

Chart of the Week – February 16, 2024 MBA’s CREF Bingo Card

B	I	N	G	O
Soft Landing	War in Ukraine	War in the Middle East	Conversions	AI/LLMs
Capital	Cold/Chip War with China	Election	Rate Normalization	Recap-italization
Do More in '24	Data Security/Fraud	Opportunities	Banks and CRE	End of QT
Debt/GDP	Contributing to Corp Growth?	Office	Maturities	Distress
Climate/Insurance	Tax Change Sunsets	Affordability	Stay Alive 'til '25	Multifamily

Source: Mortgage Bankers Association

Many of us are just returning from a week in San Diego at MBA’s Commercial Real Estate/Multifamily Finance Convention and Expo, where 2,000-plus CRE mortgage professionals gathered to hear from speakers, discuss policy issues, network, and – most importantly – begin the year’s deal-making in earnest. It also means that we once again showcased our now annual CREF BINGO card, highlighting the key topics we expected to be discussed in sessions, meetings, hallways, and over drinks.

It’s hard to imagine the card could get heavier after three years where “Covid” held the center square, but this year’s card includes a set of relatively dire international macro elements. “War in Ukraine,” “War in the Middle East,” and “Cold/Chip War with China” all came up not only in discussions between Mohamed El Erian, Mike Fratantoni, and Mark Jones but also in many of the sessions and meetings. While not directly affecting the supply of or demand for U.S. real estate, the volatility and potential spiraling of any/all of them are potentially era-defining.

Moving onshore but still (to the uninitiated) a step removed from CRE, “Election,” “Tax Change Sunsets,” and “Debt/GDP” all highlight the political uncertainty as November draws closer, as well as some of the points of impact from what happens at the polls. The broader economy was also a key topic of discussion at CREF, with “Soft landing,” “Rate normalization,” and “End of QT” part of the mix.

The CRE markets themselves also have plenty that CREF attendees were focused on, including “Maturities,” “Distress,” “Capital,” “Banks and CRE,” “Office,” “Multifamily,” “Affordability,” and “Conversions.” Technology (“AI/LLMs” and “Data Security/Fraud”) and the environment (“Climate/Insurance”) also made the list as key developments the industry is working to keep ahead of.

And while going into this year, we started hearing the cover “Stay Alive ‘til ’25,” it’s perhaps not surprising for the CREF crowd to be focused on “Do More in ’24,” which comes from a push to “Contribute to Corporate Growth” this year.

That led us to replace COVID in the center square with “Opportunity.” Anyone who has ever attended CREF knows that even when the market is down, and there are clouds on the horizon, the way the industry pushes through is by finding where opportunities exist and building on them. Based on all the buzz at CREF, 2024 will be no different.

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