

Fresno real estate ready for a positive year

By BoNhia
Lee

At Thursday's 12th annual Fresno Real Estate Forecast, Peter Orlando, senior vice president at Retail California in Fresno, predicted a trend toward "smaller footprints, bigger impact."

- *Speakers at the 12th annual Fresno Real Estate Forecast predict a strong year for the real estate market.*
- *Vacancy is down and prices are up which could fuel some new development.*
- *Technology is changing the way retailers do business.*



Fresno real estate is ready to rock and roll.

Speakers at the 12th annual Fresno Real Estate Forecast, organized by the Economic Development Corporation, in downtown Fresno on Thursday night talked about record transactions and investments, tightening inventory and the need for development.

The industrial market, the sale or leasing of warehouse space, seemed to turn in 2014, said Ethan Smith, vice president, industrial division at Newmark Grubb Pearson Commercial in Fresno.

Vacancy is down meaning there are fewer buildings to show and sales prices and lease rates are up. The vacancy rate is about 6.8% "which is good if you own real estate, but is probably too tight" for tenants or buyers, Smith said.

"We're in a development cycle," he said. "There are no buildings to buy."

But if you're an investor, especially from out of town, Fresno property can yield high returns, according to Brett Visintainer, vice president, investment division for Newmark.

Last year there were 84 commercial investment transactions in Fresno totaling \$277 million. That's a couple transactions more than the peak in 2007, but less than the total sale amount which was \$377 million.

About half the buyers come from outside the area where they can't find opportunities to buy in larger cities like Los Angeles or San Francisco, Visintainer said.

Then there's the "brave new retail world," as expert Peter Orlando, senior vice president at Retail California in Fresno calls it.

Technology is changing the world of retail, said Orlando, who used a selfie stick to take a photo of himself standing in front of the audience and later displayed it on two large screens.

More retailers will use social networks as shopping platforms. For instance, Orlando said, some Panera Bread locations have kiosks with tablets that customers can use to order and pay for food without having to stand in a line.

"New technology has determined what we the consumer like," Orlando said, and retailers are "teaching us to use them."

What's the "in" concept for retail this year? Fast-fry pizza restaurants, off-price apparel stores like Ross or Burlington Coat Factory, specialty grocery stores, entertainment and outlet stores.

What's out? Office supply, electronics and department stores. Orlando boldly predicted that Sears most likely will "go dark."

The trend, Orlando said, is "smaller footprints, bigger impact."

Contact BoNhia Lee: blee@fresnobee.com, (559) 441-6495 or [@bonhiale](https://twitter.com/bonhiale) on Twitter.