

## The Landlord Perspective | 2.9.22 | [EPISODE PAGE](#)

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### Overall

- Summer of 2021 was as active as 2019, up from almost no activity in Q1 2021; very little leasing activity Oct - Dec 2021
- Despite the main challenge of getting workers back to the office, major users across industries (Kirkland Ellis, BCG, B of A) are committing to new leases, underscoring confidence going forward
- High confidence for spring / summer 2022

### Return to Office

- Hybrid is hard and incredibly difficult to get right, most likely putting the remote workers at a disadvantage
- Companies recognize that the office is critical for culture, development and productivity
- Both occupiers and landlords have to create the kind of experience that makes people *want* to come back: varied workspaces, amenities, community, mobile-centric
- Savvy developers and existing building owners are moving to a hospitality type feel

### Trends

- COVID has accelerated obsolescence of older buildings, which will need capital to rethink the tenant experience
- Some buildings will retrade and may succeed at lower price points due to lower basis
- Spec suites are here to stay – benefit for building owners as a pipeline of tenants and an in-building incubator

### Predictions

- 2022 will see us move past COVID as a focal point; top of mind will be higher interest rates, margin compression on rental rates, real estate tax issues, crime
- Tenant activity will continue to increase due to pent up demand, RTO, and growth
- Flight to quality buildings will continue as tenants are willing to pay for the kind of amenities that help them attract/retain talent; this will create additional stress on B and C properties

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