

# Forseeable Future

David Block discusses prospects for the local commercial real estate market



STORY BY PETE DULIN

## BIOGRAPHY

Block & Company, Inc. President David M. Block is one of the Midwest's leading, full-service real estate brokers. He joined Block & Company, Inc. Realtors in 1975 as a sales associate concentrating on leasing, sales and development of retail shopping centers, restaurants and investment properties.

Block's client list includes national, regional, local and independent companies. He has enjoyed the privilege of being designated exclusive Tenant-Broker Rep for such companies as Houston's, Houlihan's, Linens 'n' Things, Dick's Sporting Goods, Circuit City, Dickinson Theatres, Hallmark, Radio Shack, Treasury Drug and The Avenue.

He has been involved in the development and build-to-suit of commercial real estate throughout the Kansas City market and 16 states. Currently, he is directly involved in all phases of development including financing, construction, design and leasing for the following new developments: The Plaza at Adams Farm in Blue Springs; The Plaza at the Speedway, across from the Kansas Speedway, in Kansas City, Kan.; Raymore Galleria in Raymore; Tuscan Village in St. Joseph; as well as new power center developments in Lee's Summit, Raytown and Lawrence.

**KCB:** How are low interest rates (cheap debt) affecting the commercial real estate (CRE) market?

**BLOCK:** The loan-to-value has gone down

along with the lower interest rates. So it typically takes more equity, but the debt service is cheaper. The biggest problem is getting a fair appraisal as it relates to the true sale value of a property.

**KCB:** Why has the real estate recovery been so uneven across property types, property classes and geography?

**BLOCK:** With the ups and downs of real estate values at any one time, any segment can be popular. The recovery is typically based upon the availability in any geographic area. Unemployment and job creation are two main factors in recovery.

**KCB:** Would you share your perspective on the state of the market for industrial, office and retail?

**BLOCK:** If rates stay low and employment steadily increases, then all areas of commercial real estate will benefit.

**KCB:** What areas across the metro are seeing the most and least growth?

**BLOCK:** North, west, and south Kansas City continue to see the most growth and development while east Kansas City and midtown have seen slower growth.

**KCB:** For new or existing businesses thinking about a new lease or relocating, what opportunities and pitfalls await in the market?

**BLOCK:** The opportunities depend upon the jobs and the income to the benefiting city,

which can be extensive. At this point in time, there aren't many pitfalls to a business looking to lease space. It's a buyer's market.

**KCB:** What amenities and improvements are developers building into properties, new and refurbished, to entice tenants?

**BLOCK:** The amenities depend on the developer and city or state incentives, which can be excellent enticements in many cases to turnkey finish for a user.

**KCB:** Do you see emerging trends in the marketplace for commercial real estate that investors and/or business owners should take advantage of now?

**BLOCK:** In the investment marketplace, it's business as usual. Financing opportunities along with tax benefits and continued property appreciation are good.

**KCB:** For investors, does 2013-14 appear to be an optimistic time to get into the market?

**BLOCK:** 2013-14 looks to be very promising for investors as long as rates stay at their present level.

**KCB:** What else do you foresee about greater Kansas City's CRE marketplace?

**BLOCK:** Kansas City has weathered the economic storm of the past five years extremely well in comparison to other cities throughout the country. The outlook Greater Kansas City commercial real estate looks to be strong for the foreseeable future. **KCB**