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## MAGAZINE ONLINE

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### Best Commercial Markets for 2008

Keep an eye on commercial real estate markets in metros that position themselves as 24-hour cities with a global pathway to international markets, says the Urban Land Institute (ULI) in a rating of the top commercial real estate markets for 2008.

The hottest commercial real estate market in the country? New York City, where vacancies are in the mid-single digits and rents have skyrocketed. ULI dubs the Big Apple, “America’s 24-hour city.”

Prices for industrial and office space might be at an all time high, but according to the report “the weak dollar means the city’s ‘monster’ prices look cheap to foreign investors who are “pouring and parking money into Manhattan real estate.”

All the markets to watch have similar attributes to New York. All have a major international airport and/or shipping port and walkable residential neighborhoods.

Each has also “made a concerted effort revitalize downtown areas or close in urban hubs that make them magnets” for corporate headquarters, business elites, and a highly educated work force and also capotes the largest share of investor dollars, says ULI in their annual report, *Emerging Trends in Real Estate*.

Seattle, where a concentration of mixed use development draws residents to new downtown neighborhoods, is another standout. A strong and highly diversified economy resulting from a large number of corporate headquarters and the city’s position as an important hub on Asian commerce routes contribute to its top ranking on the commercial markets to watch.

Other top commercial markets to watch, according to ULI, are:

- **Washington, D. C.** “The government never stops and the ever churning Washington real estate market cushions against abrupt downturns,” concludes the report.



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- **Los Angeles.** Office markets in Orange Country might be softening but ULI says those in West LA have never been stronger. LA/Long Beach remains the nation's top port
- **San Francisco.** A resurgence of technology business is propelling the market in this city. View space commands over \$1,000 a square foot.
- **Boston.** Investors are keeping a close eye on this market, says ULI, even though new industries recycle office spaces left vacant by recent corporate headquarters departures
- **San Diego.** "A leading indicator for a market correction," says ULI.
- **Denver.** A retooled downtown has created what ULI calls an "urban burb," a hip and exciting urban core in the midst of a sprawling suburban area connected to downtown via light rail.

Smaller markets to watch include: San Jose, Calif.; Honolulu, Hawaii; Austin, Texas; Raleigh-Durham and Charlotte, N.C.; Portland, Ore.; Sacramento, Calif.; Las Vegas, N.V.; Orlando and Tampa, Fla; Salt Lake City, Utah, Jacksonville, Fla.; Nashville, Tenn.; and Minneapolis, Minn.

— *By Camilla McLaughlin for REALTOR® Magazine Online*

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