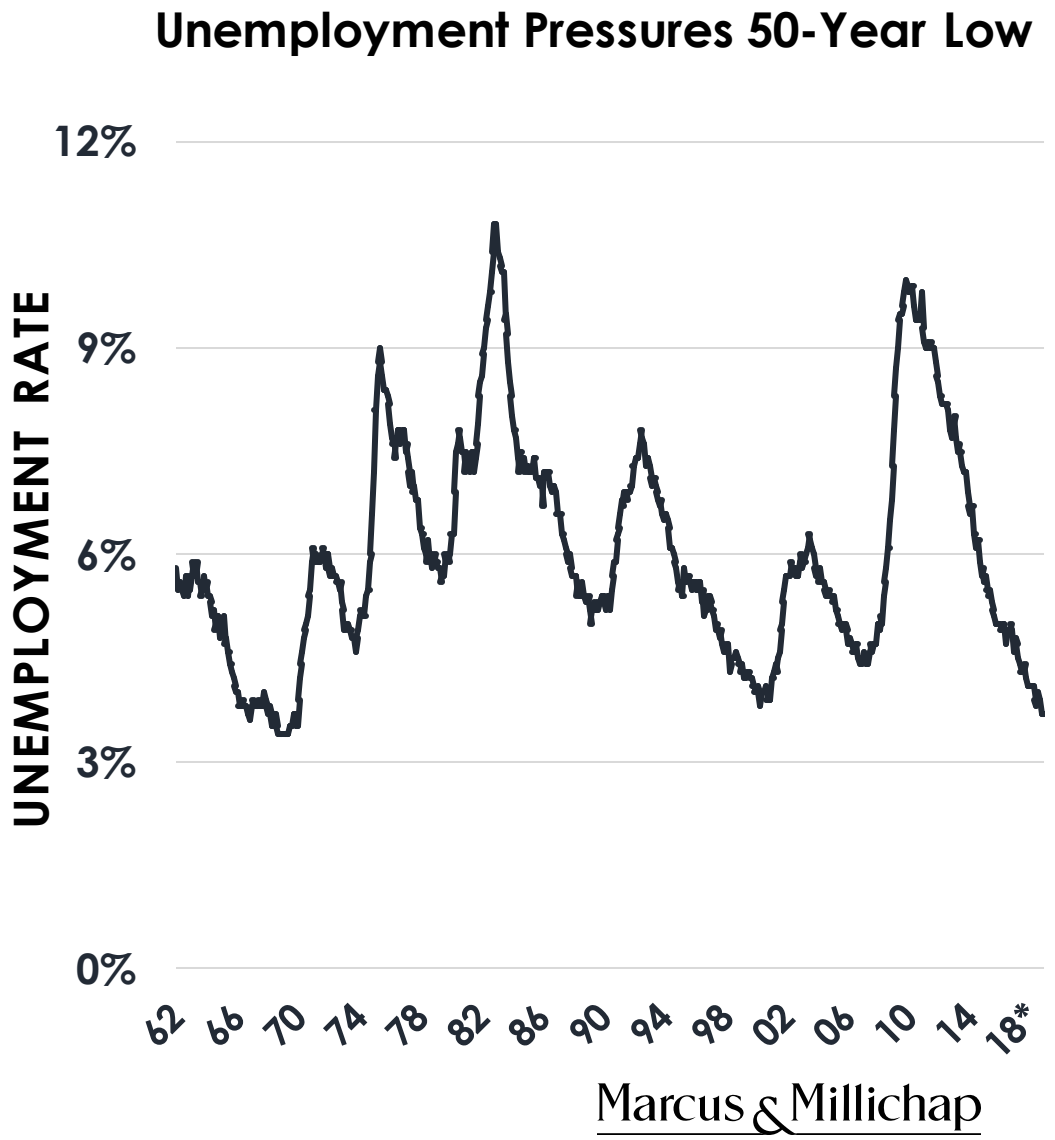
INTEREST GENERATOR: THREE DRIVERS TO WATCH IN 2019

- **Tight Labor Market Places Upward Pressure on Wages**
  - Historically low unemployment and competition for new employees to push wage growth above 3%
  - Elevated wage growth will benefit nearly every sector of commercial real estate
- **Favorable CRE Supply/Demand Balance**
  - Limited Office & Retail development supporting positive outlook
  - Apartments, Industrial, and Hotels face pockets of elevated construction, but demand keeping pace
- **Benefits of Tax Reform Just Beginning to Materialize**
  - Opportunity Funds/Zones could draw non-traditional capital into commercial real estate
  - Impact of tax reform likely to emerge as Tax Day nears; investors may begin formulating new strategies to capitalize on changes



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* Through November
Sources: Marcus & Millichap Research Services, BLS