



THE LOOP

CBC Atlantic Newsletter

NOVEMBER

2021

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CBC Atlantic's Month of NOVEMBER

ARTIFICIAL INTELLIGENCE IN REAL ESTATE

Artificial intelligence is a complex topic. There is both fear and excitement surrounding AI, but there is no denying that it is significantly impacting the real estate industry. As defined by Forbes, artificial intelligence is a form of computer science that uses computers to emulate intelligent human behavior at a far more rapid speed than what we as humans are capable of. You can use these technologies to analyze data in ways you simply wouldn't be able to do on your own. In this article, we will discuss how AI is being used in the real estate industry and how investors can benefit from adding AI to their real estate business.

How artificial intelligence is being used in real estate

According to CNBC, artificial intelligence helps real estate agents and investors choose which markets to focus on by analyzing how properties will perform in the future. The assumptions are based on analysis of both a markets and a property's past performance. The technology also looks at predictions of how a market and submarket will grow on a quarterly and annual basis. Artificial intelligence is also being used to compare additional market data, including retention rates, lease terms and average vacant days, among other factors. AI can also provide sales comps, lease transaction data and operational forecasts, which helps the agent or investor understand what the competition will look like in the future.

Some of the biggest names in the real estate business are now employing AI to help buyers make decisions and assisting sellers in marketing their properties. Computer algorithms can now go through millions of documents in seconds, looking through property values, debt levels, renovations, as well as other key data points investors can use to evaluate a property. According to Liltyads, AI in the commercial real estate industry can boost productivity and lower the cost of property management. Therefore, property brokers, agents, buyers and sellers are leveraging AI to identify industry trends, estimate property market value and automate the overall process of property deals and transactions.

How can artificial intelligence benefit investors and their real estate business?

1. AI can help with decision-making

- According to Millionacres, AI programs use predictive analytics to tell you more about a property's current or future valuation. As an investor, this informa

MARKET WATCH



724 King St. | Charleston, SC
4,001 SF | \$ 1,750,000

Excellent Condition and Great Corner Location on King Street and Congress Street in Upper Downtown Charleston SC (area known as design district & in opportunity zone)!

The epicenter of growth of New Apartments, Art Galleries, Trendy Restaurants, High Rise Lofts and Hotels on the second oldest street in downtown Charleston. The neighborhood features new construction as well as historic homes and businesses classically renovated with detail and contemporary features. Very close proximity to Crosstown Septima P. Clark Expressway. At \$1.75 Million this opportunity captures the best Charleston offers in a up coming area. Contact agent for information about rent roll.

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tion is extremely important. For example, it can help you determine if a property meets your bottom line before you put in an offer. Additionally, AI may be able to tell you what returns you'll get on your investment when it's time to use the investor's exit strategy.

2. AI can help gain a competitive edge

- Millionacres also explained that AI will also help give an investor an edge over the competition. For instance, if an AI tool can help you get a clearer sense of a property's valuation, it can also help you determine what to offer. By making more educated offers, you'll be able to get ahead in today's real estate market, where there is usually more than one offer on the table.

3. AI can automate the investing process

- AI can also be beneficial if an investor is following a buy-and-hold strategy and has to deal with property management tasks on a regular basis. Just like an artificially intelligent CRM can help real estate agents manage their transactions and cut down on the number of errors, it can do the same for property management and real estate investment. In this case, automation can help with everything from data entry to lease abstraction.

In this article we discussed artificial intelligence, how it is impacting the real estate market, and how artificial intelligence can benefit investors and their real estate business. Now that you know what artificial intelligence can offer, you can decide if incorporating AI would be beneficial to your business.

SUBURBAN POPULATION EXPLOSION DRIVES SURGE IN RENTERS

If you wondered where all the people moving out of cities' urban cores are going, the answer is the populace has discovered suburban settings. Recent data from the Census Bureau reveals that American suburban markets are indeed expanding and have experienced a gain of 4.7 million residents between 2010 and 2019.

The shift could gain even more momentum due to the pandemic and the desire by people to spread out more in larger spaces. A study by RENTCafé shows that of the newly suburban residents between 2010 and 2019, 3.7 million, or 79% of them decided to rent rather than buy a home.

MARKET WATCH

MIXED USE/HOSPITALITY/
MULTI-FAMILY
TRIPLEX BUILDING



487 King St. | Charleston, SC
\$2,795,000 BUILDING SALE
\$4,425/Month PENTHOUSE
\$2,500/Month 2ND FLOOR

This property is a combination of Residential Use, Mixed Use//Multi-Family/partial STR/Triplex/ General Business zoned Building. For Sale located in highly recognized King Street corridor. This outstanding Modern Architecture building is located in the heart of downtown Charleston. The property features three levels of amazing King Street frontage with its own private entry for first floor Restaurant and second floor entry is licensed for STR/Short term rental or Office Space currently rented. Third floor is a Penthouse apartment currently rented. Units A,B&C generate significant ROI revenues for a future owner. Unit B&C upstairs of the main entry have their own address & mail box on King Street at ground level and a private security gated system with interior stairwell.

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That, combined with a trend by millennials to get ready to start families, drove a shift in the balance between renters and owners in several areas of the U.S. There were 103 suburbs that flipped to renter-majority during that timeframe. There are now 242 suburban markets that reflect this characteristic, a nearly doubling of the renter majority-oriented suburbs in a study of 1,105 suburbs analyzed in RENTCafé's 50 largest metros.

The suburban migration and renter growth emerged quickly, too. RENTCafé reports, the number of suburban areas where renters are the majority grew by a staggering 69% over the past decade. The majority of renters are Millennials and Gen Zs seeking places to live that are aligned with their budgets, as 55% of suburban renters are younger than 45 with median household earnings around \$50,000, according to Census data.

Interestingly, three metro areas experienced a significant shift in renter-dominated suburbs. Washington D.C., Miami, and Los Angeles accounted for 39 of the suburbs that made the switch. L.A.'s Beverly Hills became one of the high-profile suburbs that shifted to renter majority.

Merrifield, VA, a suburb of Washington, D.C., experienced the largest change in renter share over the decade with a 46% increase. That suburb was followed in the rankings by another area near Washington, D.C., East Riverdale, MD, which saw its renter share jump 45%, and Artesia, CA, a suburban market near Los Angeles, which also increased its rental share by 45%.

The suburban trend is growing in other markets, as well, though the balance may not have been tipped to rentals, and there were new markets that have emerged almost overnight. Examples of that are in Maple Heights, OH, a suburb of Cleveland, which saw its share of renters jump from 25% to 47% over the decade. Diamond Bar, CA, a suburb of Los Angeles, experienced an increase from a 15% renter share in 2010 to 25% in 2019.

The trend to suburban renters is not expected to abate anytime soon, either. RENTCafé predicts markets near the 50% renter threshold are expected to make the switch. There are 57 new suburban areas expected to become renter-majority within the coming five years. RENTCafé notes that most of the

MARKET WATCH

SOLD!



7130 Henry E. Brown Jr. Blvd.
Goose Creek, SC 29455
Warehouse | \$1,790,000

Kip Bowman and Sara Bodell of CBC Atlantic represented the Buyer, Henry Brown, LLC in the Purchase of a warehouse for \$1,790,000 at 7130 Henry Brown Jr. Blvd. in Goose Creek, SC. John Settle of Carolina One represented the Seller.

SOLD!



1084 N. Macon St. | Jesup, GA
19,700 SF | \$2,500,000

Brent Case and Chris Cannon represented the Seller, ZJ&M Properties, LLC in the Sale of a 19,700-square-foot Shopping Center for \$2,500,000 at 1084 N. Macon St. in Jesup, GA. Sahil Kurji of Slate Real Estate represented the Buyer.



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suburbs expected to flip are in California and Florida, though it also predicts several suburbs are expected to do so in Georgia, Maryland, Missouri, and Ohio, as well.

The impact of the pandemic, which helped fuel a suburban resurgence itself, is expected to further drive this rental trend in the suburbs. Apartment investors and owners are wise to pay attention to the shifting population because it can point to pockets with higher demand, the best area to own a multifamily asset, or those which will likely experience future rental growth.

CBC ATLANTIC WISHES YOU ALL A...



RECENT TRANSACTIONS

Johns Island, SC - 11/18/2021 – Kip Bowman and Sara Bodell of Coldwell Banker Commercial Atlantic represented both the Buyer and the Seller in the Lease of a 646-square-foot office/retail space at 3430 Maybank Hwy in Johns Island, SC.

Johns Island, SC - 11/18/2021 – Kip Bowman and Sara Bodell of Coldwell Banker Commercial Atlantic represented the Landlord in the Lease of a 1,000-square-foot office/retail space at 3430 Maybank Hwy in Johns Island, SC. Andrew Patterson of Conyers Advisory represented the Tenant.

Goose Creek, SC - 11/18/2021 – Kip Bowman and Sara Bodell of Coldwell Banker Commercial Atlantic represented the Buyer, 7130 Henry Brown, LLC in the Purchase of a warehouse space for \$1,790,000 at 7120 Henry E. Brown Jr. Blvd. in Goose Creek,, SC. John Settle of Caroline One represented the Seller.

Goose Creek, SC – 11/18/2021 – Caine Halter and Brent Case, CCIM of Coldwell Banker Commercial Atlantic represented the Seller, in the Sale of a 5,930-square-foot Office-Retail Space at 509 Red Bank Rd. in Goose Creek, SC.



CBC Atlantic November Birthdays
HAPPY BIRTHDAY TO YOU!

NOVEMBER 9TH
BOBBY REECE



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