

CRE Women Speak: **An Overview**

Recent + Relevant

Just 23% of women in the industry are optimistic about the direction of the global economy in the first quarter of 2023.

23%

The value of commercial real estate deals in 2022 exceeded 2021 levels for 45% of respondents.

45%

43%

43% of CRE respondents increased their number of commercial real estate transactions overall in 2022.

21%

Just 21% reported fourth quarter-only levels exceeded expectations.

Looking Ahead

42%

42% of CRE respondents will increase their ESG resources in 2023.

57%

Most respondents (57%) believe that Adaptive Reuse is the most likely future outcome for class B and C office space.

Of the nearly 50% of respondents that feel new CRE construction will slow in 2023, 42% believe the slowdown will be caused by a confluence of factors from inflation to rising interest rates.

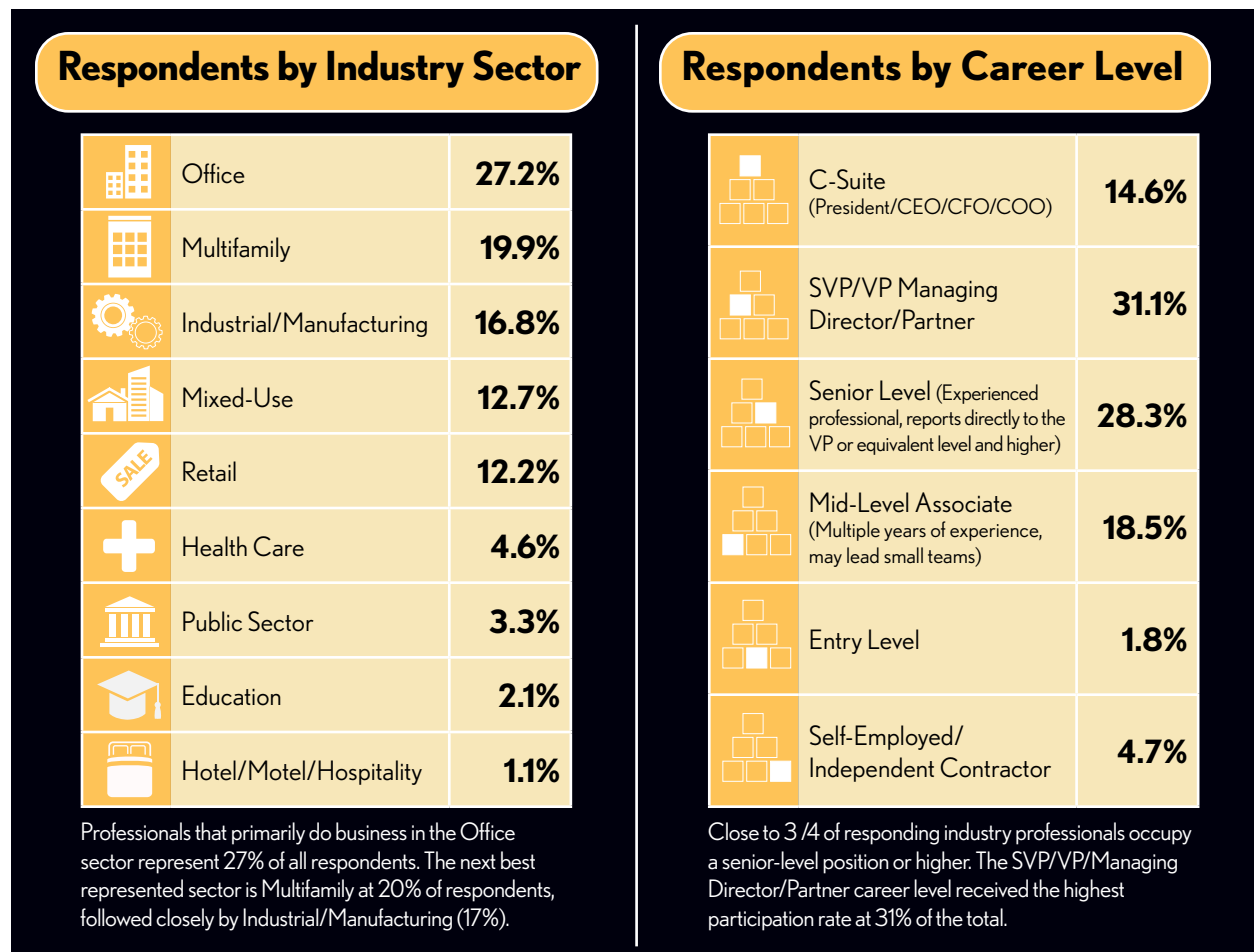
42%

43% expect central business districts (CBDs) to rebound in 2023 as more people return to the office.

43%

Respondent Profile

To better understand the results of the study, it is important to first understand who the respondents of this survey were in order to correctly interpret the results and their relative applicability. An overview of the participant demographics includes: 96% identified as women, 4% identified as men, 1% identified as non-binary or preferred not to answer. The enclosed results include only the opinions of responding women in the industry. Additional demographic statistics are included below.

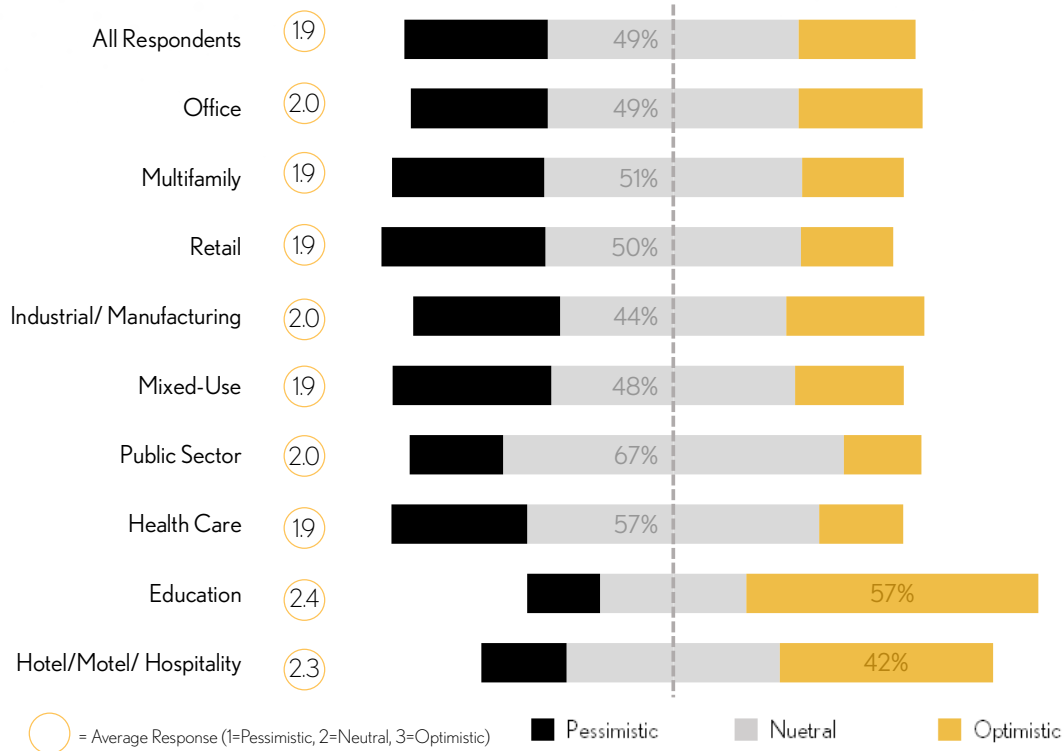


Economic Outlook

Respondents were asked to provide their outlook for the economy in the first quarter of 2023. Despite forecasts by leading economists for a recession in 2023, just 28% of all respondents are pessimistic about the state of the economy. About 1/4 expressed optimism about the state of the global economy as most are neutral in their opinion.

Respondents that primarily do business in the Education and Hotel/Motel/Hospitality sectors are most optimistic about the direction of the economy in early 2023 (57% and 42% are optimistic, respectively). Those operating in the Retail sector tended to be slightly more pessimistic (32%) than the other industry sectors.

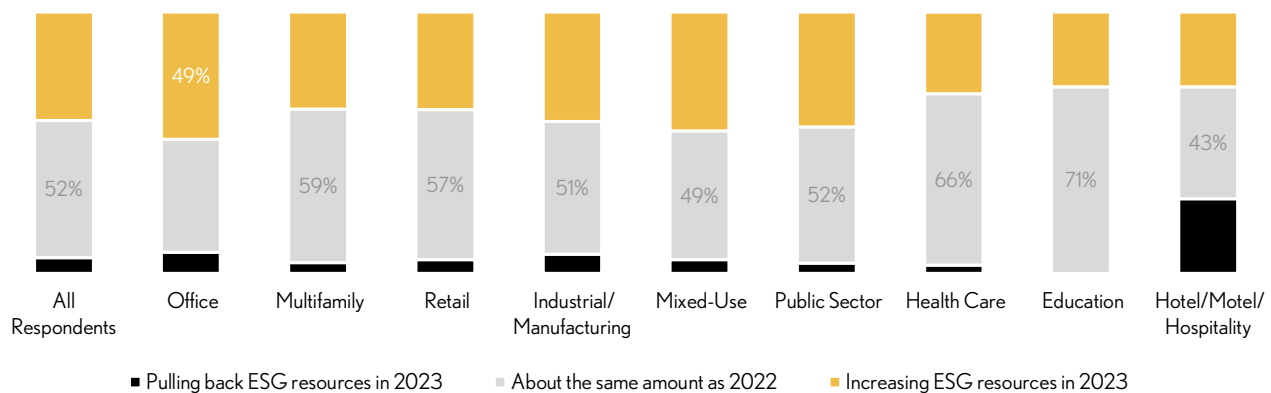
What is your outlook for the economy?



ESG Resources

How do companies plan to allocate ESG resources in 2023?

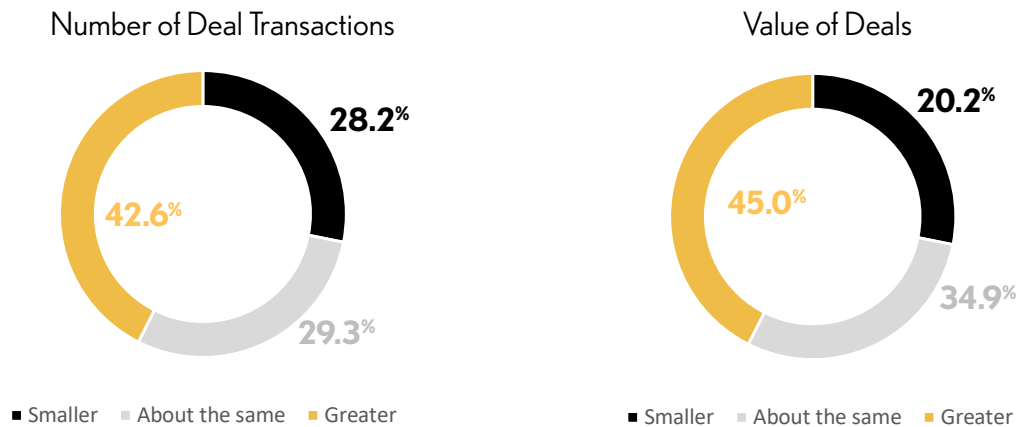
Environmental, Social and Governance (ESG) was a hot topic in commercial real estate last year. The term is a reference to the corporate interest in strategies that are intended to drive sustainable and ethical impacts. When CRE professionals were asked about their organization's resource allocations for ESG policies in 2023, a majority (52%) are maintaining 2022 investment levels, 42% are increasing their investment, and just 6% plan to scale back their support this year.



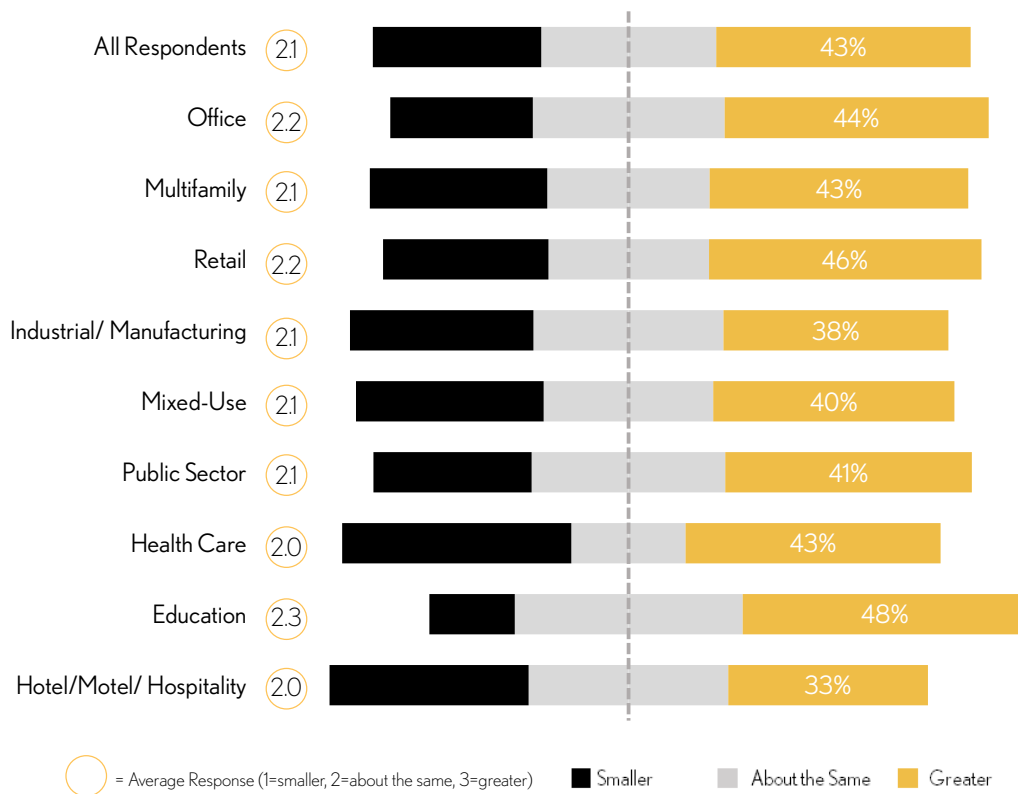
Deal Volume and Value

When asked how the number of deal transactions and the total value of deals in 2022 compared to 2021 levels, more than 40% of respondents across all industry sectors realized gains year-over-year. Improvements in the number of transactions were commonly cited for respondents in the Education sector (48% reported gains). Respondents in the education sector performed especially well in the total value of deals in 2022, with 96% indicating levels were at or above those from the prior year.

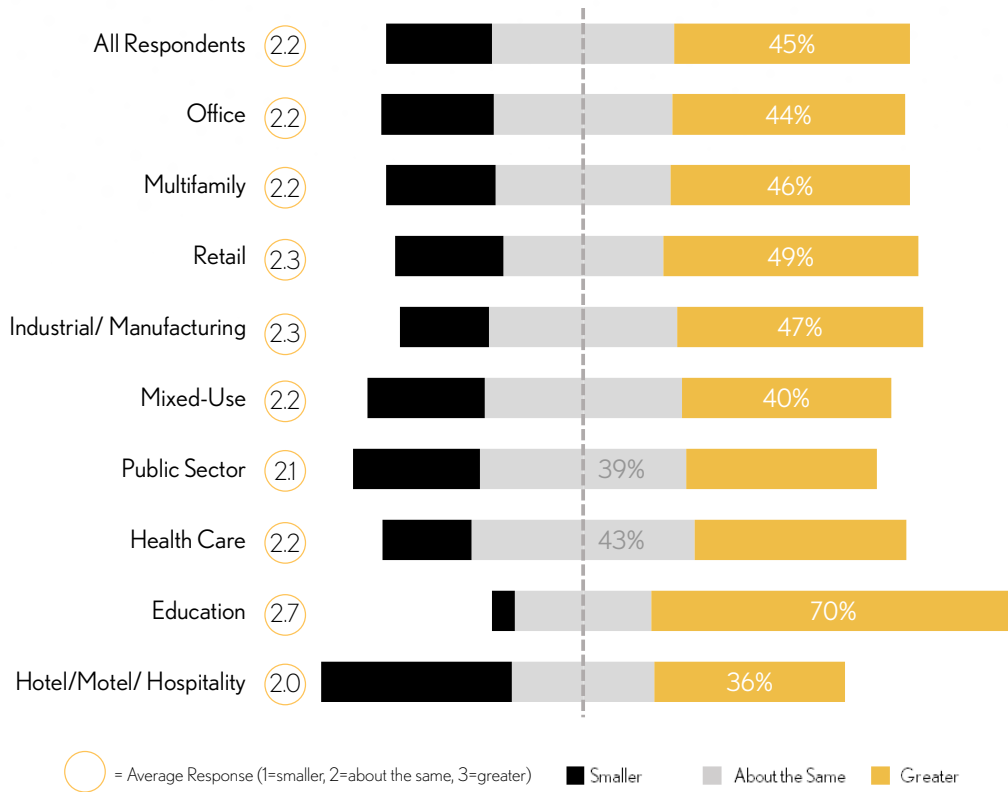
How did 2022 compare to 2021?



How did the number of deal transactions in 2022 compare to 2021?

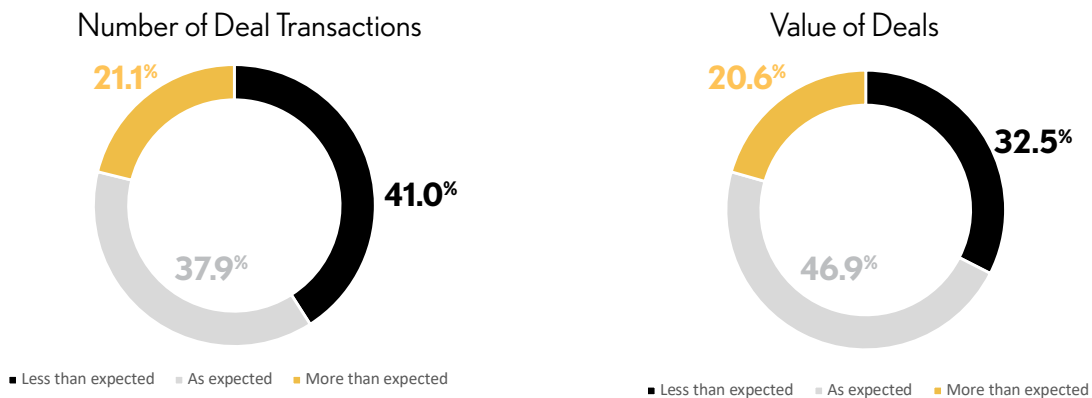


How did the value of deals in 2022 compare to 2021?

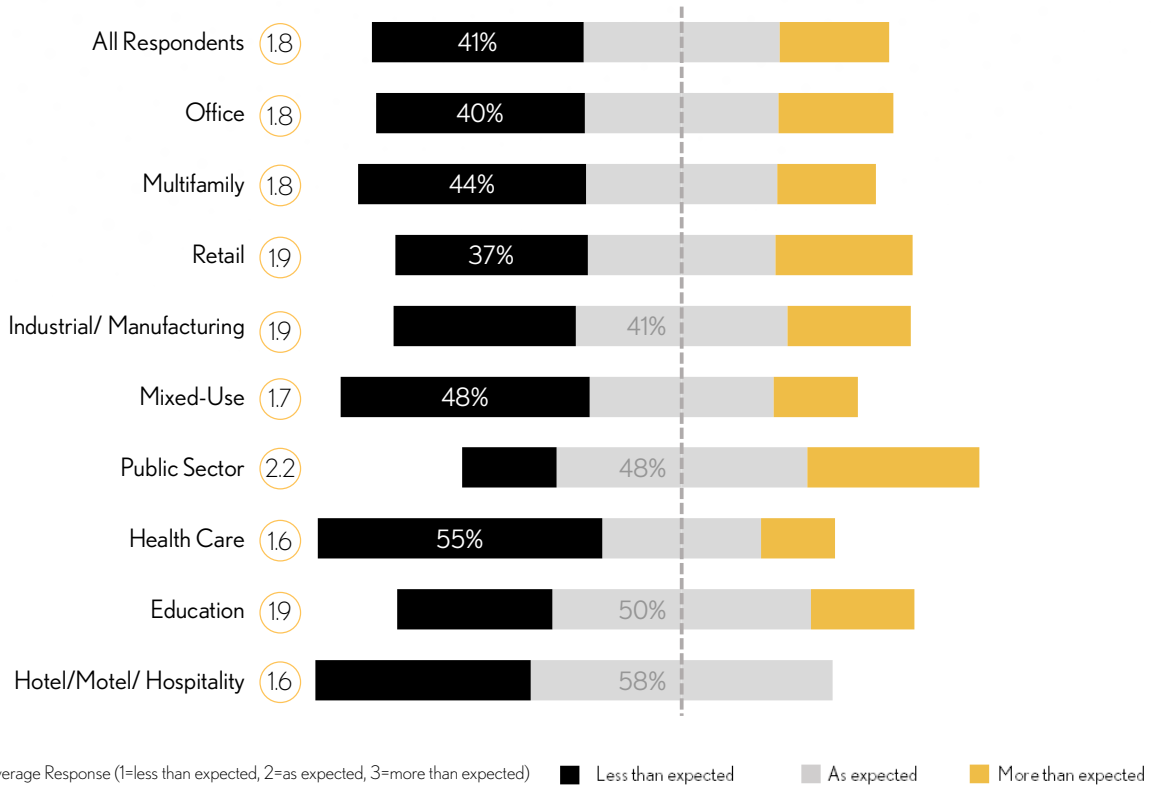


Looking at the fourth quarter of 2022, the results were mixed in terms of how overall deal performance compared relative to expectations. Though close to half of CRE respondents saw growth overall in 2022 versus 2021, just 21% mentioned that total deal transactions and the value of deals exceeded expectations during the fourth quarter alone.

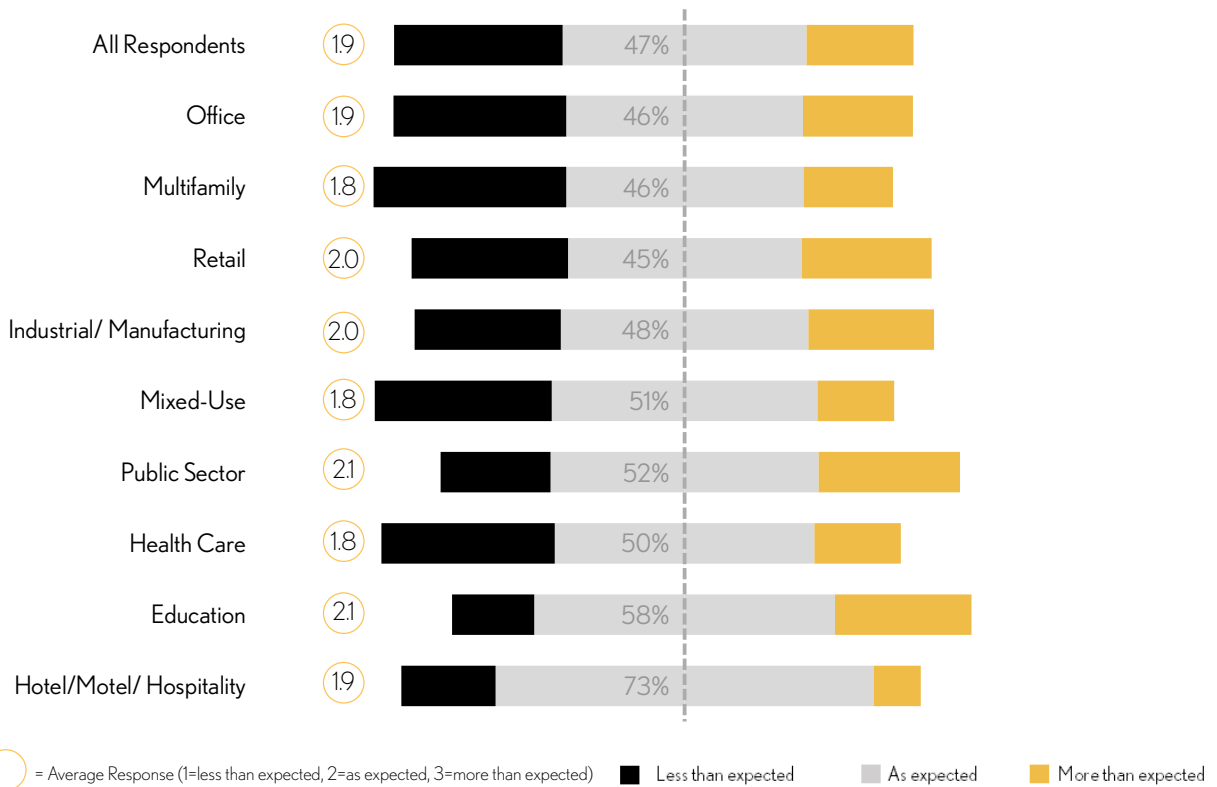
In Q4 of 2022, how did reality compare to expectations?



In Q4 of 2022 only, did the number of deal transactions meet expectations?



In Q4 of 2022 only, did the value of deals meet expectations?

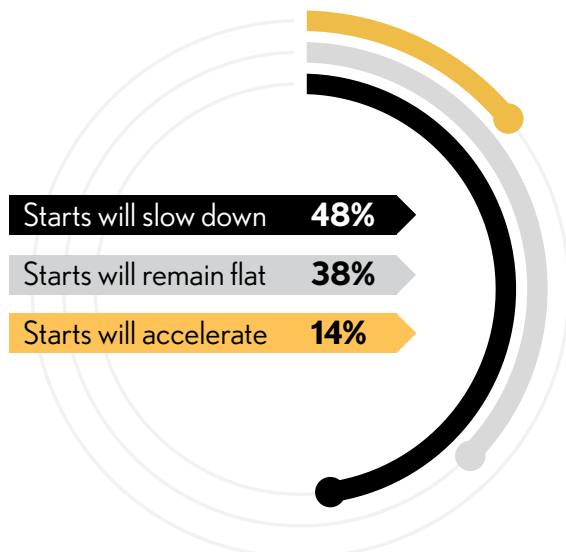


Construction

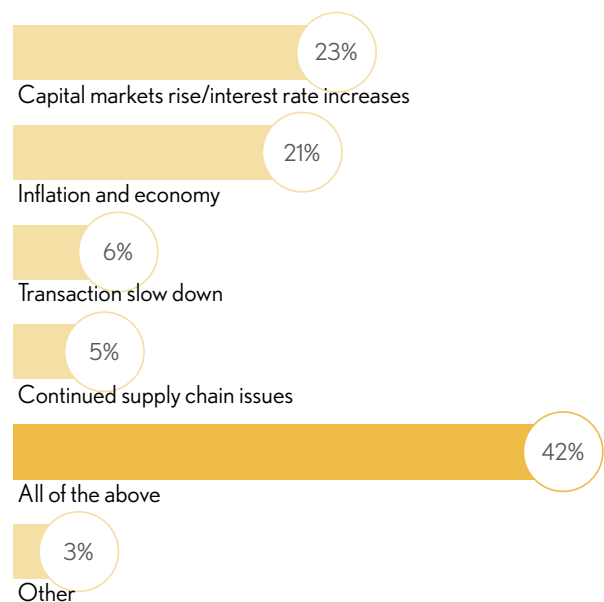
Much like expectations for the economy in 2023, few are optimistic about CRE construction starts throughout the remainder of 2023. Nearly half of respondents believe a slowdown is coming for new CRE projects sometime during 2023 while just 14% believe that starts will accelerate.

Respondents that anticipated a slowdown were asked to expand on what they believe will be the primary factors that contribute to declining new CRE construction starts. Forty-two percent cited a combination of factors from inflation to rising interest rates as the primary contributors. Of those that believe “other” factors will impact growth, reasons include labor shortages and costs of hiring/retaining employees, among others.

What is the outlook for CRE projects in 2023?

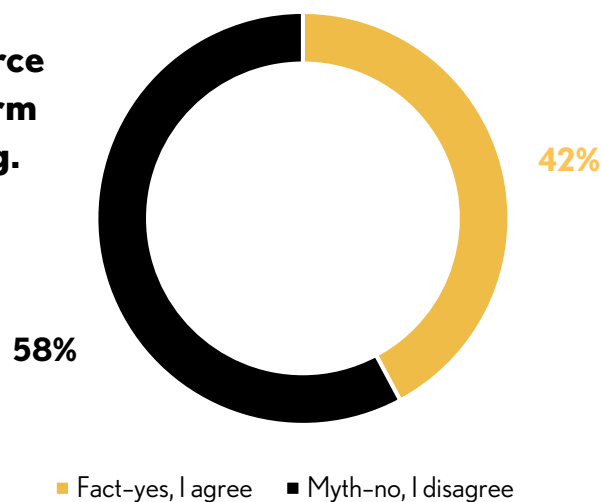


Primary reason(s) some believe new construction will slow in 2023



Affordable Housing vs. **Workforce Housing**

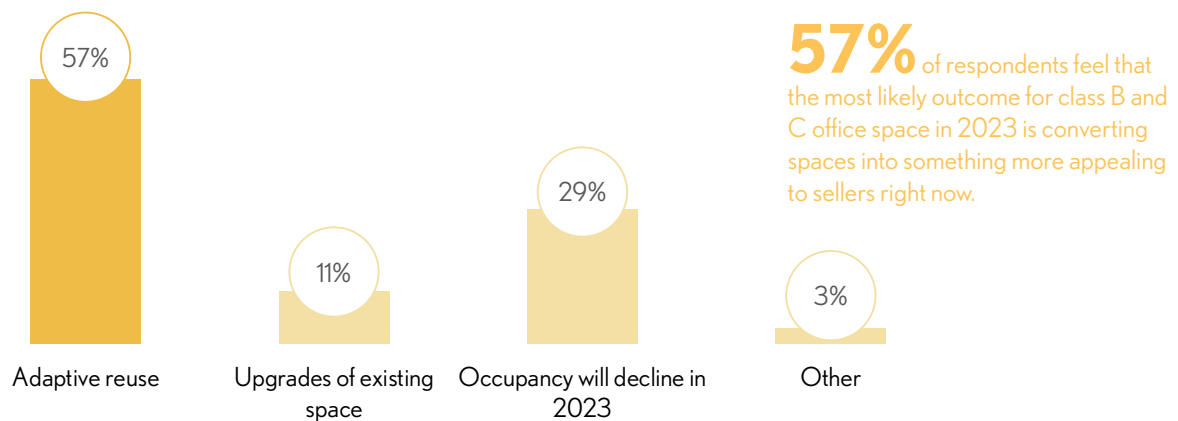
Fact or myth? “Workforce housing” is the new term for affordable housing.



Outlook and Office Space

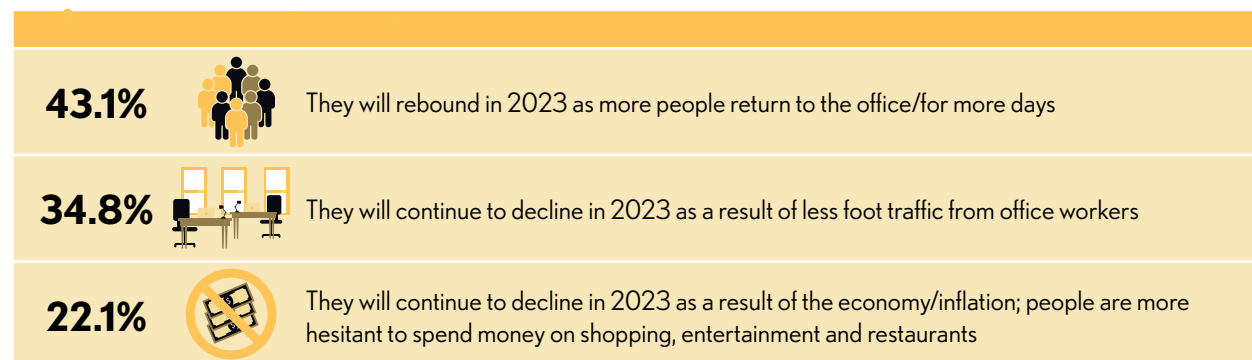
As outlook for class A office space remains strong, respondents were asked to share what they believe will be the most likely outcome for class B and C space. The following charts examine sentiment both overall and by industry sector.

What is the most likely future outcome for class B and C office space?



Remote and hybrid work environments have impacted central business districts (CBDs), including central retail, office space and housing. In terms of the future for CBDs, 43% expect that 2023 will see a rebound as more people begin to return to the office/ work for more days from the office. For those less optimistic, 35% believe less foot traffic from office workers will drive further declines, while 22% believe the economy/inflation will limit the possibility of a rebound.

What does the future hold for Central Business Districts (CBDs)?



CREW Network is a global organization that advances all women in commercial real estate through business networking, industry research, leadership development, and career outreach. Visit our website at [crewnetwork.org](https://www.crewnetwork.org) to join our organization, become a partner, attend our events, sign our CRE Pledge for action, view our research, and learn how you can support and advance women in the industry.