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CALV shares top 10 lessons learned from the pandemic

LAS VEGAS – The ongoing pandemic has forced businesses and industry leaders to adapt to economic and social conditions they could have never anticipated just one year ago. This is especially true for those in the local commercial real estate industry.

To get through these trying times, leaders of the Commercial Alliance Las Vegas (CALV) shared their top 10 lessons learned during this pandemic. They are listed here with commentary from 2021 CALV President Petra Latch.

1. Real estate is still relevant. “Despite statewide shutdowns and a strong stock market, real estate is still a desirable investment vehicle,” Latch said. “But keep in mind that buyers are flexible and willing to change course toward a different or better sector if they see trouble in another sector.”
2. Be patient and persistent. “Perhaps the Great Recession taught us all a lesson in patience and the dangers in reacting too quickly,” Latch said. “Lenders were especially mindful of this as this crisis unfolded.”
3. People will find ways to keep doing deals. “After initially grinding to a halt, commercial real estate market participants were quickly looking for ways to keep deals going, developments progressing and capital flowing,” she said.
4. There are still deals to be done – even during a pandemic. And clients need professional help now more than ever. “Although some economic hardship has certainly occurred, there is still investor money out there and people looking for their best options,” Latch explained. “This might mean that people are trying to be more creative and may be getting out of their comfort zones, so they really need competent professionals doing their jobs well.”
5. Remember the recession. Real estate buyers do. “The Great Recession is a road map for what to do now,” she said. “Look for opportunities and have imagination, because real estate is durable and value always seems to come back eventually. Buyers are smarter than before the Great Recession and are looking for the best properties in the best locations.”
6. Quality counts. “Now, more than ever, the value of a property is very specific, and quality counts.”
7. Look forward – even when it’s hard to see through the fog of a crisis. “Everyone is looking closer at the tenant mixes (of commercial properties) – not that this is new, but now I think buyers and developers are having to have more forward thinking from the perspective of what’s next,” Latch said. “All sectors of the real estate industry are seeing this.”

She added that retail went from “focusing on being Internet-proof and creating experiences to now understanding the need for spaces like outdoor dining or drive-through windows.” Likewise, she said housing was changing to incorporate technology and greener designs and multi-generational spaces. “Now they are needing to provide space for home offices and to enhance the home experience.” In much the same way, she said industrial “was already trending toward more distribution, and that was accelerated. Major tenants such as Amazon are not just plain old distribution space. Deals are taking longer and are more complicated.” The office sector “was gaining traction and new development was coming on line. Now it’s very property-specific and there is much more uncertainty in the office market.”

8. Relationships matter. “Just like real estate, quality and professionalism are more important than ever,” she said. “The relationships and trust we have built with clients and peers is even more valuable now. It’s good to remember that when things come roaring back someday soon.”
9. Do your due diligence, but don’t be afraid to ask for help. “Due diligence has always been the best way to stay out of trouble,” she said. “Do your research and be aware of what you don’t know and the information you may be missing. Ask questions and seek the advice of people with more knowledge and experience when needed.”
10. You know what happens when you assume... “Be careful about assumptions,” Latch advised. “Initial thoughts were that the housing market would struggle ‘like last time,’ but it has actually thrived during this pandemic and economic downturn. Not all economic crisis are the same.”

Latch, a member of the Appraisal Institute (MAI), is the executive director of valuation and advisory at Cushman & Wakefield.

About the Commercial Alliance Las Vegas

The Commercial Alliance Las Vegas (CALV) is the commercial real estate division of Las Vegas REALTORS® (LVR). One of the largest organizations in Southern Nevada for commercial real estate professionals, it organizes and empowers the industry through education, networking, promoting professionalism and shaping public policy. Membership in CALV is open to REALTORS® and non-REALTORS® alike. For more information, visit www.calv.org.

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