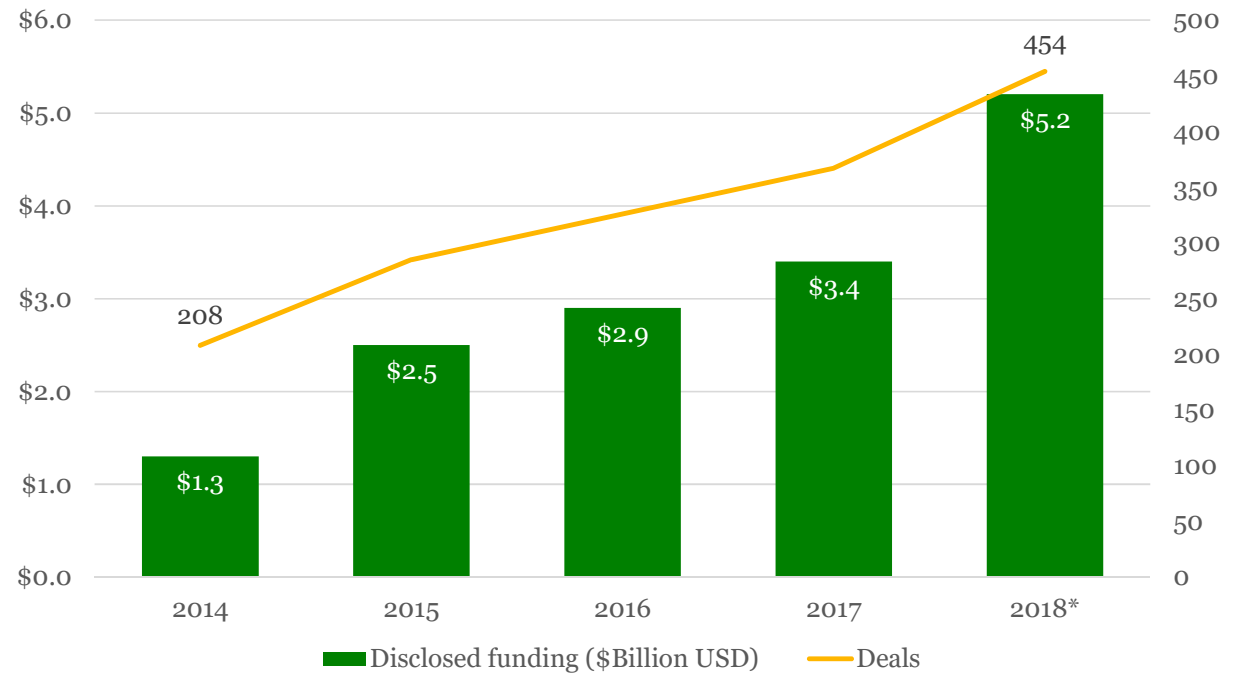
*Dealing with disruption*



## Accelerating Digital Transformation

**41%**  
Annual increase  
in global real  
estate tech  
investment over  
the past 4 years

*Real Estate Tech Financing*



## *Accelerating Digital Transformation*

- ✓ Nearly \$7.0 trillion asset class
- ✓ 13.2% - real estate rental and leasing value add contribution to GDP
- ✓ Technology attracted to fragmented nature of the industry: ***Asset Management, Brokerage, Development, Due Diligence, Finance, Facility Management***
- ✓ Key industry companies have begun their own investment
- ✓ Maybe...



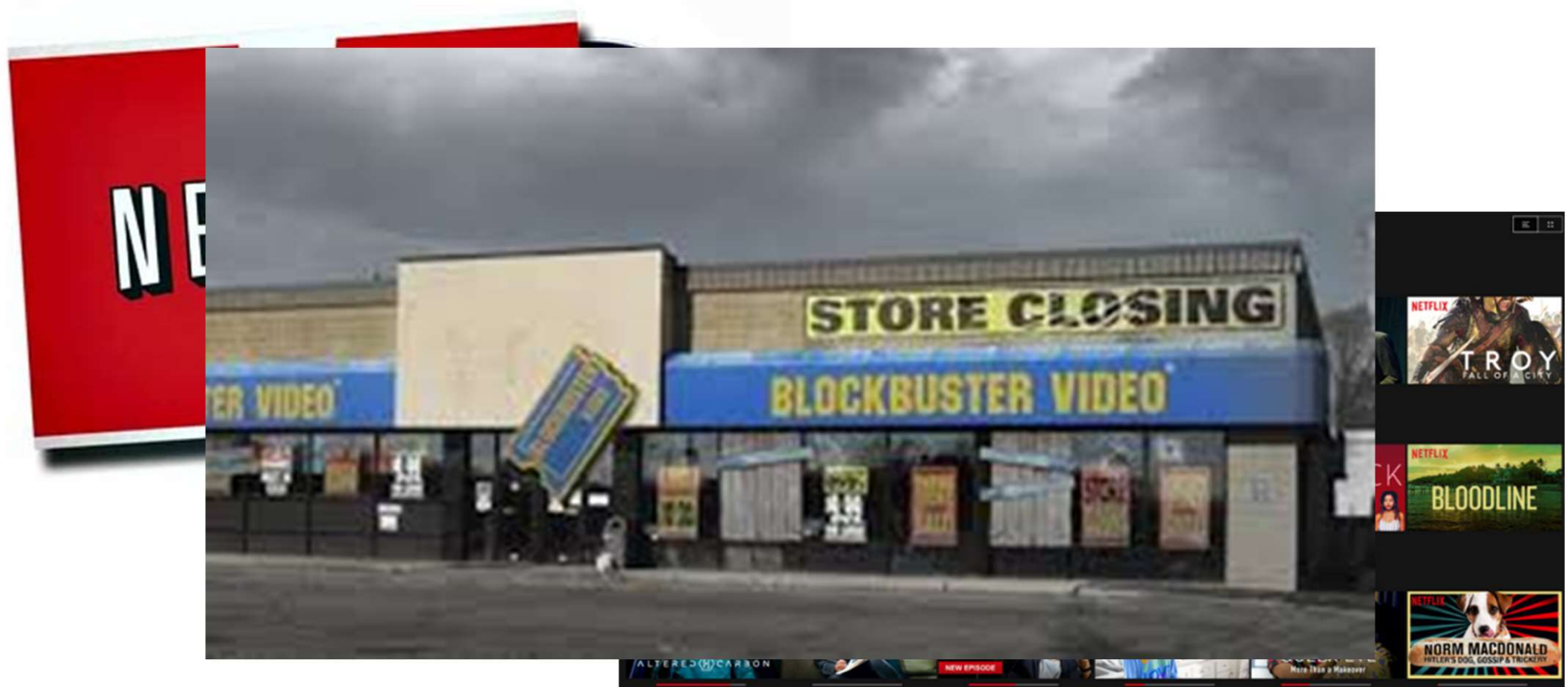
## *What does disruption look like ?*



*Their Biggest issues – people didn't rewind these*



## *Taking their eye off the ball*





## *Markets to watch*

❑ 18-hour city 3.0

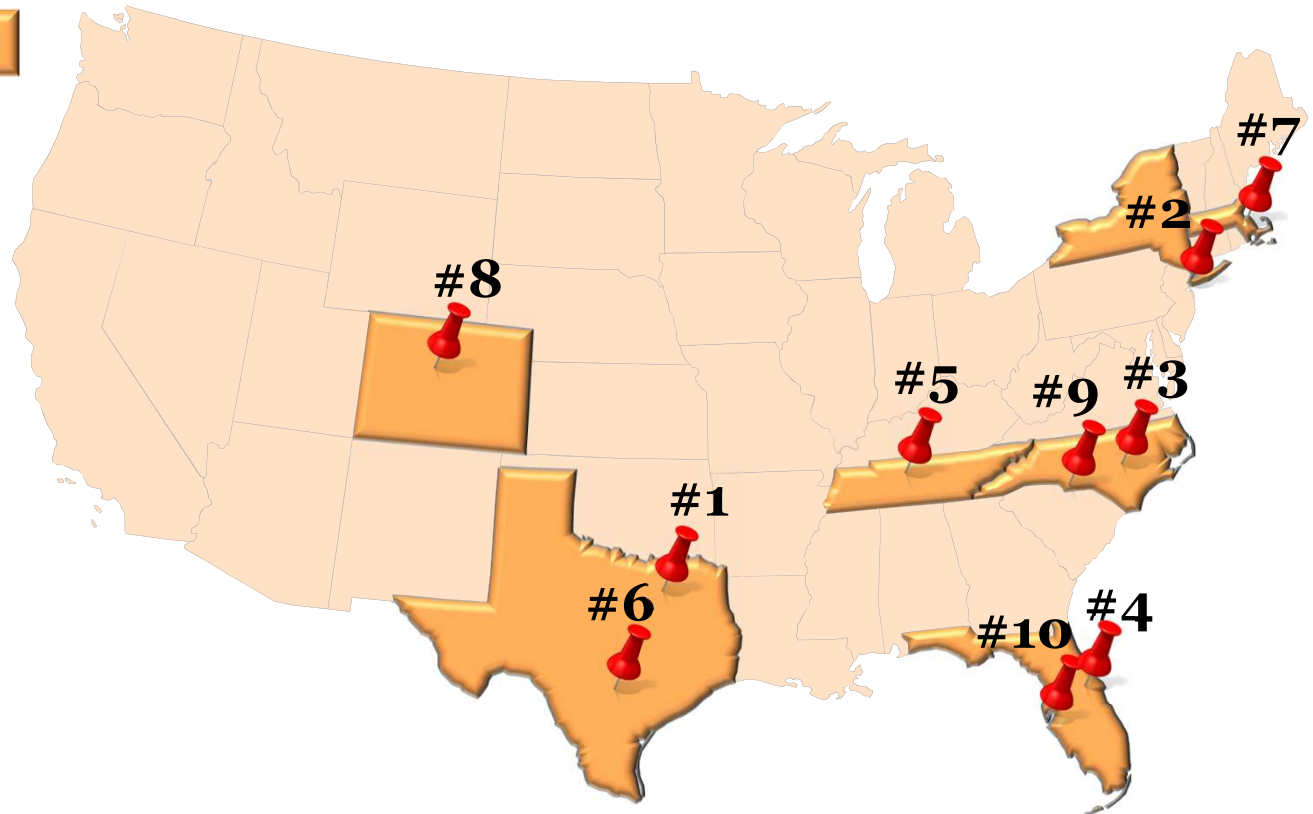
“The competition for talent makes being in the right market of vital importance.”



## ***Markets to Watch***

### **Overall Real Estate Prospects**

- #1 Dallas/Ft. Worth**
- #2 Brooklyn**
- #3 Raleigh/Durham**
- #4 Orlando**
- #5 Nashville**
- #6 Austin**
- #7 Boston**
- #8 Denver**
- #9 Charlotte**
- #10 Tampa/St. Petersburg**



## What Makes Charlotte #9?

❑ *Good to  
Excellent outlook  
for investment  
and development  
by property type*





## What Makes Charlotte #9?

❑ *Not just a desirable place to invest, but a real chance that you could*





## *Property type outlook*

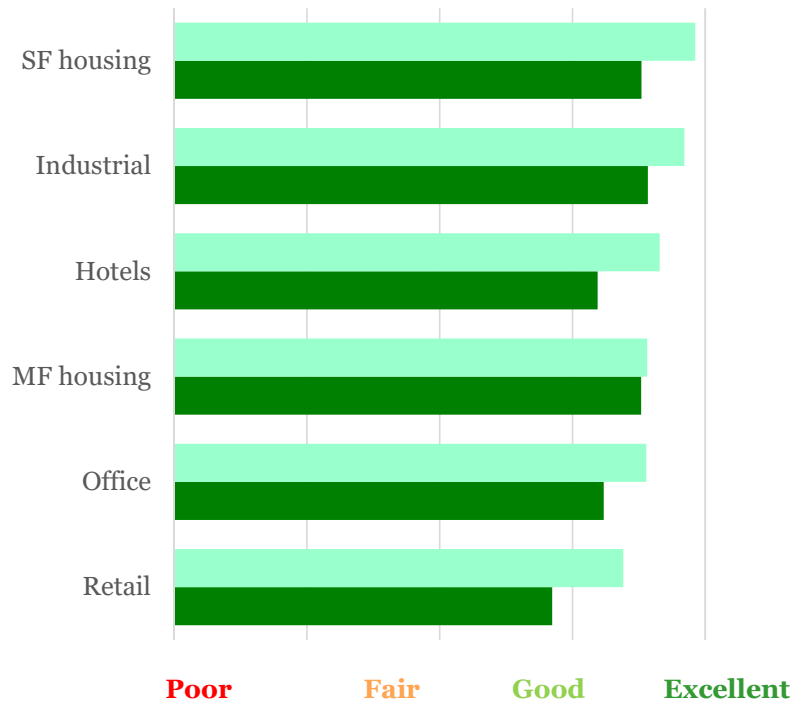
- ❑ Retail transforms
- ❑ Myth of free delivery

“The pace of change faced by all property types is making the future viability of each asset increasingly important.”

# Property Type Outlook

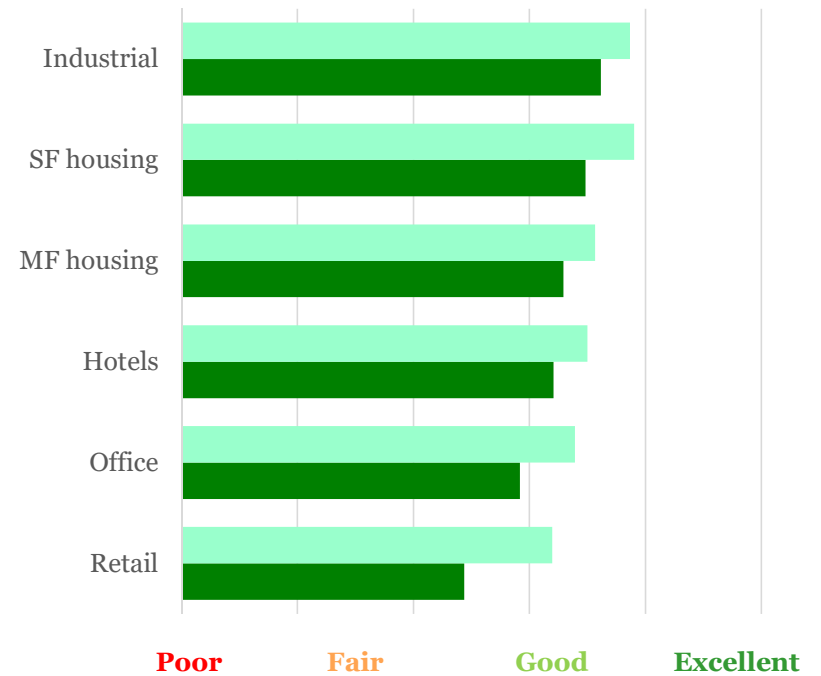
## Investment

Charlotte Total



## Development

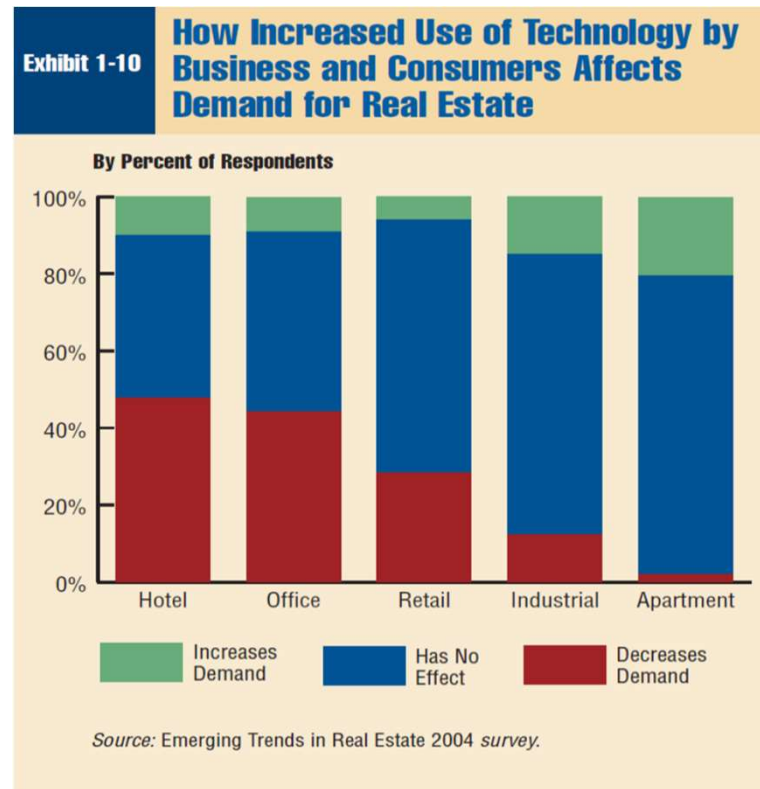
Charlotte Total



## Retail Transforming to a new Equilibrium

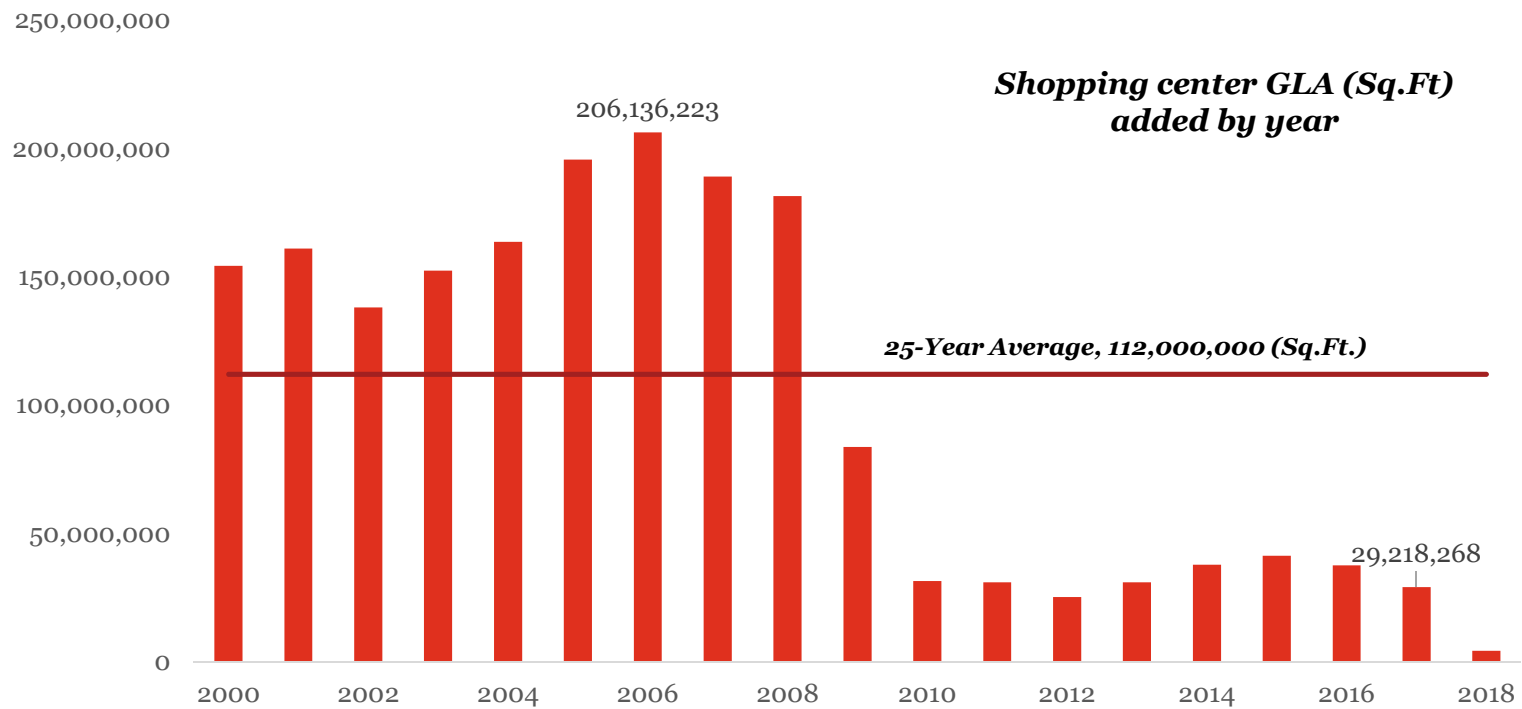
70%

*The percent of survey respondents who felt technology would have no impact on the demand for retail space.*



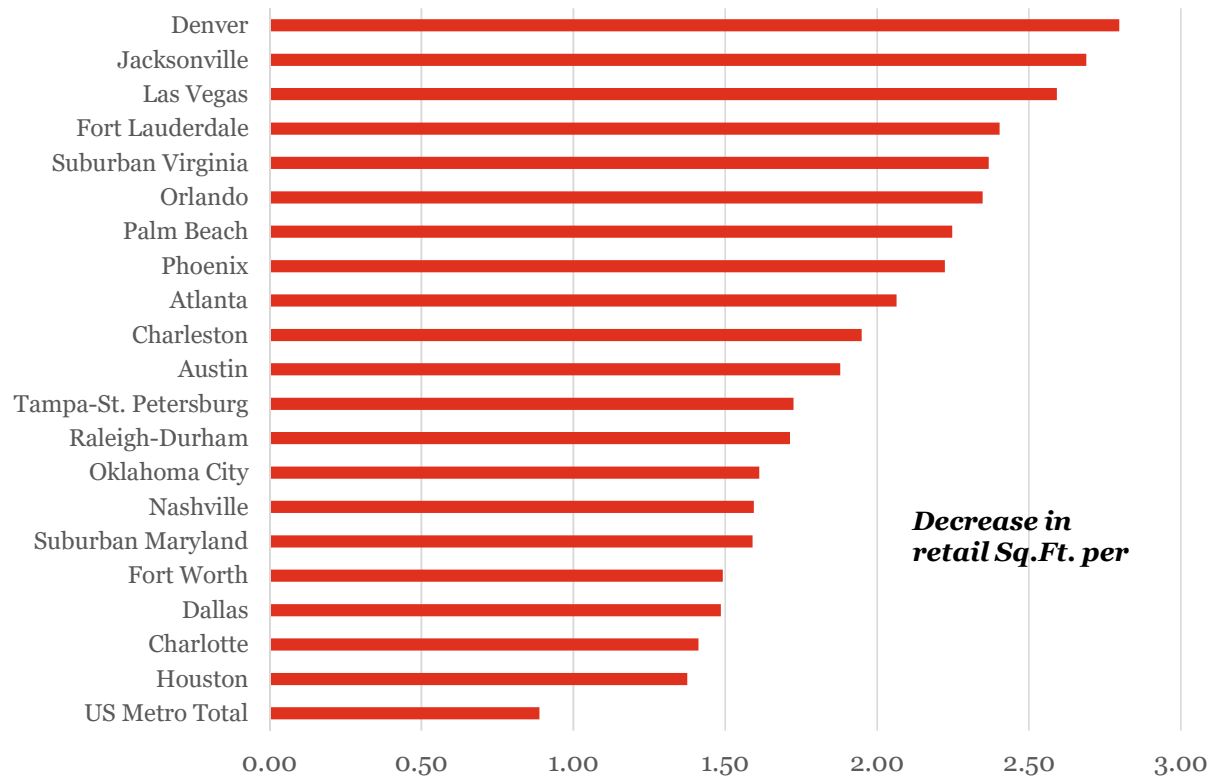
# Retail Transforming to a new Equilibrium

Retail sector responds quickly to slowing demand



## Retail Transforming to a new Equilibrium

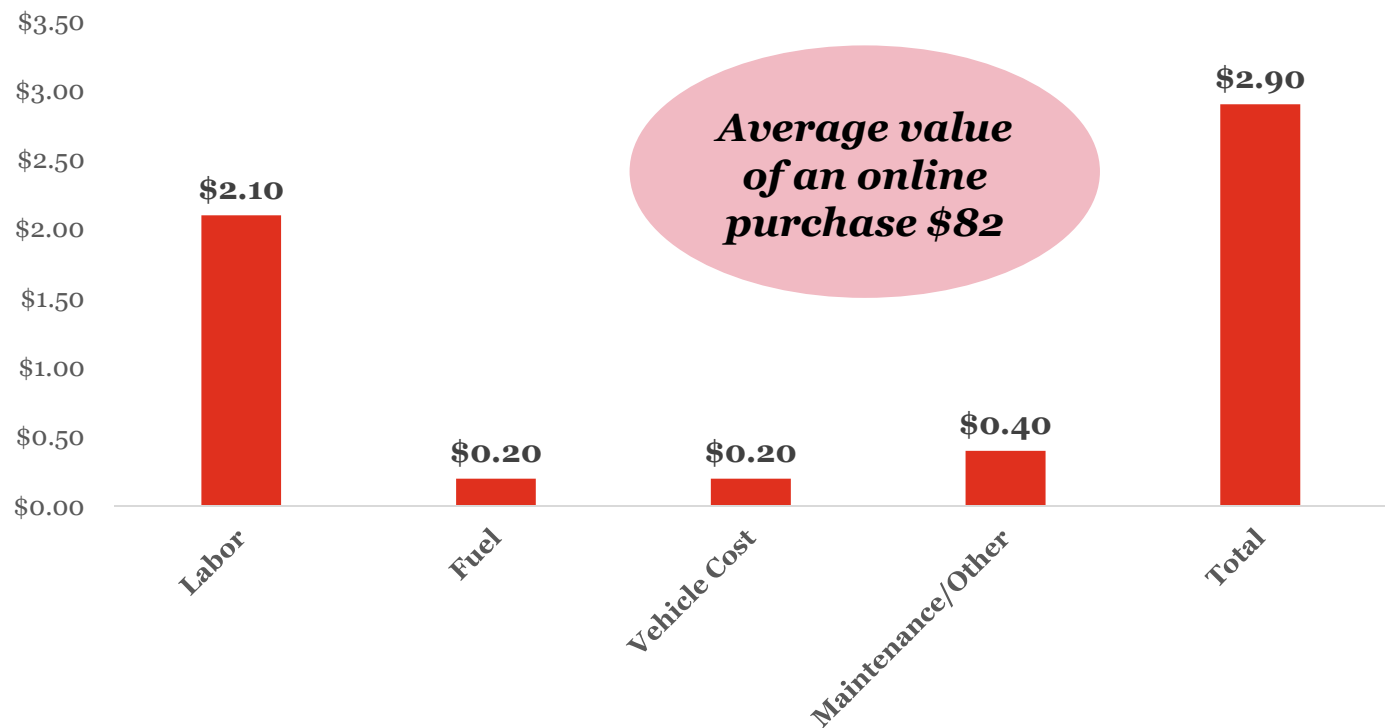
*Transformation to less square feet per capita continues*



## *The Myth of “Free Delivery”*

*Estimated last mile cost per package in a urban, high-density, e-commerce route*

*An average of 30% of online purchases will be returned*



## Contact us



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