

Highlights from the

ULI/EY Real Estate Consensus Forecast

A Survey of Leading Real Estate Economists/Analysts

April 2014

Howard Roth

Global Real Estate Leader

EY



**Urban Land
Institute**

2014 ULI
SPRING
MEETING
VANCOUVER, BC
APRIL 9-11, 2014



Today's panelists

Moderator

- Howard Roth, Global Real Estate Leader, EY

Panelists

- Lee Meniffee, Managing Director, Research and Strategy, American Realty Advisors
- Suzanne Mulveen, Director of Research, Retail, PPR Costar
- Jon Southard, Managing Director, CBRE Econometric Advisors

ULI/EY Real Estate Consensus Forecast

- Three-year forecast (2014-2016) for 27 economic and real estate indicators
- A consensus forecast based on the median of the forecasts from economists/analysts at 39 leading real estate organizations
- Respondents represent major real estate investment, advisory, and research firms and organizations
- Survey undertaken from 19 February to 14 March 2014
- A semiannual survey; next survey planned for October 2014

Macroeconomic environment

	2009	2013	2016 (F)	20-yr avg
Real GDP Growth	-2.8%	1.9%	3.0%	2.6%
Unemployment	9.9%	6.7%	5.8%	6.0%
CPI Inflation	2.8%	1.5%	2.5%	2.4%
10-yr Treasury	3.9%	3.0%	4.4%	4.5%
NCREIF Cap Rate	6.9%	5.7%	6.2%	7.4%
CRE Transaction Vol.	\$67B	\$355B	\$430B	\$244B
CMBS Issuance	\$3B	\$86B	\$140B	\$65B



Annual total returns

	2009	2013	2016 (F)	20-yr avg
NAREIT Equity REITs	28%	2.5%	8.0%	12.5%
NCREIF	-16.9%	11.0%	8.5%	9.3%
• Office	-19.1%	9.9%	9.0%	9.0%
• Industrial	-17.9%	12.3%	8.3%	9.6%
• Apartments	-17.5%	10.4%	7.9%	10.2%
• Retail	-11.0%	12.9%	8.0%	9.6%



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Other key market attributes

	2009	2013	2016 (F)	20-year average
Hotel RevPAR change	-16.7%	5.4%	4.0%	3.2%
Single-family housing starts (\$000 est)	455.1	618.3	900.0	1,075.8
Avg home price change	-2.0%	7.7%	4.0%	3.5%

Firms That Participated in the ULI/EY Real Estate Consensus Forecast

Organization	Economist/Analyst	Title	City/State
Abu Dhabi Investment Authority	Youguo Liang	Global Head of Research, Abu Dhabi Investment Auth	Abu Dhabi
Alvarez & Marsal	Steven Laposa	Principal, Global Real Estate Knowledge Center	Denver, Colorado
American Realty Advisors	Lee Meniffee	Managing Director, Research and Strategy	Glendale, CA
American Realty Capital Partners	Kevin White	SVP, Investment Strategy & Research	Phoenix, AZ
Avalon Bay Communities	Craig Thomas	Vice President, Market Research	Arlington, VA
Bentall Kennedy	Doug Poutasse	Executive Vice President	Boston, MA
Cassidy Turley	Kevin Thorpe	Chief Economist	Washington, DC
	Rebecca Rockey	Economist	Washington, DC
CBRE	Jim Costello	Managing Director - CBRE Research	Boston, MA
CBRE Econometric Advisors	Jon Southard	Principal, Director of Forecasting	Boston, MA
Chandan Economics	Sam Chandan	President and Chief Economist	New York, NY
Clarion Partners	Tim Wang	Director, Head of Investment Research	New York, NY
Cornerstone Real Estate Advisers	Michael Gately	Managing Director - Research	Hartford, CT
	Jim Clayton	Vice President - Research	Hartford, CT
CoStar Group/PPR	Hans Nordby	Managing Director	Boston, MA
	Shaw Lupton	Senior Real Estate Economist	Boston, MA
	Suzanne Mulvee	Director of Research - Retail	Boston, MA
Cushman & Wakefield, Inc.	Maria T. Sicola	Executive Managing Director-Research	San Francisco, CA
	Robert C. Miller, III	Director - Forecasting and Capital Markets	San Francisco, CA
Dividend Capital	Glenn Mueller	Real Estate Investment Strategist	Denver, CO
Freddie Mac	Frank Nothaft	Vice President and Chief Economist	McLean, VA
Grosvenor	Eileen Marrinan	Director of Research	San Francisco, CA
	Robert Hess	Director of Research	San Francisco, CA
Heitman	Mary K. Ludgin	Managing Director	Chicago, IL
Hines	Josh A. Scoville	Senior Vice President for Research	Boston, MA
International Council of Shopping Centers	Michael P. Niemira	Chief Economist & Director of Research	New York, NY

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Invesco Real Estate	Nicholas Buss	Director of Research	Dallas, TX
Jones Lang LaSalle	Benjamin Breslau	Director, Americas Research	Boston, MA
	Josh Gelormini	Vice President, Americas Research	Boston, MA
Key Bank	Elizabeth Ptacek	Senior Vice President	Cleveland, OH
LaSalle Investment Management	William Maher	Director, North American Investment Strategy	Baltimore, MD
Linneman Associates	Peter Linneman	CEO	Philadelphia, PA
MetLife Real Estate Investors	Richie McLemore	Director, Research & Valuations	Morristown, NJ
Moody's	Tad Philipp	Director, Commercial Real Estate Research	New York, NY
Morgan Stanley Real Estate Investing	Paul Mouchakkaa	Managing Director	Los Angeles, CA
	Margaret Harbaugh	Vice President	Los Angeles, CA
NAREIT	Calvin Schnure	Vice President, Research and Industry Information	Washington, DC
National Association of Realtors	Lawrence Yun	Chief Economist	Washington, DC
NCREIF	Jeffrey Havsy	Director of Research	Chicago, IL
Newmark Grubb Knight Frank	Robert Bach	Director of Research, Americas	Chicago, IL
PNC Real Estate	Ron Vulgris	Senior Vice President, Real Estate Research	Pittsburgh, PA
RCLCo.	Paige Mueller	Managing Director	Santa Monica, CA
Real Estate Research Corporation (RERC)	Ken Riggs	President	Chicago, IL
Reis, Inc.	Victor Calanog	Vice President of Research and Economics	New York, NY
Rosen Consulting Group	Kenneth T. Rosen	Chairman	Berkley, CA
	Randall Sakamoto	Executive Vice President, Director of Research	Berkley, CA
The Stratford Company	Mark Drumm	Chief Risk Officer, Director of Research	Dallas, Texas
Trepp LLC	Matthew Anderson	Managing Director	New York, NY
	Susan Persin	Senior Director of Research	New York, NY

Urban Land Institute and EY

The *ULI/EY Real Estate Consensus Forecast* is a joint undertaking of the Urban Land Institute and Ernst & Young.

About the Urban Land Institute

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Patrick Phillips, Chief Executive Officer
Urban Land Institute

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