

What's going on?

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First of all, a warning

- Larry Summers on U.S. economic outlook, March 2020

33% odds of stagflation

33% odds of recession

33% rapid growth, no surge in inflation

<https://www.bloomberg.com/news/articles/2021-03-20/summers-says-u-s-facing-worst-macroeconomic-policy-in-40-years?srend=premium&sref=cv51C53O>



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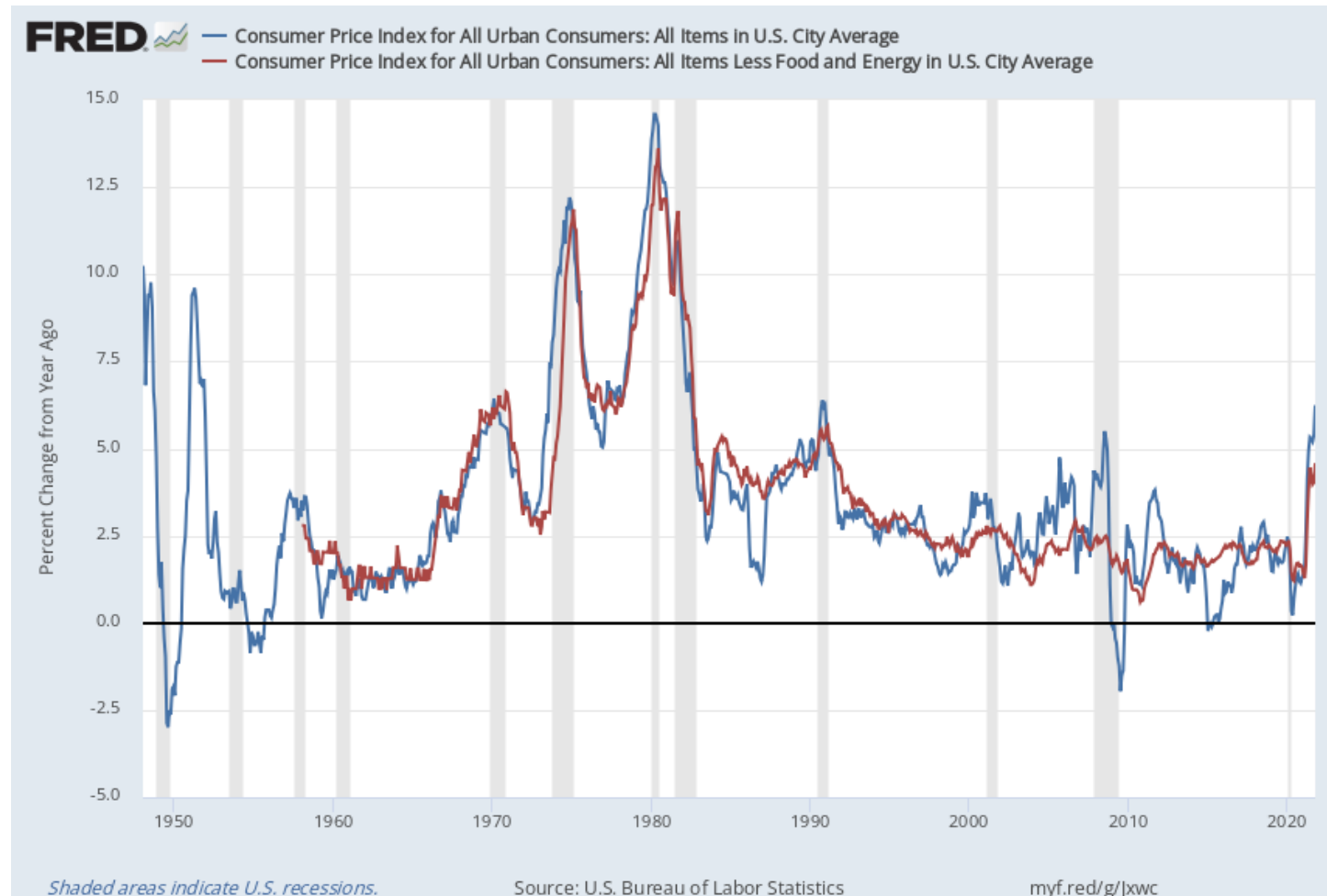
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Goldman's rule: "Nobody knows anything... Every time out it's a guess and, if you're lucky, an educated one."

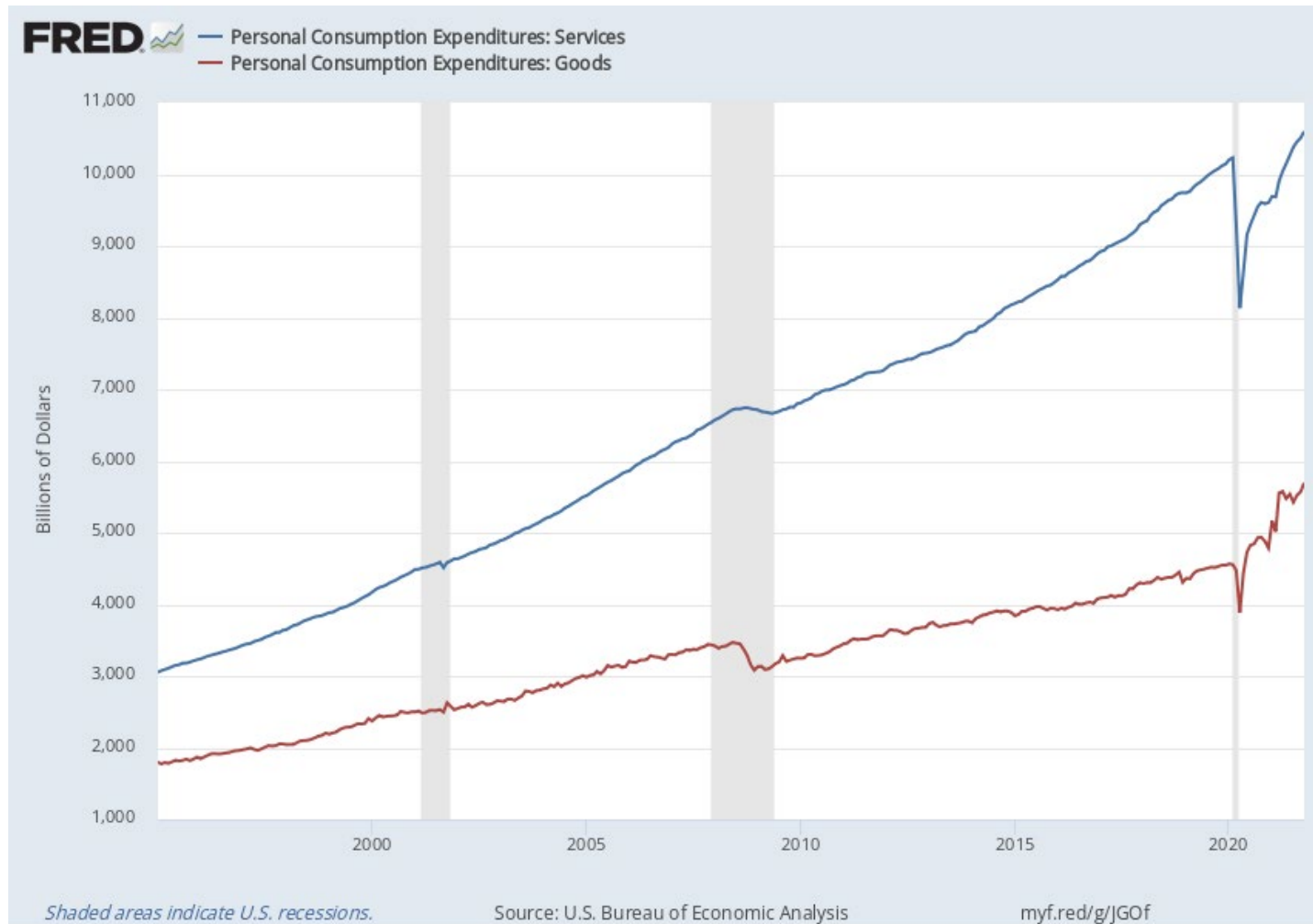


Well, this is new...

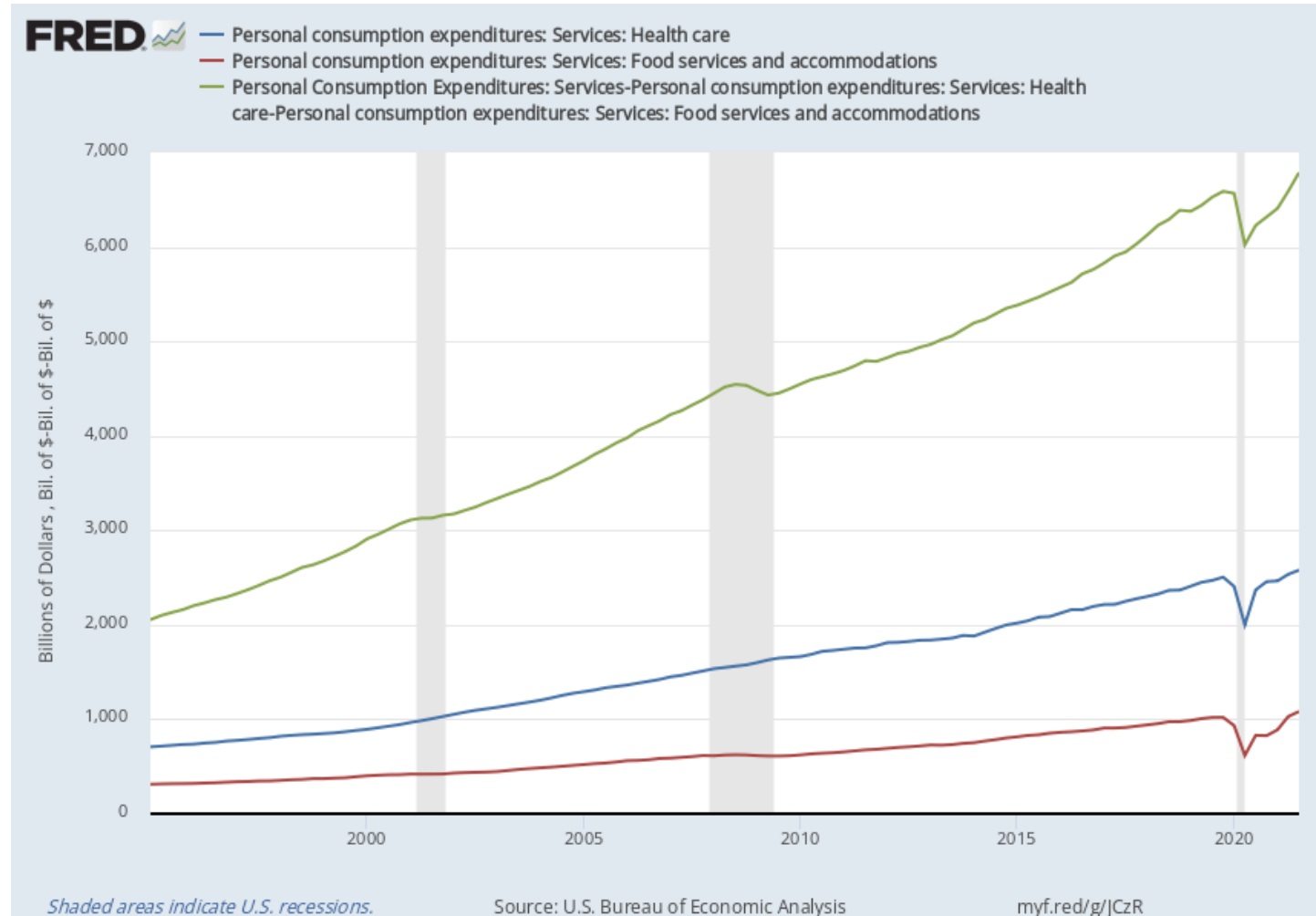
- Inflation!

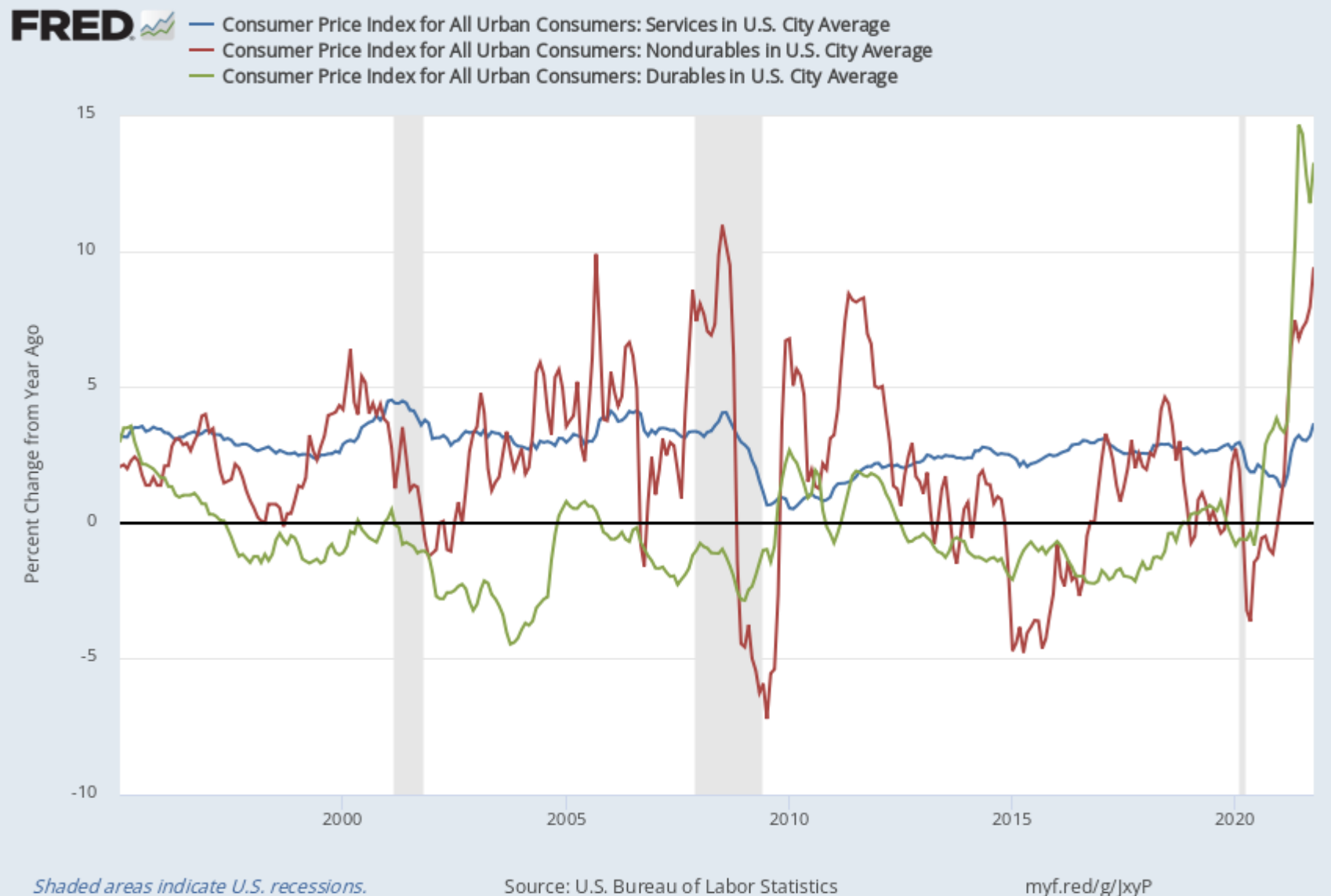


Where is it coming from?



Our spending patterns changed...

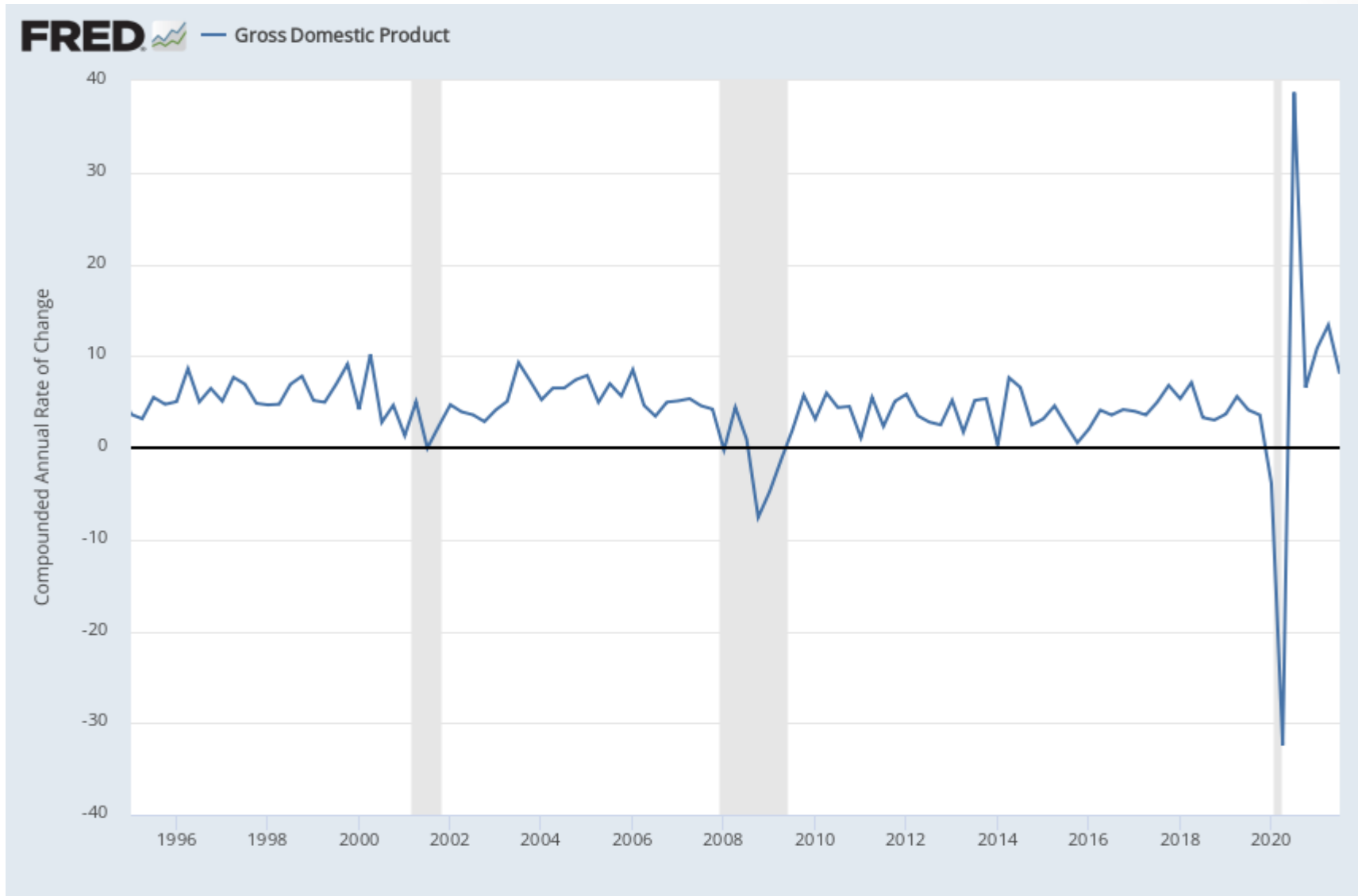


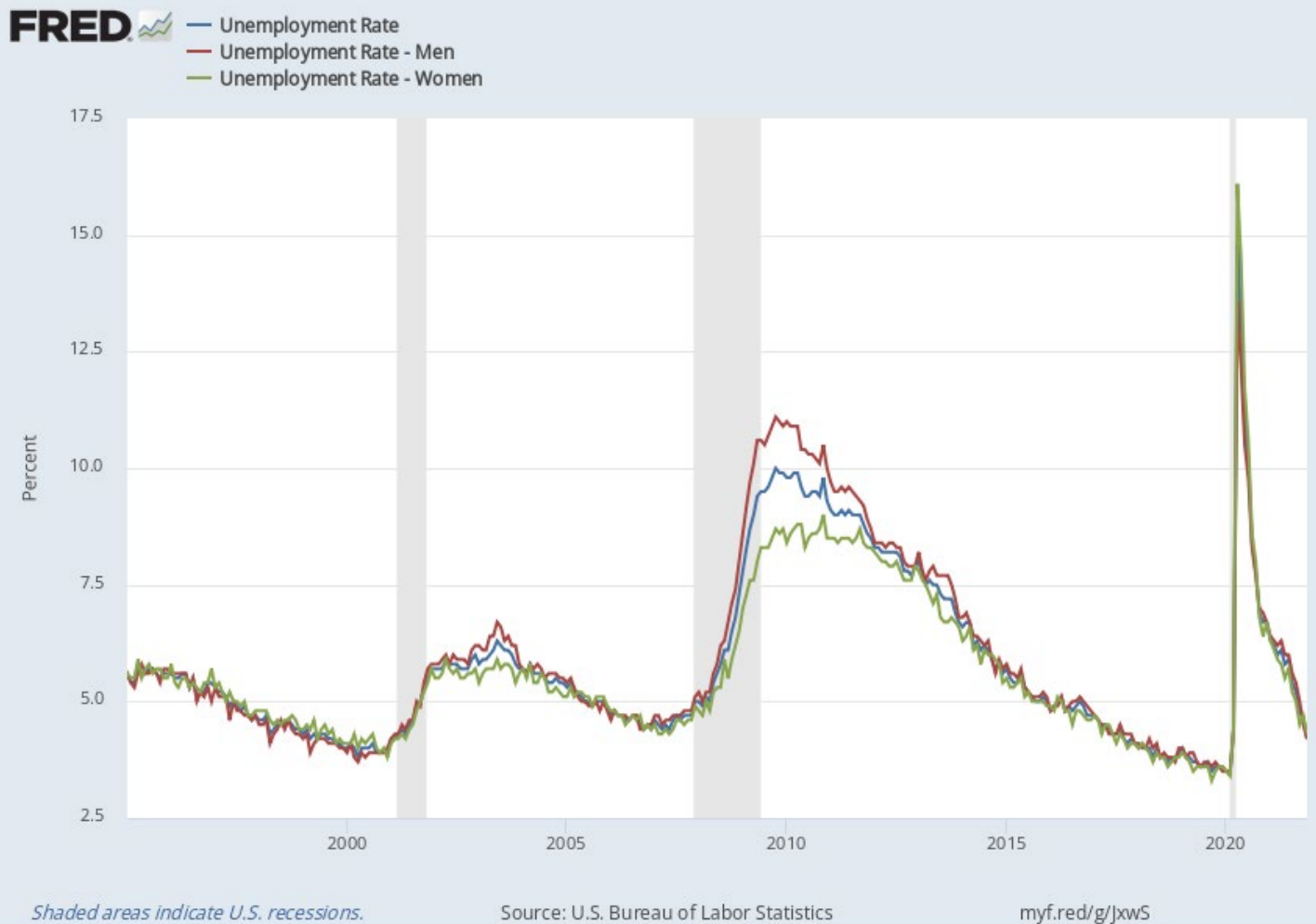


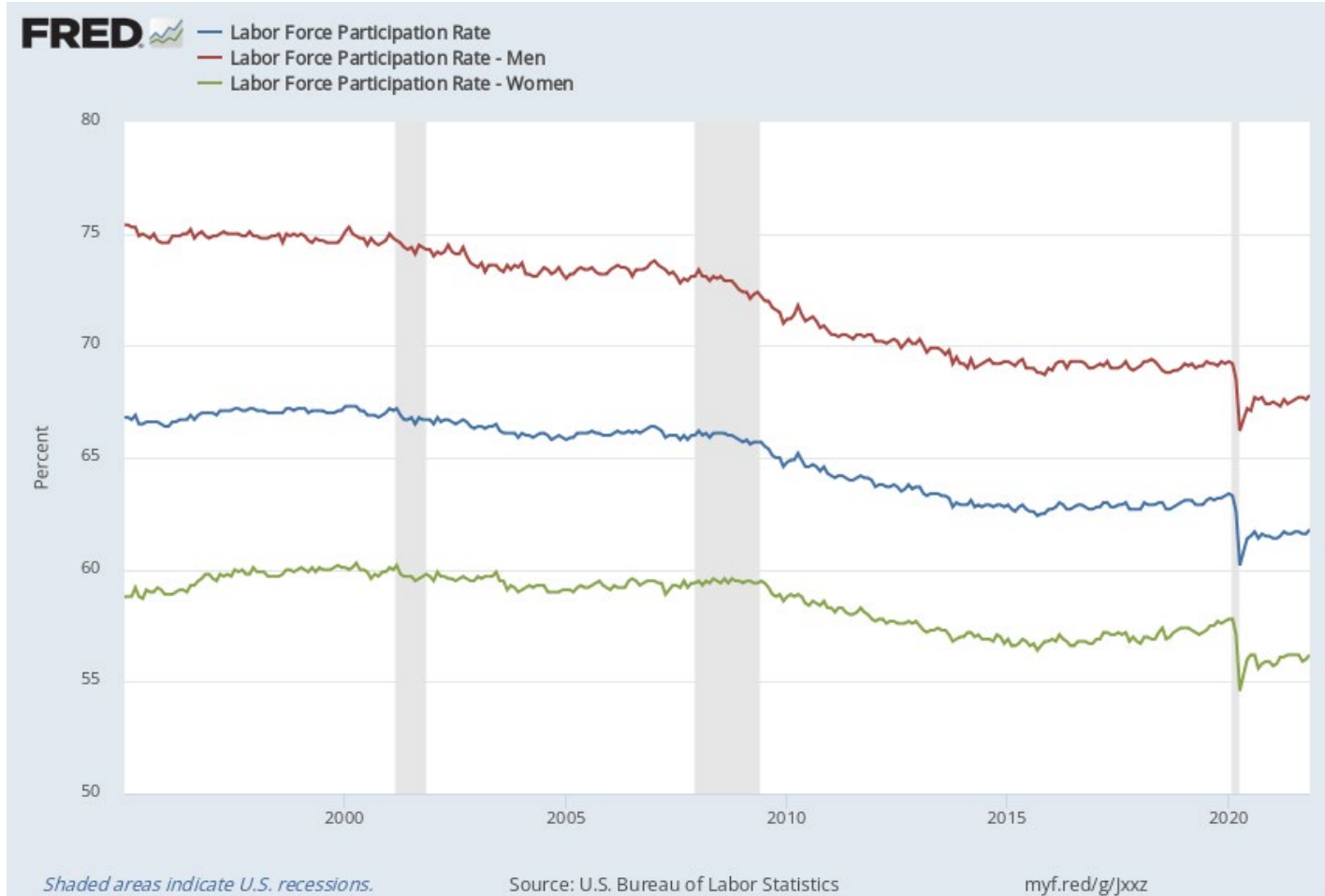
So I am still on team transitory!



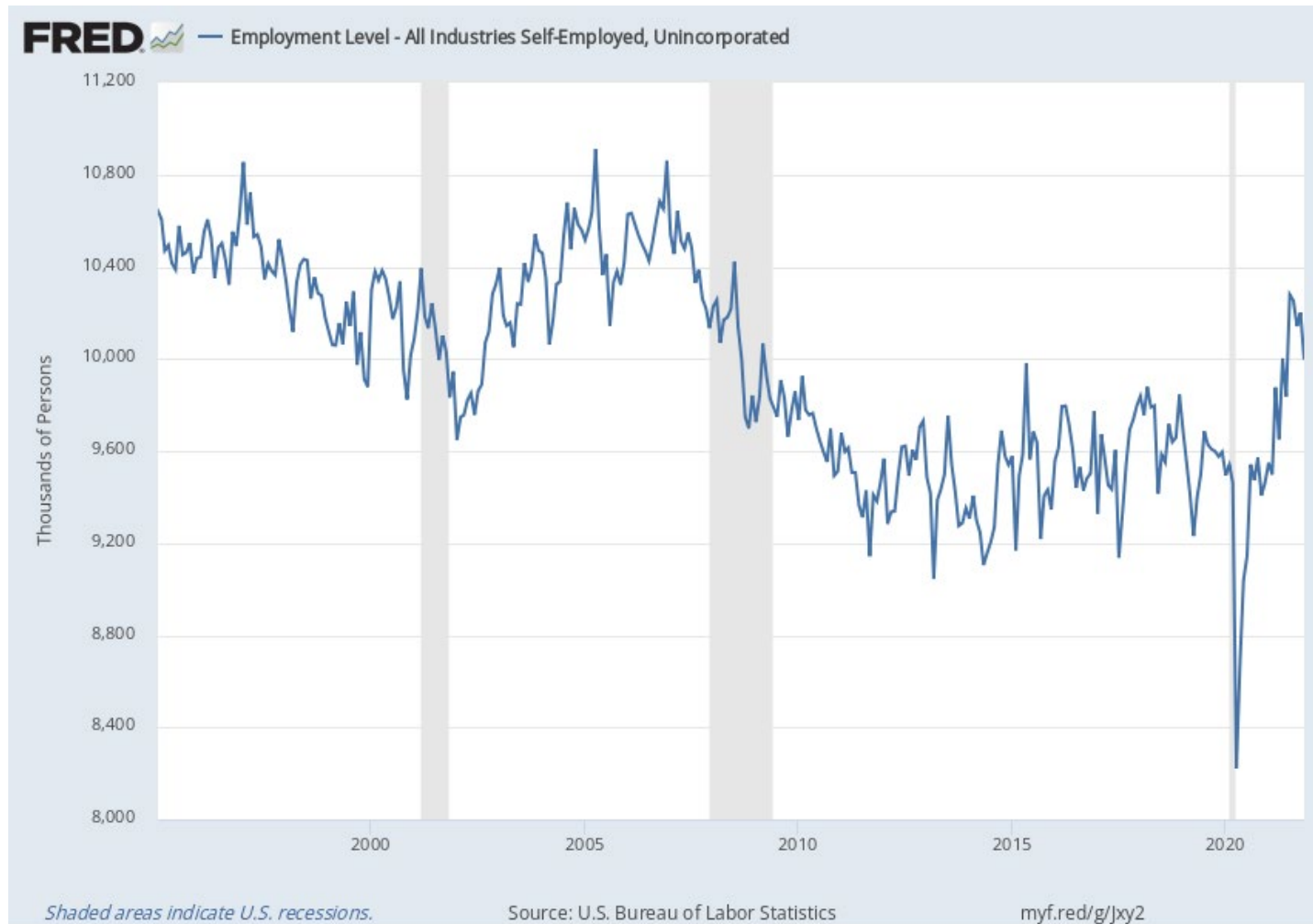
GDP growth is healthy. This was not a recession



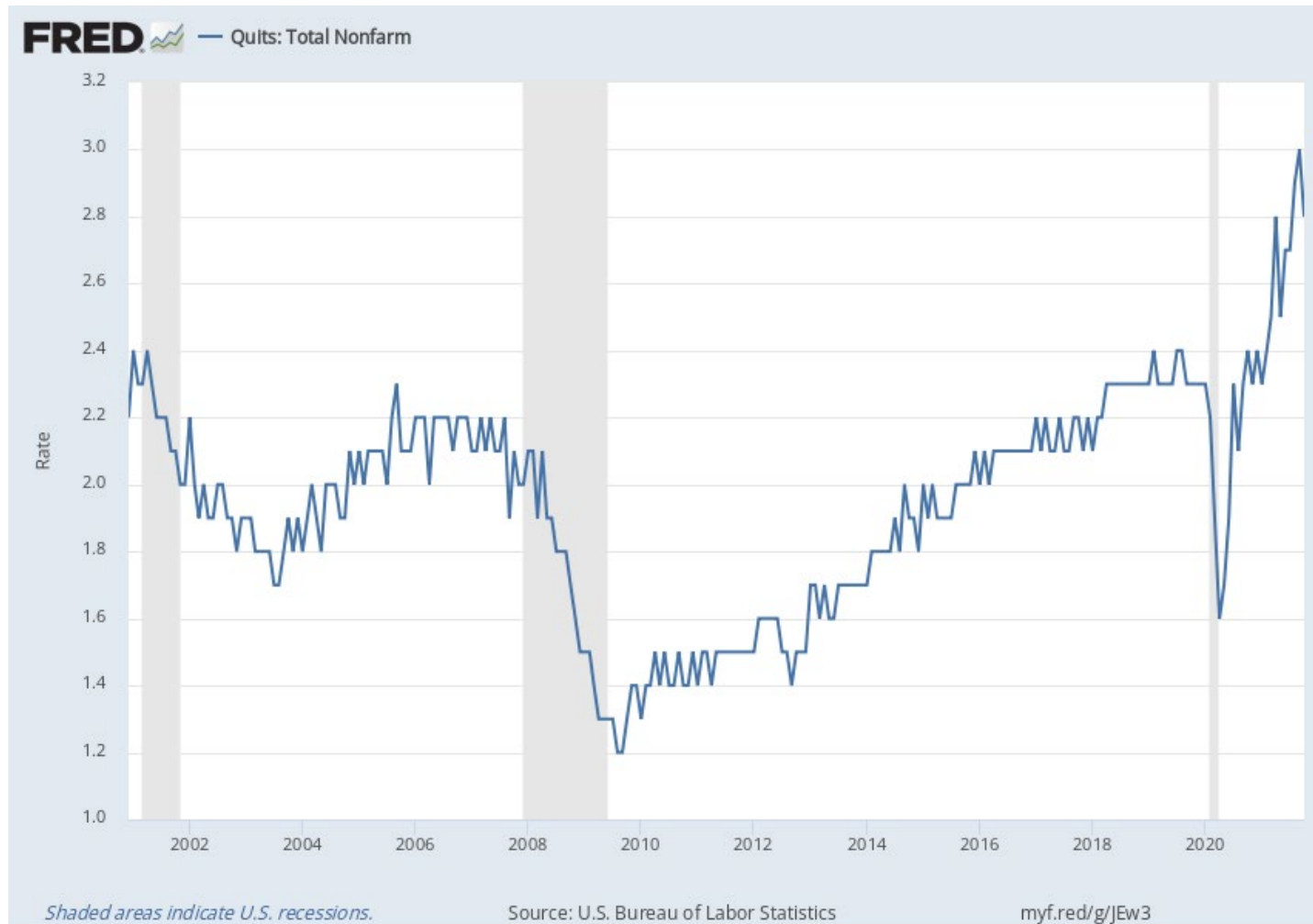




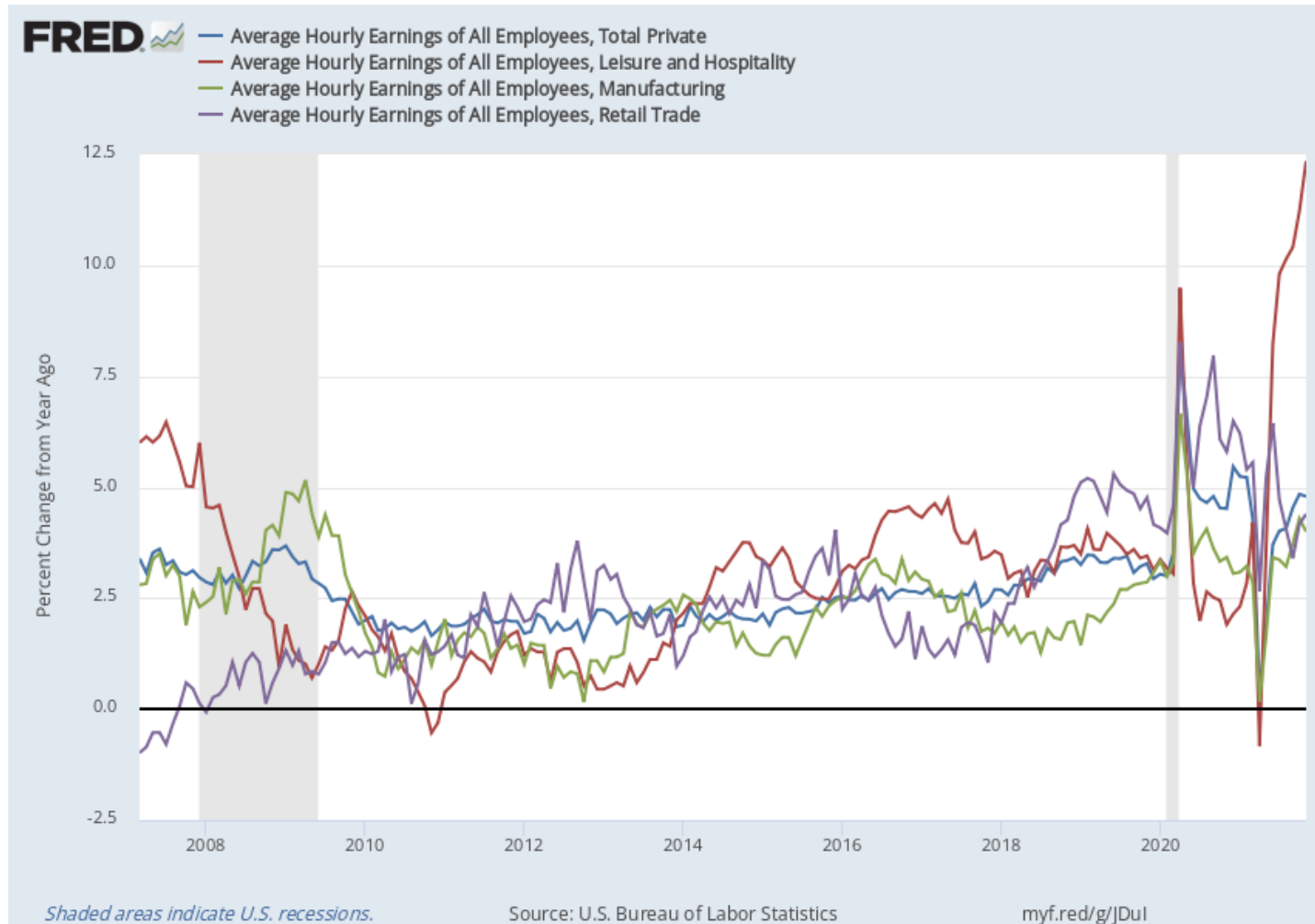
The curious case of the self-employed



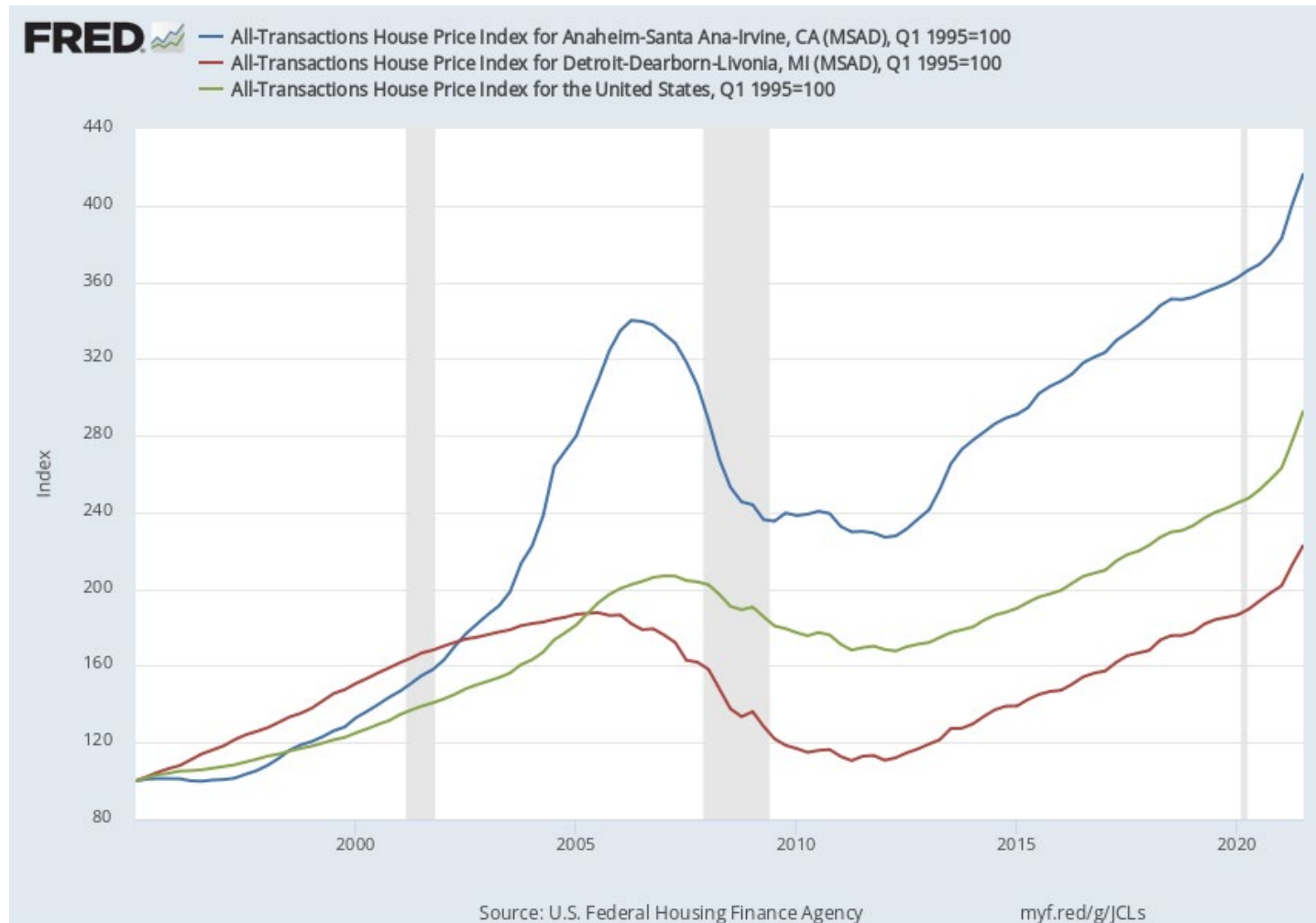
Quits are up. And why not?



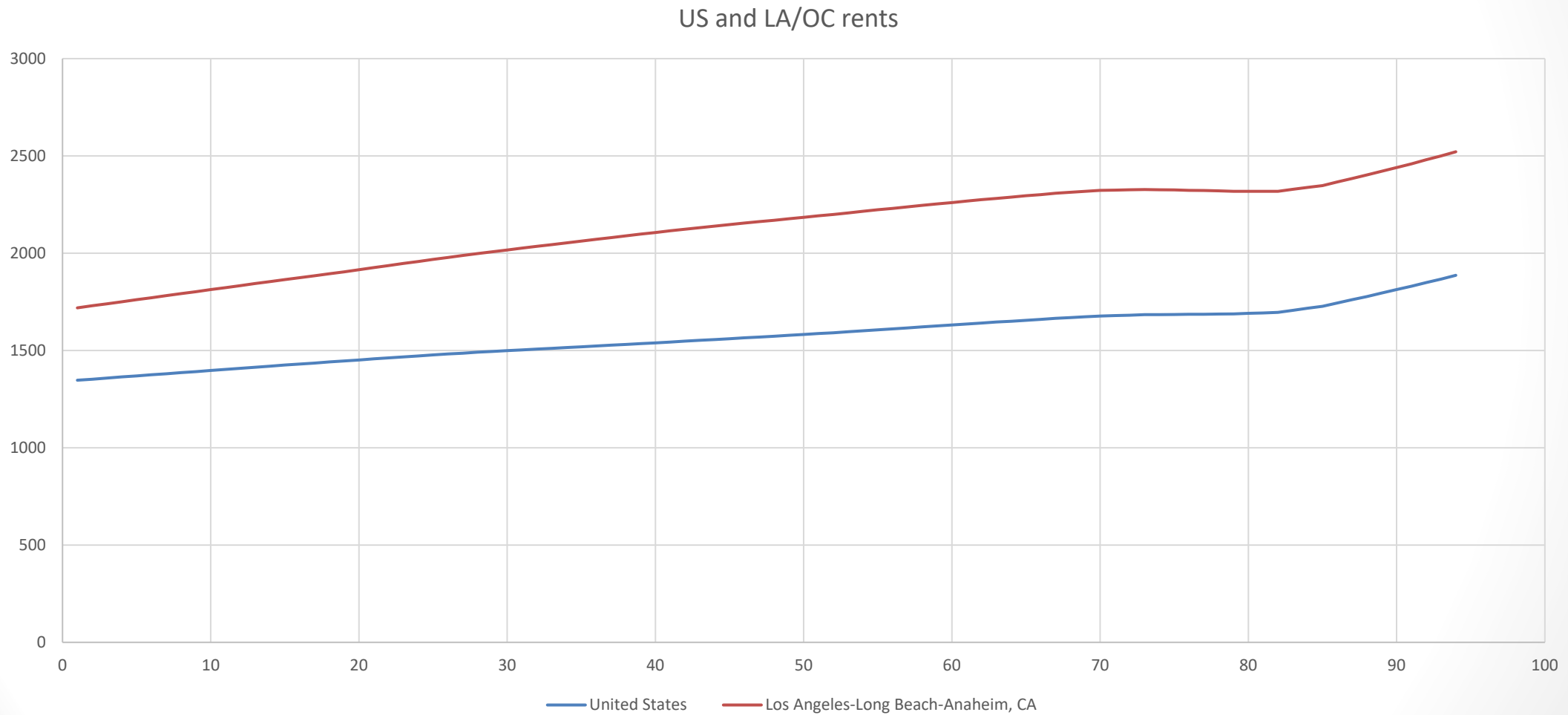
And so yes, wages are rising



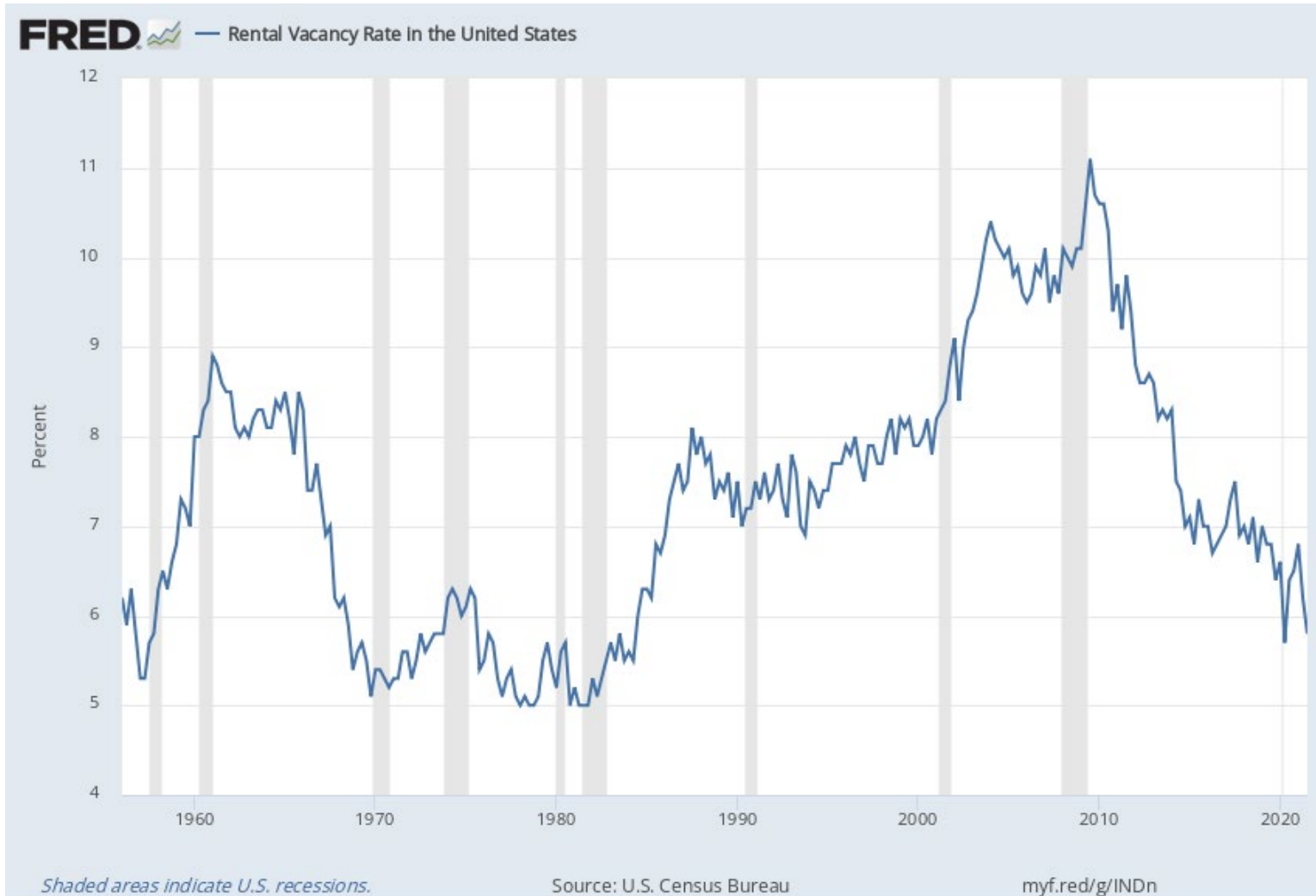
A universal acceleration of trend in home prices



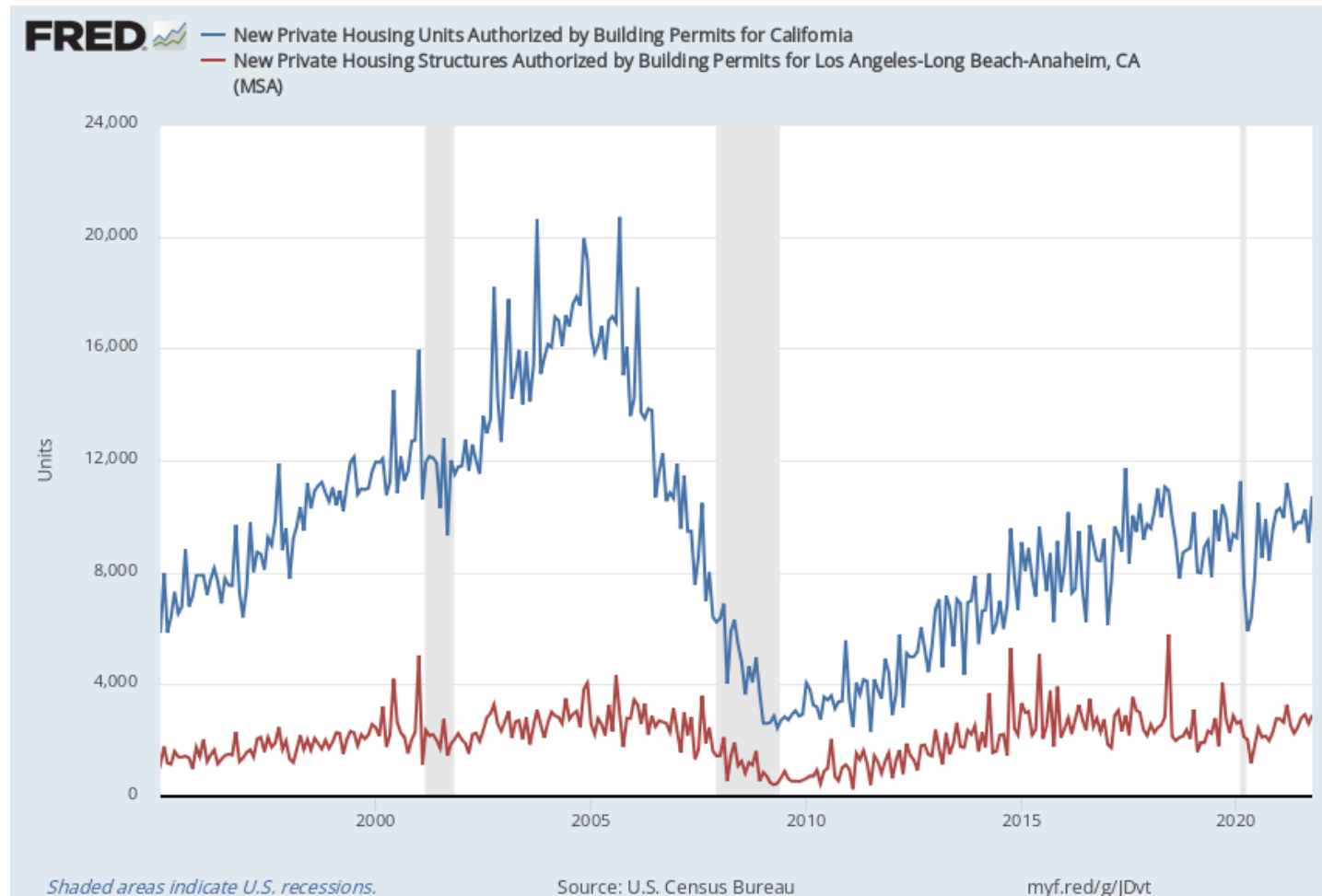
Not a bubble



The demand is there.



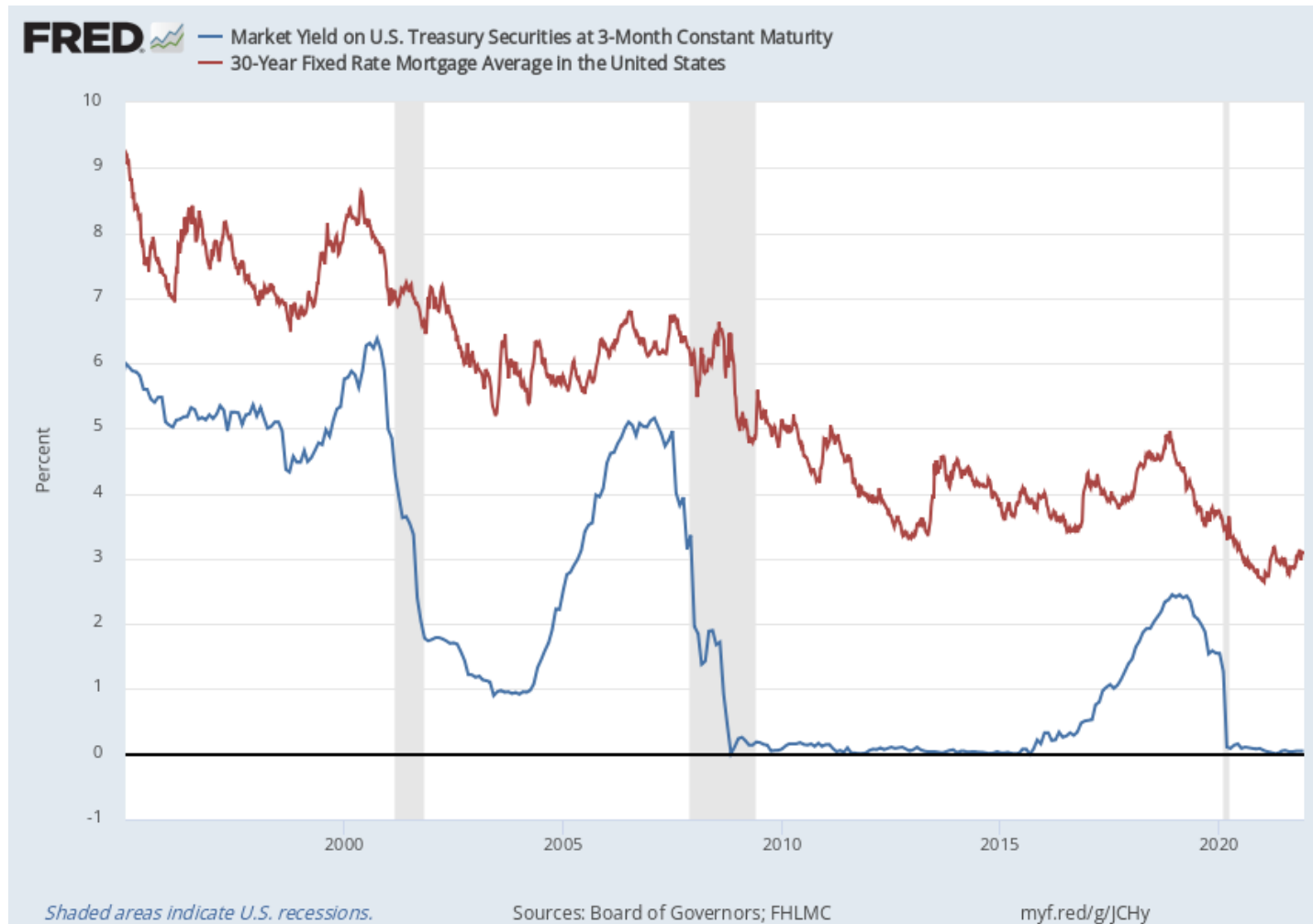
The supply is (still) not



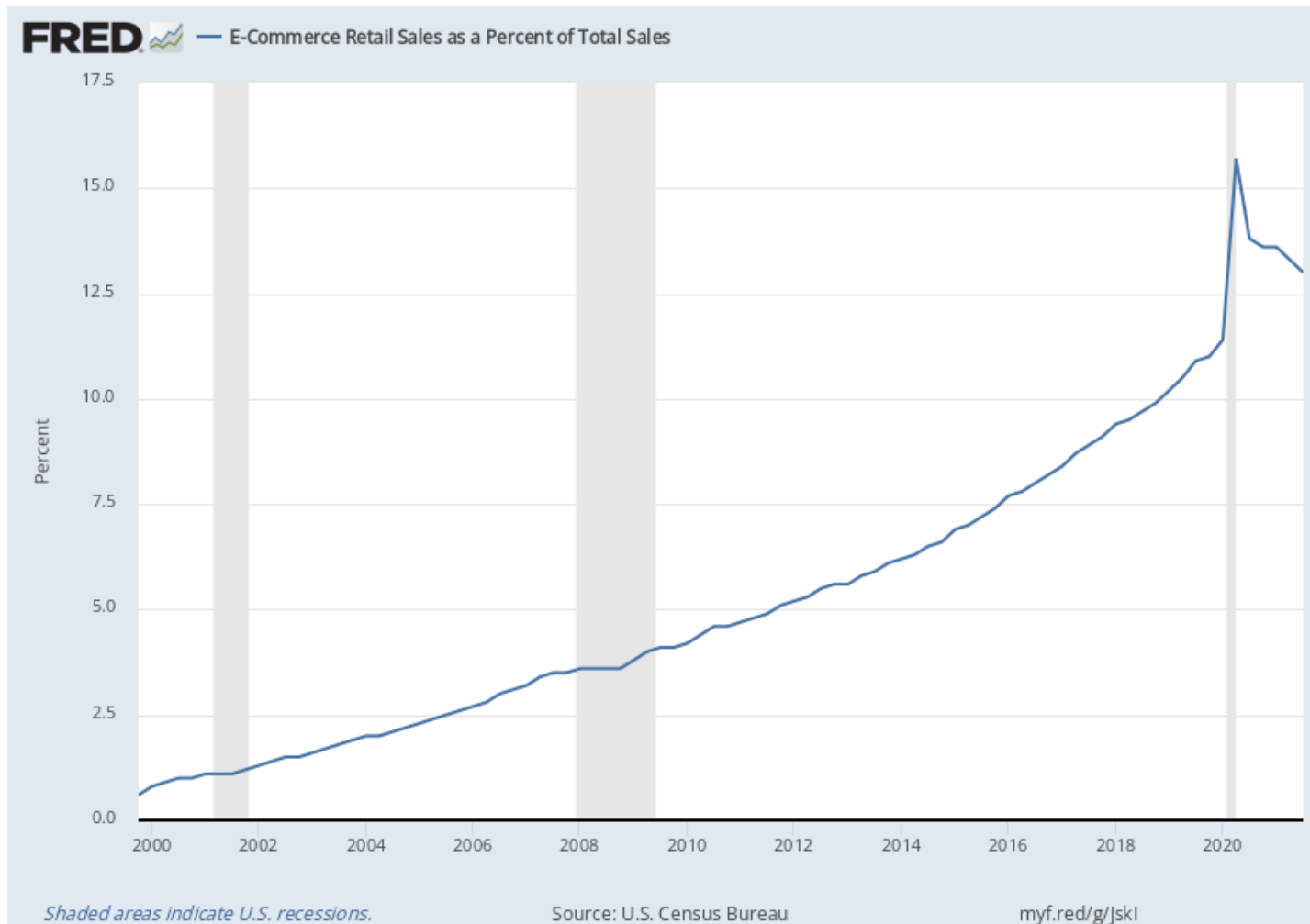
Where is the demand coming from?

- Investors account for an increasing share of home purchases
- Has this accelerated home prices? Probably not the main cause.
 - Fears of residential market monopoly are vastly overblown
- Millions of people now want to live apart from [parents, roommates]
 - Pandemic fears
 - Work from home

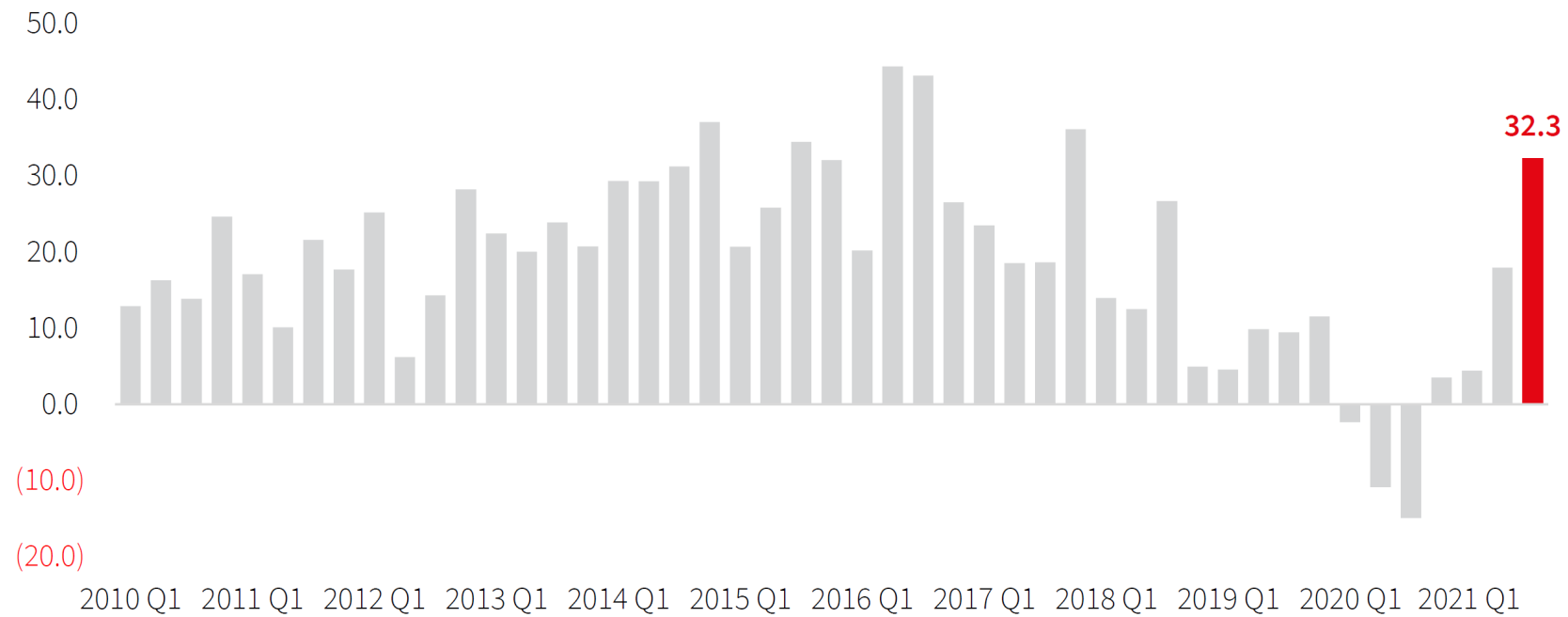
What will happen with interest rates?



Retail, going sideways



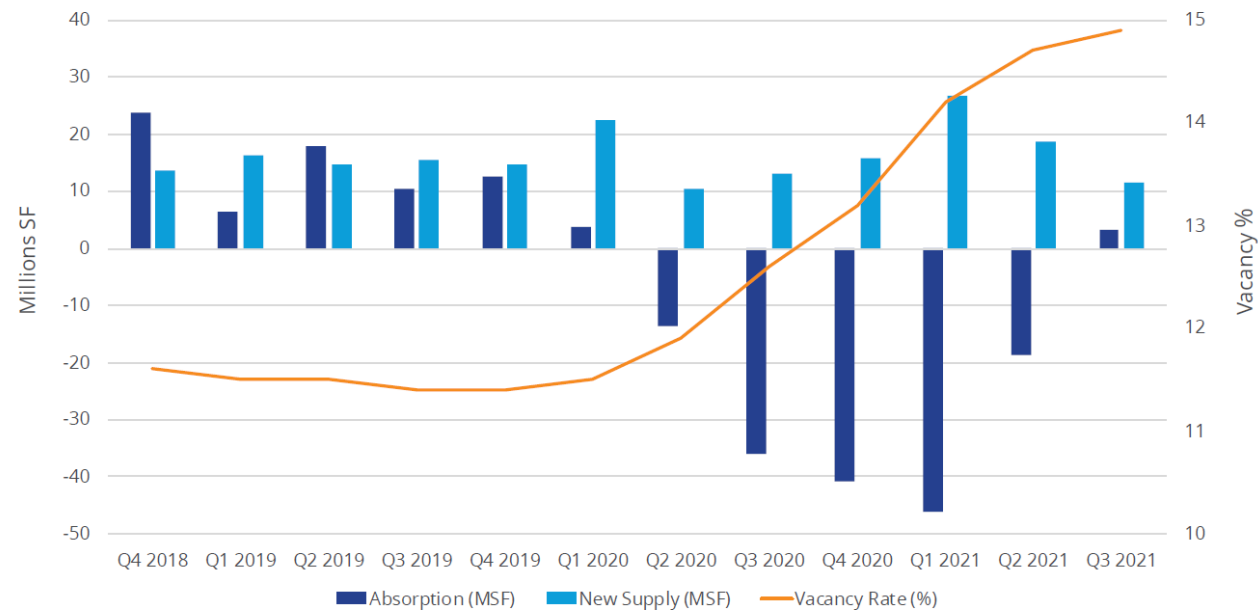
Q3 retail net absorption hits highest level in years



Source: CoStar

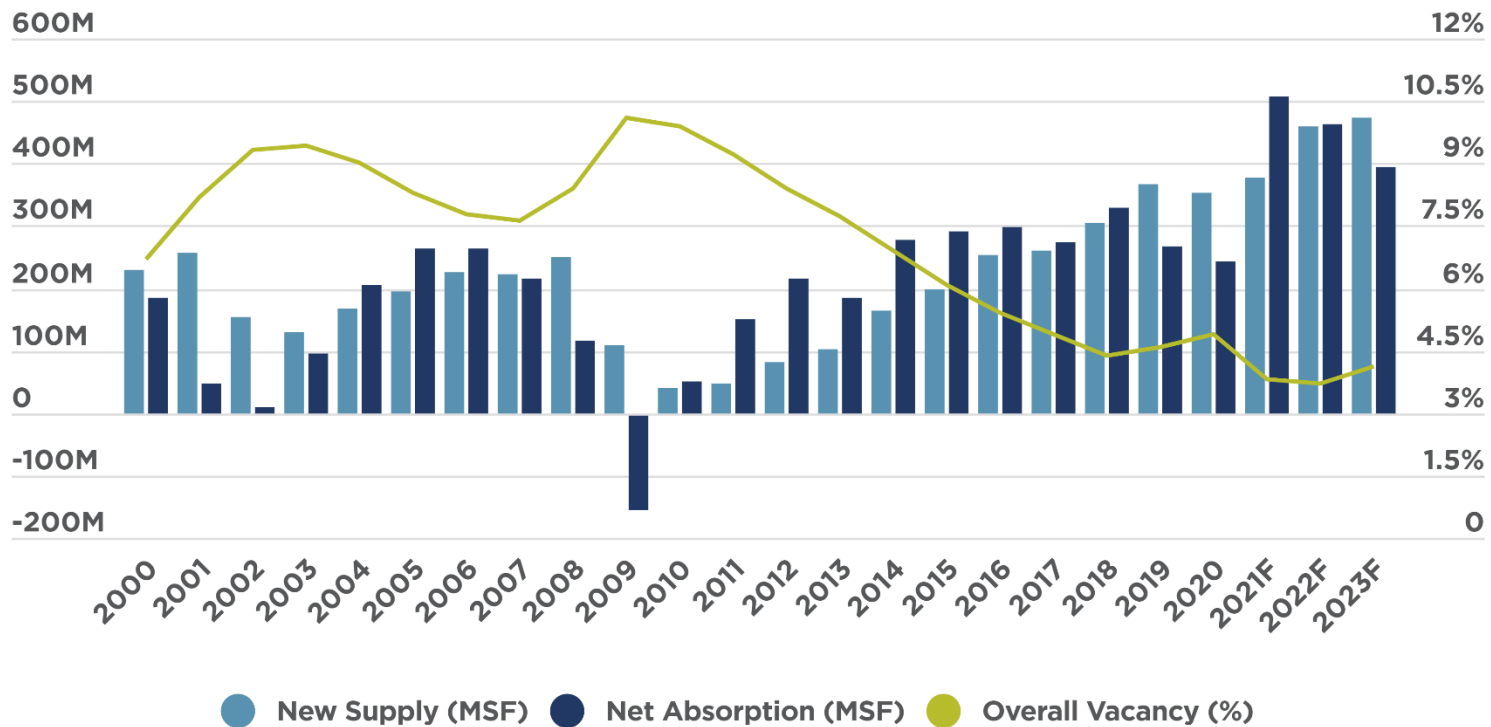
Office market still troubled, but perhaps stabilizing

U.S. Office Market: Supply, Demand & Vacancy



Source: Colliers

What is left to say about industrial real estate?



Thanks!