



Decade Answers: Emanuel Stern

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What are your predictions for commercial real estate in the new decade?

This was a decade in which we had two calamities: first, 9/11 happened just as the commercial real estate market was facing the dot com bust, which re-introduced a lot of space into the market. Then, in 2007, we saw the credit market implode and contribute to a worldwide recession whose damage is yet to be fully understood. Despite that there was no real "overbuilding" cycle in the economic expansion of 2002-2007, it's clear that there is too much capacity and that use of especially office space has become much more efficient. It would not take an enormous growth cycle to absorb much of this space, but demand for a meaningful volume of new construction might be another decade off.

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