From: Bisnow First Draft <news@publications.bisnow.com>
Sent: Mar 21, 2025 15:39:35.000000000 UTC
Subject: DOGE Reconsiders
To: Lori Massa <lmassa@cityofmelrose.org>

There's more good news for U.S. manufacturing today.

Johnson & Johnson unveiled plans this morning to invest $55B in the U.S. over the next four years, including building four new plants and expanding several existing ones. **It all kicks off today with the groundbreaking of a $2B, 500K SF biologics manufacturing facility in Wilson, North Carolina.**

The announcement mirrors one from Eli Lilly a month ago that it was growing its expansion plan to $50B with the addition of $27B to build four new U.S.

manufacturing sites.

Both J&J and Eli Lilly have steadily brought drug development back to the U.S. since the 2017 Tax Cuts and Jobs Act, and J&J announced its N.C. facility in October.

But J&J's new commitment is a 25% increase over previous plans, and Big Pharma has been expressing excitement about the impact of the Trump administration, including an expected wave of deregulation. The threat of tariffs on drug imports is likely also pushing the reshoring of life sciences manufacturing.

"From where I sit, the prospects for bold, meaningful change have never been greater," Pharmaceutical Research and Manufacturers of America CEO Stephen Ubl said in February. "We have a disruptor in chief in President Trump and a new [health and human services] secretary — both of which are committed to overturning the status quo. We embrace disruption because we are disruptors."

There's another massive and intriguing manufacturing commitment announcement this morning, but the details are sketchy so far.

The White House said this morning that the **United Arab Emirates committed to a 10-year, $1.4T investment framework** that would include spending on American AI, semiconductors, energy and manufacturing.

That includes a $25B "U.S.-focused" data center and energy infrastructure initiative.

— Jay Rickey, Catie Dixon, Kayla Carmicheal and Mark F. Bonner

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CRE News Quiz

In which state did 60 data centers disconnect from the grid all at once last summer, almost resulting in a blackout along the East Coast?

(Answer at the bottom.)

On Our Radar

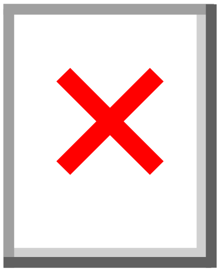
- **The GSE leadership shake-up is intense.** Freddie Mac CEO Diana Reid was fired yesterday, and this morning, Mike Hutchins was named interim CEO. This all happened just a few days after new FHFA Director Bill Pulte named himself board chair of both Freddie and Fannie Mae and ousted 14 board members. He appointed seven new directors, one of whom resigned the next day without offering an explanation. All of this is on top of a new Freddie RTO mandate issued Wednesday and discussions about ramping up the organizations' privatization process. That's a lot for Pulte's first nine days at the helm.

- **The reigning NBA champion Boston Celtics have a new owner at a record price**. The team sold to a syndicate led by private equity exec Symphony Technology Group's Bill Chisholm yesterday for $6.1B, the most ever for a U.S. sports team. The dominance of the Celtics and the Boston Bruins has translated into real estate strength around TD Garden, and some developers are looking to rezone surrounding neighborhoods to keep the activity going.

- **Repealing the Inflation Reduction Act could be a major blow to the U.S. economy.** Think tank Energy Innovation suggested killing the legislation could trigger 790,000 job losses, reduce GDP by $160B and cost consumers $6B more in energy expenses. Trump paused the disbursement of IRA funds on his first day in office and has taken fierce aim at the legislation, which CRE uses to finance sustainable development, especially in multifamily. Right now, it seems more likely the IRA will be amended rather than fully killed, especially since Republican congressional districts have been the primary beneficiaries of its grants and the new manufacturing activity it spurred.

- **The madness has begun.** *Bisnow*'s Lauren Kaplan sits at the top of the First Draft March Madness bracket this morning, closely followed by Joshua Boren and Peter Cooke. All three called the McNeese-Clemson and Drake-Mizzou upsets, so we'll be asking them for help picking lottery numbers.

Today’s Deep Dive: Trump's Trade War Tests Canada's Longtime Obsession With U.S. Assets



Bisnow/created with assistance from Microsoft Copilot

International investors poured $21.3B into U.S. commercial real estate in 2024, more than a third of which came from its neighbor to the north. Canadian investors, who put $7.8B into U.S. real estate last year, have always been the linchpin of foreign capital flows to the U.S., far surpassing any other country.

But President Donald Trump has used his first six weeks in office to upend trade policy, including by lashing out at Canada with tariffs and acerbic comments about perceived slights. The rhetoric from the White House raises the specter that the flow of international cash to commercial real estate could become collateral damage in the administration’s push to rebalance global trade.

“It's not a full-scale collapse yet, and who knows if it even will be? Even if all the signs were there for just a complete collapse, it wouldn't have happened yet, because it's just happening too quickly,” said Jim Costello, chief economist at MSCI Real Assets. “We will really know the true impact of all this uncertainty by midyear.”

Read the full story here.

This Morning’s News

DOGE — 135 Terminated Leases Reinstated (Bisnow): DOGE has now decided to keep 135 leases totaling 2.2M SF that it had listed as terminated, and more terminations will likely be rescinded. The list of canceled leases is now 657 across 8M SF, mostly leases nearing their soft term. Read more here.

MIXED-USE — $500M Spa Resort Chooses Site For First U.S. Location (Bisnow): Therme has found its spot for the water park oasis it pitched two years ago. D.C.’s mayor announced that Poplar Point on the south side of the Anacostia River will feature the mixed-use development. Read more here.

HOUSING — $1B Project Converting Cruise Ships Into Luxury Condos (Bloomberg): Crescent Seas will offer 210 units on the Navigator, with prices ranging from $750K to $8M. The company is in talks for three more ships and may commission a new vessel. Read more here.

Unsplash/Josh Olalde

TARIFFS — CBRE: Tariffs Could Drive Construction Costs Up 5% (Bisnow): U.S. tariffs on construction materials could drive up commercial real estate construction costs by as much as 5%, potentially delaying or halting some projects. Developers may need to reevaluate timelines and budgets as supply chain disruptions and price pressures mount. Read more here.

FINANCING — Starwood In Talks To Modify $577M Loan (Bisnow): The CMBS loan is backed by over 60 hotels in 21 states and transferred to special servicing last month. The mortgage originated in 2017 at a value of $956M but has now dropped by more than half. Read more here.

HOUSING — Lennar Issues Disappointing Q2 Guidance (Seeking Alpha): Lennar Corp.'s Q2 earnings guidance disappointed investors despite a strong Q1 performance. The homebuilder is using incentives like interest rate buydowns to reconcile home prices to market conditions. Read more here.

INVESTMENT — CRE Prices Find Relief From Rate Cuts (Trepp): Trepp said commercial real estate prices fell 0.3% in Q4, a slowdown that may indicate stabilization is near. Read more here.

PEOPLE — Family Office Of Elie Tahari Launches Brokerage Arm (Bisnow): Tahari Realty is a full-service brokerage owned by family PE firm Tahari Capital. Founder Jeremey Tahari, son of legendary fashion designer Elie Tahari, has brought on former Cushman Director Jordan Sutton to head up the brokerage, which has arranged over $500M worth of deals in two years. Read more here.

FINANCE — Ladder Capital Backs Adam Neumann Acquisition (CoStar): Ladder Capital has funded another acquisition by Adam Neumann's Flow. Ladder Capital also financed Flow's $116M acquisition of the Aventura Corporate Center office park in the Miami area in November. Read more here.

Unsplash/Tanner Boriack

MULTIFAMILY — Multifamily Housing Expansion In Commuter Submarkets (RealPage): Of the 997 submarkets in the nation's largest 150 apartment markets, 13 saw inventories increase by more than 17,000 units in the past 10 years. Read more here.

INVESTMENT — UK Sales Volumes Rising (Bisnow): BNP Paribas predicts CRE investment across all asset classes will be 5% larger than last year's £50B despite political uncertainty and will reflect investors getting "office curious." Read more here.

HOTELS — Ashford Hospitality Trust Cutting $11M In Expenses (WSJ): Ashford Hospitality Trust said Remington, its largest property manager, will implement an $11M cost-savings plan including job cuts, reduced travel expenses and changes to PTO. Read more here.

IOS — Be Careful About Rushed Investments (Colliers): As the industrial outdoor storage sector evolves, a distinct separation is emerging between net-lease investments and operational real estate assets. Read more here.

ECONOMY — Florida Considers Eliminating Property Taxes (Seeking Alpha): Florida lawmakers are debating proposals to end property taxes, which deliver 18% of county revenues and 17% of municipal revenues. Over half of school district revenues are generated by property taxes. Read more here.

CONSTRUCTION — Cleveland Mayor Clashes With Browns Owners (NYT): Browns owners Jimmy and Dee Haslam are making “misleading statements,” according to Cleveland mayor Justin Bibb, who is calling their proposal to use $1.2B in taxpayer money for a new, suburban indoor stadium “the Haslam scheme.” Read more here.

Newmark Realty Capital

SELF-STORAGE — Top Metros With Self-Storage Demand (Storage Cafe): The West is dominating the demand landscape for self-storage. Read more here.

HOUSING — Significant Decline In Home Flipping (Attom): Nearly 300,000 single-family homes and condos were flipped in the U.S. in 2024, down 7.7% from 2023 and 32.4% from a peak of nearly 441,000 in 2022. Read more here.

DATA CENTERS — Big Expansion At Texas Data Center Campus (Data Center Dynamics): Construction has commenced on the second phase of a data center campus in Abilene, Texas, with plans to add six new buildings. Read more here.

HOTELS — Larry Ellison Buying Luxury Florida Real Estate (Bloomberg): Larry Ellison is at the forefront of a luxury real estate boom in Manalapan, Florida. His acquisitions there include a 309-room hotel, which some speculate could become an ultraluxury resort. Read more here.

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So You've Come For An Answer

Virginia.

The data centers automatically switched to backup generators in response to high voltage fluctuation. The massive amounts of power data centers require have accelerated such "near misses" on the grid.

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The First Draft is produced by Director of Newsletters Jay Rickey, Managing Editor Catie Dixon, Editor-in-Chief Mark F. Bonner and Deputy Newsletter Editor Kayla Carmicheal, with an assist from AI. We'd love your feedback! Email us at firstdraft@bisnow.com.