## OUR 50TH ANNUAL HOLIDAY GREETING

**≈ AND 2021 FORECAST ∞** 





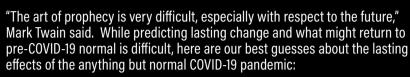












- Digitization of the economy and online shopping is accelerating and increasingly disrupting business models in many economic sectors;
- Videoconferencing and distance learning are here to stay and hybrids of physical and virtual meeting and learning experiences will emerge, including expansion of non-college career pathways. Retraining will be required for workers in industries not likely to recover for an inordinate amount of time and/or whose skills have become obsolete:
- Increasing adoption of telemedicine and other new forms of productivity-enhancing healthcare delivery;
- Reorganization of supply chains and reshoring of production of critical health and safety-related and other essential goods to the United States;
- Entrepreneurs emerging from the economic wreckage of the pandemic will improve productivity, create jobs and wealth, and contribute to an economic recovery;
- A protracted challenge to retail real estate given the pre-COVID oversupply of on-the-ground space, growth of online shopping, and the behavioral impacts of the pandemic;
- With the decline of travel demand and advances in videoconferencing technology, hotel real estate will be under severe pressure to stay relevant and viable. Demand will be severely curtailed for hotels serving run-of-the-mill business travel;
- Industrial real estate is the asset class that will most benefit from the online shopping and supply shift transformations;
- Although working from home may become a preferred alternative for some workers at least some of the time, the networking, "culture," and agglomeration benefits provided by offices suggest long-run demand will persist for office space, albeit at lower levels; and
- Higher housing demand in lower density suburban and exurban areas due to persistently low interest rates, change in product preferences, including a desire for more space, an expanded array of viable residential location options as the result of the enhanced flexibility of working from home, and the readier ability of supply in lower density areas to cost-effectively respond to demand increases.

While perhaps aspirational at this moment, the longer-term ramifications of the pandemic may include a renewed faith in science, restored trust in experts, and re-establishment of public service as a valued, higher calling.

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Gruen Gruen + Associates wish you and yours a healthy, happy, peaceful, and prosperous New Year. Stay safe and well.





























