

# Webinar

## ULI Colorado: COVID-19's Impact on Office, Retail, Multifamily, and Industrial Leases

Date: April 10, 2020

00:00:00 --> 00:00:02: I'm Sarah Franklin, director with you,  
 00:00:02 --> 00:00:05: I like Colorado. I'm joined today by our staff Michael  
 00:00:05 --> 00:00:06: Leccese,  
 00:00:06 --> 00:00:08: who you will hear from momentarily as well as Marion  
 00:00:09 --> 00:00:10: Epigen Elise Martinez,  
 00:00:10 --> 00:00:14: who are helping to run today's session behind the scene.  
 00:00:14 --> 00:00:17: A few things I should mention before we jump in.  
 00:00:23 --> 00:00:25: You think I should mention before we jump in?  
 00:00:25 --> 00:00:27: All of you are currently muted on.  
 00:00:27 --> 00:00:29: Your videos are turned off.  
 00:00:29 --> 00:00:32: We will keep you muted throughout the duration of today's  
 00:00:32 --> 00:00:32: session.  
 00:00:32 --> 00:00:35: However, we'd like you to use the chat box feature  
 00:00:35 --> 00:00:38: of Zoom located at the bottom of your screens to  
 00:00:38 --> 00:00:41: direct any comments and questions to staff and panelists.  
 00:00:41 --> 00:00:44: As you have questions, please type these into your chat  
 00:00:44 --> 00:00:46: box and our panel will address these.  
 00:00:46 --> 00:00:48: You will also be recording today's web and R and  
 00:00:49 --> 00:00:52: we will share a copy of the recording and presentation  
 00:00:52 --> 00:00:55: slides to the resources page on you like Colorado's website.  
 00:00:55 --> 00:00:59: If you are having any difficulties with your Internet  
 00:00:59 --> 00:01:01: connection,  
 00:01:01 --> 00:01:02: please know that you can always access today's session at  
 00:01:07 --> 00:01:10: a later date.  
 00:01:10 --> 00:01:12: Today we're going to explore the recent impacts on office,  
 00:01:12 --> 00:01:16: retail, multifamily, and industrial leases,  
 00:01:16 --> 00:01:18: as well as current resources available to Colorado's business  
 00:01:16 --> 00:01:18: community.  
 00:01:16 --> 00:01:18: We have an hour for this conversation and we are

00:01:18 --> 00:01:21: honored to have some really great guest speakers with us  
 00:01:21 --> 00:01:21: today,  
 00:01:21 --> 00:01:23: including Kevin McCabe with Newmark Knight Frank,  
 00:01:23 --> 00:01:26: who will moderate our session.  
 00:01:26 --> 00:01:28: Towards the end of today's discussion,  
 00:01:28 --> 00:01:30: Kevin will begin taking your questions using the chat box  
 00:01:30 --> 00:01:31: feature of zoom.  
 00:01:31 --> 00:01:35: And Please remember you can send in a question anytime  
 00:01:35 --> 00:01:37: throughout the conversation.  
 00:01:37 --> 00:01:39: So now I'd like to turn it over to our  
 00:01:39 --> 00:01:40: Executive Director Michael.  
 00:01:40 --> 00:01:42: It's easy for brief UI updates and announcements.  
 00:01:42 --> 00:01:45: Thanks, Michael.  
 00:01:45 --> 00:01:47: Thank you, Sarah and welcome everybody.  
 00:01:47 --> 00:01:51: I'm gonna Michael Leccese, executive director of you like  
 Colorado.  
 00:01:51 --> 00:01:54: I want to wish everyone good luck and good health  
 00:01:54 --> 00:01:55: during this time.  
 00:01:55 --> 00:01:58: First of all, and thank you for joining us and  
 00:01:58 --> 00:02:02: for staying with you alive during this collision of social  
 00:02:02 --> 00:02:02: health,  
 00:02:02 --> 00:02:05: urban and economic issues at you like Colorado.  
 00:02:05 --> 00:02:08: Our staff is here to serve our members and we  
 00:02:08 --> 00:02:10: continue to have a full member.  
 00:02:10 --> 00:02:14: Full menu of virtual programs and committee meetings  
 through June  
 00:02:14 --> 00:02:15: 30th.  
 00:02:15 --> 00:02:17: When we hope, after which we hope to resume in  
 00:02:17 --> 00:02:18: person meetings.  
 00:02:18 --> 00:02:22: During this time, we plan to balance our programs between  
 00:02:22 --> 00:02:25: covid information and the eventual return to the new normal,  
 00:02:25 --> 00:02:28: including planning for Spring Meeting UI,  
 00:02:28 --> 00:02:30: Spring meeting 2021 in Denver,  
 00:02:30 --> 00:02:32: which is going to be a huge program.  
 00:02:32 --> 00:02:34: May 10 through 12 through 2021.  
 00:02:34 --> 00:02:37: We have we're starting a new series locally called We're  
 00:02:37 --> 00:02:39: Calling Arm Chair Tours.  
 00:02:39 --> 00:02:41: We've got four or five of those lined up,  
 00:02:41 --> 00:02:43: but haven't set the date yet.  
 00:02:43 --> 00:02:46: There will be a video tour of a project that  
 00:02:46 --> 00:02:47: you would normally.  
 00:02:47 --> 00:02:51: Turin person followed by a panel discussion among the  
 developer

00:02:51 --> 00:02:53: of the architect and the general contractor.

00:02:53 --> 00:02:55: We're really excited about that.

00:02:55 --> 00:02:58: On May 8th we are planning a webinar on the

00:02:58 --> 00:02:59: future of density.

00:02:59 --> 00:03:03: We're setting up the panel now and looking forward to

00:03:03 --> 00:03:05: announcing that to you.

00:03:05 --> 00:03:08: Also, if you are interested in participating in you alive,

00:03:08 --> 00:03:12: we are. We are gathering our spring meeting Host Committee

00:03:12 --> 00:03:15: this month and if you are interested in being one

00:03:15 --> 00:03:16: of those subcommittees,

00:03:16 --> 00:03:19: you can contact one of our staff and will get

00:03:19 --> 00:03:19: you plugged in.

00:03:19 --> 00:03:22: Here is, you probably been looking at the slide with

00:03:22 --> 00:03:24: EU allies response to COVID-19.

00:03:24 --> 00:03:27: It lists some other webinars coming up.

00:03:27 --> 00:03:30: There are many more being done throughout the UI network

00:03:30 --> 00:03:32: that you'll be able to access,

00:03:32 --> 00:03:34: and I'll talk about that in a moment.

00:03:34 --> 00:03:35: So next slide please, Sarah.

00:03:38 --> 00:03:42: There we go. Very grateful to our annual sponsors.

00:03:42 --> 00:03:45: We were fortunate to have a banner year for 2020

00:03:45 --> 00:03:48: with 57 companies support signing up to support us and

00:03:48 --> 00:03:52: that allows us to continue our work and service to

00:03:52 --> 00:03:54: you.

00:03:54 --> 00:03:57: You lie is also offering discounts on memberships for the

00:03:57 --> 00:03:58: next three months.

00:03:58 --> 00:04:01: If you are looking to become a new member or

00:04:01 --> 00:04:03: renew and that includes access to you,

00:04:03 --> 00:04:06: allies, Knowledge Finder, where you can find a cache of

00:04:06 --> 00:04:09: all the webinars being done throughout the network as well

00:04:09 --> 00:04:11: as advisory service reports,

00:04:11 --> 00:04:15: case studies, hundreds and hundreds of documents that you will

00:04:15 --> 00:04:15: find useful,

00:04:15 --> 00:04:18: and those are available to Members only.

00:04:18 --> 00:04:21: So I hope you will be renewing you online membership.

00:04:21 --> 00:04:23: I want to thank all of our panelists for making

00:04:23 --> 00:04:24: the time to do so.

00:04:24 --> 00:04:27: Do this today and introduced Kevin McCabe,

00:04:27 --> 00:04:28: who has been a great friend.

00:04:28 --> 00:04:31: You'll I you may know him as the moderate are

00:04:31 --> 00:04:35: of our emerging very successful emerging trends program in January.

00:04:35 --> 00:04:37: So Kevin please take it away and thank you all

00:04:37 --> 00:04:37: again.

00:04:50 --> 00:04:51: Kevin, you're on mute.

00:05:02 --> 00:05:05: Paula, geez, we seem to have come in here we

00:05:05 --> 00:05:06: go.

00:05:06 --> 00:05:08: I think we're there. Thank you Michael.

00:05:08 --> 00:05:10: Thank you for the introduction.

00:05:10 --> 00:05:12: Thank you to you and your staff.

00:05:12 --> 00:05:17: If you apply for your flexibility in leadership during these

00:05:17 --> 00:05:17: crazy times,

00:05:17 --> 00:05:20: want to welcome everybody on the call?

00:05:20 --> 00:05:22: We've got a great panel today.

00:05:22 --> 00:05:26: We should have a lively discussion.

00:05:26 --> 00:05:29: One thing that we all struggle with during this time

00:05:29 --> 00:05:31: is how to stay productive.

00:05:31 --> 00:05:34: And I've used my time in this in this court

00:05:34 --> 00:05:39: date to do some things like updating my corporate headshot.

00:05:39 --> 00:05:42: And if you look at the one there it can't

00:05:42 --> 00:05:43: get any worse.

00:05:43 --> 00:05:46: So I had a new one taken yesterday.

00:05:46 --> 00:05:48: If we go to the next slide.

00:05:50 --> 00:05:52: There you go, that that's the one,

00:05:52 --> 00:05:55: so that's that's the updated Kevin McCabe.

00:05:55 --> 00:05:58: I think we're going to roll that out.

00:05:58 --> 00:06:02: And one other, maybe the only bright side that comes

00:06:02 --> 00:06:07: out of all this is the incredible amount of memes

00:06:07 --> 00:06:10: that float around on social media.

00:06:10 --> 00:06:13: And before we jumped into the more serious topics.

00:06:13 --> 00:06:16: Next slide I want to show 1.

00:06:16 --> 00:06:19: Kinda sums it up for me.

00:06:19 --> 00:06:23: Thanks your friend Bernie. I think a lot of us

00:06:23 --> 00:06:25: feel this way about 2020.

00:06:27 --> 00:06:31: So let's go on to the next slide.

00:06:31 --> 00:06:34: And we're going to start today with Kelly Brock,

00:06:34 --> 00:06:37: and we're very excited to have Kelly join us.

00:06:37 --> 00:06:41: Kelly is, of course, the President and CEO.

00:06:41 --> 00:06:44: Of the Denver Chamber, Denver Metro Chamber of Commerce and

00:06:44 --> 00:06:47: Kelly is going to touch on resources that are out

00:06:47 --> 00:06:49: there for the business community.

00:06:49 --> 00:06:53: Focusing on small business. So first let's turn it over  
00:06:53 --> 00:06:54: to Kelly.  
00:06:54 --> 00:06:57: Take it away. Thanks Kevin.  
00:06:57 --> 00:07:00: I assume somebody is going to jump in.  
00:07:00 --> 00:07:01: I think I unmuted. Yep,  
00:07:01 --> 00:07:03: I want to give a little context first.  
00:07:03 --> 00:07:07: You know, just recognizing what happens in one part of  
00:07:07 --> 00:07:09: our economy affects the other.  
00:07:09 --> 00:07:11: I know we're going to focus our focus today is  
00:07:11 --> 00:07:12: on real estate,  
00:07:12 --> 00:07:15: but I want to start with just giving the context  
00:07:15 --> 00:07:17: for unemployment claims.  
00:07:17 --> 00:07:19: Because you know, if you don't have a job,  
00:07:19 --> 00:07:21: it's hard to pay your rent.  
00:07:21 --> 00:07:25: If you're struggling to bring in revenue in your company,  
00:07:25 --> 00:07:28: it's hard to meet your lease payments.  
00:07:28 --> 00:07:30: And and the numbers have been compelling.  
00:07:30 --> 00:07:33: Total claims filed in the last three weeks have hit  
00:07:33 --> 00:07:34: 127 thousand.  
00:07:34 --> 00:07:37: Most of you have probably seen that has exceeded the  
00:07:37 --> 00:07:40: entire number of claims we had in 2019,  
00:07:40 --> 00:07:43: and if you look at it from a dollar perspective,  
00:07:43 --> 00:07:46: we're almost totalling benefits being paid out to the tune  
00:07:47 --> 00:07:47: of 30,000,000.  
00:07:47 --> 00:07:51: And that's about 10 million more than the weekly average.  
00:07:51 --> 00:07:54: We were paying out at the height of the Great  
00:07:54 --> 00:07:55: Recession.  
00:07:55 --> 00:07:58: So with this remind you of is the speed of.  
00:07:58 --> 00:08:03: You know this impact has been tremendous on our economy,  
00:08:03 --> 00:08:07: but some industries have been hit harder than others.  
00:08:07 --> 00:08:08: You all have seen it.  
00:08:08 --> 00:08:11: Certainly airlines DI is down 94%  
00:08:11 --> 00:08:15: in terms of flights and everyone of the airlines there  
00:08:15 --> 00:08:18: are experiencing that for sure.  
00:08:18 --> 00:08:22: Retail sales are certainly way down and not just sales.  
00:08:22 --> 00:08:25: For you know, the big box retailers,  
00:08:25 --> 00:08:28: but it places like gyms and salons.  
00:08:28 --> 00:08:31: Certainly restaurants, but even our health care industry,  
00:08:31 --> 00:08:35: because you know they have postponed everything but the  
most  
00:08:36 --> 00:08:40: critical services and and that's really impacted healthcare  
and we're

00:08:40 --> 00:08:45: seeing everything from doctors offices to dentist offices struggling as

00:08:45 --> 00:08:48: they try to figure out how to navigate this.

00:08:48 --> 00:08:51: So I know lots of folks probably on this call

00:08:51 --> 00:08:54: or web and R are also business owners,

00:08:54 --> 00:08:57: so I just want to spend a minute talking about

00:08:57 --> 00:08:59: some of the support and help.

00:08:59 --> 00:09:03: Coming your way, so I think we're going to advance

00:09:03 --> 00:09:05: here on the slides.

00:09:05 --> 00:09:08: One more.

00:09:08 --> 00:09:11: And I want to start with the Paycheck Protection program.

00:09:11 --> 00:09:14: This is probably the one most of our employers are

00:09:14 --> 00:09:17: interested in and everyone in the country is fighting to

00:09:17 --> 00:09:18: get a piece of.

00:09:18 --> 00:09:20: I'll start by telling you yes.

00:09:20 --> 00:09:22: Indeed this will run out of money if it hasn't

00:09:22 --> 00:09:23: already,

00:09:23 --> 00:09:27: but Congress has been discussing another round of funding.

00:09:27 --> 00:09:29: Caps are being list lifted for funders,

00:09:29 --> 00:09:33: so we're going to continue to encourage our employers to

00:09:33 --> 00:09:34: apply for this.

00:09:34 --> 00:09:36: This is a forgiveable loan,

00:09:36 --> 00:09:37: so much more like a grant,

00:09:37 --> 00:09:40: which makes it very appealing to our companies.

00:09:40 --> 00:09:43: And in essence, what it does is is intended to

00:09:43 --> 00:09:44: cover payroll.

00:09:44 --> 00:09:47: And yes, it's intended to cover payroll,

00:09:47 --> 00:09:50: even when our employees may be on a homestay and

00:09:50 --> 00:09:51: unable to work.

00:09:51 --> 00:09:53: And the whole point of that is,

00:09:53 --> 00:09:56: if we can keep people employed the economic impact of

00:09:57 --> 00:10:00: this is much less negative than when more and more

00:10:00 --> 00:10:01: people file for unemployment.

00:10:01 --> 00:10:06: So as employers, what you get to do is take

00:10:06 --> 00:10:10: 2 1/2 months of your payroll from 2019.

00:10:10 --> 00:10:13: And you can use that to pay your employees.

00:10:13 --> 00:10:16: Lots of businesses qualify if you have less than 500

00:10:16 --> 00:10:17: employees,

00:10:17 --> 00:10:21: you're eligible, and almost every single structure you can think

00:10:21 --> 00:10:22: of LLC's S.

00:10:22 --> 00:10:28: Corp. Sole proprietors independent contractors that includes those 1099 individuals

00:10:28 --> 00:10:29: who are self-employed.

00:10:29 --> 00:10:31: Some nonprofits, 501C3's for sure,

00:10:31 --> 00:10:34: are all included. Faith based organizations,

00:10:34 --> 00:10:38: veterans groups, tribal businesses all should apply.

00:10:38 --> 00:10:41: One thing I want to emphasize because lots of us

00:10:41 --> 00:10:45: have independent contractors working for our companies.

00:10:45 --> 00:10:49: Those contractors should apply on their own as a company

00:10:49 --> 00:10:52: themselves to get this funding.

00:10:52 --> 00:10:55: What this group might be most interested in is not

00:10:55 --> 00:10:58: only does it cover intended to cover the cost of

00:10:58 --> 00:10:59: that payroll,

00:10:59 --> 00:11:02: and by the way, you can add benefits onto that.

00:11:02 --> 00:11:04: Things like your leave, benefits,

00:11:04 --> 00:11:08: health insurance state, and local taxes that you're paying on

00:11:08 --> 00:11:09: those payroll.

00:11:09 --> 00:11:10: All of that can be included,

00:11:10 --> 00:11:14: and it can be included on top of \$100,000 limit

00:11:14 --> 00:11:17: for an individual employee's compensation.

00:11:17 --> 00:11:19: But what's interesting is 25%,

00:11:19 --> 00:11:22: and if you use the money for payroll this year

00:11:22 --> 00:11:24: in the time frames allotted,

00:11:24 --> 00:11:27: it's forgivable. But you can also use 25%

00:11:27 --> 00:11:31: of that loan to cover things like mortgage interest,

00:11:31 --> 00:11:33: rent, utilities, things like that,

00:11:33 --> 00:11:36: and so that is of interest to this group.

00:11:36 --> 00:11:40: If you have anybody who's unable to make their lease

00:11:40 --> 00:11:41: payments,

00:11:41 --> 00:11:44: this would be a place you would be wanted to

00:11:44 --> 00:11:48: encourage those employers to go and to get this kind

00:11:49 --> 00:11:49: of support.

00:11:49 --> 00:11:51: The second one I'm going to jump to.

00:11:51 --> 00:11:54: The other two programs. It's on the next slide and

00:11:54 --> 00:11:57: talk to you a little about what we call a

00:11:57 --> 00:11:58: disaster loan.

00:11:58 --> 00:12:02: These are economic injury, disaster loans and they come

00:12:02 --> 00:12:06: directly

00:12:06 --> 00:12:09: from the Small Business Administration there up to

00:12:09 --> 00:12:14: \$2,000,000.

00:12:06 --> 00:12:09: Again available to those small businesses and nonprofits,

00:12:09 --> 00:12:14: less than 500 employees. And these loans are more flexible.

00:12:14 --> 00:12:15: What they can be used for,

00:12:15 --> 00:12:19: but they are alone, so they're not fully forgivable.

00:12:19 --> 00:12:22: However, on the disaster loan there is up to \$10,000  
00:12:22 --> 00:12:24: that can be considered a grant,  
00:12:24 --> 00:12:27: and for this one, instead of going directly to your  
00:12:27 --> 00:12:28: lender,  
00:12:28 --> 00:12:31: which is what you do for the paycheck protection.  
00:12:31 --> 00:12:33: This when you go directly to the SBA.  
00:12:33 --> 00:12:36: So at [sba.gov](https://www.sba.gov) is where you would apply for this  
00:12:36 --> 00:12:36: one.  
00:12:36 --> 00:12:38: Same with those bridge loans.  
00:12:38 --> 00:12:41: These are intended to be a small amount of money.  
00:12:41 --> 00:12:45: Just to quickly get a business what they may need  
00:12:45 --> 00:12:49: up to \$25,000 to get him through this period of  
00:12:49 --> 00:12:50: time.  
00:12:50 --> 00:12:55: I'll leave you with. There's two places you can get  
00:12:55 --> 00:12:59: more information from us on all of these.  
00:12:59 --> 00:13:06: There you can contact us at [Denver sbdc.org](https://denver.sbd.org) sorry  
**[email protected]** ,  
00:13:06 --> 00:13:10: or you can call us 303-860-5881.  
00:13:10 --> 00:13:15: We created a specific line dedicated to this and then  
00:13:15 --> 00:13:20: on our own website at [www.denverchamber.org/covid](https://www.denverchamber.org/covid).  
00:13:20 --> 00:13:23: We have created resources for employers,  
00:13:23 --> 00:13:28: employees and so you'll see it categorized and you can  
00:13:28 --> 00:13:29: get more information.  
00:13:29 --> 00:13:32: I know now let's jump to I'm sure the questions  
00:13:32 --> 00:13:34: will start coming in and we can get more to  
00:13:34 --> 00:13:35: the real estate specific.  
00:13:35 --> 00:13:36: So back to you, Kevin.  
00:13:42 --> 00:13:46: Up there a minute, thank thank you Kelly.  
00:13:46 --> 00:13:49: Like to introduce the rest of the panel now.  
00:13:49 --> 00:13:52: Joining us today. Kim duty.  
00:13:52 --> 00:13:56: Who is senior Vice president of Public Affairs and industry  
00:13:56 --> 00:13:57: initiatives?  
00:13:57 --> 00:14:00: With the National Multifamily Housing Council.  
00:14:00 --> 00:14:05: Welcome, Kim. We also have Whitney cake.  
00:14:05 --> 00:14:08: Whitney is a senior vice president,  
00:14:08 --> 00:14:13: agency leasing with Transwestern. Commercial real estate  
broker here in  
00:14:13 --> 00:14:14: Denver.  
00:14:14 --> 00:14:19: And her business focuses on landlord representation.  
00:14:19 --> 00:14:21: At last but not least,  
00:14:21 --> 00:14:27: we have Kevin Kelly. Executive vice president and regional  
director  
00:14:27 --> 00:14:29: for United Properties.



00:14:29 --> 00:14:35: A major owner and developer of office and industrial and  
00:14:35 --> 00:14:39: probably retail here in Denver.  
00:14:39 --> 00:14:42: So want to start with Kim Duty Kim?  
00:14:42 --> 00:14:46: Brings a real good national perspective to us,  
00:14:46 --> 00:14:49: and Kim has a few slides and go through.  
00:14:49 --> 00:14:53: Before we jump into the roundtable can take it away.  
00:14:53 --> 00:14:56: Thanks, Kevin, and I'll go really fast on this if  
00:14:56 --> 00:14:58: you want to go to the next slide so MHC  
00:14:59 --> 00:15:02: actually was able to gather the five major data providers  
00:15:02 --> 00:15:05: that service our sector to come up with.  
00:15:05 --> 00:15:08: We call our rent payment tracker so it represents 13.4  
00:15:08 --> 00:15:12: million apartment units and basically we found that through  
the  
00:15:13 --> 00:15:16: 5th of the month there was a 12 percentage point  
00:15:16 --> 00:15:18: decrease in the share of apartment holds.  
00:15:18 --> 00:15:21: Households that have paid rent.  
00:15:21 --> 00:15:23: Two important caveats to that.  
00:15:23 --> 00:15:26: First is that this that number does not hold across  
00:15:26 --> 00:15:27: asset classes,  
00:15:27 --> 00:15:30: so we found a much higher percentage of payments and  
00:15:30 --> 00:15:33: Class A versus B&C as would be expected.  
00:15:33 --> 00:15:35: Class A is closer to high 80s mid 90s and  
00:15:35 --> 00:15:38: then the second caveat is that this this month the  
00:15:38 --> 00:15:40: 5th ended on a Sunday,  
00:15:40 --> 00:15:43: so a lot of leasing offices are closed and have  
00:15:43 --> 00:15:44: been closed,  
00:15:44 --> 00:15:47: so there were probably a whole lot of rent checks  
00:15:47 --> 00:15:50: that came in that weren't processed and we're releasing as  
00:15:50 --> 00:15:51: every week,  
00:15:51 --> 00:15:53: so we're expecting to see.  
00:15:53 --> 00:15:56: A much a pretty decent bounce coming next Wednesday,  
00:15:56 --> 00:16:00: and then I asked one of the providers so Realpage  
00:16:00 --> 00:16:02: so this is not the 13.4 million,  
00:16:02 --> 00:16:04: it's just their specific data set,  
00:16:04 --> 00:16:08: but it shows that Denver actually did better than the  
00:16:08 --> 00:16:09: national average we were.  
00:16:09 --> 00:16:11: You know, 84% versus 91%  
00:16:11 --> 00:16:13: this time last year. OK,  
00:16:13 --> 00:16:15: next slide. So how did we do that?  
00:16:15 --> 00:16:18: We strongly we reached out to all of our owners  
00:16:18 --> 00:16:20: and we said don't wait and see.  
00:16:20 --> 00:16:24: Don't wait for the 1st of the month to come.

00:16:24 --> 00:16:25: Reach out to your residents.

00:16:25 --> 00:16:27: Let them know that you can be flexible.

00:16:27 --> 00:16:30: Let them know you're willing to set up payment plans.

00:16:30 --> 00:16:33: You're willing to defer rent if they can show they've

00:16:33 --> 00:16:34: applied for unemployment.

00:16:34 --> 00:16:37: Let them know that you can convert security deposits if

00:16:37 --> 00:16:39: you're comfortable doing that,

00:16:39 --> 00:16:41: and it really was to tamp down on what we're

00:16:41 --> 00:16:43: seeing in social media is a rent strike.

00:16:43 --> 00:16:45: Next slide.

00:16:45 --> 00:16:48: And then the other thing that we did is an

00:16:48 --> 00:16:48: industry.

00:16:48 --> 00:16:51: So those of you in multifamily will know that we

00:16:51 --> 00:16:55: have been sort of castigated as the greedy landlords for

00:16:55 --> 00:16:58: the last few years because of the rent increases that

00:16:58 --> 00:17:00: people have seen and it's led to a lot of

00:17:00 --> 00:17:02: calls for rent control,

00:17:02 --> 00:17:04: so we tried to get ahead of it,

00:17:04 --> 00:17:06: and on March 22nd we issued a set of best

00:17:06 --> 00:17:10: practices or voluntary principles that we ask the industry to

00:17:10 --> 00:17:10: follow.

00:17:10 --> 00:17:14: So actions for 90 days avoiding rent increases for 90

00:17:14 --> 00:17:14: days,

00:17:14 --> 00:17:16: creating payment plans, waiving late fees.

00:17:16 --> 00:17:18: And a few other things,

00:17:18 --> 00:17:21: I will say the response to that was overwhelmingly positive.

00:17:21 --> 00:17:24: I'll also say that we saw that coming our way,

00:17:24 --> 00:17:26: which it did in the CARES Act.

00:17:26 --> 00:17:29: So a lot of that ended up being legislated for

00:17:29 --> 00:17:29: a lot of folks.

00:17:29 --> 00:17:32: If you have federally backed mortgages,

00:17:32 --> 00:17:35: but I think it still generated some goodwill that will

00:17:35 --> 00:17:38: be able to tap into when this comes down and

00:17:38 --> 00:17:40: potentially rent control comes back.

00:17:40 --> 00:17:43: So next slide, we also provide created some resources in

00:17:43 --> 00:17:45: addition to our talking points.

00:17:45 --> 00:17:46: We really want you know,

00:17:46 --> 00:17:50: are. Our message to our members into anybody in

00:17:50 --> 00:17:51: multifamily

00:17:50 --> 00:17:51: right now is love.

00:17:51 --> 00:17:54: Your residents do everything you can to create that loyalty

00:17:54 --> 00:17:56: in that connection right now,

00:17:56 --> 00:17:59: especially if there are good residents who resident who's just  
 00:17:59 --> 00:18:01: temporarily derailed by this,  
 00:18:01 --> 00:18:04: in part because there probably aren't a whole lot of  
 00:18:04 --> 00:18:05: residence.  
 00:18:05 --> 00:18:08: You know perspective residence behind them coming in to fill  
 00:18:08 --> 00:18:09: vacant units.  
 00:18:09 --> 00:18:12: So we created this flyer in Spanish and in English  
 00:18:12 --> 00:18:15: that talks about what kind of direct payments you may  
 00:18:15 --> 00:18:15: be receiving,  
 00:18:15 --> 00:18:17: as well as how to apply for.  
 00:18:17 --> 00:18:22: Unemployment insurance so we could help have those  
 conversations and  
 00:18:22 --> 00:18:24: then next slide.  
 00:18:24 --> 00:18:27: We're continuing to advocate on the federal level 2 main  
 00:18:27 --> 00:18:29: things that we're working on.  
 00:18:29 --> 00:18:33: One is the Paycheck protection program that Kelly was  
 talking  
 00:18:34 --> 00:18:34: about,  
 00:18:34 --> 00:18:37: so we the way that the interim final rule.  
 00:18:37 --> 00:18:40: I'm not even sure how that's possible to be interim  
 00:18:40 --> 00:18:41: and final,  
 00:18:41 --> 00:18:43: but the way there was written,  
 00:18:43 --> 00:18:46: it excludes multifamily owners and developers.  
 00:18:46 --> 00:18:50: There's also issues about affiliation rules and issues about  
 using  
 00:18:51 --> 00:18:52: payroll services,  
 00:18:52 --> 00:18:56: so we are working with congressional leaders as well as  
 00:18:56 --> 00:18:57: the regulatory agencies.  
 00:18:57 --> 00:18:59: To try to get multifamily,  
 00:18:59 --> 00:19:04: explicitly included, and that was certainly the legislative intent  
 of  
 00:19:04 --> 00:19:08: the Act was to basically include all businesses next slide.  
 00:19:08 --> 00:19:11: And then the other thing that working on Congress is  
 00:19:11 --> 00:19:14: already working on the 4th relief package.  
 00:19:14 --> 00:19:17: We're calling on them to include several things.  
 00:19:17 --> 00:19:20: Most importantly, it's to create an emergency assistance fund  
 for  
 00:19:20 --> 00:19:21: renter households,  
 00:19:21 --> 00:19:25: and, importantly, that that fund goes directly to the housing  
 00:19:25 --> 00:19:28: provider so that there's not a disconnect between.  
 00:19:28 --> 00:19:31: I got unemployment, but I'm worried about my health costs.  
 00:19:31 --> 00:19:33: And so I'm just going to conserve my money.  
 00:19:33 --> 00:19:36: The other big thing is that we want them to

00:19:36 --> 00:19:40: align the mortgage forbearance in the eviction protections that are

00:19:40 --> 00:19:41: in the CARES Act so.

00:19:41 --> 00:19:43: Mortgage forbearance is for days,

00:19:43 --> 00:19:46: but the eviction protections are for 120,

00:19:46 --> 00:19:49: actually 150 days. 'cause you can't start until after 120

00:19:49 --> 00:19:52: days and so those really need to be aligned and

00:19:52 --> 00:19:55: then we're looking for some tax issues.

00:19:55 --> 00:19:56: And if they do infrastructure,

00:19:56 --> 00:19:59: we've got a whole lot of stuff that we want

00:19:59 --> 00:20:00: in there too,

00:20:00 --> 00:20:03: and then next slide. So the last thing is we've

00:20:03 --> 00:20:07: got some talking points on the PPP program as well

00:20:07 --> 00:20:09: as the 4th relief program.

00:20:09 --> 00:20:11: And here's the key message.

00:20:11 --> 00:20:14: Every industry has their hands out right now and we

00:20:14 --> 00:20:17: have to be able to show that we have been

00:20:17 --> 00:20:18: harmed,

00:20:18 --> 00:20:21: which I think our numbers on rent increases.

00:20:21 --> 00:20:24: Help us do, but we also have to Congress with

00:20:24 --> 00:20:24: letters.

00:20:24 --> 00:20:27: We got to be the squeaky wheel so we have

00:20:27 --> 00:20:30: a call to action up on our website that you

00:20:30 --> 00:20:33: can use to identify your lawmaker and send.

00:20:33 --> 00:20:36: Model letter or customize it if you want and I

00:20:36 --> 00:20:39: would just encourage you if you're in multifamily,

00:20:39 --> 00:20:44: definitely visit. We've gotta covid hubitsmhc.org/COVID-19.

00:20:44 --> 00:20:46: You can find all of this there,

00:20:46 --> 00:20:49: but really push out that call to action to your

00:20:49 --> 00:20:52: networks because it's going to be critical that we just

00:20:52 --> 00:20:55: overwhelm the switchboard if we can.

00:20:55 --> 00:20:56: That's it, thanks Kevin.

00:20:59 --> 00:21:03: Terrific terrific, thank you. Thank you Kim.

00:21:03 --> 00:21:05: That's a lot of slides in a short period of

00:21:05 --> 00:21:05: time.

00:21:05 --> 00:21:07: We appreciate it.

00:21:07 --> 00:21:12: Let's jump right into what's happening on the front lines.

00:21:12 --> 00:21:15: Kevin Kelly. I'm going to call on you first.

00:21:15 --> 00:21:19: You know, Kim use the term love your residence.

00:21:19 --> 00:21:22: Is someone that does a lot of business with United

00:21:22 --> 00:21:23: Properties.

00:21:23 --> 00:21:25: I know you guys love your tenants.

00:21:25 --> 00:21:27: What are you telling your tenants?

00:21:27 --> 00:21:29: How are you communicating with them right now?

00:21:29 --> 00:21:32: Are you bringing up the issue of rent,

00:21:32 --> 00:21:34: forbearance, or if they're coming to you?

00:21:34 --> 00:21:37: What do you want to see them have ready to

00:21:37 --> 00:21:39: have that discussion?

00:21:39 --> 00:21:41: Yeah, well, good morning everybody.

00:21:41 --> 00:21:45: Thanks for allowing me to join so we we have

00:21:45 --> 00:21:48: a decent size portfolio that we own and it's really

00:21:49 --> 00:21:50: across the board,

00:21:50 --> 00:21:53: office, industrial, grocery anchored, retail,

00:21:53 --> 00:21:55: senior housing.

00:21:55 --> 00:21:59: So we've heard from we've gotten requests from,

00:21:59 --> 00:22:02: I'd say at least 20 to 25%

00:22:02 --> 00:22:05: by gross lease play area of our tenants,

00:22:05 --> 00:22:08: probably closer to 40% or maybe 45%

00:22:08 --> 00:22:13: of total tenants in our portfolio have asked for some

00:22:13 --> 00:22:15: help of some sort.

00:22:15 --> 00:22:18: And it kind of if you look at the portfolio

00:22:18 --> 00:22:21: of the the retail sector we've we've heard from many

00:22:21 --> 00:22:22: of our tenants,

00:22:22 --> 00:22:25: I would say there's one center in particular that we've

00:22:25 --> 00:22:27: heard from at least 80%

00:22:27 --> 00:22:31: of our tenants. Look, they're looking for rent relief.

00:22:31 --> 00:22:35: And on the on the office industrial side,

00:22:35 --> 00:22:38: we've heard from, I would say less,

00:22:38 --> 00:22:41: but but the kind of the if you had to

00:22:41 --> 00:22:43: pinpoint a sector of the economy,

00:22:43 --> 00:22:48: the the industrial tenants that are in the consumer business,

00:22:48 --> 00:22:53: particularly high ticket items. We've heard from those folks an

00:22:54 --> 00:22:56: probably less so on the office side.

00:22:56 --> 00:23:01: But nonetheless we've heard from a variety of people there,

00:23:01 --> 00:23:04: and I think. We've sort of looked at this and

00:23:05 --> 00:23:07: and our first communication with that is,

00:23:07 --> 00:23:11: you know, please, we understand the concerns we are all

00:23:11 --> 00:23:12: in this together,

00:23:12 --> 00:23:15: you know, do the best you can and send us

00:23:15 --> 00:23:16: your request.

00:23:16 --> 00:23:20: But by the way, send US financial statements sent

information

00:23:20 --> 00:23:21: of where you are.

00:23:21 --> 00:23:25: Are you getting any help from the Paycheck Protection

00:23:25 --> 00:23:28: program  
 00:23:28 --> 00:23:29: and we sort of look at everything on a case  
 00:23:29 --> 00:23:32: by case basis?  
 00:23:32 --> 00:23:35: I think certainly the retail tenants are probably going to  
 00:23:35 --> 00:23:37: get some help and thank everyone is just we have  
 00:23:37 --> 00:23:40: to look at this all in an individual case by  
 00:23:40 --> 00:23:42: case basis because sometimes it's are applying just to see  
 00:23:42 --> 00:23:44: if they can get it and they don't really need  
 00:23:44 --> 00:23:46: it or they may not need it and there are  
 00:23:46 --> 00:23:49: times that truly need help but on the other hand  
 00:23:49 --> 00:23:51: we tell our tests look we're in this with you  
 00:23:51 --> 00:23:53: guys but we have debt service to pay as well  
 00:23:53 --> 00:23:56: so we're we're being impacted by all this.  
 00:23:56 --> 00:23:58: We have to consider everyone situation here in in the  
 00:23:58 --> 00:23:59: bigger picture in terms of the tenants who paid in  
 00:23:59 --> 00:24:00: April.  
 00:24:00 --> 00:24:02: I still have the final numbers yet.  
 00:24:02 --> 00:24:04: I'm guessing a good 30%  
 00:24:04 --> 00:24:08: or maybe even closer to 40%  
 00:24:08 --> 00:24:08: of our tenants will probably not pay April is my  
 00:24:08 --> 00:24:11: guess,  
 00:24:11 --> 00:24:13: but I haven't seen the final numbers,  
 00:24:13 --> 00:24:15: but. I think at the end of the day,  
 00:24:15 --> 00:24:18: again, it's a case by case basis,  
 00:24:18 --> 00:24:21: probably some for rent, forbearance,  
 00:24:21 --> 00:24:23: but everything will be, with the caveat being you know  
 00:24:23 --> 00:24:25: if we're going to give you this,  
 00:24:25 --> 00:24:27: we're going to need something from you.  
 00:24:27 --> 00:24:29: In other words, extend your lease term,  
 00:24:29 --> 00:24:30: you know, pay it back,  
 00:24:30 --> 00:24:32: you know next year you know,  
 00:24:32 --> 00:24:34: so on and so forth.  
 00:24:34 --> 00:24:36: So again, it's a case by case basis,  
 00:24:36 --> 00:24:39: but we're again hearing from a lot of folks.  
 00:24:39 --> 00:24:41: Good Kevin. One quick follow up on that.  
 00:24:41 --> 00:24:44: It would be what kind of discussions are you having  
 00:24:44 --> 00:24:46: with your lenders right now?  
 00:24:46 --> 00:24:50: Is it we have? People rest coming in and then  
 00:24:50 --> 00:24:51: talk,  
 00:24:51 --> 00:24:54: or preferably being proactive with you.  
 00:24:54 --> 00:24:57: It's working both ways. I mean we're talking together,  
 00:24:57 --> 00:25:00: they understand it. You know it's it's,

00:25:00 --> 00:25:02: it's a. It's a sensitive topic,  
00:25:02 --> 00:25:05: obviously. But you know we have it until we really  
00:25:05 --> 00:25:05: know.  
00:25:05 --> 00:25:08: Kind of the extent and the magnitude of the situation  
00:25:08 --> 00:25:09: I think.  
00:25:09 --> 00:25:11: And again we have. No you have lenders and you  
00:25:12 --> 00:25:13: know we have investors.  
00:25:13 --> 00:25:16: We have partners. I mean there's a lot of people  
00:25:16 --> 00:25:18: that bring into the equation here.  
00:25:18 --> 00:25:21: In some cases the leases require lender approval,  
00:25:21 --> 00:25:23: so there's a lot of things that go with it.  
00:25:23 --> 00:25:28: But we're just gathering information now to understand the  
00:25:28 --> 00:25:28: magnitude  
00:25:28 --> 00:25:28: of it.  
00:25:28 --> 00:25:31: And so I think we understand that then we'll have  
00:25:31 --> 00:25:33: those discussions with our lenders,  
00:25:33 --> 00:25:36: but I think our lenders understand they're being cooperative  
00:25:36 --> 00:25:36: so  
00:25:36 --> 00:25:36: far.  
00:25:36 --> 00:25:37: As far as I could be.  
00:25:37 --> 00:25:42: An interesting month for sure will be very interesting.  
00:25:42 --> 00:25:44: I'm going to. I'm going to keep it on the  
00:25:44 --> 00:25:45: landlord side.  
00:25:45 --> 00:25:49: And Whitney, you represent some terrific landlords here in  
00:25:49 --> 00:25:49: town.  
00:25:49 --> 00:25:50: And what are they hearing?  
00:25:50 --> 00:25:53: What would you add to what Kevin is said that  
00:25:53 --> 00:25:55: the landlord perspective?  
00:25:55 --> 00:26:00: Yeah, I would say um Denver is pretty well diversified  
00:26:00 --> 00:26:03: as far as the tenant mix and so we are  
00:26:03 --> 00:26:05: seeing about 10 to 15%  
00:26:05 --> 00:26:10: rental folks in April across our listing portfolio with a  
00:26:10 --> 00:26:14: special exception for early stage tech.  
00:26:14 --> 00:26:19: There's a lot of vulnerability with those types of companies  
00:26:19 --> 00:26:25: because they are dependent on VC funding and not  
00:26:25 --> 00:26:27: necessarily  
00:26:25 --> 00:26:27: operating in the black.  
00:26:27 --> 00:26:32: So we're seeing a higher percentage of default out of  
00:26:32 --> 00:26:33: that tenant profile.  
00:26:33 --> 00:26:38: Um, what? What were advising our landlords to do?  
00:26:38 --> 00:26:43: Similar to what Kevin has described is what let's be  
00:26:43 --> 00:26:44: proactive.  
00:26:44 --> 00:26:50: I love what Kim said about loving your tenants because.

00:26:50 --> 00:26:54: This is a great opportunity in my eyes for the  
00:26:54 --> 00:26:59: landlord to deepen their business relationships with their  
tenants.

00:26:59 --> 00:27:01: And ultimately, at the end of the day,  
00:27:01 --> 00:27:05: we're not advocating to structural structure.  
00:27:05 --> 00:27:08: Any deals that don't make sense in the long term  
00:27:08 --> 00:27:10: for the landlord,  
00:27:10 --> 00:27:13: but if the landlord is in a position to offer  
00:27:13 --> 00:27:14: rent relief,  
00:27:14 --> 00:27:17: and on the back end pick up additional term or  
00:27:17 --> 00:27:19: better see friends,  
00:27:19 --> 00:27:21: we're helping them to do so.

00:27:21 --> 00:27:25: Another tactic that we've seen a few of our owners  
00:27:25 --> 00:27:28: take is to clean up their rent rolls.  
00:27:28 --> 00:27:31: If there are tenants, do you come and ask for  
00:27:31 --> 00:27:32: rent relief?  
00:27:32 --> 00:27:35: So if you are going to accommodate or rent relief  
00:27:35 --> 00:27:36: requests,  
00:27:36 --> 00:27:38: are you removing a renewal option?  
00:27:38 --> 00:27:41: Are you removing a right of 1st refusal?  
00:27:41 --> 00:27:45: Are you removing a termination option from the future to  
00:27:45 --> 00:27:48: help bolster bolster your rental in the long run?  
00:27:48 --> 00:27:52: So we're advocating for our ownership groups to have those  
00:27:52 --> 00:27:54: conversations proactively.  
00:27:54 --> 00:27:58: Um lenders do tend to get in the way of  
00:27:58 --> 00:27:59: that dialogue,  
00:27:59 --> 00:28:04: so our asset managers are looking at their loan covenants  
00:28:04 --> 00:28:09: and making sure that they can offer creative proactive deals  
00:28:09 --> 00:28:14: to their tenants without negatively impacting their lenders.  
00:28:14 --> 00:28:16: And then last but not least,  
00:28:16 --> 00:28:20: the dialogue that I've been having a lot with my  
00:28:20 --> 00:28:21: owners this week,  
00:28:21 --> 00:28:24: in particular an asset. Services is not my Forte,  
00:28:24 --> 00:28:28: which is a fancy way of saying property management,  
00:28:28 --> 00:28:32: but I think it ties back into Kelly's dialogue about  
00:28:32 --> 00:28:33: PPP is.  
00:28:33 --> 00:28:35: We've received a lot of request.  
00:28:35 --> 00:28:39: If these single entity properties can file for PPP and  
00:28:39 --> 00:28:41: the source of complication,  
00:28:41 --> 00:28:44: there is. If you are or are not using.  
00:28:44 --> 00:28:49: Third party property management because I'm sure at  
Newmark similar



00:28:49 --> 00:28:50: to Transwestern,  
00:28:50 --> 00:28:54: the third party property managers are employees.  
00:28:54 --> 00:29:00: I've translator Newmark, but their salaries are reimbursed by those  
00:29:00 --> 00:29:02: single entities LLC.  
00:29:02 --> 00:29:05: So there's a lot of muddiness as it relates to  
00:29:05 --> 00:29:08: PPP as well when it comes to landlord.  
00:29:11 --> 00:29:14: Great point, thank you Whitney.  
00:29:14 --> 00:29:16: Just a reminder for the audience.  
00:29:16 --> 00:29:19: You don't have to wait until the end to use  
00:29:19 --> 00:29:21: the chat box feature to ask your question.  
00:29:21 --> 00:29:24: Feel free to jump in and type that we can  
00:29:24 --> 00:29:27: all see that and so we're going to go to  
00:29:27 --> 00:29:31: one question we got in and I think I would  
00:29:31 --> 00:29:34: direct this first to Kim and the question came in,  
00:29:34 --> 00:29:38: how do you think the COVID-19 crisis impacts the momentum  
00:29:39 --> 00:29:42: for populist agendas such as rent control?  
00:29:42 --> 00:29:46: Does it get stronger or weaker in the current environment?  
00:29:46 --> 00:29:49: And I would add on to that question.  
00:29:49 --> 00:29:55: Where do you see the legislation both nationally and locally  
00:29:55 --> 00:29:59: around any mandatory rent forbearance?  
00:29:59 --> 00:30:01: Yeah, it's a good question,  
00:30:01 --> 00:30:05: Kevin. So we, you know basically the same groups that  
00:30:05 --> 00:30:08: were advocating and control in California,  
00:30:08 --> 00:30:12: Colorado etc have turned their attention to sort of the  
00:30:12 --> 00:30:14: rent Strike movement.  
00:30:14 --> 00:30:17: We fully expect them to come back to rent control  
00:30:18 --> 00:30:21: when this is past I will say you know the  
00:30:21 --> 00:30:24: people that had can pay by and large are paying  
00:30:24 --> 00:30:27: so you know our Class A guys are looking at  
00:30:28 --> 00:30:28: 9095%  
00:30:28 --> 00:30:31: payment and we. I think we have an opportunity as  
00:30:31 --> 00:30:34: an industry to become a with our residents.  
00:30:34 --> 00:30:37: It really is a time when everybody is connecting in  
00:30:37 --> 00:30:42: ways that maybe our transactional relationships haven't supported in the  
00:30:42 --> 00:30:42: past,  
00:30:42 --> 00:30:44: so we're talking proactively to them.  
00:30:44 --> 00:30:46: If you can afford to pay,  
00:30:46 --> 00:30:49: please do 'cause we are all in it together.  
00:30:49 --> 00:30:51: And to Whitney's point if you can pay,  
00:30:51 --> 00:30:55: please pay. Therefore we can help the people who

legitimately

00:30:55 --> 00:30:58: can't pay and also trying to explain to them that

00:30:58 --> 00:31:01: most of your rent actually goes to the mortgage.

00:31:01 --> 00:31:04: Maintenance and the operations of the property.

00:31:04 --> 00:31:06: So it's the place that you're sheltering in place and

00:31:07 --> 00:31:08: it's really not in yourself.

00:31:08 --> 00:31:10: Interest to degrade the service level.

00:31:10 --> 00:31:13: Since you're stuck there, but I think beyond that you

00:31:13 --> 00:31:16: know our Members are doing a lot of of reaching

00:31:16 --> 00:31:17: out doing video zooms,

00:31:17 --> 00:31:20: or doing zoom meetings, doing virtual happy hours doing

00:31:21 --> 00:31:22: come

00:31:22 --> 00:31:24: out on your balcony.

00:31:22 --> 00:31:24: If you're in a courtyard and let's be social across

00:31:25 --> 00:31:26: the courtyard reaching out there,

00:31:26 --> 00:31:29: bringing food to people that are sick and so it's

00:31:29 --> 00:31:32: just all of these things that I think might.

00:31:32 --> 00:31:34: Undermine this rent control thing.

00:31:34 --> 00:31:36: I also think there's not going to be a lot

00:31:36 --> 00:31:37: of rent growth next year.

00:31:37 --> 00:31:40: Most of our folks, at least in the short term,

00:31:40 --> 00:31:42: are renewing at current levels,

00:31:42 --> 00:31:44: and so I think that will take the wind out

00:31:44 --> 00:31:45: of the sails as well.

00:31:45 --> 00:31:47: So I think it's you know,

00:31:47 --> 00:31:48: it's it's too soon to tell,

00:31:48 --> 00:31:51: but I do feel like maybe we're in a in

00:31:51 --> 00:31:54: a stronger position coming out of this on that particular

00:31:54 --> 00:31:54: issue.

00:31:56 --> 00:31:59: Thank you. Kelly, I want to direct your question to

00:31:59 --> 00:32:01: you and it goes back to the programs that you

00:32:01 --> 00:32:02: talked about.

00:32:04 --> 00:32:07: Do you think that this money is getting into the

00:32:07 --> 00:32:08: hands of people that need it?

00:32:08 --> 00:32:11: Is it too early?

00:32:11 --> 00:32:13: To tell you have confidence that it will get there.

00:32:17 --> 00:32:18: Kelly

00:32:26 --> 00:32:28: can we own you, Kelly?

00:32:28 --> 00:32:30: Yeah, I think the host muted me and I'm now

00:32:30 --> 00:32:31: unmuted.

00:32:33 --> 00:32:38: So we are definitely seeing folks get some of the

00:32:39 --> 00:32:40: support Kevin.

00:32:40 --> 00:32:45: We have had record numbers of people apply for these  
00:32:45 --> 00:32:48: grants and loans or forgivable loans.  
00:32:48 --> 00:32:51: Lots have notified us that they've been approved.  
00:32:51 --> 00:32:53: The money is coming in,  
00:32:53 --> 00:32:55: but even more are waiting for that approval.  
00:32:55 --> 00:32:59: I you know, I think in the beginning you've heard  
00:32:59 --> 00:33:00: a lot of time frames,  
00:33:00 --> 00:33:02: three days, 10 days, 24 hours.  
00:33:02 --> 00:33:05: The volume is tremendous and so it's taking a little  
00:33:05 --> 00:33:07: longer than the other challenge.  
00:33:07 --> 00:33:10: Here is, we're all unclear if we've run out of  
00:33:10 --> 00:33:12: money or we still have it.  
00:33:12 --> 00:33:14: I would continue to tell people.  
00:33:14 --> 00:33:16: The sooner you get it in,  
00:33:16 --> 00:33:18: the sooner you'll get the money and.  
00:33:18 --> 00:33:22: It is impressive. The speed at which these lenders are  
00:33:22 --> 00:33:24: moving in the SBA is Lou moving.  
00:33:24 --> 00:33:28: Also, the speed at which our unemployment insurance team  
00:33:28 --> 00:33:33: is helping get people their checks because everybody  
00:33:33 --> 00:33:37: recognizes you know,  
00:33:37 --> 00:33:39: our landlords are independent as well as their families on  
00:33:39 --> 00:33:42: folks getting that money.  
00:33:42 --> 00:33:44: So it's not as fast as everybody who needs it  
00:33:44 --> 00:33:49: probably would like to see it.  
00:33:49 --> 00:33:52: But we have definitely heard of a number of our  
00:33:52 --> 00:33:56: companies who received the support.  
00:33:56 --> 00:34:00: I'm sorry, can I spend one minute on that question  
00:34:00 --> 00:34:02: to about kind of this policy question of does this  
00:34:02 --> 00:34:05: advance the sorry go ahead.  
00:34:05 --> 00:34:06: No, please do so. That kind of the rent control  
00:34:06 --> 00:34:08: question,  
00:34:08 --> 00:34:10: not just specifically on rent controls,  
00:34:10 --> 00:34:13: but just generally in Colorado.  
00:34:13 --> 00:34:16: You maybe saw. the Supreme Court has said that the  
00:34:16 --> 00:34:18: 50 three days or whatever it is left in the  
00:34:18 --> 00:34:22: legislative session,  
00:34:22 --> 00:34:26: this legislature can come back and have that time.  
00:34:26 --> 00:34:29: Because of the situation we're in and there's no question  
00:34:29 --> 00:34:30: we are seeing a lot of policy questions continue to  
00:34:30 --> 00:34:33: come up.  
00:34:33 --> 00:34:33: Things like paid family leave and and I put in

00:34:33 --> 00:34:36: that same category as rent control where it can be  
00:34:37 --> 00:34:38: very challenging.  
00:34:38 --> 00:34:41: If you're an employer for profit or not for profit.  
00:34:41 --> 00:34:45: Who's trying to make payroll to have a suggested program  
00:34:45 --> 00:34:49: that would add additional costs on you right now?  
00:34:49 --> 00:34:52: Or an employee who's struggling to be told?  
00:34:52 --> 00:34:55: Your payroll paycheck will now go to a paid family  
00:34:55 --> 00:34:55: leave.  
00:34:55 --> 00:34:58: I do think we're going to see more of that  
00:34:58 --> 00:34:59: conversation.  
00:34:59 --> 00:35:01: I don't think it's done.  
00:35:01 --> 00:35:04: I actually think this pandemic is being used to advance  
00:35:05 --> 00:35:05: some of that.  
00:35:05 --> 00:35:08: I I don't feel fairly or.  
00:35:08 --> 00:35:11: Thoughtfully, but I would. My personal view would be I  
00:35:11 --> 00:35:12: think you may see more.  
00:35:15 --> 00:35:19: Great, thank you. Want to ask a question for you?  
00:35:19 --> 00:35:23: Go first to Whitney and the question is what do  
00:35:23 --> 00:35:26: you think as we come out of this and we  
00:35:26 --> 00:35:27: will come out of this.  
00:35:27 --> 00:35:31: But what does office space look like going forward?  
00:35:31 --> 00:35:35: How will it change from what we're seeing now what?  
00:35:35 --> 00:35:38: You know, I think everybody will adapt.  
00:35:38 --> 00:35:41: Week one, in my opinion of quarantine,  
00:35:41 --> 00:35:43: everybody realized Oh my God,  
00:35:43 --> 00:35:47: we can work from Home Office is doing.  
00:35:47 --> 00:35:48: We too became you know,  
00:35:48 --> 00:35:52: I kinda miss everybody. Office will be OK.  
00:35:52 --> 00:35:56: And we free after spending 2 plus weeks with your  
00:35:56 --> 00:35:56: kids,  
00:35:56 --> 00:35:59: everybody said. To help with the virus,  
00:35:59 --> 00:36:01: I'll take my chances. I'm going to the office.  
00:36:01 --> 00:36:03: So with what do you think?  
00:36:03 --> 00:36:08: What will we see in terms of changes long term  
00:36:08 --> 00:36:09: out of this?  
00:36:09 --> 00:36:14: Thanks Kevin Ann. So one thing that I'm very much  
00:36:14 --> 00:36:16: anticipating is that.  
00:36:16 --> 00:36:20: Of a couple of I mean some people can work  
00:36:20 --> 00:36:21: efficiently from home.  
00:36:21 --> 00:36:24: That's that's been an initiative.  
00:36:24 --> 00:36:29: Telecommuting has been an initiative for several companies,  
00:36:29 --> 00:36:30: and I think that this.

00:36:30 --> 00:36:34: Is validating that some people can work from home.

00:36:34 --> 00:36:39: However, I really believe that as that impacts demand for

00:36:39 --> 00:36:43: office space is is a net neutral because.

00:36:43 --> 00:36:47: I think that the pendulum has swung so far towards

00:36:47 --> 00:36:52: open environments that it will come back to the middle

00:36:52 --> 00:36:57: as it relates to private offices or people being spaced

00:36:57 --> 00:37:02: farther apart. And so I think that as tech companies

00:37:02 --> 00:37:07: should probably no longer occupies 50 square feet per

00:37:07 --> 00:37:13: person,

00:37:13 --> 00:37:16: which is essentially the most dense metrics that we have.

00:37:16 --> 00:37:17: Um, we will see a growth in the demand for

00:37:17 --> 00:37:23: office space,

00:37:23 --> 00:37:28: so I think the work from home validity counterbalanced with

00:37:28 --> 00:37:33: how close people are together these days in their in

00:37:33 --> 00:37:38: their office environment or their third home environment.

00:37:38 --> 00:37:43: Will neutralize one another as it relates to demand.

00:37:43 --> 00:37:47: The one component of density that I really am critical

00:37:47 --> 00:37:52: I guess for the future is is coworking and I

00:37:52 --> 00:37:56: I think we could probably bounce that over to Kim

00:37:56 --> 00:38:01: as as to how people are approaching coliving.

00:38:01 --> 00:38:04: It seems like everything that's been in Vogue in the

00:38:04 --> 00:38:08: past three years has always.

00:38:08 --> 00:38:12: Her husband centered around the shared economy,

00:38:12 --> 00:38:14: and I think that there are so many positive aspects

00:38:14 --> 00:38:18: of the shared economy.

00:38:18 --> 00:38:23: But this pandemic has brought several of those into

00:38:23 --> 00:38:24: questions,

00:38:24 --> 00:38:29: so the viability as things like coworking or ridesharing and

00:38:29 --> 00:38:32: Co living.

00:38:32 --> 00:38:37: I think there will be some long term effects on

00:38:37 --> 00:38:42: on that utilization of space.

00:38:42 --> 00:38:42: Yeah, let's turn that over to you.

00:38:42 --> 00:38:45: Amenities. What changes do you see in amenities in

00:38:45 --> 00:38:49: multifamily

00:38:49 --> 00:38:52: product?

00:38:52 --> 00:38:55: Yeah, it's a really good question and I I was

00:38:55 --> 00:38:59: listening to a podcast about news from new cities the

00:38:59 --> 00:39:01: other day about how does this all effect density going

00:39:01 --> 00:39:03: forward, and I like that the frame that they put

00:39:03 --> 00:39:06: it in and they said there's a difference between social

00:39:06 --> 00:39:06: distancing and physical distancing,

00:39:06 --> 00:39:06: and so you know, most of the kind of core

00:39:06 --> 00:39:06: outbreaks have been at like birthday parties,

00:39:06 --> 00:39:11: funerals, cruise ships, and so it's been internal environments inside

00:39:11 --> 00:39:11: environments,

00:39:11 --> 00:39:14: and so I think. What you'll see Whitney is cleaning

00:39:14 --> 00:39:16: becomes an disinfection.

00:39:16 --> 00:39:18: Becomes a mark of an amenity in and of itself,

00:39:18 --> 00:39:21: right? So even our owners that knew that that wasn't

00:39:21 --> 00:39:23: necessarily making a huge difference.

00:39:23 --> 00:39:26: Just make sure they had a really visible presence of

00:39:26 --> 00:39:28: people wiping down the elevators.

00:39:28 --> 00:39:31: The doorknobs you know, just everything to reassure people.

00:39:31 --> 00:39:32: I think it'll take awhile.

00:39:32 --> 00:39:35: I think it's the same thing we did an informal

00:39:35 --> 00:39:36: poll the other day.

00:39:36 --> 00:39:39: When will you be comfortable going to a concert and

00:39:39 --> 00:39:42: you know bunch of people said 2021 'cause you don't

00:39:42 --> 00:39:44: know if it's coming back in the fall.

00:39:44 --> 00:39:46: But I do think that will come back and it's

00:39:46 --> 00:39:48: the same way after 911.

00:39:48 --> 00:39:50: Everybody said no one is going to want to live

00:39:50 --> 00:39:53: in a high rise and that didn't turn out to

00:39:53 --> 00:39:53: be the case.

00:39:53 --> 00:39:56: But I think I think that the thing that really,

00:39:56 --> 00:39:59: really looking at that will take a hit is the

00:39:59 --> 00:40:02: short term rental component that a lot of owners were

00:40:02 --> 00:40:05: doing business deals to rent out master lease units to

00:40:05 --> 00:40:08: people to firms that were operating them as short term

00:40:08 --> 00:40:08: rentals.

00:40:08 --> 00:40:11: I think those firms, as most of them were startups.

00:40:11 --> 00:40:13: I don't know how many of them are going to

00:40:14 --> 00:40:14: survive this.

00:40:18 --> 00:40:20: I do have evidence of a short term blip in

00:40:20 --> 00:40:22: the short short term rentals.

00:40:22 --> 00:40:24: My daughter lives in Manhattan.

00:40:24 --> 00:40:27: She lives in my basement right now.

00:40:27 --> 00:40:30: She she has a number of brands that found Air

00:40:31 --> 00:40:34: BDS ticket out of the city for a few months.

00:40:34 --> 00:40:38: And they got incredible deals on Air BNB's too.

00:40:38 --> 00:40:40: To go and be somewhere other than in the middle

00:40:41 --> 00:40:41: of Manhattan.

00:40:43 --> 00:40:46: Kevin Kelly, let me throw it back to you.

00:40:46 --> 00:40:49: Whitney had to put out the theory that we're going

00:40:49 --> 00:40:51: to have fewer people on the floor,  
00:40:51 --> 00:40:53: but they're going to be more spread out.  
00:40:53 --> 00:40:56: So the demand for square feet of office space would  
00:40:56 --> 00:40:58: be about a net neutral.  
00:40:58 --> 00:41:00: Would you agree with that?  
00:41:00 --> 00:41:03: Uh, yeah, I think I would agree with that.  
00:41:03 --> 00:41:05: I I probably touched on Kevin.  
00:41:05 --> 00:41:07: If you don't mind the other sectors,  
00:41:07 --> 00:41:09: industrial and retail is that.  
00:41:09 --> 00:41:12: Is that OK? Yeah, absolutely OK.  
00:41:12 --> 00:41:14: 'cause I think is a segue to that.  
00:41:14 --> 00:41:18: I think you know. Thank goodness for all the technology  
00:41:18 --> 00:41:21: we have access to today for the Amazons in the  
00:41:21 --> 00:41:23: world Walmarts Delivery Services.  
00:41:23 --> 00:41:26: It's made, you know at least somewhat bearable.  
00:41:26 --> 00:41:30: This pandemic be able to social distance and had been  
00:41:30 --> 00:41:34: able to free ourselves from interacting as much as possible.  
00:41:34 --> 00:41:37: And I think one of the things I've heard is  
00:41:37 --> 00:41:38: that there there is.  
00:41:38 --> 00:41:41: As we've seen, retail becoming or.  
00:41:41 --> 00:41:43: E Commerce becoming the new retail.  
00:41:43 --> 00:41:48: We're seeing acceleration of those patterns is result of  
pandemic.  
00:41:48 --> 00:41:52: I read a stat there over 40,000,000 new.  
00:41:52 --> 00:41:56: New I guess 40,000,000. New people are now using commas  
00:41:56 --> 00:41:58: for the first time.  
00:41:58 --> 00:42:00: And you know. So that's a pretty dramatic increase in  
00:42:01 --> 00:42:02: the longer this pandemic goes down,  
00:42:02 --> 00:42:05: the more that's that's going to stick.  
00:42:05 --> 00:42:07: I think. So is it going to double the size  
00:42:07 --> 00:42:09: of the E Commerce world or or even greater?  
00:42:09 --> 00:42:12: I think we're going to see an acceleration of that  
00:42:12 --> 00:42:15: no matter what happens when we come out of the  
00:42:15 --> 00:42:15: pandemic,  
00:42:15 --> 00:42:17: we're going to see, you know,  
00:42:17 --> 00:42:18: we're going to see much,  
00:42:18 --> 00:42:21: much more use of E Commerce and home deliveries,  
00:42:21 --> 00:42:22: and things of that nature.  
00:42:22 --> 00:42:25: So I think it's going to it's kind of what  
00:42:25 --> 00:42:27: it means for the industrial world supremacy.  
00:42:27 --> 00:42:32: More need. Or industrial buildings by a dramatic number if  
00:42:32 --> 00:42:34: this continues.

00:42:34 --> 00:42:36: And two other points I want to make.

00:42:36 --> 00:42:39: I think the other two things we're going to see

00:42:39 --> 00:42:42: in the industrial world is we're going to see the

00:42:43 --> 00:42:46: just in time delivery model change as many retailers and

00:42:46 --> 00:42:48: others have run out of product,

00:42:48 --> 00:42:52: we're going to see more more inversions storing product for

00:42:52 --> 00:42:55: longer periods of time for more inventory,

00:42:55 --> 00:42:58: so we'll see increasing demand for space there I think.

00:42:58 --> 00:43:02: Thirdly, we're going to see what they call onshoring of

00:43:02 --> 00:43:03: companies from Asia,

00:43:03 --> 00:43:07: especially critical. Supplies that are critical or economy,

00:43:07 --> 00:43:11: such as biomedical, pharmaceutical, medical equipment.

00:43:11 --> 00:43:14: Things of that nature will see that on short back

00:43:14 --> 00:43:15: to the US.

00:43:15 --> 00:43:18: So I think those three things alone will still see

00:43:18 --> 00:43:21: a what will definitely impact the industrial world in a

00:43:21 --> 00:43:22: big way.

00:43:22 --> 00:43:25: On the retail side, I think it's really hard to

00:43:25 --> 00:43:25: tell.

00:43:25 --> 00:43:29: It's going to have it like it's good news.

00:43:29 --> 00:43:32: How are these restaurants going to reopen?

00:43:32 --> 00:43:34: How the hair salons going to reopen?

00:43:34 --> 00:43:36: You know the employees of scattered,

00:43:36 --> 00:43:39: you know, a lot of people are on Commission only,

00:43:39 --> 00:43:42: so that's going to be very interesting and challenging.

00:43:42 --> 00:43:45: See how a lot of these businesses come back.

00:43:45 --> 00:43:47: If they do come back as we,

00:43:47 --> 00:43:49: as we sort of settle back out so.

00:43:49 --> 00:43:51: The kind of tailored suit who is in the world.

00:43:54 --> 00:43:56: Kevin, and if I was going to guess who on

00:43:56 --> 00:43:59: this panel would bring up hair salons first,

00:43:59 --> 00:44:01: I would have guessed you were me.

00:44:01 --> 00:44:05: Know maybe going to count my nice job.

00:44:05 --> 00:44:12: Best question for Kelly. Kelly Kelly mentioned the Onshoring

00:44:12 --> 00:44:14: or

00:44:12 --> 00:44:14: Nearshoring.

00:44:14 --> 00:44:17: How do you see the Chamber of Commerce setting up

00:44:17 --> 00:44:19: our region to capitalize on that?

00:44:19 --> 00:44:21: Because I think it is going to be big.

00:44:21 --> 00:44:25: I think there will be serious manufacturing moving out of

00:44:25 --> 00:44:26: China.

00:44:26 --> 00:44:30: Yeah, I think there's you know some advantages because of



00:44:30 --> 00:44:34: the size of our city and the distance to another  
00:44:34 --> 00:44:35: large city.  
00:44:35 --> 00:44:38: Frankly, we got one of the best ports in the  
00:44:38 --> 00:44:41: world when you're not on a body of water and  
00:44:41 --> 00:44:44: that is Denver International Airport,  
00:44:44 --> 00:44:47: and I think that's encouraging an you know,  
00:44:47 --> 00:44:52: for as challenging as this time is for Denver International  
00:44:52 --> 00:44:52: Airport,  
00:44:52 --> 00:44:57: the reality is they have strong reserves and are financially  
00:44:57 --> 00:44:59: probably stronger than most.  
00:44:59 --> 00:45:01: So I think we're well positioned,  
00:45:01 --> 00:45:05: but the thing that I actually think positions us the  
00:45:05 --> 00:45:08: best is that we still have one of the best  
00:45:08 --> 00:45:09: workforces in the nation,  
00:45:09 --> 00:45:12: if not the best. Were you know the second most  
00:45:12 --> 00:45:13: educated,  
00:45:13 --> 00:45:15: no matter what's coming back here?  
00:45:15 --> 00:45:19: This is a knowledge based economy that we're continuing to  
00:45:19 --> 00:45:21: build more so every day,  
00:45:21 --> 00:45:24: and we have the workforce that can deliver that and  
00:45:24 --> 00:45:28: that historically has been why we've had such success in  
00:45:28 --> 00:45:31: our recovery from the Great Recession.  
00:45:31 --> 00:45:34: Has that workforce it continues to be the number one  
00:45:34 --> 00:45:37: reason companies look at us and it will continue.  
00:45:37 --> 00:45:40: So I think part of our strategy coming out of  
00:45:40 --> 00:45:41: this has to be.  
00:45:41 --> 00:45:44: How do we take where some of these jobs may  
00:45:44 --> 00:45:48: not come back to Kevin's point and help those workers  
00:45:48 --> 00:45:51: quickly transition to the opportunities we know we can create  
00:45:51 --> 00:45:55: here. And frankly, many of those opportunities or even better,  
00:45:55 --> 00:45:58: and so I think this is all about the speed  
00:45:58 --> 00:46:02: at which we can provide that retraining and that connection  
00:46:02 --> 00:46:02: between.  
00:46:02 --> 00:46:06: Industries and then Lastly we have one of the most  
00:46:06 --> 00:46:09: diverse economies in the nation and so we have industries  
00:46:09 --> 00:46:12: that are are doing well right now.  
00:46:12 --> 00:46:16: They're busy. They're working. Their employees are able to  
00:46:16 --> 00:46:18: work  
00:46:18 --> 00:46:22: from home or strong service based economy,  
00:46:22 --> 00:46:26: so those professional services, accountants and lawyers,  
00:46:26 --> 00:46:27: financial services, they're all able to be very productive in  
00:46:26 --> 00:46:27: this time.

00:46:27 --> 00:46:28: And I think that helps us.

00:46:28 --> 00:46:30: And then we have, you know,

00:46:30 --> 00:46:33: I think we had a company launch a rocket during

00:46:33 --> 00:46:34: this.

00:46:34 --> 00:46:37: You know that. There are industries that continue to be

00:46:37 --> 00:46:38: advancing,

00:46:38 --> 00:46:43: and that's in our interest to ensure that continues as

00:46:43 --> 00:46:44: well.

00:46:44 --> 00:46:46: Right?

00:46:46 --> 00:46:50: I want to talk about construction and construction pricing.

00:46:50 --> 00:46:56: Traction scheduling Kim. I'll prove that to you.

00:46:56 --> 00:46:58: Just about every crane to see endeavour anyways,

00:46:58 --> 00:47:03: and multifamily. Project will sort of impact you senior term

00:47:03 --> 00:47:05: and longer term traction.

00:47:05 --> 00:47:08: Yeah, so we did a survey last week of our

00:47:08 --> 00:47:11: members and we're doing it again next week.

00:47:11 --> 00:47:13: We're going to do every two weeks.

00:47:13 --> 00:47:16: The first survey results were there for the respondents are

00:47:16 --> 00:47:20: experiencing some kind of construction delays in some

00:47:20 --> 00:47:24: cases.

00:47:20 --> 00:47:24: That's because of the moratoriums that have been instituted

00:47:24 --> 00:47:27: an

00:47:24 --> 00:47:27: even some moratoriums like New York that initially allowed

00:47:28 --> 00:47:29: all

00:47:28 --> 00:47:29: residential construction,

00:47:29 --> 00:47:32: then got stricter as the situation worse in there.

00:47:32 --> 00:47:34: But it's not just that,

00:47:34 --> 00:47:36: it's also the lack of staff City staffed.

00:47:36 --> 00:47:40: To do permitting and inspections there also about 1/4 of

00:47:40 --> 00:47:44: people are saying that they are having trouble getting

00:47:44 --> 00:47:47: materials

00:47:44 --> 00:47:47: and I think that goes to the point made earlier

00:47:47 --> 00:47:51: that people are going to start looking at their supply

00:47:51 --> 00:47:53: chains and believe it or not,

00:47:53 --> 00:47:57: Italy is our major provider of elevators so that's been

00:47:57 --> 00:47:58: a huge display.

00:47:58 --> 00:48:02: Our supply chain disruption but I think people will look

00:48:02 --> 00:48:05: at what can we get domestically labor so far?

00:48:05 --> 00:48:09: You know about 41% so that they had labor constraints.

00:48:09 --> 00:48:11: But you know that means 57 haven't out of the

00:48:12 --> 00:48:13: folks that answered,

00:48:13 --> 00:48:16: I think what we'll see in construction we're really pushing

00:48:16 --> 00:48:19: to try to to the extent that workers feel comfortable

00:48:19 --> 00:48:22: coming on to the jobs to not interrupt the supply

00:48:22 --> 00:48:26: of housing production because there's such a national shortage.

00:48:26 --> 00:48:29: And while that may not be in Class A necessarily

00:48:29 --> 00:48:30: that all filters down.

00:48:30 --> 00:48:32: So if you can build those days,

00:48:32 --> 00:48:35: the people that can afford them will get out of

00:48:35 --> 00:48:37: the bees and free those up.

00:48:37 --> 00:48:39: For people that need them so.

00:48:39 --> 00:48:40: But yeah, our fear is,

00:48:40 --> 00:48:43: you know we saw in the Great Recession that we

00:48:43 --> 00:48:46: went to 97 thousand starts and it took us several

00:48:46 --> 00:48:48: years to dig out of that hole.

00:48:48 --> 00:48:51: And that's part of the reason that we find ourselves

00:48:51 --> 00:48:54: in the affordability struggle that we are in now and

00:48:54 --> 00:48:57: facing things like rent control in the populist movement.

00:48:57 --> 00:49:01: So we're hopefully optimistic. But we definitely think there will

00:49:01 --> 00:49:03: be a there'll be a Ding for us.

00:49:06 --> 00:49:08: Great question for Whitney Whitney.

00:49:08 --> 00:49:13: How do you see Office lease documents changing going forward

00:49:13 --> 00:49:17: other than everybody trying to get pandemic insurance?

00:49:19 --> 00:49:24: How do you think this experience will change that?

00:49:24 --> 00:49:26: Alright.

00:49:26 --> 00:49:28: Sure, I will right now.

00:49:28 --> 00:49:34: Currently the way that they're changing mainly and is about.

00:49:34 --> 00:49:38: Construction timing, so if you have a lease or if

00:49:38 --> 00:49:43: you're considering a move that involves construction,

00:49:43 --> 00:49:47: what are the penalties to the landlord in are those

00:49:47 --> 00:49:51: penalties fair if they don't deliver space in time?

00:49:51 --> 00:49:57: And what are the covid contingencies that are being administered?

00:49:57 --> 00:50:01: Visa V. An amendment or lease?

00:50:01 --> 00:50:04: The the situation we're really trying to avoid at this

00:50:04 --> 00:50:05: point in time is,

00:50:05 --> 00:50:08: you know they've heard a rent abatement or rent credit

00:50:08 --> 00:50:10: based on delayed construction.

00:50:10 --> 00:50:13: In the future.

00:50:13 --> 00:50:17: It's almost too soon to say what happens with the

00:50:17 --> 00:50:19: lease documentation,

00:50:19 --> 00:50:22: and I have a lot of owners that are looking

00:50:23 --> 00:50:27: towards the force majeure clause and the the reaction that

00:50:28 --> 00:50:29: I've heard friends.

00:50:29 --> 00:50:34: Legal experts on that are half say the landlord covered.  
 00:50:34 --> 00:50:38: Half say it's it's open to interpretation,  
 00:50:38 --> 00:50:42: so I foresee that playing out among landlords and tenants  
 00:50:43 --> 00:50:44: for many years.  
 00:50:44 --> 00:50:46: To come and then, really,  
 00:50:46 --> 00:50:51: I think protecting protecting assets from a cleanliness  
 perspective,  
 00:50:51 --> 00:50:55: Kim said. I earlier is going to ramp up like  
 00:50:55 --> 00:50:57: we've never seen before,  
 00:50:57 --> 00:51:02: so I don't know how that will specifically be incorporated  
 00:51:02 --> 00:51:03: into lease language.  
 00:51:03 --> 00:51:07: But we are. We are seeing that tenants doesn't.  
 00:51:07 --> 00:51:12: New expectations from tenants that they've never really  
 thought much  
 00:51:12 --> 00:51:14: about in the past.  
 00:51:17 --> 00:51:20: Right? One question that came from the audience.  
 00:51:20 --> 00:51:23: In the reminder, we probably got time for one or  
 00:51:23 --> 00:51:24: two more questions,  
 00:51:24 --> 00:51:27: but one question that came in and Kevin Kelly will  
 00:51:27 --> 00:51:27: direct to you.  
 00:51:27 --> 00:51:31: Is how do you see the changes in retail playing  
 00:51:31 --> 00:51:35: out and how do you see Main Street adapting from  
 00:51:36 --> 00:51:37: a land use perspective.  
 00:51:37 --> 00:51:41: Um? That's that's a good question.  
 00:51:41 --> 00:51:45: I think it's going to be very troubling for retail  
 00:51:45 --> 00:51:50: all shop tenants to survive continue to survive it's love  
 00:51:50 --> 00:51:52: or are thinly capitalized.  
 00:51:52 --> 00:51:55: Take a lot of chains or are thinking the same  
 00:51:55 --> 00:51:55: way.  
 00:51:55 --> 00:51:58: I think we're going to see is a movement away.  
 00:51:58 --> 00:52:00: I mean, I think the retailers that are going to  
 00:52:01 --> 00:52:03: come out of this thing are the larger retailers that  
 00:52:04 --> 00:52:05: have drive through abilities.  
 00:52:05 --> 00:52:08: Those are the ones who have sort of been able  
 00:52:08 --> 00:52:10: to adapt better during these times,  
 00:52:10 --> 00:52:13: so I think you'll see more retail tenants that are  
 00:52:13 --> 00:52:14: going to come out of this.  
 00:52:14 --> 00:52:17: Going to want to have you know multi multi modal  
 00:52:17 --> 00:52:19: points of access to prevent their disruption.  
 00:52:19 --> 00:52:23: A significant disruption of business in the future.  
 00:52:23 --> 00:52:24: So I think it's really tough.  
 00:52:24 --> 00:52:26: For Main Street. I think it's it's.

00:52:26 --> 00:52:29: It's kind of like when the malls open up in  
 00:52:29 --> 00:52:29: the periphery,  
 00:52:29 --> 00:52:32: the suburbs just decimated downtowns.  
 00:52:32 --> 00:52:34: I think a similar thing could happen here,  
 00:52:34 --> 00:52:37: except perhaps, except in the most densely populated areas  
 where  
 00:52:37 --> 00:52:41: those will those Main Street retailers will come back because  
 00:52:41 --> 00:52:43: they service a large population base.  
 00:52:43 --> 00:52:45: So I think overall it's going to be very tough  
 00:52:45 --> 00:52:47: for the Main Street to survive.  
 00:52:49 --> 00:52:52: Let's throw that question to Kelly rough as well.  
 00:52:52 --> 00:52:56: Kelly, you've got a lot of constituents.  
 00:52:56 --> 00:52:58: How do you see the water changes?  
 00:53:01 --> 00:53:05: Well, I think I'm. You know my job is to  
 00:53:05 --> 00:53:06: be optimistic,  
 00:53:06 --> 00:53:07: you guys.  
 00:53:10 --> 00:53:13: So but but but not Pollyannaish an and I'm I  
 00:53:13 --> 00:53:14: this is a big challenge.  
 00:53:14 --> 00:53:18: Our world is changing and there will be permanent changes  
 00:53:18 --> 00:53:19: from what's happened.  
 00:53:19 --> 00:53:22: But you know that we have learned some really good  
 00:53:22 --> 00:53:26: lessons in our history and we're well prepared for what's  
 00:53:26 --> 00:53:27: coming at us.  
 00:53:27 --> 00:53:31: And, you know, Robin from Golden just submitted this  
 question  
 00:53:31 --> 00:53:33: and I want to reinforce this rate.  
 00:53:33 --> 00:53:36: The reality is, I don't have all the answers today.  
 00:53:36 --> 00:53:38: None of us on this panel do,  
 00:53:38 --> 00:53:39: but what I do know.  
 00:53:39 --> 00:53:41: Is when we work together we do a way better  
 00:53:41 --> 00:53:44: job of finding the right answer and the right solution.  
 00:53:44 --> 00:53:47: And how do we solve and address the challenge we  
 00:53:47 --> 00:53:48: face in a new way?  
 00:53:48 --> 00:53:51: And I think this isn't just landlord and tenant working  
 00:53:51 --> 00:53:52: together or lenders,  
 00:53:52 --> 00:53:54: but this is, you know,  
 00:53:54 --> 00:53:58: employers and employees. The interest of an employee is  
 their  
 00:53:58 --> 00:53:59: employer is successful.  
 00:53:59 --> 00:54:03: And this situation has reminded us that that's two sides  
 00:54:03 --> 00:54:06: of the same coin that I need the public sector  
 00:54:06 --> 00:54:08: to be as successful as I need.  
 00:54:08 --> 00:54:12: Those private sector businesses. I need our nonprofit sector

00:54:12 --> 00:54:14: to  
00:54:14 --> 00:54:16: be able to thrive if we're going to build a  
00:54:16 --> 00:54:18: really good economy.  
00:54:18 --> 00:54:21: So to me, I think a key piece of how  
00:54:21 --> 00:54:21: we solve this is that we really listen to each  
00:54:21 --> 00:54:25: other.  
00:54:25 --> 00:54:28: We hear each other and we find solutions that can  
00:54:28 --> 00:54:28: work across the board and really move away from this  
00:54:28 --> 00:54:32: notion.  
00:54:32 --> 00:54:32: That's what's good for you is not always good for  
00:54:32 --> 00:54:34: me and.  
00:54:34 --> 00:54:37: I think almost always we can find solutions.  
00:54:37 --> 00:54:39: What's good for you is also good for me and  
00:54:40 --> 00:54:40: that is what will make us more competitive in the  
00:54:42 --> 00:54:45: future.  
00:54:45 --> 00:54:50: That is, that's a great point.  
00:54:50 --> 00:54:50: And probably it's a good spot to be wrapping up  
00:54:50 --> 00:54:56: and.  
00:54:56 --> 00:54:57: Thank you again, you'll I putting these discussions in  
00:54:57 --> 00:55:02: advancing  
00:55:02 --> 00:55:03: these so we can share.  
00:55:03 --> 00:55:06: Lots of power all the way to come out of  
00:55:06 --> 00:55:10: this.  
00:55:10 --> 00:55:11: Yes, I ask our operator unmute all the panelists in  
00:55:11 --> 00:55:23: case anyone has any final comments before we throw it  
00:55:23 --> 00:55:24: over to Sarah.  
00:55:24 --> 00:55:26: OK, great, well I'll take that answer great thanks  
00:55:26 --> 00:55:27: Kevin.  
00:55:27 --> 00:55:30: I'll take the test Mike you so thank you so  
00:55:30 --> 00:55:33: much Kevin.  
00:55:33 --> 00:55:35: And thanks to all of our speakers to Kelly and  
00:55:35 --> 00:55:38: Kim and Whitney and Kevin Kelly for lending their expertise.  
00:55:38 --> 00:55:40: As I mentioned at the beginning,  
00:55:40 --> 00:55:42: we recorded today's session and we will share a copy  
00:55:42 --> 00:55:44: of the recording in PowerPoint.  
00:55:44 --> 00:55:48: Do you like Colorado's website?  
00:55:48 --> 00:55:51: On our resources page. Our staff,  
00:55:51 --> 00:55:54: while working virtually continues to be available for your  
00:55:54 --> 00:55:54: membership  
00:55:54 --> 00:55:54: and program related questions and as an ongoing resource  
00:55:54 --> 00:55:54: to  
00:55:54 --> 00:55:54: you.  
00:55:54 --> 00:55:54: During this time we hope everyone will join us for

00:55:54 --> 00:55:56: our next webinar on May 8th,  
00:55:56 --> 00:55:59: which will explore the future of density and public space  
00:55:59 --> 00:56:02: amidst a time of many economic and social disruptions.  
00:56:02 --> 00:56:04: So until then, we wish all of you a really  
00:56:04 --> 00:56:07: nice weekend ahead and this concludes our session today.  
00:56:07 --> 00:56:09: So thank you again and thank you to all of  
00:56:10 --> 00:56:10: our panelists.  
00:56:10 --> 00:56:12: We hope to see you soon.  
00:56:12 --> 00:56:15: OK, well thank you Sir.

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