

CIT Commercial Real Estate Outlook

KEY FINDINGS | May 2016

In order to understand the current trends, challenges and outlook for the U.S. Commercial Real Estate industry, CIT commissioned Forbes Insights to conduct online research between February 12 and March 14. Forbes Insights surveyed 201 senior executives from CRE management companies, brokers, investors, financing executives and attorneys, and the findings of this research have been summarized under four key headings:

Assessing Growth Prospects

Commercial real estate executives appear relatively optimistic about the general state of the market in 2016.

FACTORS

THE TOP FIVE DRIVING CRE INVESTMENTS

0%
INTEREST RATES



CONSUMER CONFIDENCE



GLOBAL ECONOMY



JOBS



UNEMPLOYMENT

U.S. TAX RATES

The Rise of CRE Technology

Analytics, digital tools, mobility tools and digitally-focused startups

The benefits of CRE technology are clear, with most executives agreeing that these advancements are revolutionizing the industry.

TECH

BENEFITS FOR CRE



55% AGREE it is revolutionizing CRE

45% AGREE new tech entrants are impacting their firm

50% AGREE they are already benefiting from the latest CRE focused technology

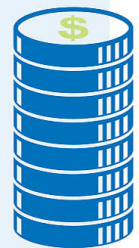
Deal-Making and Financing

The majority of companies, 70%, say adequate capital is available for investment. One in four, 24%, say capital is available for "the right" deals only.

CAPITAL

AVAILABILITY FOR CRE DEALS

8%
Overabundant



62%
Adequate



24%
Spotty



5%
Very Limited/
Dried Up



Changing Demographics

Executives are split on the CRE impact of baby boomers downsizing their lives, citing both the positive and negative effects on their investments.

DEMO-GRAPHICS

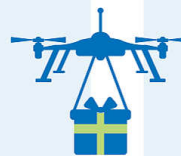
EXECUTIVES SURVEYED HAD THESE VIEWS



BRICK & MORTAR STORES AS SHOWROOMS

37%
positive +

17%
negative -



FULFILLMENT CENTERS AND CLICKS TO BRICKS

39%
positive +

16%
negative -



LOW-INCOME HOUSING INTEGRATED WITH AFFLUENT HOUSING

31%
positive +

26%
negative -



Forbes
INSIGHTS