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Backtesting Clickbait: **Banking Crisis**

**Harvard
Business
Review**

U.S. Commercial Real Estate Is Headed Toward a Crisis

by Dana M. Peterson

July 23, 2024

The damage could metastasize into a full-blown financial crisis if scores or even hundreds of small- and midsize commercial banks fail simultaneously. A worst-case scenario might include contagion to other economies and banking deserts across the U.S.

Google searches for "banking crisis"

2005

→ 2025



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Backtesting Clickbait: BREIT



"If BREIT has to sell properties to meet redemptions, and they have to dip deeper into their portfolio to sell less desirable properties, they'll have to mark their NAV to reflect the actual sales prices,' says Phil Bak, the founder and CEO of Armada Investors, a quantitative asset manager that specializes in REITs. 'That could scare the people who have been clinging to fund performance as a reason not to redeem, which in turn causes a death spiral.'"

Google searches for "BREIT"

2005

→ 2025



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Backtesting Clickbait: **Doom Loops**

THE WALL STREET JOURNAL



The doom-loop scenario is starting to play out in big cities where office vacancies have soared. Real-estate investors that are unable to refinance their debt, or can only do it at high rates, are defaulting. The lenders, no longer getting the debt payments, often have to write down the value of those mortgages. Sometimes the bank ends up owning the property.





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Backtesting Clickbait: **WeWork**

MONEY > MARKETS

After Flushing \$10 Billion, Why WeWork Is Not Working

By [Peter Cohan](#), Senior Contributor. © Peter Cohan, a Boston-based senio...

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Published Jun 13, 2023, 10:10am EDT, Updated Jun 13, 2023, 06:59pm EDT

Adam Neumann, WeWork's first CEO, was an impresario extraordinaire who convinced SoftBank to invest billions on the idea that short-term desk rentals would "elevate the world's consciousness." In 2020, after a failed IPO, Neumann was replaced — while being paid \$1 billion to go away. This was despite him leading the wipeout of roughly \$40 billion out of WeWork's \$47 billion valuation, the withdrawal of its IPO, and "screwing over employees hoping valuable stock shares would offset long hours and alarming office culture," according to Vanity Fair.

Google searches
for "WeWork"

2005

→ 2025



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Backtesting Clickbait: Negative Leverage

Negative leverage has reared its ugly head in CRE investing, as interest rates have risen, and cap rates have remained compressed. One of the most important axioms of a successful real estate investment and development program is to acquire or build real estate with positive leverage. Positive leverage occurs when the cap rate is greater than the cost of debt, which means the return on equity will be greater than the cap rate.

Welcome to Negative Leverage in CRE

There are three reasons why investors are continuing to buy CRE with negative leverage.

By Joseph J. Ori | June 14, 2022 at 08:32 AM

Negative leverage has reared its ugly head in CRE investing, as interest rates

Google searches for "Negative Leverage"

2005

2025



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Backtesting Clickbait: **Syndicators**

Real Estate Investors Are Wiped Out in Bets Fueled by Wall Street Loans

Syndicators made big purchases that are unraveling with high interest rates, adding distress to an already troubled US property market.

By [Prashant Gopal](#), [Patrick Clark](#), and [Scott Carpenter](#)

June 6, 2024 at 2:00 PM CDT

Updated on June 7, 2024 at 5:48 AM CDT

Apartments were supposed to be an ironclad investment, protected on the downside by the basic hierarchy of human needs, with a potential for outsized returns as the country's persistent housing shortage sends rents ever higher. But financial firms went hunting for ways to earn greater returns by taking bigger risks. ... It's an echo of the subprime mortgage boom that led to the 2008 financial crisis: a lending model built on packaging seemingly safe loans for borrowers with short track records and small down payments.

Google searches for "Tides Equities"

2005

→ 2025