

# Webinar

## ULI Tampa Bay: New Office New Era

Date: August 06, 2020

00:00:00 --> 00:00:03: Now we're losing office jobs as well.

00:00:03 --> 00:00:05: I think a key component here is is,

00:00:05 --> 00:00:08: at least in the Tampa at Tampa area.

00:00:08 --> 00:00:13: We've we pretty much outstripped the United States in terms

00:00:13 --> 00:00:15: of that unemployment.

00:00:15 --> 00:00:17: Same thing June 19 to June 20th.

00:00:17 --> 00:00:21: May we had the lowest unemployment in in not in

00:00:21 --> 00:00:22: history,

00:00:22 --> 00:00:25: but relatively low unemployment rate,

00:00:25 --> 00:00:29: most considered full employment. And then June 20th.

00:00:29 --> 00:00:33: You know, we're. We're in the double digit unemployment and

00:00:33 --> 00:00:37: June's got actually gotten a little better than numbers for

00:00:37 --> 00:00:38: April were much worse,

00:00:38 --> 00:00:39: so next slide.

00:00:41 --> 00:00:44: Just some market stats. Overall vacancy rate.

00:00:44 --> 00:00:47: I think one of the takeaways here.

00:00:47 --> 00:00:50: You know you look at these numbers in there with

00:00:50 --> 00:00:52: the exception and met absorption.

00:00:52 --> 00:00:56: There relatively close here, but I think you're in 2019.

00:00:56 --> 00:00:59: You were starting to see some some trends in the

00:00:59 --> 00:01:04: overall office market after a relatively long recovery where there

00:01:04 --> 00:01:07: was a little bit of weakness coming into the market

00:01:07 --> 00:01:11: in 2019 and and we'll see how that develops through

00:01:11 --> 00:01:12: the rest of 2020.

00:01:12 --> 00:01:15: I think one of the key components next slide Jenna,

00:01:15 --> 00:01:17: thanks.

00:01:17 --> 00:01:21: One of the key issues here is just leasing activity.

00:01:21 --> 00:01:25: That's one of the things we track significantly,

00:01:25 --> 00:01:28: and if you look compared to 2019 compared to 2020

00:01:28 --> 00:01:31: terms of the number of transactions,

00:01:31 --> 00:01:36: significantly less square footage significantly less and you are starting

00:01:36 --> 00:01:38: to see the sublease space creep up,

00:01:38 --> 00:01:42: which all of these are indicators of weak demand in

00:01:42 --> 00:01:44: the office component.

00:01:44 --> 00:01:47: So we're dealing with a lot of trends here.

00:01:47 --> 00:01:49: I think as we move into 2020,

00:01:49 --> 00:01:53: you're going to see a lot of these materialize in

00:01:53 --> 00:01:57: different ways than we might have expected in 2019.

00:01:57 --> 00:02:01: Let me shift over to Brian Leary with Highwoods Properties.

00:02:01 --> 00:02:04: Brian's going to give us an update on Midtown,

00:02:04 --> 00:02:06: but I think he also kind of has some some

00:02:07 --> 00:02:08: general thoughts on trends,

00:02:08 --> 00:02:11: not only for the Tampa area but based on its

00:02:11 --> 00:02:15: role in Highwoods some trends we're seeing outside the market

00:02:15 --> 00:02:16: as well.

00:02:16 --> 00:02:19: Thank you Dan, and I'm sure nothing I say will

00:02:19 --> 00:02:23: be any different than what this amazing panel will say.

00:02:23 --> 00:02:26: You know, we've got our fingers and toes in the

00:02:26 --> 00:02:28: proverbial diakhia cross.

00:02:28 --> 00:02:33: Eight different markets across are close to 30,000,000 square feet

00:02:33 --> 00:02:36: and I think in general we feel really good about

00:02:36 --> 00:02:41: kind of withstanding that first wave of covid impacts both

00:02:41 --> 00:02:44: technical and kind of more strategic.

00:02:44 --> 00:02:45: But it's the, you know,

00:02:45 --> 00:02:49: channel. My inner Game of Thrones winter has come and

00:02:49 --> 00:02:53: now we're going to have to see what happens with

00:02:53 --> 00:02:55: the coming recession.

00:02:55 --> 00:02:57: Maybe if you go to the next slide,

00:02:57 --> 00:03:01: maybe just to highlight. A couple of things you know.

00:03:01 --> 00:03:04: I love the title of this session regarding workplace,

00:03:04 --> 00:03:08: 'cause that that's really what we're all in business to

00:03:08 --> 00:03:12: do is to create a workplace where talented individuals and

00:03:12 --> 00:03:15: organizations can be at their best and inch Eve together.

00:03:15 --> 00:03:19: What they couldn't separate and apart now it's self serving

00:03:19 --> 00:03:22: to say that you know we're dealing with their work

00:03:22 --> 00:03:24: from home impact.

00:03:24 --> 00:03:28: We're dealing with the potential downsizing of corporations impact,

00:03:28 --> 00:03:32: but again, self serving. We fully believe that when people  
00:03:32 --> 00:03:32: are together.  
00:03:32 --> 00:03:36: Under one roof, potentially six or seven feet apart,  
00:03:36 --> 00:03:39: they have the ability to take one or one and  
00:03:39 --> 00:03:42: make it 3 at A at a much greater capability  
00:03:42 --> 00:03:45: and capacity than they can with their \*\*\*\*.  
00:03:45 --> 00:03:48: Sue on their lap and their Bunny slippers on.  
00:03:48 --> 00:03:52: So we really believe we're fortunate to be in Tampa.  
00:03:52 --> 00:03:54: Just this panel alone. I mean,  
00:03:54 --> 00:03:58: you could have a separate call or presentation with each  
00:03:58 --> 00:04:01: one of the folks on here about what they're up  
00:04:01 --> 00:04:01: to,  
00:04:01 --> 00:04:04: and so that really kind of drives us to be  
00:04:04 --> 00:04:05: better.  
00:04:05 --> 00:04:07: With our 3.6 million square foot portfolio in Tampa,  
00:04:07 --> 00:04:11: but one little note that Dan mentioned is every morning  
00:04:11 --> 00:04:12: we wake up.  
00:04:12 --> 00:04:16: In Tampa, right? And competing with this amazing collection  
of  
00:04:16 --> 00:04:16: folks.  
00:04:16 --> 00:04:20: I mean, maybe not even directly competing 'cause we all  
00:04:20 --> 00:04:24: have little different sub markets and products and things like  
00:04:24 --> 00:04:24: that.  
00:04:24 --> 00:04:26: But we also wake up in Atlanta.  
00:04:26 --> 00:04:28: We wake up in Charlotte.  
00:04:28 --> 00:04:31: We wake up in Raleigh and Nashville and Orlando and  
00:04:31 --> 00:04:35: Richmond and Pittsburgh competing for the same  
organizations,  
00:04:35 --> 00:04:38: individuals that that the world is competing for.  
00:04:38 --> 00:04:41: And so we have a pretty interesting visibility into all  
00:04:41 --> 00:04:42: these markets,  
00:04:42 --> 00:04:45: Ann. I think coming back to one thing I said  
00:04:45 --> 00:04:46: before,  
00:04:46 --> 00:04:49: you're going to see it in everyone's presentation.  
00:04:49 --> 00:04:52: You know, prior to covid the Walrus for talent because  
00:04:52 --> 00:04:53: it had a scarcity issue.  
00:04:53 --> 00:04:57: Now you've got a scarcity scarcity in a sensitivity issue.  
00:04:57 --> 00:05:02: So. So if we aren't building talent responsive workplaces.  
00:05:02 --> 00:05:05: Trading commodity office, I think you might be in trouble  
00:05:05 --> 00:05:08: and at the same time there's a little bit of  
00:05:08 --> 00:05:09: a renaissance,  
00:05:09 --> 00:05:11: some suburban commodity, I'd say,  
00:05:11 --> 00:05:12: because you know, it's nice.

00:05:12 --> 00:05:16: I haven't got a single article where you anyone's caught  
00:05:16 --> 00:05:18: the coronavirus driving in the car by themselves,  
00:05:18 --> 00:05:21: so there's definitely renaissance on that.  
00:05:21 --> 00:05:24: But this watch out Tampa the non gateway move is  
00:05:24 --> 00:05:27: coming and so those folks that have usually retreated to  
00:05:27 --> 00:05:31: the gateways during a recession or realizing that there's  
00:05:31 --> 00:05:35: great  
00:05:35 --> 00:05:38: opportunity in. Value outside of that so real quickly midtown  
00:05:38 --> 00:05:41: we use this term in Midtown is kind of created,  
00:05:41 --> 00:05:42: which is kind of nice that Amber didn't have a  
00:05:42 --> 00:05:45: midtown yet.  
00:05:45 --> 00:05:47: It's really midway between Westshore and downtown.  
00:05:47 --> 00:05:51: We see this opportunity in Midtown.  
00:05:51 --> 00:05:54: Is creating it downtown for West Shore the predominant,  
00:05:54 --> 00:05:57: the strongest historic submarket for office in Tampa,  
00:05:57 --> 00:05:58: but it's there's never been a there there.  
00:05:58 --> 00:06:02: If you will. Next slide,  
00:06:02 --> 00:06:06: please. And So what we're doing is drafting off their  
00:06:06 --> 00:06:08: fantastic work that Nick and Bill Haynes have.  
00:06:08 --> 00:06:11: Here's envisioning what you can do here.  
00:06:11 --> 00:06:14: Del Mabry and 275, and you had to have the  
00:06:14 --> 00:06:15: vision to disassemble the land to hold the land and  
00:06:15 --> 00:06:18: to time it right,  
00:06:18 --> 00:06:20: and so we are fortunate enough to be building the  
00:06:20 --> 00:06:24: first office tower in Midtown.  
00:06:24 --> 00:06:26: The Brownlee folks are also building a really cool office  
00:06:26 --> 00:06:29: loft in the center of it as well,  
00:06:29 --> 00:06:31: and so we're definitely connected to him that this first  
00:06:31 --> 00:06:34: building sits on top of an REI.  
00:06:34 --> 00:06:37: So first one Highwoods is ever done like that and  
00:06:37 --> 00:06:41: directly across the street from Whole Foods and has a.  
00:06:41 --> 00:06:44: A shared parking facility. One thing I want to highlight,  
00:06:44 --> 00:06:48: you're going to hit the term Wellness ordeal now.  
00:06:48 --> 00:06:51: And going forward, I would argue the most Wellness  
00:06:51 --> 00:06:52: centered  
00:06:52 --> 00:06:56: component in feature of a place like this is the  
00:06:56 --> 00:06:59: place itself.  
00:06:59 --> 00:07:02: Creating a walkable mixed use environment allows you to be  
00:07:02 --> 00:07:06: active if you look at the when one of the  
00:07:06 --> 00:07:08: number one things to decide whether or not you're going  
00:07:08 --> 00:07:08: to have a severe and negative impact during coronavirus or  
00:07:08 --> 00:07:08: pre existing conditions.

00:07:08 --> 00:07:11: Sedentary lifestyle leads to so many things like diabetes and  
00:07:11 --> 00:07:15: other things that have been markers for not suffering well  
00:07:15 --> 00:07:16: through coronavirus.  
00:07:16 --> 00:07:18: So we really believe walkable,  
00:07:18 --> 00:07:22: mixed use environments first and foremost or Wellness at the  
00:07:22 --> 00:07:23: very root.  
00:07:23 --> 00:07:25: And so we go to the next slide.  
00:07:25 --> 00:07:27: We've got a few more kind of pictures as to  
00:07:27 --> 00:07:28: what's going on.  
00:07:28 --> 00:07:30: If you think about talent,  
00:07:30 --> 00:07:33: I would argue to talent really wants to move between  
00:07:33 --> 00:07:36: its day parks throughout its life.  
00:07:36 --> 00:07:38: Any given day, very seamlessly now.  
00:07:38 --> 00:07:41: Back, you know if you guys remember the beginning of  
00:07:41 --> 00:07:42: the Flintstones,  
00:07:42 --> 00:07:43: right, the whistle would blow.  
00:07:43 --> 00:07:46: Fred would slide off the back of his Dinosaur and  
00:07:46 --> 00:07:47: get in the car and head home.  
00:07:47 --> 00:07:50: His shift was over. I think there's a move between  
00:07:50 --> 00:07:52: these eight hour day parts,  
00:07:52 --> 00:07:54: right? Dolly Parton and Jane Fonda taught US 95 was  
00:07:54 --> 00:07:55: an 8 hour day.  
00:07:55 --> 00:07:57: The doctor told you to get 8 hours of sleep.  
00:07:57 --> 00:08:00: Those those eight hour day parts are blurring and people  
00:08:00 --> 00:08:03: want to move between where they get their coffee and  
00:08:03 --> 00:08:06: where they work and where they dropped their dog often  
00:08:06 --> 00:08:08: where they get their nails done or their hair.  
00:08:08 --> 00:08:10: Blown out or where they worked out,  
00:08:10 --> 00:08:13: so building this rich environment and kind of a live  
00:08:13 --> 00:08:15: work play place is so important.  
00:08:15 --> 00:08:17: You gotta make sure you have a place to get  
00:08:17 --> 00:08:20: your stimulate your caffeine and you gotta make sure you  
00:08:20 --> 00:08:22: didn't get your depressant and your alcohol.  
00:08:22 --> 00:08:25: And so I'm joking but not those trends have been  
00:08:25 --> 00:08:28: around for close to 1000 years so we're not going  
00:08:28 --> 00:08:29: to try to recreate the wheel.  
00:08:29 --> 00:08:32: So when you're seeing here is the Crescent multifamily  
00:08:32 --> 00:08:33: above  
00:08:33 --> 00:08:35: the retail.  
00:08:35 --> 00:08:37: This is the Commons, the heart of Midtown,  
00:08:37 --> 00:08:40: that building in the back.  
00:08:37 --> 00:08:40: The office building will be a future office building.

00:08:40 --> 00:08:42: Next slide, please.

00:08:42 --> 00:08:46: This is the office building that were under construction with right now.

00:08:46 --> 00:08:46: Show you baby picture facing Dale Mabry.

00:08:46 --> 00:08:49: The first one sitting on top of an REI.

00:08:49 --> 00:08:51: Multifamily in the back, sharing the same parking facility.

00:08:51 --> 00:08:54: Whole Foods in the foreground.

00:08:54 --> 00:08:56: Next slide.

00:08:56 --> 00:08:58: This is a little shot under the inside,

00:08:58 --> 00:09:00: which is interesting. Little first time we've had to do

00:09:00 --> 00:09:03: this is a kind of a two story lobby,

00:09:03 --> 00:09:05: but it's not really two stories that's lobby on two

00:09:05 --> 00:09:07: stories,

00:09:07 --> 00:09:08: so we have a lobby that collects a lot of

00:09:08 --> 00:09:10: the daily workers coming in across a bridge for covered

00:09:10 --> 00:09:13: parking while at the street level.

00:09:13 --> 00:09:15: We're creating a little bit more of a living room,

00:09:15 --> 00:09:18: alittle bit of a linger longer lounge if you will,

00:09:18 --> 00:09:20: where the folks are working their building can bring their

00:09:20 --> 00:09:23: lunch back and meet.

00:09:23 --> 00:09:25: People can collect before they go to happy hour.

00:09:25 --> 00:09:28: I'm trying to incorporate stuff that's relevant and authentic to

00:09:28 --> 00:09:31: Tampa.

00:09:31 --> 00:09:32: It's tough you know. Wrestling with the architects on this

00:09:32 --> 00:09:35: one should have called on.

00:09:35 --> 00:09:37: I'm sure she would have saved us a lot of

00:09:37 --> 00:09:39: brain damage,

00:09:39 --> 00:09:40: but getting out of there kind of corporate box and

00:09:40 --> 00:09:44: stuffing the edges up a little bit

00:09:44 --> 00:09:47: Baby pictures it's just pretty cool to see this actually

00:09:47 --> 00:09:50: coming out of the ground now,

00:09:50 --> 00:09:52: and you can tell us an office building.

00:09:52 --> 00:09:55: We just don't have to say.

00:09:55 --> 00:09:56: Imagine at Whole Foods is there on the right parking

00:09:56 --> 00:10:00: above Whole Foods.

00:10:00 --> 00:10:01: As you can see the white roof buildings or the

00:10:01 --> 00:10:04: multifamily behind the multifamily on the right side is the

00:10:04 --> 00:10:07: Dual flag hotel element and aloft away rooftop pool.

00:10:07 --> 00:10:10: And so we really do believe this is this Wellness

00:10:10 --> 00:10:14: focused live work play walkable environment in the suburbs

00:10:14 --> 00:10:18: which

00:10:18 --> 00:10:19: I would argue has.

00:10:19 --> 00:10:23: One of the best upsides in the country for walkable,  
 00:10:23 --> 00:10:27: mixed use placemaking and then the last slide is just  
 00:10:27 --> 00:10:30: a little night shot of the view.  
 00:10:30 --> 00:10:32: That will we be trading here so.  
 00:10:32 --> 00:10:35: Thank you guys. This is going to be fit right  
 00:10:35 --> 00:10:38: into the same story that Dave and the gang are  
 00:10:38 --> 00:10:39: going to talk about,  
 00:10:39 --> 00:10:42: placemaking both inside and out of the glass,  
 00:10:42 --> 00:10:44: steel and concrete buildings we're building,  
 00:10:44 --> 00:10:49: and it's all wrapping around the concept of talent  
 supportiveness  
 00:10:49 --> 00:10:51: any off to the next folks.  
 00:10:51 --> 00:10:54: Thanks Brian, much appreciated Prairie update on Midtown.  
 00:10:54 --> 00:10:57: Next, we're going to hear from Dave revert and he's  
 00:10:57 --> 00:11:01: going to give us a quick presentation on the progress  
 00:11:01 --> 00:11:02: on Water Street date.  
 00:11:02 --> 00:11:04: Thanks Dan. And nice, nice job Brian.  
 00:11:04 --> 00:11:06: Listen were were, you know,  
 00:11:06 --> 00:11:09: we're thrilled and honored to be apart of this development  
 00:11:09 --> 00:11:13: community with all these terrific projects going on.  
 00:11:13 --> 00:11:16: And it's all about the growth of Tampa an with  
 00:11:16 --> 00:11:20: respect to everything we've been experiencing since the  
 pandemic.  
 00:11:20 --> 00:11:22: I would say that you know out of adversity comes  
 00:11:22 --> 00:11:24: much opportunity and innovation,  
 00:11:24 --> 00:11:27: so that's you know it's we're fortunate that we are  
 00:11:27 --> 00:11:30: here as you compare our market with our competition in  
 00:11:30 --> 00:11:30: Tier 2 cities,  
 00:11:30 --> 00:11:34: but also the Tier 1 cities and what they're experiencing.  
 00:11:34 --> 00:11:36: So I just want to give you a quick walkthrough  
 00:11:36 --> 00:11:37: of the development.  
 00:11:37 --> 00:11:39: Last night I went and had a beer with a  
 00:11:39 --> 00:11:41: friend at Sparkman Wharf,  
 00:11:41 --> 00:11:42: and I was I was.  
 00:11:42 --> 00:11:45: Happy to say that there were quite a few folks  
 00:11:45 --> 00:11:46: that were outside.  
 00:11:46 --> 00:11:49: They were they were really paying attention to social  
 distancing.  
 00:11:49 --> 00:11:52: Wearing masks when proper course not eating or drinking,  
 00:11:52 --> 00:11:55: but it's it's good to see that our community,  
 00:11:55 --> 00:11:57: in spite of all the adversity that they are.  
 00:11:57 --> 00:12:01: You know, recognizing that abiding by the rules is important,  
 00:12:01 --> 00:12:04: but they're also getting out and trying to live life,

00:12:04 --> 00:12:06: and that that's super important.

00:12:06 --> 00:12:08: So let me give you a quick walkthrough.

00:12:08 --> 00:12:10: Next slide, please.

00:12:10 --> 00:12:12: So this is our development.

00:12:12 --> 00:12:15: This is the. This is our our aspirational shouted full

00:12:15 --> 00:12:17: development so 9 million square feet,

00:12:17 --> 00:12:21: 3 1/2 billion dollar investment on behalf of Cascade and

00:12:21 --> 00:12:22: Jeff Vinik.

00:12:22 --> 00:12:25: This shows at full build out with the entire the

00:12:25 --> 00:12:30: entire development and then I'll go into some details here

00:12:30 --> 00:12:32: on our Phase One next slide please.

00:12:32 --> 00:12:34: So going from left to right,

00:12:34 --> 00:12:36: first phase is really important,

00:12:36 --> 00:12:39: so we've been under construction now with Phase one.

00:12:39 --> 00:12:42: Now for the past couple of years and as you

00:12:42 --> 00:12:43: drive downtown,

00:12:43 --> 00:12:46: you'll see all the cranes that are going on.

00:12:46 --> 00:12:49: So the Tampa Marriott Water St was completed this past

00:12:49 --> 00:12:49: year.

00:12:49 --> 00:12:51: I hope you've been down there.

00:12:51 --> 00:12:54: Anchoring Brian is open. It's a great hotel.

00:12:54 --> 00:12:58: That's a great renovations of \$80,000,000 renovation to the

00:12:58 --> 00:13:00: hotel.

00:12:58 --> 00:13:00: But we also have the Marina.

00:13:00 --> 00:13:03: And of course the restaurants and all the amenities.

00:13:03 --> 00:13:05: Next is JW Marriott, just too.

00:13:05 --> 00:13:07: It's just just right next door.

00:13:07 --> 00:13:10: JW Marriott is really important for a couple reasons.

00:13:10 --> 00:13:12: It's an expansion downtown hotels,

00:13:12 --> 00:13:15: which offers for the Convention Center the additional rooms

00:13:15 --> 00:13:16: which

00:13:16 --> 00:13:19: is so important to Convention Center traffic and then next.

00:13:19 --> 00:13:22: It's very important for the Super Bowl that's coming up,

00:13:22 --> 00:13:25: so we'll have JW completed here at your end.

00:13:25 --> 00:13:29: Continuing around district cooling which was completed

00:13:29 --> 00:13:29: earlier on.

00:13:29 --> 00:13:33: This provides from an operational continuity standpoint all the

00:13:33 --> 00:13:33: chilled

00:13:33 --> 00:13:34: water to the entire.

00:13:34 --> 00:13:38: To the entire district. Then you have embarked collective,

00:13:38 --> 00:13:42: which is just venture, which is which opened up this

00:13:42 --> 00:13:43: past year as well.

00:13:43 --> 00:13:46: Incubator space for technology and so forth.



00:13:46 --> 00:13:49: They're off and running and their super busy,  
 00:13:49 --> 00:13:53: which we're excited about. 10:50 Water Street is one of  
 00:13:53 --> 00:13:57: our apartments in front of that is the addition hotel.  
 00:13:57 --> 00:14:00: So 37 luxury condominiums on top of 173 keys.  
 00:14:00 --> 00:14:03: With the addition hotel which will be our five stars  
 00:14:03 --> 00:14:06: so in essence will have a 5 star.  
 00:14:06 --> 00:14:08: JW Four Star and then the Tampa Mera Water St,  
 00:14:08 --> 00:14:10: which would be a 3 star.  
 00:14:10 --> 00:14:13: And then to its right is 1011 E Cumberland,  
 00:14:13 --> 00:14:16: another apartment building in front of that is 815 water  
 00:14:16 --> 00:14:16: St.  
 00:14:16 --> 00:14:20: Our third apartment building so that one will deliver next  
 00:14:20 --> 00:14:23: year and then will deliver the other two a little  
 00:14:23 --> 00:14:23: later.  
 00:14:23 --> 00:14:26: Everything is under construction right now,  
 00:14:26 --> 00:14:29: and the key is for us is delivering phase one  
 00:14:29 --> 00:14:31: by the end of 21 and much of this with  
 00:14:31 --> 00:14:33: February upon us in the Super Bowl,  
 00:14:33 --> 00:14:36: you know we're excited to have JW completed and then  
 00:14:37 --> 00:14:39: activating a lot of the open space that will be  
 00:14:39 --> 00:14:41: not only within our development.  
 00:14:41 --> 00:14:43: But all the way up Riverwalk.  
 00:14:43 --> 00:14:47: Then continuing you have USF College of Medicine at full  
 00:14:47 --> 00:14:50: capacity will have 1800 doctors.  
 00:14:50 --> 00:14:54: Researchers. Med students also have some some clinical  
 00:14:54 --> 00:14:57: care facilities in that building also.  
 00:14:57 --> 00:14:59: Then you have 1001 is tucked in there.  
 00:14:59 --> 00:15:03: So 1000 water St. That's a 385 thousand Cook Fox  
 00:15:03 --> 00:15:07: design office building which is underway and will deliver in  
 00:15:07 --> 00:15:08: just under a year.  
 00:15:08 --> 00:15:12: And then Lastly to the right is Sparkman Wharf,  
 00:15:12 --> 00:15:14: where I was last night.  
 00:15:14 --> 00:15:17: And say you know, 230,000 square foot,  
 00:15:17 --> 00:15:19: it's an office and retail complex,  
 00:15:19 --> 00:15:22: and I hope you've all had the opportunity to visit  
 00:15:22 --> 00:15:23: the park next.  
 00:15:23 --> 00:15:26: Please now a little bit more details.  
 00:15:26 --> 00:15:29: This is Water Street, so a lot of the vision  
 00:15:29 --> 00:15:32: for water St was in the design phase was Las  
 00:15:32 --> 00:15:33: Ramblas in Barcelona.  
 00:15:33 --> 00:15:36: If you been there, the width of this is 110

00:15:36 --> 00:15:39: feet from storefront to storefront.  
 00:15:39 --> 00:15:41: Walkability is one of our core pillars,  
 00:15:41 --> 00:15:44: and then this really invites that we want to do  
 00:15:44 --> 00:15:47: is invite people from the inside out and bring.  
 00:15:47 --> 00:15:51: Obviously, outside in and what this does with very wide  
 00:15:51 --> 00:15:52: sidewalks,  
 00:15:52 --> 00:15:55: an rich, rich trying to encourage people to be outdoors.  
 00:15:55 --> 00:15:58: We've sourced live Oaks from throughout Florida.  
 00:15:58 --> 00:16:02: They've all been tagged. We have over 500 that have  
 00:16:02 --> 00:16:04: been tagged their their mature live Oaks.  
 00:16:04 --> 00:16:08: 'cause what we want is is once they're in once  
 00:16:08 --> 00:16:09: they're planted.  
 00:16:09 --> 00:16:12: Is to encourage people outside with shade and a sense  
 00:16:12 --> 00:16:13: of scale,  
 00:16:13 --> 00:16:16: and that's what that brings to Water Street.  
 00:16:16 --> 00:16:17: So Maine, Maine is really,  
 00:16:17 --> 00:16:20: you know, channel side is an East West and then  
 00:16:20 --> 00:16:22: Water Street is North South.  
 00:16:22 --> 00:16:25: And then what you're seeing here that you're seeing the  
 00:16:25 --> 00:16:27: addition just to the left.  
 00:16:27 --> 00:16:31: Then the apartment buildings. And this is a perspective as  
 00:16:31 --> 00:16:32: if you're in state.  
 00:16:32 --> 00:16:35: A fourth floor of the office building at 1001.  
 00:16:35 --> 00:16:35: Next please.  
 00:16:37 --> 00:16:41: JW Marriott, we encourage you all we were will be  
 00:16:41 --> 00:16:44: substantially complete in the next month or so.  
 00:16:44 --> 00:16:47: Then we turn it over to Marriott for an opening  
 00:16:48 --> 00:16:49: at the end of the year.  
 00:16:49 --> 00:16:52: So we want to encourage you all at the end  
 00:16:52 --> 00:16:54: of the year to visit.  
 00:16:54 --> 00:16:55: It's it's truly a very.  
 00:16:55 --> 00:16:59: It's a very classy Four Star hotel that will really,  
 00:16:59 --> 00:17:01: as I said, benefit all of Tampa,  
 00:17:01 --> 00:17:04: of course, but but the Convention,  
 00:17:04 --> 00:17:06: traffic and then all the visitors,  
 00:17:06 --> 00:17:12: business travelers, visitors. Tourist ETC for downtown.  
 00:17:12 --> 00:17:14: Next  
 00:17:14 --> 00:17:16: this is our 1000 water St,  
 00:17:16 --> 00:17:20: so cook Fox. Their core design ethos is biophilic design  
 00:17:20 --> 00:17:23: and that's what this is so you know we are  
 00:17:23 --> 00:17:26: the first well certified district in the world and with  
 00:17:26 --> 00:17:30: that having a well certified building in the district an

00:17:31 --> 00:17:35: biophilic design that encourages light air all everything that so

00:17:35 --> 00:17:39: you can live your best life in your office environment

00:17:39 --> 00:17:41: is what this building does.

00:17:41 --> 00:17:44: So the image down to the lower right it shows

00:17:44 --> 00:17:45: will have.

00:17:45 --> 00:17:47: 10 foot finish, ceiling Heights,

00:17:47 --> 00:17:50: 12 foot slab slab and then up top to the

00:17:50 --> 00:17:51: upper right.

00:17:51 --> 00:17:53: You can see that's our rooftop terrace again.

00:17:53 --> 00:17:56: Bringing the outside in in the inside out.

00:17:56 --> 00:18:01: There's also a conference facility up there as well.

00:18:01 --> 00:18:05: Next 815 water St. So with the image you're seeing

00:18:05 --> 00:18:06: here,

00:18:06 --> 00:18:09: you will have 26 stories to the left and 21

00:18:09 --> 00:18:11: stories to the right.

00:18:11 --> 00:18:14: 325 units, then between is in that kind of copper

00:18:14 --> 00:18:17: color is the parking and then below that will have

00:18:17 --> 00:18:18: the groceries.

00:18:18 --> 00:18:22: So we're excited to have a 20,000 square foot greenwise,

00:18:22 --> 00:18:25: which will serve as all the needs of not only

00:18:25 --> 00:18:27: those who live there,

00:18:27 --> 00:18:30: but also our office tenants and folks that are coming

00:18:30 --> 00:18:31: down to visit.

00:18:34 --> 00:18:36: And then this is it just gives you a sense

00:18:37 --> 00:18:38: of the view of where we are right now.

00:18:38 --> 00:18:41: Just overlooking Emily and seeing all the construction when you

00:18:41 --> 00:18:42: drive downtown.

00:18:42 --> 00:18:44: You know everybody working from home.

00:18:44 --> 00:18:47: It's funny for awhile there I wasn't getting downtown for

00:18:47 --> 00:18:49: a couple of weeks and then you really start to

00:18:49 --> 00:18:50: see the progression that we have.

00:18:50 --> 00:18:54: So again, I'll end with we're thrilled to be apart

00:18:54 --> 00:18:56: of this development community.

00:18:56 --> 00:19:00: What all of us are doing are truly transformative to

00:19:00 --> 00:19:00: Tampa Bay.

00:19:00 --> 00:19:05: Tampa is our city, and we're excited about our future

00:19:05 --> 00:19:05: growth,

00:19:05 --> 00:19:08: so really appreciate it.

00:19:08 --> 00:19:11: Thanks Dave, quite quite an exciting project for Tampa.

00:19:11 --> 00:19:13: Obviously you know one more thing.

00:19:13 --> 00:19:17: Forgot this is this is at our office space so

00:19:17 --> 00:19:19: this is our marketing center.

00:19:19 --> 00:19:21: So we put out an RFP a year ago,

00:19:21 --> 00:19:24: Johan coach with the heads up our marketing,

00:19:24 --> 00:19:28: put out an RFP to two consultants that combined efforts

00:19:28 --> 00:19:30: to build our marketing center,

00:19:30 --> 00:19:34: which reflected here is a 17 foot in diameter model

00:19:34 --> 00:19:35: of the city.

00:19:35 --> 00:19:39: We have 12 high definition projectors that project down onto

00:19:39 --> 00:19:42: the model and then is surrounded by screens which will

00:19:42 --> 00:19:43: will show images,

00:19:43 --> 00:19:47: renderings, data for the market and it's you can customize

00:19:48 --> 00:19:49: presentations so.

00:19:49 --> 00:19:51: We hope at some point with all of you that

00:19:51 --> 00:19:53: are that are on to get you down.

00:19:53 --> 00:19:57: Here we are doing tours there they are scheduled through

00:19:57 --> 00:19:57: us.

00:19:57 --> 00:20:00: We abide by all the necessary protocols to come in

00:20:00 --> 00:20:02: with a mask and so forth.

00:20:02 --> 00:20:04: Take your temperature before coming in,

00:20:04 --> 00:20:06: but we're very proud of this.

00:20:06 --> 00:20:09: Encourage you to contact us to come down and see

00:20:09 --> 00:20:10: our marketing site,

00:20:10 --> 00:20:12: thanks.

00:20:12 --> 00:20:15: Thanks Dave, I have had the opportunity to see the

00:20:15 --> 00:20:19: marketing center and it is very cool and I'd encourage

00:20:19 --> 00:20:22: you all to try to do that as soon as

00:20:22 --> 00:20:26: possible. And Dave, I'm going to give him your invitation

00:20:26 --> 00:20:28: to come visit the JW.

00:20:28 --> 00:20:31: I might suggest that. All of those on this call

00:20:31 --> 00:20:32: with you a liar.

00:20:32 --> 00:20:36: Looking forward to having a happy hour on the rooftop

00:20:36 --> 00:20:38: deck at the JW and then your future.

00:20:38 --> 00:20:40: So we're happy to entertain you.

00:20:40 --> 00:20:42: Damn absolutely looking forward to it.

00:20:42 --> 00:20:46: Thanks, appreciate it. Next, we're going to hear from John

00:20:46 --> 00:20:49: Kerry who's going to give us an update on Sky

00:20:49 --> 00:20:50: Center one John.

00:20:58 --> 00:20:59: Up John, you're on mute.

00:21:01 --> 00:21:04: Good morning everyone.

00:21:04 --> 00:21:07: Glad to be here and it's it's wonderful to see

00:21:07 --> 00:21:09: so many neat things going on in Tampa.

00:21:09 --> 00:21:12: I'd like to update you on our Sky Center 1

00:21:12 --> 00:21:15: project at the Tampa Airport just to recap,  
 00:21:15 --> 00:21:19: Van Trust is the owner and developer of this building.  
 00:21:19 --> 00:21:23: However, the Hillsborough County Airport Authority is a major tenant  
 00:21:23 --> 00:21:24: in the building.  
 00:21:24 --> 00:21:28: They'll take over 100,000 feet and they have been much  
 00:21:28 --> 00:21:31: more of a partner on this project and will continue  
 00:21:31 --> 00:21:32: to do so.  
 00:21:32 --> 00:21:35: Next slide, please.  
 00:21:35 --> 00:21:38: Just a couple of quick facts about the building.  
 00:21:38 --> 00:21:42: It is a nine story 270,000 square foot Class A  
 00:21:42 --> 00:21:43: plus building we're on.  
 00:21:43 --> 00:21:48: We're on track to deliver the building second quarter of  
 00:21:48 --> 00:21:48: next year.  
 00:21:48 --> 00:21:52: We have two tenants ready to move in the 1st  
 00:21:52 --> 00:21:52: of June.  
 00:21:52 --> 00:21:57: Basically we have a very efficient 30,000 square foot floor  
 00:21:57 --> 00:21:57: plate.  
 00:21:57 --> 00:22:01: We're offering four and a half parking spaces per thousand,  
 00:22:01 --> 00:22:05: which is very good. We also have direct access via.  
 00:22:05 --> 00:22:09: The Sky connect to the airport without without even going  
 00:22:09 --> 00:22:10: outside,  
 00:22:10 --> 00:22:13: and this this is designed for and hopefully will be  
 00:22:14 --> 00:22:17: a Tampa based first LEED Platinum building.  
 00:22:17 --> 00:22:19: Next slide.  
 00:22:19 --> 00:22:22: Here's a recent photo you can see at the bottom  
 00:22:22 --> 00:22:26: of the photograph that's actually the atrium that's been built  
 00:22:26 --> 00:22:27: by the airport.  
 00:22:27 --> 00:22:29: Our building just to the North,  
 00:22:29 --> 00:22:31: which will tie directly into it.  
 00:22:31 --> 00:22:33: And as a matter of fact,  
 00:22:33 --> 00:22:37: we're having a virtual topping out ceremony later today in  
 00:22:37 --> 00:22:40: lieu of the traditional hoisting the beam to the top,  
 00:22:40 --> 00:22:44: but we do. We are topped out and moving forward  
 00:22:44 --> 00:22:45: nicely.  
 00:22:45 --> 00:22:48: Next slide, please. To recap,  
 00:22:48 --> 00:22:49: it's 9th at you know,  
 00:22:49 --> 00:22:53: nine story building and I just want to show you  
 00:22:53 --> 00:22:57: this because the airport authority is taking three floors over  
 00:22:57 --> 00:22:58: 100,000 feet.  
 00:22:58 --> 00:23:01: That's the third 4th and 5th floor,  
 00:23:01 --> 00:23:04: so we do have the top four floors of the

00:23:04 --> 00:23:08: building over 120,000 square feet available for an acre tenant  
00:23:08 --> 00:23:12: and then second floors are multi tenant for floor and  
00:23:12 --> 00:23:16: there is 7500 square feet available on the 1st floor.  
00:23:16 --> 00:23:18: Next slide please.  
00:23:18 --> 00:23:21: This is a floor plate of our ground floor and  
00:23:21 --> 00:23:24: I just wanted to point it out because it this  
00:23:24 --> 00:23:28: building is really highly amenitized you can see from this  
00:23:28 --> 00:23:32: this site plan you know the fitness center is over  
00:23:32 --> 00:23:33: 6000 square feet.  
00:23:33 --> 00:23:34: It's a full service gym.  
00:23:34 --> 00:23:36: The lobby is 5000 square feet.  
00:23:36 --> 00:23:38: It's much more than a lobby.  
00:23:38 --> 00:23:42: It's actually a gathering place with quite a bit of  
00:23:42 --> 00:23:42: seating.  
00:23:42 --> 00:23:46: The Conference Center is actually 5000 square feet and  
00:23:46 --> 00:23:49: offers  
00:23:49 --> 00:23:52: the opportunity to have meetings of.  
00:23:52 --> 00:23:53: Over 100 people, as well as a more conventional conference  
00:23:53 --> 00:23:57: room.  
00:23:57 --> 00:23:58: The airport will be operating a full service restaurant in  
00:23:58 --> 00:24:01: in in the first floor,  
00:24:01 --> 00:24:05: so again, it's it's not a grab and go.  
00:24:05 --> 00:24:07: It's a it's a 4000 square foot full service restaurant.  
00:24:07 --> 00:24:09: Next slide.  
00:24:09 --> 00:24:12: Just another shot of those amenities.  
00:24:12 --> 00:24:16: You see the cafe on the top left,  
00:24:16 --> 00:24:18: full Service, fitness center. The Conference Center down on  
00:24:18 --> 00:24:22: the  
00:24:22 --> 00:24:23: bottom left and then on the right you can see  
00:24:26 --> 00:24:29: the lobby looking towards the direct access to the atrium.  
00:24:29 --> 00:24:31: Next slide.  
00:24:31 --> 00:24:33: Our building is available for occupancy in June and we're  
00:24:33 --> 00:24:34: excited about it and I look forward to taking any  
00:24:36 --> 00:24:40: questions that you folks may have.  
00:24:40 --> 00:24:42: Thanks.  
00:24:42 --> 00:24:45: Thanks John, much appreciated and thanks to all the  
00:24:45 --> 00:24:48: presenters  
00:24:48 --> 00:24:49: for excellent updates on these.  
00:24:49 --> 00:24:53: These key Tampa projects we're now going to move on  
00:24:53 --> 00:24:56: to our topics portion for the panel on each of  
00:24:56 --> 00:24:58: these topics.  
00:24:58 --> 00:25:01: Our panelists are going to give you some insights on  
00:25:01 --> 00:25:04: both the immediate impact of these trends to offices as

00:24:56 --> 00:24:59: well as their thoughts for the future.

00:24:59 --> 00:25:02: So let's start out a bit with the overall Tampa

00:25:02 --> 00:25:03: office market.

00:25:03 --> 00:25:06: You know what sets it apart from other markets?

00:25:06 --> 00:25:09: We talked a little bit about that.

00:25:09 --> 00:25:12: And just as importantly, what is 2021 look like for

00:25:12 --> 00:25:14: the Tampa Bay Office market?

00:25:14 --> 00:25:18: I would encourage all of our participants to weigh in,

00:25:18 --> 00:25:22: but I might start with with Dave and John simply

00:25:22 --> 00:25:26: because they they come from outside of the market for

00:25:26 --> 00:25:30: their new projects here and might have a unique perspective

00:25:30 --> 00:25:32: to that so.

00:25:32 --> 00:25:34: John, you want to start.

00:25:34 --> 00:25:36: Certainly I think, and again,

00:25:36 --> 00:25:39: you know, Band Trust is a national company.

00:25:39 --> 00:25:43: We have offices in seven 7 cities around the country.

00:25:43 --> 00:25:46: I basically look after Florida Southeast,

00:25:46 --> 00:25:50: but you know Tampa has a tremendous national reputation

00:25:50 --> 00:25:50: right

00:25:50 --> 00:25:50: now.

00:25:50 --> 00:25:53: It's viewed as a as a really happening town.

00:25:53 --> 00:25:55: Lots going on. I mean,

00:25:55 --> 00:25:57: you don't need to sell Tampa anywhere.

00:25:57 --> 00:26:01: It's it's really got such a tremendous reputation.

00:26:01 --> 00:26:04: So you know we were excited about we wanted to

00:26:04 --> 00:26:04: do.

00:26:04 --> 00:26:07: A building in Tampa from the Get Go and it

00:26:07 --> 00:26:09: took us a couple of years to find the right

00:26:09 --> 00:26:10: opportunity but.

00:26:10 --> 00:26:12: I think Tampa is enjoying,

00:26:12 --> 00:26:16: um, just a tremendous national reputation right now.

00:26:19 --> 00:26:23: Thanks Dave. Yeah John, I agree 100%.

00:26:23 --> 00:26:26: In fact we get so my whole career was spent

00:26:26 --> 00:26:29: in DC and and so I still have relationships.

00:26:29 --> 00:26:33: When I was at Brookfield you know national internationally

00:26:33 --> 00:26:37: and

00:26:33 --> 00:26:37: we're getting pinged on all the time by National International

00:26:38 --> 00:26:41: that our investors that really want to learn the greater

00:26:41 --> 00:26:46: fundamentals about Tampa's. So we're very encouraged by

00:26:41 --> 00:26:46: that.

00:26:46 --> 00:26:49: I mean it's you know it's a rising tide lifts

00:26:49 --> 00:26:51: all boats and here's an opportunity.

00:26:51 --> 00:26:54: Then we see in light of the current pandemic.

00:26:54 --> 00:26:57: Now more than ever. I believe even before the pandemic  
 00:26:57 --> 00:26:58: that there was,  
 00:26:58 --> 00:27:00: there was so much focus on Tampa.  
 00:27:00 --> 00:27:04: Now there will be even more the migration coming from  
 00:27:04 --> 00:27:07: the Northeast from Tier 1 markets for businesses and even  
 00:27:07 --> 00:27:11: families for that matter that are looking for better  
 opportunities,  
 00:27:11 --> 00:27:14: safer opportunities in a less dense market.  
 00:27:14 --> 00:27:17: We're going to realize the benefits of that now over  
 00:27:17 --> 00:27:18: the next.  
 00:27:18 --> 00:27:19: I'm going to save, you know,  
 00:27:19 --> 00:27:23: 5 to 10 years, so it's just now starting an.  
 00:27:23 --> 00:27:25: If I'm working with our when I call all of  
 00:27:25 --> 00:27:26: our community stakeholders,  
 00:27:26 --> 00:27:28: you know the temp of 80 C,  
 00:27:28 --> 00:27:30: The partnership, you know, all of the all of all  
 00:27:31 --> 00:27:33: of them are focused now on our growth or outward  
 00:27:33 --> 00:27:34: growth.  
 00:27:34 --> 00:27:36: And you know, I spent the greater part of the  
 00:27:36 --> 00:27:39: last two years getting on the road and getting the  
 00:27:39 --> 00:27:40: word out on Tampa and John.  
 00:27:40 --> 00:27:43: I agree. People are they they are starting to really  
 00:27:43 --> 00:27:44: understand Tampa.  
 00:27:44 --> 00:27:46: And now there's a. There's a.  
 00:27:46 --> 00:27:48: There's a ton of focus on it.  
 00:27:48 --> 00:27:50: Which is which. We're very encouraged by,  
 00:27:50 --> 00:27:53: that's that's what we want to hear.  
 00:27:53 --> 00:27:57: Thanks Dave, any other thoughts from our panelists on  
 specific  
 00:27:57 --> 00:27:59: to the Tampa Bay Office market?  
 00:27:59 --> 00:28:02: What's driving it may be Liz on on the capital  
 00:28:02 --> 00:28:06: components in terms of investment capital heading our way.  
 00:28:06 --> 00:28:09: Yeah, from the capital perspective,  
 00:28:09 --> 00:28:13: there's definitely a good bit of focus on Tampa SCPS,  
 00:28:13 --> 00:28:18: based out of DC, but has several satellite offices nationally  
 00:28:18 --> 00:28:20: and myself and based in Atlanta,  
 00:28:20 --> 00:28:24: an lead southeast office acquisitions for us,  
 00:28:24 --> 00:28:29: but internally or a research models have Tampa really across  
 00:28:29 --> 00:28:32: the board in the top in kind of a top  
 00:28:32 --> 00:28:34: tier of growth markets.  
 00:28:34 --> 00:28:36: There's a continued focus on the.  
 00:28:36 --> 00:28:39: Low cost of living in the high quality of life  
 00:28:39 --> 00:28:43: just in terms of immigration that that we're anticipating,



00:28:43 --> 00:28:45: you know, as as a firm,

00:28:45 --> 00:28:47: we invested a lot of multi family as well as

00:28:48 --> 00:28:48: office.

00:28:48 --> 00:28:52: You can see some of the representative office projects that

00:28:52 --> 00:28:55: we've done on on your screen now and we actually

00:28:55 --> 00:28:59: identified Tampa from an office perspective about 18 months ago.

00:28:59 --> 00:29:02: Is is the place for we really wanted to be

00:29:02 --> 00:29:04: from the multifamily perspective.

00:29:04 --> 00:29:09: We actually underdeveloped. Over 1000 units in the Tampa area

00:29:09 --> 00:29:10: Area specifically,

00:29:10 --> 00:29:14: so know the market well from an apartment side,

00:29:14 --> 00:29:17: but are trying to break into it more so from

00:29:17 --> 00:29:20: from the office side and see it see a lot

00:29:20 --> 00:29:23: of promising fundamentals as you know.

00:29:23 --> 00:29:26: Certainly other capital has seen as well.

00:29:26 --> 00:29:30: It's been interesting last call it five months or so

00:29:30 --> 00:29:34: just from the capital perspective and trying to you know

00:29:35 --> 00:29:36: adjust underwriting Zan.

00:29:36 --> 00:29:39: You know, look at market from that lens.

00:29:39 --> 00:29:42: But long term we still see you a lot of

00:29:42 --> 00:29:45: a lot of great aspects about Tampa and think it

00:29:45 --> 00:29:48: will actually benefit from some of the some of the

00:29:48 --> 00:29:52: changes going on right now in terms of additional migration

00:29:52 --> 00:29:54: from northeastern markets,

00:29:54 --> 00:29:59: it was mentioned towards the Southeast and Sunbelt.

00:29:59 --> 00:30:04: Thanks list one of the things that we track every

00:30:04 --> 00:30:04: day.

00:30:04 --> 00:30:11: Actually, our behavioral shifts, some directly attributable to COVID-19 and

00:30:11 --> 00:30:14: and the impact on office use,

00:30:14 --> 00:30:18: demand density, remote work, things like that.

00:30:18 --> 00:30:22: I'd like to ask Brian to give us a couple

00:30:22 --> 00:30:24: of comments on that,

00:30:24 --> 00:30:29: and maybe his expectation for you know what happens after

00:30:30 --> 00:30:30: we.

00:30:30 --> 00:30:34: Find a vaccine. What happens when this hopefully settles down

00:30:34 --> 00:30:37: a little bit and how many of those behavioral shifts

00:30:37 --> 00:30:39: do we think we're going to stick and and to

00:30:39 --> 00:30:41: what level?

00:30:41 --> 00:30:44: So great question, Dan, and that's the the.

00:30:44 --> 00:30:47: I wouldn't say that \$64,000 question is probably the 64  
 00:30:48 --> 00:30:49: billion dollar question,  
 00:30:49 --> 00:30:52: and particularly for our business.  
 00:30:52 --> 00:30:56: But you know, I remember very clearly where I was  
 00:30:56 --> 00:30:57: on 9/11.  
 00:30:57 --> 00:31:01: I was actually on a financing mixed use development UI  
 00:31:01 --> 00:31:05: panel in Miami and was actually on the panel with  
 00:31:05 --> 00:31:09: one of the senior managing Directors of GMAC who had  
 00:31:09 --> 00:31:15: just recently financed the recapitalization of the World Trade  
 Center.  
 00:31:15 --> 00:31:19: With Larry Silverstein and the time I was working for  
 00:31:19 --> 00:31:22: a company called AIG Global Real Estate.  
 00:31:22 --> 00:31:25: And very quickly over the next year.  
 00:31:25 --> 00:31:30: So we started designing lobbies with blast proof glass,  
 00:31:30 --> 00:31:34: an whole security apparatus that probably is in front of  
 00:31:34 --> 00:31:36: mind as much today,  
 00:31:36 --> 00:31:39: but we've kind of that kind of ebbed a little  
 00:31:39 --> 00:31:43: bit once kind of the threat kind of got into  
 00:31:43 --> 00:31:45: the rearview mirror.  
 00:31:45 --> 00:31:48: So I do believe that this has been an acute  
 00:31:48 --> 00:31:52: and traumatic experience for not only individuals,  
 00:31:52 --> 00:31:58: but organizations that. This will linger in a way coast  
 00:31:58 --> 00:32:01: to coast that maybe 911 did.  
 00:32:01 --> 00:32:04: Those folks who have worked in New York still 911  
 00:32:04 --> 00:32:07: is is much closer to their daily thought.  
 00:32:07 --> 00:32:10: And then maybe those of us who viewed it or  
 00:32:10 --> 00:32:13: experienced it over a television or radio.  
 00:32:13 --> 00:32:15: So I think this is definitely different,  
 00:32:15 --> 00:32:16: however.  
 00:32:18 --> 00:32:20: I think that the vaccine.  
 00:32:20 --> 00:32:23: Obviously, if we had a vaccine today and we get  
 00:32:23 --> 00:32:24: it tomorrow,  
 00:32:24 --> 00:32:27: I think almost everyone on the call would be a  
 00:32:27 --> 00:32:31: lot more optimistic about kind of return to normal.  
 00:32:31 --> 00:32:33: The problem is it's going to take awhile,  
 00:32:33 --> 00:32:37: right? And so whatever crystal ball you may have say  
 00:32:37 --> 00:32:41: it's a year before you have visibility into that and  
 00:32:41 --> 00:32:43: visibility into actually getting it.  
 00:32:43 --> 00:32:47: That being said, I think baseline Wellness centered,  
 00:32:47 --> 00:32:51: you know, construction. Place making you know Dave talked  
 about  
 00:32:51 --> 00:32:56: their well district so their whole district is going to

00:32:56 --> 00:33:00: be focused on Wellness that provides a level of resiliency  
00:33:00 --> 00:33:02: against covert 23 Cover 28.  
00:33:02 --> 00:33:04: The you know, seasonal flu,  
00:33:04 --> 00:33:10: seasonal allergies, common cold, all that kind of stuff and  
00:33:10 --> 00:33:11: if we can.  
00:33:11 --> 00:33:13: This is once in a lifetime so far kind of  
00:33:13 --> 00:33:14: experiences.  
00:33:14 --> 00:33:18: If we can create places that provide a resiliency against  
00:33:18 --> 00:33:19: threats to Wellness,  
00:33:19 --> 00:33:22: I think that is going to be where we're going  
00:33:22 --> 00:33:24: to spend our time and money,  
00:33:24 --> 00:33:27: because right now the jury's out so many companies aren't  
00:33:27 --> 00:33:31: coming back because you know how much plexiglass can  
00:33:31 --> 00:33:32: you  
00:33:31 --> 00:33:32: put in at the moment.  
00:33:32 --> 00:33:35: You can't put enough in for people to feel like  
00:33:35 --> 00:33:36: we're pre covid space.  
00:33:36 --> 00:33:39: I don't know if I answered your question to him,  
00:33:39 --> 00:33:43: but just give you a little bit of visibility to.  
00:33:43 --> 00:33:45: You are thinking no thank you,  
00:33:45 --> 00:33:49: thanks Brian, that's your and your your comments on  
00:33:49 --> 00:33:52: Wellness  
00:33:49 --> 00:33:52: I think are very timely right now.  
00:33:52 --> 00:33:55: Dave or John, particularly as we kind of move into  
00:33:55 --> 00:33:59: some of their Wellness ideas and we'll get into space  
00:33:59 --> 00:34:02: demands and design solutions in a bit.  
00:34:02 --> 00:34:05: But Dave, any any additional comments or John?  
00:34:05 --> 00:34:09: Any additional comments on the Wellness side of it?  
00:34:09 --> 00:34:11: And the trend you see post Pandemic,  
00:34:11 --> 00:34:14: so John Aldol chime in here real quick.  
00:34:14 --> 00:34:17: I agree with everything Brian said.  
00:34:17 --> 00:34:19: You know, studying an understanding,  
00:34:19 --> 00:34:23: behavioral and operational shifts through the lens of a tenant  
00:34:23 --> 00:34:26: or the consumer is the most important thing we can  
00:34:26 --> 00:34:27: do right now.  
00:34:27 --> 00:34:30: So Dawn and her team have helped us with that  
00:34:30 --> 00:34:33: because we don't have the answers right.  
00:34:33 --> 00:34:36: We were studying this to understand how we need to  
00:34:36 --> 00:34:39: pivot in the future to be smart about what is  
00:34:39 --> 00:34:42: meaningful for the general consumer,  
00:34:42 --> 00:34:44: the tenant, so that we're able to ultimately.  
00:34:44 --> 00:34:47: Achieve our, you know our returns.  
00:34:47 --> 00:34:50: Yes, we are all having to endure a little bit

00:34:50 --> 00:34:50: of pain.

00:34:50 --> 00:34:53: You know short, hopefully which is going to be short

00:34:53 --> 00:34:53: term.

00:34:53 --> 00:34:55: But I will save from,

00:34:55 --> 00:34:56: uh, from an operational standard.

00:34:56 --> 00:34:59: Things are going to change for buildings,

00:34:59 --> 00:35:01: some base building. I think less so in base building.

00:35:01 --> 00:35:03: I lived on weigh in on that,

00:35:03 --> 00:35:06: but I think from an operational stand you know standpoint,

00:35:06 --> 00:35:07: you know we were going to.

00:35:07 --> 00:35:10: There's going to be a fairly significant shift.

00:35:14 --> 00:35:17: John, any any additional thoughts on that?

00:35:17 --> 00:35:19: I would just add, you know we we developed to

00:35:19 --> 00:35:23: klase office buildings in Jacksonville over the last three years

00:35:23 --> 00:35:27: and both buildings have an anchor tenant of over 100,000

00:35:27 --> 00:35:30: square feet in them. So it's been interesting to see

00:35:30 --> 00:35:33: what's happened with them since this all started and I

00:35:33 --> 00:35:36: would say uniformly it looks like this.

00:35:36 --> 00:35:39: I mean, obviously everyone who's been working at home.

00:35:39 --> 00:35:43: The companies have concluded that that there you know there

00:35:43 --> 00:35:46: is a component of your workforce that can work in

00:35:46 --> 00:35:46: home and.

00:35:46 --> 00:35:49: And probably some will continue to do so indefinitely.

00:35:49 --> 00:35:52: That will allow them to spread out the existing space

00:35:52 --> 00:35:55: they have in a way that will provide the separation

00:35:55 --> 00:35:57: that we're now going to need in these spaces.

00:35:57 --> 00:36:00: And you know, they don't want to give space back.

00:36:00 --> 00:36:04: That's kind of how they see things playing out.

00:36:04 --> 00:36:05: We don't know for sure,

00:36:05 --> 00:36:08: but that's kind of the thinking among those tenants,

00:36:08 --> 00:36:10: and we're, you know, we're talking to them literally every

00:36:10 --> 00:36:13: week to just kind of continue that discussion.

00:36:13 --> 00:36:16: But that's kind of how it feels right now.

00:36:16 --> 00:36:19: Thanks, maybe just a pile on a little bit.

00:36:19 --> 00:36:21: I mean, so we have a number of very large

00:36:21 --> 00:36:22: customers.

00:36:22 --> 00:36:25: I had a board meeting this week so we're pulling

00:36:25 --> 00:36:30: different snippets and quotes and statements from different CEO's in

00:36:30 --> 00:36:33: our portfolio and one major major banks that it's not.

00:36:33 --> 00:36:35: If it's when we're coming back,

00:36:35 --> 00:36:37: that's where we're most effective.

00:36:37 --> 00:36:40: And again, this is self serving.

00:36:40 --> 00:36:43: We're in this business, but that kind of downward curve

00:36:43 --> 00:36:45: of less Griffey per person,

00:36:45 --> 00:36:49: complete benching. You know almost anonymous seating every day.

00:36:49 --> 00:36:52: I think that has slowed down if not stopped,

00:36:52 --> 00:36:56: so consider that maybe a slight silver lining if there

00:36:56 --> 00:36:58: is such a thing in a global pandemic,

00:36:58 --> 00:37:00: I might argue it's not,

00:37:00 --> 00:37:01: but.

00:37:01 --> 00:37:04: But yeah, I think there's absolutely I think.

00:37:04 --> 00:37:06: I think the other thing too,

00:37:06 --> 00:37:08: which is a little kind of spooky thing is,

00:37:08 --> 00:37:11: if those are the US on this car they've been

00:37:11 --> 00:37:12: doing business all along.

00:37:12 --> 00:37:15: Here, you kind of know who you're not missing,

00:37:15 --> 00:37:18: right? And or what areas of business you're not missing,

00:37:18 --> 00:37:21: so you're able to actually be more productive,

00:37:21 --> 00:37:25: so that'll be interesting to see the evolution and cycling

00:37:25 --> 00:37:29: through as these companies get a little more leaner mean.

00:37:29 --> 00:37:33: Thanks, Brian, but it's like it's a great segue Segway

00:37:33 --> 00:37:33: tour.

00:37:33 --> 00:37:37: Next topic on space demands and design solutions,

00:37:37 --> 00:37:40: and I'm, uh, I'm gonna ask Don to comment quite

00:37:40 --> 00:37:42: a bit on this with Gensler,

00:37:42 --> 00:37:46: any trends you're seeing? We talked about trends accelerated by

00:37:46 --> 00:37:47: COVID-19,

00:37:47 --> 00:37:49: you know new building design.

00:37:49 --> 00:37:53: You know what's? What are our customers requesting now versus

00:37:53 --> 00:37:55: what your expectations are?

00:37:55 --> 00:37:59: Post covid. Any thoughts you might have on that would

00:37:59 --> 00:38:00: be helpful gone.

00:38:00 --> 00:38:02: I appreciate it, I know.

00:38:02 --> 00:38:06: I know Don's probably been working 24 seven since this

00:38:06 --> 00:38:10: hit based on on her customers and clients.

00:38:10 --> 00:38:14: Requests for you know what what's over the horizon in

00:38:14 --> 00:38:16: terms of design gone.

00:38:16 --> 00:38:18: Good morning, Dan. Thank you Ann.

00:38:18 --> 00:38:21: You know really want to just thank the whole group

00:38:22 --> 00:38:22: here.

00:38:22 --> 00:38:24: I think that.

00:38:24 --> 00:38:28: When we look at companies productivity and their performance,

00:38:28 --> 00:38:34: it's been really interesting because we've been tracking productivity and

00:38:34 --> 00:38:37: the impact of space on employees since 2007.

00:38:37 --> 00:38:41: To really understand data and what we know is that

00:38:41 --> 00:38:45: the companies that are the most innovative also perform the best on Wall Street.

00:38:45 --> 00:38:47:

00:38:47 --> 00:38:50: Not a surprise. But then we dialed it back to

00:38:50 --> 00:38:50: say OK,

00:38:50 --> 00:38:54: what do the companies that are the most innovative?

00:38:54 --> 00:38:57: Have in common and what they have in common is

00:38:57 --> 00:39:00: choice and it's been fascinating because we've all been sent

00:39:00 --> 00:39:02: home and we have no choice anymore.

00:39:02 --> 00:39:05: We have no choice about coming to the office.

00:39:05 --> 00:39:09: We have no choice about sitting together around a whiteboard

00:39:09 --> 00:39:11: because we're not going to put our employees in a

00:39:12 --> 00:39:13: dangerous situation.

00:39:13 --> 00:39:15: So this has been one of the most more than

00:39:15 --> 00:39:15: 911.

00:39:15 --> 00:39:19: Even one of the most disruptive moments for workplace.

00:39:19 --> 00:39:22: But the fascinating thing is we're going to drill down

00:39:22 --> 00:39:23: on this a little bit.

00:39:23 --> 00:39:25: All of the data that we have collected.

00:39:25 --> 00:39:27: For the last 13 years.

00:39:27 --> 00:39:30: Is not been disrupted. It points to what people want.

00:39:30 --> 00:39:34: It points to innovation, which is what the workplace is trying to drive,

00:39:34 --> 00:39:35:

00:39:35 --> 00:39:38: and so we're going to walk through a little bit.

00:39:38 --> 00:39:40: If you want to jump into the next slide,

00:39:40 --> 00:39:42: what we've learned really since March,

00:39:42 --> 00:39:44: when we all went home.

00:39:44 --> 00:39:46: So the fascinating thing is we have done a work

00:39:46 --> 00:39:48: from home survey of the 2300 plus,

00:39:48 --> 00:39:52: and this grows daily because we keep doing these surveys.

00:39:52 --> 00:39:55: Only 12% of our workforce wants to stay at home,

00:39:55 --> 00:39:58: which is really great. Problem us on the call today.

00:39:58 --> 00:40:00: That means that you know a solid 88%

00:40:00 --> 00:40:03: are ready to sign the lease and get back to

00:40:03 --> 00:40:04: the office,

00:40:04 --> 00:40:06: and you know what are they miss about the office

00:40:07 --> 00:40:09: and they really missed most this?

00:40:09 --> 00:40:13: They missed the interaction and the people collaborating at home

00:40:13 --> 00:40:15: is obviously more difficult than 51%.

00:40:15 --> 00:40:18: Say staying up to date at home is really difficult.

00:40:18 --> 00:40:19: Next slide please.

00:40:22 --> 00:40:25: So this is really interesting in that I think that

00:40:25 --> 00:40:28: if you looked at the average age of who's on

00:40:28 --> 00:40:29: this phone call,

00:40:29 --> 00:40:32: I think that the UI meeting here that we probably

00:40:32 --> 00:40:34: have somewhat a diverse demographics.

00:40:34 --> 00:40:36: But because as as leaders,

00:40:36 --> 00:40:39: we interact with a lot of other leaders in our

00:40:39 --> 00:40:39: minds,

00:40:39 --> 00:40:43: the demographics are different than they are in reality.

00:40:43 --> 00:40:46: There are more millennial and Gen Z workers working for

00:40:46 --> 00:40:48: all of us right now.

00:40:48 --> 00:40:51: If you look at the demographics within our company,

00:40:51 --> 00:40:53: they have been sent home.

00:40:53 --> 00:40:55: Oftentimes to a one bedroom apartment,

00:40:55 --> 00:40:56: or if it's 2 bedrooms,

00:40:56 --> 00:40:59: they have a roommate. They don't have any acoustic separation,

00:40:59 --> 00:41:02: so our workers are really struggling and they're really wanting

00:41:02 --> 00:41:03: to come back,

00:41:03 --> 00:41:05: so we have to understand that the demographics that we

00:41:06 --> 00:41:08: interact with are not the demographics that are within our

00:41:08 --> 00:41:09: companies,

00:41:09 --> 00:41:11: and people absolutely want to get back to work.

00:41:11 --> 00:41:13: We talked about that 88%,

00:41:13 --> 00:41:16: but yes, down they they really want that to be

00:41:16 --> 00:41:18: different next slide.

00:41:18 --> 00:41:21: So there are four ways that we're kind of thinking

00:41:21 --> 00:41:23: about the pandemic and the response.

00:41:23 --> 00:41:25: One is the idea of the neighborhood campus,

00:41:25 --> 00:41:28: a community of tenants a self aware building.

00:41:28 --> 00:41:30: An invocation from work from home,

00:41:30 --> 00:41:32: right? We all wanted to go home,

00:41:32 --> 00:41:34: and now that we're forced to stay home,

00:41:34 --> 00:41:38: it's all about choice. We all are dying to get

00:41:38 --> 00:41:39: back to the office.

00:41:39 --> 00:41:41: Of Fortune 500 CEOs, 75%

00:41:41 --> 00:41:45: of them are accelerating the investment in technology.

00:41:45 --> 00:41:49: So people those of us that are designing and delivering

00:41:49 --> 00:41:50: product to market,

00:41:50 --> 00:41:53: I think that's one of the again keys to successful

00:41:53 --> 00:41:57: disruption is that we are embracing technology.

00:41:57 --> 00:42:00: It's been there, but we maybe have not embraced it.

00:42:00 --> 00:42:03: So the idea that you use your smartphone to take

00:42:04 --> 00:42:04: the elevator,

00:42:04 --> 00:42:08: we're really looking at when you talk about the kind

00:42:08 --> 00:42:10: of nitty gritty space impacts.

00:42:10 --> 00:42:14: Getting from your vehicle to your desk without having to

00:42:14 --> 00:42:17: touch anything so that technology is there.

00:42:17 --> 00:42:21: But now when we are delivering these buildings and these

00:42:21 --> 00:42:21: workplaces,

00:42:21 --> 00:42:25: we are now having to really think thoughtfully about what

00:42:25 --> 00:42:26: that journey is.

00:42:26 --> 00:42:29: Through the space and so next slide.

00:42:31 --> 00:42:34: This is just a kind of fun slice through,

00:42:34 --> 00:42:38: so when we talk about the disruption to design it

00:42:38 --> 00:42:42: is really wonderful because lead I think when it came

00:42:42 --> 00:42:43: on line,

00:42:43 --> 00:42:46: people didn't understand what is lead.

00:42:46 --> 00:42:51: What does it do? Lead was really the building's interaction

00:42:51 --> 00:42:53: with the environment.

00:42:53 --> 00:42:55: The sunlight, the water usage,

00:42:55 --> 00:42:58: the energy usage and I think there's been a lot

00:42:58 --> 00:42:59: of confusion around,

00:42:59 --> 00:43:03: well, in what well is well is the body's interaction

00:43:03 --> 00:43:04: with the environment.

00:43:04 --> 00:43:08: What kind of error? My breathing or kind of water

00:43:08 --> 00:43:10: on my drinking Dave mentioned Cook Fox,

00:43:10 --> 00:43:14: an designing 1001 water. St Gensler is working with SPP.

00:43:14 --> 00:43:17: Todo Foreigner channel side. It was really neat.

00:43:17 --> 00:43:21: All of the architects working within the greater Water St

00:43:21 --> 00:43:24: District got together in New York City.

00:43:24 --> 00:43:27: And we went to cook boxes office after after the

00:43:27 --> 00:43:30: meeting and they were explaining the impacts of well and

00:43:30 --> 00:43:34: they were getting these really random from aldehyde

00:43:34 --> 00:43:36: readings and

00:43:36 --> 00:43:39: they couldn't understand them. And they're like,

00:43:39 --> 00:43:40: well, that's not good. You know we're all breathing in

00:43:39 --> 00:43:40: formaldehyde,



00:43:40 --> 00:43:43: and it was when they were opening their Amazon boxes  
00:43:43 --> 00:43:46: every time they open the box within the plastic.  
00:43:46 --> 00:43:48: They were all breathing in formaldehyde,  
00:43:48 --> 00:43:51: so they started doing it at the loading dock.  
00:43:51 --> 00:43:53: So and before covid it was really hard to tell  
00:43:54 --> 00:43:54: CEOs why our.  
00:43:54 --> 00:43:57: Interaction with our environment was so critical that is.  
00:43:57 --> 00:43:59: Another interesting disruption. Is it?  
00:43:59 --> 00:44:01: Now when we talk to CEOs about why are you  
00:44:02 --> 00:44:02: investing and well,  
00:44:02 --> 00:44:05: why are we building our buildings differently?  
00:44:05 --> 00:44:07: Why are we talking about the air changes that no  
00:44:07 --> 00:44:09: longer is a difficult discussion?  
00:44:09 --> 00:44:12: That's something that I think is going to become a  
00:44:12 --> 00:44:13: baseline again,  
00:44:13 --> 00:44:15: as we're delivering product to market so I don't need  
00:44:15 --> 00:44:17: to read through all of these.  
00:44:17 --> 00:44:19: But you are seeing all of the buildings that you  
00:44:19 --> 00:44:20: have seen,  
00:44:20 --> 00:44:22: and if you want to go to the next slide,  
00:44:22 --> 00:44:25: we'll talk about it a little bit are.  
00:44:25 --> 00:44:28: Are really integrating the interior and the exterior,  
00:44:28 --> 00:44:31: so this is one of the SPP phase two buildings  
00:44:31 --> 00:44:33: you do see on the 3rd on the top of  
00:44:33 --> 00:44:34: the third floor.  
00:44:34 --> 00:44:38: That is how you circulate across this beautiful open air  
00:44:38 --> 00:44:40: Plaza from the garage to your office building.  
00:44:40 --> 00:44:43: You see the different balconies on each level,  
00:44:43 --> 00:44:47: so the idea that buildings now we're really interacting with  
00:44:47 --> 00:44:51: their environment and more importantly employees are  
getting to be  
00:44:51 --> 00:44:54: outside in the environment throughout the work day.  
00:44:54 --> 00:44:57: And so that's just another aspect of well.  
00:44:57 --> 00:45:00: And how we're looking at the human interaction with the  
00:45:00 --> 00:45:04: environment more so than just the building really exciting,  
00:45:04 --> 00:45:06: and again, a disruption. But I think all of us  
00:45:06 --> 00:45:07: are embracing it.  
00:45:07 --> 00:45:09: You'll see this as a as a theme in a  
00:45:10 --> 00:45:11: lot of our slides next.  
00:45:13 --> 00:45:16: So, um, I'm just going to move my work in  
00:45:16 --> 00:45:16: here.  
00:45:16 --> 00:45:19: So, so the suburban model is fun as well,

00:45:19 --> 00:45:22: and it's really the idea that what used to be  
00:45:22 --> 00:45:25: a building in a parking lot is now becoming a  
00:45:25 --> 00:45:26: campus.  
00:45:26 --> 00:45:29: So we're not looking at it anymore as that hard  
00:45:29 --> 00:45:33: interface between you leave the building you get in your  
00:45:33 --> 00:45:33: car,  
00:45:33 --> 00:45:36: you go home, and I think a couple of panels  
00:45:36 --> 00:45:38: have mentioned that,  
00:45:38 --> 00:45:41: but it is really the idea that your space moves  
00:45:41 --> 00:45:43: beyond beyond the outside walls.  
00:45:43 --> 00:45:47: Very exciting and I'll drill down a little bit here.  
00:45:47 --> 00:45:50: Just because these are things that are going to now  
00:45:50 --> 00:45:52: be standard in all of our buildings,  
00:45:52 --> 00:45:56: but the idea that we have weather responsive buildings.  
00:45:56 --> 00:45:58: We talked a lot about resilience.  
00:45:58 --> 00:46:01: I think prior to Covid and prior to what's happening  
00:46:01 --> 00:46:04: with our real focus on diversity is that we talked  
00:46:04 --> 00:46:09: about buildings being resilient really based on whether an  
energy  
00:46:09 --> 00:46:13: Now we're looking at multiple levels of resilience help  
resilience.  
00:46:13 --> 00:46:17: Diverse resilience, resilience again. Still with the  
environment,  
00:46:17 --> 00:46:21: so we're looking at buildings in a much more technological  
00:46:21 --> 00:46:21: way,  
00:46:21 --> 00:46:23: which is again very exciting.  
00:46:23 --> 00:46:26: The UV light, the idea that we have the technology  
00:46:26 --> 00:46:27: to sanitize our buildings,  
00:46:27 --> 00:46:30: everybody goes home. You turn on the UV lights.  
00:46:30 --> 00:46:33: There's sanitation, that happens just passively,  
00:46:33 --> 00:46:36: well, well, nobody's in this space so things that taking  
00:46:36 --> 00:46:38: technology that exists.  
00:46:38 --> 00:46:41: It's not expensive, but adopting it in the space it's  
00:46:41 --> 00:46:44: been in hospitals in surgical units for years.  
00:46:44 --> 00:46:46: And we talked about the digital interface,  
00:46:46 --> 00:46:50: so the campus dashboard moving throughout the space  
without having  
00:46:50 --> 00:46:53: to touch anything through your mobile phone app.  
00:46:53 --> 00:46:56: The indoor outdoor office. I think that you've seen that  
00:46:56 --> 00:46:59: in most of the buildings that these teams have shown,  
00:46:59 --> 00:47:02: or the idea of being walkable and.  
00:47:02 --> 00:47:05: I've been live reports on on whether an interface I  
00:47:05 --> 00:47:09: have a meeting scheduled for outdoors at 1:00 o'clock there's

00:47:09 --> 00:47:10: going to be a storm.  
 00:47:10 --> 00:47:13: I move it inside, so the idea that we're able  
 00:47:13 --> 00:47:15: to smartly live within our space is next.  
 00:47:18 --> 00:47:20: And so this is what we are seeing.  
 00:47:20 --> 00:47:24: We are working with. We work with South Park center.  
 00:47:24 --> 00:47:26: Recently very large development in Orlando.  
 00:47:26 --> 00:47:30: We're working with a number of.  
 00:47:30 --> 00:47:33: File development that has a couple of suburban  
 developments here  
 00:47:34 --> 00:47:35: and an piedmonte over in Orlando.  
 00:47:35 --> 00:47:38: This is what the suburban office now is going to  
 00:47:38 --> 00:47:39: look like.  
 00:47:39 --> 00:47:41: It is no longer going to be a building in  
 00:47:42 --> 00:47:43: a sea of parking and this is,  
 00:47:43 --> 00:47:46: you know, every event whether it's 911 or covid that  
 00:47:46 --> 00:47:48: that starts at a point of tragedy,  
 00:47:48 --> 00:47:52: really does, I think. Give us opportunity that we really  
 00:47:52 --> 00:47:53: want to embrace,  
 00:47:53 --> 00:47:56: and so I think it's exciting that the.  
 00:47:56 --> 00:47:58: Interface with those suburban office product is really going to  
 00:47:58 --> 00:47:59: be highlighted now.  
 00:47:59 --> 00:48:00: It's going to be much different than what we've seen  
 00:48:00 --> 00:48:01: in the past.  
 00:48:04 --> 00:48:07: And so you know, just to just to kind of  
 00:48:07 --> 00:48:08: wrap up here.  
 00:48:08 --> 00:48:11: We are already seeing it in Chicago,  
 00:48:11 --> 00:48:14: where it is. There are certain things you just don't  
 00:48:14 --> 00:48:18: do when you when you own office product and one  
 00:48:18 --> 00:48:20: is to reduce your investment,  
 00:48:20 --> 00:48:24: nobody wants to take what they've purchased and reduce  
 their  
 00:48:24 --> 00:48:29: investment and they are in Chicago taking buildings and  
 reducing  
 00:48:29 --> 00:48:30: office space,  
 00:48:30 --> 00:48:32: adding balconies, and you know,  
 00:48:32 --> 00:48:35: kind of throwing all their metrics off.  
 00:48:35 --> 00:48:37: And they're leasing like mad.  
 00:48:37 --> 00:48:39: Those are the buildings that are filling up first,  
 00:48:39 --> 00:48:42: so we're seeing this idea that the office as we  
 00:48:42 --> 00:48:46: know it is changing the human interface with that office  
 00:48:46 --> 00:48:46: is changing,  
 00:48:46 --> 00:48:50: but we want to encourage people is the core.  
 00:48:50 --> 00:48:53: Point of workplace is not different how we design it.

00:48:53 --> 00:48:56: How we build it and how we experience it will

00:48:56 --> 00:48:57: never be the same.

00:48:57 --> 00:48:59: But we also believe that this is one of the

00:48:59 --> 00:49:03: most exciting disruptions to what we all do that we've

00:49:03 --> 00:49:03: ever had.

00:49:03 --> 00:49:06: So with that Dan, I'll turn it back to you.

00:49:06 --> 00:49:08: Thank you very much. Thanks Don.

00:49:08 --> 00:49:11: Great great insight to where where the future of office

00:49:11 --> 00:49:12: design is going.

00:49:12 --> 00:49:15: We had I want to leave time for questions after

00:49:15 --> 00:49:16: some of our topics,

00:49:16 --> 00:49:19: but one question that came up that's very pertinent to

00:49:19 --> 00:49:21: your comments and.

00:49:21 --> 00:49:23: I think on the minds of a lot of us

00:49:23 --> 00:49:27: on this call is is what what do you believe

00:49:27 --> 00:49:30: that impacts the long term impacts or to the open

00:49:30 --> 00:49:37: workplace concept that's been so prevalent for so long?

00:49:37 --> 00:49:40: There are going to be two ways that we interface

00:49:40 --> 00:49:43: with our office it there's going to be what we

00:49:43 --> 00:49:46: call the post pandemic and the no pandemic.

00:49:46 --> 00:49:49: I joke that with SARS the big change was they

00:49:49 --> 00:49:51: took blankets out of airplanes.

00:49:51 --> 00:49:53: Really that's it. I mean,

00:49:53 --> 00:49:55: that was the main change after SARS.

00:49:55 --> 00:49:57: So people do tend to go.

00:49:57 --> 00:50:00: We're very resilient. We bounce back very quickly,

00:50:00 --> 00:50:02: so I again it is about choice.

00:50:02 --> 00:50:05: So the open workplace will come back when we're in

00:50:05 --> 00:50:07: a no pandemic environment.

00:50:07 --> 00:50:09: That will be one aspect of choice.

00:50:09 --> 00:50:12: The idea that I can work with my teammates I

00:50:12 --> 00:50:12: can innovate.

00:50:12 --> 00:50:15: I have this energy buzz so it it will absolutely

00:50:15 --> 00:50:16: not go away.

00:50:16 --> 00:50:19: However, in a post pandemic environment it will go away.

00:50:19 --> 00:50:22: Everybody will have an assigned desk.

00:50:22 --> 00:50:24: Those desks will need to be cleaned.

00:50:24 --> 00:50:26: You know you won't have people moving around.

00:50:26 --> 00:50:29: So what we are looking at is we believe that

00:50:29 --> 00:50:32: there are going to be 8 impacts to the physical

00:50:32 --> 00:50:34: space an 8 impacts to protocol.

00:50:34 --> 00:50:36: So there's going to be kind of a 16 point

00:50:36 --> 00:50:38: kit of parts for executives.

00:50:38 --> 00:50:43: We are delivering two global headquarters right now to market

00:50:43 --> 00:50:46: jable in Saint Pete NFIS an.

00:50:46 --> 00:50:49: Jacksonville and the CEO's have to go to their board

00:50:49 --> 00:50:52: and say we're delivering a responsible building and what we've

00:50:53 --> 00:50:56: done with them is walk through what those 16 points

00:50:56 --> 00:50:59: are down and allowed them to have a building that's

00:50:59 --> 00:51:01: going to be in both environments,

00:51:01 --> 00:51:04: but still drive innovation. And So what happens is in

00:51:04 --> 00:51:07: a post pandemic environment where you do send your workplace

00:51:07 --> 00:51:11: your workers home that the people that are essential are

00:51:11 --> 00:51:14: assigned to seeds. There's you know you have more offices,

00:51:14 --> 00:51:18: you have less interaction. And in a no pandemic environment

00:51:18 --> 00:51:20: we are not able to tell our boards to tell

00:51:20 --> 00:51:23: our CEOs to tell our investors that we're going to

00:51:23 --> 00:51:26: get, you know, back to 500 square feet per person

00:51:26 --> 00:51:28: that will never come back.

00:51:28 --> 00:51:30: So we just see that we are walking are whether

00:51:31 --> 00:51:33: it's a tenant or a building or any of that.

00:51:33 --> 00:51:37: We're walking our teams through what their post pandemic workplaces

00:51:37 --> 00:51:40: like and what their no pandemic workplaces like.

00:51:40 --> 00:51:44: But staying with what drives innovation and how do we

00:51:44 --> 00:51:46: deliver that to the workplace?

00:51:46 --> 00:51:48: Great thanks, Don appreciate it.

00:51:48 --> 00:51:52: I would like to move on to another topic now

00:51:52 --> 00:51:55: if I can capital markets I think I think obviously

00:51:55 --> 00:52:01: everybody on this call and particularly our development presenters are

00:52:01 --> 00:52:05: are pleased that they started coming out of the ground

00:52:05 --> 00:52:08: well before COVID-19 in the pandemic it.

00:52:08 --> 00:52:10: But I would like to hear from Liz on,

00:52:10 --> 00:52:14: you know how this is changed and how it is

00:52:14 --> 00:52:14: made.

00:52:14 --> 00:52:17: Underwriting for new office development.

00:52:17 --> 00:52:20: More challenging and kind of as a sidebar,

00:52:20 --> 00:52:24: is it it? Would it be more challenging in Tampa

00:52:24 --> 00:52:27: now or would it be more challenging in a Gateway

00:52:27 --> 00:52:31: City now to come out of the ground with something?

00:52:31 --> 00:52:36: Yeah, thanks Dan. As I alluded to earlier,

00:52:36 --> 00:52:39: Tampa is still a key focus of ours,  
 00:52:39 --> 00:52:41: but.  
 00:52:41 --> 00:52:45: To that point, the Capitals have seen a big change  
 00:52:45 --> 00:52:46: here in the last.  
 00:52:46 --> 00:52:49: You know, several months. One good example.  
 00:52:49 --> 00:52:53: Actually, you know assets that were being marketed for sale  
 00:52:53 --> 00:52:54: in January,  
 00:52:54 --> 00:52:59: February, March. You know a lot of those processes were  
 00:52:59 --> 00:53:00: put on hold.  
 00:53:00 --> 00:53:04: And it hasn't been until pretty recently,  
 00:53:04 --> 00:53:08: where some of those processes have been pancaked back  
 off.  
 00:53:08 --> 00:53:10: And you know, I think,  
 00:53:10 --> 00:53:14: Tampa. There's still a big focus here coming out of  
 00:53:14 --> 00:53:18: the pandemic that you know it will perform,  
 00:53:18 --> 00:53:21: perform well just in terms of those users,  
 00:53:21 --> 00:53:25: but tenants and employees themselves looking to relocate,  
 00:53:25 --> 00:53:31: potentially out of some of the denser gateway markets too.  
 00:53:31 --> 00:53:35: You know either less expensive cities where they can spread  
 00:53:35 --> 00:53:36: out,  
 00:53:36 --> 00:53:40: and maybe don't necessarily need to be in some of  
 00:53:40 --> 00:53:44: those larger gateway markets for a specific opportunity.  
 00:53:44 --> 00:53:48: One example on just a brief kind of case study  
 00:53:48 --> 00:53:52: I guess on the capital market side there's an asset  
 00:53:52 --> 00:53:56: in West Shore that had just launched a market really  
 00:53:56 --> 00:54:00: the first week of March processes pretty quickly put on  
 00:54:00 --> 00:54:01: hold.  
 00:54:01 --> 00:54:05: Um, this is Tampa Commons is you probably are pretty  
 00:54:05 --> 00:54:06: familiar with it.  
 00:54:06 --> 00:54:09: If you're looking at existing office.  
 00:54:09 --> 00:54:10: Had a lot of interest,  
 00:54:10 --> 00:54:14: you know, just in a couple weeks before the process  
 00:54:14 --> 00:54:17: was put on hold about a month and a half  
 00:54:17 --> 00:54:17: ago.  
 00:54:17 --> 00:54:19: So mid June.  
 00:54:19 --> 00:54:21: He still team out of Atlanta,  
 00:54:21 --> 00:54:25: who's marketing? It picked up the phones again and then  
 00:54:25 --> 00:54:29: called kind of 30 to 35 groups who'd shown interest  
 00:54:29 --> 00:54:30: pre pandemic.  
 00:54:30 --> 00:54:34: So they reopened the process on a more limited basis.  
 00:54:34 --> 00:54:36: You know of those 3035 groups?  
 00:54:36 --> 00:54:37: You know 40 to 50%

00:54:37 --> 00:54:41: of them actually ended up putting offers on the asset  
00:54:41 --> 00:54:42: just recently.  
00:54:42 --> 00:54:45: So I think you that goes to show if you  
00:54:45 --> 00:54:48: have nearly 15 groups offering on it,  
00:54:48 --> 00:54:50: you know any existing asset in.  
00:54:50 --> 00:54:53: In West Shore you know only half mile from from  
00:54:53 --> 00:54:55: you will Midtown Project,  
00:54:55 --> 00:54:59: which I think is part of the compelling asset attributes  
00:54:59 --> 00:54:59: that.  
00:55:01 --> 00:55:04: But I think having that many offers to show you  
00:55:04 --> 00:55:08: how much capital is out there looking at deals.  
00:55:08 --> 00:55:11: And it wasn't just local groups trying to put that  
00:55:11 --> 00:55:13: deal together there were,  
00:55:13 --> 00:55:16: you know, a good handful of true capital in there  
00:55:16 --> 00:55:17: themselves.  
00:55:17 --> 00:55:21: Including we were looking at it as well.  
00:55:21 --> 00:55:24: You know I have this 15 just to show you  
00:55:24 --> 00:55:26: kind of the strength of the offers there were.  
00:55:26 --> 00:55:29: There were eight out of that who were who were  
00:55:29 --> 00:55:31: invited to the next round.  
00:55:31 --> 00:55:34: So clearly there were some probably just looking for a  
00:55:34 --> 00:55:34: deal,  
00:55:34 --> 00:55:39: but a lot of others who are really competitive.  
00:55:39 --> 00:55:43: You know just to speak to the underwriting specifically,  
00:55:43 --> 00:55:48: and how that changed. You know it came out looking,  
00:55:48 --> 00:55:50: looking at about a 10%  
00:55:50 --> 00:55:54: discount of guidance previously, and a lot of that's driven  
00:55:55 --> 00:55:57: by by the debt markets uncertainty,  
00:55:57 --> 00:56:01: their underwriting to a lower left bridge,  
00:56:01 --> 00:56:04: and an. Likely higher rate,  
00:56:04 --> 00:56:05: so that's a piece of it,  
00:56:05 --> 00:56:08: but you know, in an existing asset,  
00:56:08 --> 00:56:10: you're also looking at your,  
00:56:10 --> 00:56:14: your, your leasing, and pretty high focus on that.  
00:56:14 --> 00:56:17: And so, uh, specifically, we've been looking at at the  
00:56:17 --> 00:56:19: retention rates.  
00:56:19 --> 00:56:22: And is there a little bit more movement post covid?  
00:56:22 --> 00:56:26: And while I think there's still high demand for for  
00:56:26 --> 00:56:27: this space,  
00:56:27 --> 00:56:31: you know we were anticipating that there might be some  
00:56:31 --> 00:56:32: other tenants downsizing.  
00:56:32 --> 00:56:36: Or just movement movement around and potentially a slightly

lower  
00:56:36 --> 00:56:37: retention rate.  
00:56:37 --> 00:56:41: You know, I think across various things we're looking at.  
00:56:41 --> 00:56:43: We're also looking at for rent,  
00:56:43 --> 00:56:45: rent, growth, and we're slowing down,  
00:56:45 --> 00:56:46: or at least up timing.  
00:56:46 --> 00:56:49: And I don't think any of that should be a  
00:56:49 --> 00:56:50: surprise to.  
00:56:50 --> 00:56:54: To all listeners? Um, but we think that you know  
00:56:55 --> 00:56:59: over the next 12 months until there is a solution  
00:56:59 --> 00:57:02: to this situation we're in.  
00:57:02 --> 00:57:05: Market is going to continue to see a lot of  
00:57:05 --> 00:57:10: uncertainty on on the leasing side and companies will be  
00:57:10 --> 00:57:11: continuing to delay.  
00:57:11 --> 00:57:17: And moving, renewing leases to the extent they can.  
00:57:17 --> 00:57:21: I think one other thing in speaking specifically about to  
00:57:21 --> 00:57:24: dance question on development,  
00:57:24 --> 00:57:28: new development. Now whether it's you know more people in  
00:57:28 --> 00:57:32: kicking off project in a gateway market versus Tampa or  
00:57:32 --> 00:57:34: other Southeastern markets,  
00:57:34 --> 00:57:38: I think you're going to find it much more challenging  
00:57:38 --> 00:57:39: right now.  
00:57:39 --> 00:57:43: Personal opinions kick something, often in gateway,  
00:57:43 --> 00:57:45: the gateway market in Tampa,  
00:57:45 --> 00:57:51: another southeast. Marketside biggest challenge you face  
today and trying  
00:57:51 --> 00:57:54: to kick off a project is is likely the debt.  
00:57:54 --> 00:57:59: You know. If it's truly speculative without me pre leasing,  
00:57:59 --> 00:58:03: there's not a huge market right now on the lender  
00:58:03 --> 00:58:06: side for financing a project like that.  
00:58:06 --> 00:58:10: There are groups that are coming back and it depends  
00:58:10 --> 00:58:11: on the lender,  
00:58:11 --> 00:58:14: lender profile you're looking for,  
00:58:14 --> 00:58:17: whether it's a debt fund or regional banking.  
00:58:17 --> 00:58:22: Bank opportunities maybe, but it's been the past several  
months  
00:58:22 --> 00:58:26: on the ground up construction financing has been has been  
00:58:26 --> 00:58:26: tougher.  
00:58:26 --> 00:58:30: As you can imagine, just with the uncertainty out there  
00:58:31 --> 00:58:35: from our from our standpoint in the various projects we  
00:58:35 --> 00:58:36: have throughout.  
00:58:36 --> 00:58:39: Throughout the mid Atlantic and Southeast,



00:58:39 --> 00:58:42: you know we were still seeing your kind of money's  
 00:58:42 --> 00:58:45: international banks more or less on the sidelines.  
 00:58:45 --> 00:58:49: Unless it's for a key relationship or kind of accentuating  
 00:58:49 --> 00:58:50: circumstances,  
 00:58:50 --> 00:58:54: circumstances where where they are able to get a deal  
 00:58:54 --> 00:58:54: done.  
 00:58:54 --> 00:58:57: But for the large part you know there's this,  
 00:58:57 --> 00:59:00: big banks are still still kind of waiting to see  
 00:59:00 --> 00:59:01: what happens,  
 00:59:01 --> 00:59:05: so I think that's your biggest obstacle right now in  
 00:59:05 --> 00:59:07: terms of kicking off the project.  
 00:59:07 --> 00:59:10: Today I say similar to others on the phone while  
 00:59:10 --> 00:59:11: not in Tampa.  
 00:59:11 --> 00:59:15: We have other projects that are under construction in the  
 00:59:15 --> 00:59:18: Southeast and we feel like it's pretty good time to  
 00:59:18 --> 00:59:19: be under construction.  
 00:59:19 --> 00:59:23: If you can keep everything moving and your job site  
 00:59:23 --> 00:59:25: healthy and everyone continuing to work,  
 00:59:25 --> 00:59:28: it's a good time to be making progress is our  
 00:59:28 --> 00:59:32: view is when when Tennyson and brokers really get back  
 00:59:32 --> 00:59:35: out there all the sudden you project that's delivering and  
 00:59:35 --> 00:59:39: it's almost like market wake stuff and and.  
 00:59:39 --> 00:59:41: How much progress you've made?  
 00:59:41 --> 00:59:45: Well, you know they haven't thoroughly been out driving  
 00:59:45 --> 00:59:47: market  
 00:59:47 --> 00:59:50: during the assets during that time.  
 00:59:50 --> 00:59:54: You're under construction, so I think I think everyone on  
 00:59:54 --> 00:59:56: the call today would say that having something under  
 00:59:56 --> 00:59:59: construction  
 00:59:59 --> 00:59:59: now they feel pretty good about,  
 00:59:59 --> 01:00:02: you know getting through this this time period and how  
 01:00:02 --> 01:00:02: long it is,  
 01:00:02 --> 01:00:04: it's hard to say whether it's another 612 or 18  
 01:00:04 --> 01:00:06: months,  
 01:00:06 --> 01:00:08: but coming out of it,  
 01:00:08 --> 01:00:11: especially in a market like Tampa,  
 01:00:11 --> 01:00:12: you feel pretty good about.  
 01:00:12 --> 01:00:15: But the momentum but that looks like will be will  
 01:00:15 --> 01:00:18: be shaping up here.  
 01:00:18 --> 01:00:21: Call in the next 18 months or so whenever,  
 01:00:21 --> 01:00:24: whenever that that may be.  
 01:00:24 --> 01:00:27: Excellence. It's encourage ING to hear that the Tampa Bay  
 01:00:27 --> 01:00:30: market is still on everybody's radar.

01:00:24 --> 01:00:26: Despite the COVID-19 I, I do want to leave just  
 01:00:27 --> 01:00:29: a little bit of time for questions,  
 01:00:29 --> 01:00:32: but there is one more particular topic that we just  
 01:00:32 --> 01:00:34: we kind of rushed over a little bit,  
 01:00:34 --> 01:00:36: but I'd like to open it up to the to  
 01:00:36 --> 01:00:39: the entire panel and this has to do with the  
 01:00:39 --> 01:00:42: location terms of suburban versus urban.  
 01:00:42 --> 01:00:44: You know, we've heard a lot about,  
 01:00:44 --> 01:00:47: you know there's a massive shift back to suburban properties  
 01:00:47 --> 01:00:48: to get.  
 01:00:48 --> 01:00:51: People more space. We talked about how that had a  
 01:00:51 --> 01:00:53: suburban dynamic has changed a little bit.  
 01:00:53 --> 01:00:56: I just want to open it up to our panelists  
 01:00:56 --> 01:00:59: and get their thoughts on whether they think that's a  
 01:00:59 --> 01:01:00: long term trend.  
 01:01:00 --> 01:01:02: Whether it will go back to the cities or how  
 01:01:02 --> 01:01:04: that's going to workout.  
 01:01:07 --> 01:01:10: Dan, this is John. I'll jump in if that's alright.  
 01:01:10 --> 01:01:15: You know, certainly, we've typically been a suburban office  
 developer.  
 01:01:15 --> 01:01:17: Really bad trust and before,  
 01:01:17 --> 01:01:20: so I think we'll continue to build in the suburbs.  
 01:01:20 --> 01:01:24: Really more to be closer to where people live than  
 01:01:24 --> 01:01:24: anything.  
 01:01:24 --> 01:01:27: But it does also allow.  
 01:01:27 --> 01:01:30: More spaced out opportunities for buildings and people,  
 01:01:30 --> 01:01:34: so our view is we probably continue on more of  
 01:01:34 --> 01:01:36: a suburban focus.  
 01:01:36 --> 01:01:36: Thanks.  
 01:01:38 --> 01:01:40: So Dan, I'll jump in.  
 01:01:40 --> 01:01:43: Obviously, you know, we're a large Urban Development.  
 01:01:43 --> 01:01:46: The core pillars for our development are,  
 01:01:46 --> 01:01:49: you know, sustainability, walkability resiliency,  
 01:01:49 --> 01:01:52: everything we've been talking about innovation,  
 01:01:52 --> 01:01:56: connectivity, a lot of the infrastructure that we have relative  
 01:01:56 --> 01:01:58: to downtown is will help too.  
 01:01:58 --> 01:01:59: We think will bring about,  
 01:01:59 --> 01:02:02: create, and generate a lot of interest.  
 01:02:02 --> 01:02:05: But the good thing about our Tampa Bay areas we  
 01:02:05 --> 01:02:06: have options.  
 01:02:06 --> 01:02:08: There's optionality for tenants, so.  
 01:02:08 --> 01:02:11: Which you guys are building there in Midtown with Johns

01:02:12 --> 01:02:13: building at the airport.  
 01:02:13 --> 01:02:16: The Heights with their union with their building.  
 01:02:16 --> 01:02:18: So the good thing for Tampa Bay is that is  
 01:02:18 --> 01:02:21: we have options for tenants and I just wanted to  
 01:02:21 --> 01:02:24: mention one more thing and it reminded me when Liz  
 01:02:24 --> 01:02:28: was speaking is that? The national visibility that Tampa is  
 01:02:28 --> 01:02:32: now getting is really the result about the health of  
 01:02:32 --> 01:02:34: our economy or Tampa Bay economy.  
 01:02:34 --> 01:02:36: Going into this an while.  
 01:02:36 --> 01:02:38: If you look at other recessions,  
 01:02:38 --> 01:02:40: you know it does take longer to come out of  
 01:02:40 --> 01:02:42: an economic recession.  
 01:02:42 --> 01:02:45: But its studies have shown that it takes less time  
 01:02:45 --> 01:02:48: to come out about more of a pandemic type recession.  
 01:02:48 --> 01:02:51: So we we talked to the one of the members  
 01:02:51 --> 01:02:54: of the Nashville Chamber and he said during the last  
 01:02:54 --> 01:02:57: Great Recession that they were the last in the first  
 01:02:57 --> 01:03:00: out. Of every session and I truly feel that that's  
 01:03:00 --> 01:03:02: what we're going to be benefiting from,  
 01:03:02 --> 01:03:05: because we're coming from a position of strength going into  
 01:03:05 --> 01:03:06: this,  
 01:03:06 --> 01:03:08: so I think we're going to be kind of last  
 01:03:08 --> 01:03:08: in first out,  
 01:03:08 --> 01:03:10: and I think for all of us on this on  
 01:03:10 --> 01:03:13: this call that we have a better opportunity than most  
 01:03:13 --> 01:03:15: markets based upon the growth.  
 01:03:15 --> 01:03:19: But it's also the opportunities that we're providing.  
 01:03:19 --> 01:03:21: And just to pile on Brian here to you.  
 01:03:21 --> 01:03:25: Know you think about Tampa's kind of urban dense  
 development  
 01:03:25 --> 01:03:29: and Dave and the team at SPP are probably delivering  
 01:03:29 --> 01:03:32: the most exceptional quality with regard to that.  
 01:03:32 --> 01:03:35: It's still in a kind of more suburban macro market  
 01:03:35 --> 01:03:36: construct,  
 01:03:36 --> 01:03:38: right? I mean you could be over the bridge to  
 01:03:39 --> 01:03:42: Saint Pete pretty quick if you are in Manhattan and  
 01:03:42 --> 01:03:45: you've been on the train for an hour and 40  
 01:03:45 --> 01:03:49: minutes commuting. It's just a different kind of scenario then  
 01:03:49 --> 01:03:49: I also say.  
 01:03:49 --> 01:03:52: You know cities in general and I like huge fan  
 01:03:52 --> 01:03:53: of cities,  
 01:03:53 --> 01:03:55: but I am going to pull the thread on this

01:03:55 --> 01:03:57: suburban area is pretty far,  
 01:03:57 --> 01:04:00: but cities have worked very well for a few millennia  
 01:04:00 --> 01:04:02: to organize people and Commerce to great effect.  
 01:04:02 --> 01:04:05: So I don't think that's going to change.  
 01:04:05 --> 01:04:08: However, you know, if you don't pay attention to history,  
 01:04:08 --> 01:04:10: right? You're kind of doomed to repeat it,  
 01:04:10 --> 01:04:13: so you think about the the massive move to the  
 01:04:13 --> 01:04:13: suburbs.  
 01:04:13 --> 01:04:16: Really in the 60 seventies 80s right you have the  
 01:04:16 --> 01:04:20: bedroom communities that left retail follow then office  
 showed up.  
 01:04:20 --> 01:04:22: And so. You know Millennials,  
 01:04:22 --> 01:04:25: now we've got. You know there's a few of us  
 01:04:25 --> 01:04:25: on here,  
 01:04:25 --> 01:04:26: Lyle, by the way, Lyle,  
 01:04:26 --> 01:04:29: like you use groovy. It's alright this down August 6  
 01:04:29 --> 01:04:31: he used the word groovy,  
 01:04:31 --> 01:04:33: so I think he's I don't know if we're going  
 01:04:33 --> 01:04:35: to kick him out of Gen X and put him  
 01:04:35 --> 01:04:36: in a different.  
 01:04:36 --> 01:04:38: You know, different generation. But Liz,  
 01:04:38 --> 01:04:41: I know you some other folks on here are genex  
 01:04:41 --> 01:04:42: no one ever talks about us.  
 01:04:42 --> 01:04:44: They don't care about us but millennials,  
 01:04:44 --> 01:04:48: millennials. It's all we've heard about they are buying homes  
 01:04:48 --> 01:04:49: more than any other cohort.  
 01:04:49 --> 01:04:52: Right now, I'm just looking at the latest report from  
 01:04:52 --> 01:04:54: the National Association of Realtors.  
 01:04:54 --> 01:04:57: 38% of all home buying right now,  
 01:04:57 --> 01:05:00: or millennials, 86% of where they're buying suburbs,  
 01:05:00 --> 01:05:05: so the millennials are also choosing quality of life  
 affordability.  
 01:05:05 --> 01:05:09: But they're also going to choose the places,  
 01:05:09 --> 01:05:12: in my opinion that they were previously living in in  
 01:05:13 --> 01:05:14: the urban locations,  
 01:05:14 --> 01:05:17: walkable, mixed use, and energized.  
 01:05:17 --> 01:05:19: So you just kind of follow the cycle.  
 01:05:19 --> 01:05:23: I think folks are going to re discover the suburbs,  
 01:05:23 --> 01:05:27: but it's going to. The demand is going to be  
 01:05:27 --> 01:05:28: possible mixed use,  
 01:05:28 --> 01:05:34: not commoditize Wellness driven biophilic focused so you  
 know I'm  
 01:05:34 --> 01:05:37: going to try to have my cake and eat it

01:05:37 --> 01:05:39: too on that one now.

01:05:39 --> 01:05:42: Thanks Brian. Appreciate it. I got.

01:05:42 --> 01:05:45: I got the five minute hook 5 minutes ago so

01:05:45 --> 01:05:48: I've already run out of time but but there is

01:05:48 --> 01:05:51: a question that that I would like to deal with.

01:05:51 --> 01:05:54: My apologies to the audience for not being able to

01:05:54 --> 01:05:56: get to all your questions,

01:05:56 --> 01:05:59: but this is a question that's always high on the

01:05:59 --> 01:06:02: minds of our development community.

01:06:02 --> 01:06:04: And basically it's what have you seen.

01:06:04 --> 01:06:08: Construction costs do compared to pre Covid versus now I

01:06:08 --> 01:06:09: know I know.

01:06:09 --> 01:06:12: Most of the projects coming out of the ground now

01:06:12 --> 01:06:14: were bought out well before Covid,

01:06:14 --> 01:06:19: but have you seen any any trends in construction costs

01:06:19 --> 01:06:21: since the downturn?

01:06:21 --> 01:06:23: We had a really frightening ramp up,

01:06:23 --> 01:06:25: you know. Just really, you know,

01:06:25 --> 01:06:28: kind of heat up there where we would price projects

01:06:28 --> 01:06:29: and these are like,

01:06:29 --> 01:06:32: say Georgia World Congress, which is 1000 key hotel in

01:06:32 --> 01:06:33: Atlanta,

01:06:33 --> 01:06:35: right when we were we would price it we would

01:06:35 --> 01:06:38: be on budget an when we would go to market,

01:06:38 --> 01:06:41: meaning that we were locking in the subcontractors.

01:06:41 --> 01:06:44: Things were so hot band that we were seeing an

01:06:44 --> 01:06:45: additional 15 to 30%

01:06:45 --> 01:06:47: bump which is. I mean you can't.

01:06:47 --> 01:06:48: You can't design for that.

01:06:48 --> 01:06:51: You can't plan for that and that was when.

01:06:51 --> 01:06:54: The submarket was so hot when you went to actually

01:06:54 --> 01:06:57: book the work you were having a final bump up

01:06:57 --> 01:06:59: at the very end of your project.

01:06:59 --> 01:07:01: Even though you had dined,

01:07:01 --> 01:07:05: designed it responsibly, attract we are not seeing a decrease.

01:07:05 --> 01:07:08: So I I think that we are really coaching our

01:07:08 --> 01:07:11: owners and our developers to not expect a kind of

01:07:11 --> 01:07:12: a magic number.

01:07:12 --> 01:07:16: They're not going down, but the great news is that

01:07:16 --> 01:07:18: we're not getting that final bump up.

01:07:18 --> 01:07:21: The submarket is leveling a little bit,

01:07:21 --> 01:07:24: but. And the other thing is that in times of

01:07:24 --> 01:07:24: distress,  
 01:07:24 --> 01:07:27: some people, some Subs will go out of business.  
 01:07:27 --> 01:07:30: So it is also really taking a lot more care  
 01:07:30 --> 01:07:33: and caution of who you're putting on your team.  
 01:07:33 --> 01:07:36: So the good news is you're not having a crazy  
 01:07:36 --> 01:07:36: bump.  
 01:07:36 --> 01:07:39: The bad news is, and I can open it up  
 01:07:39 --> 01:07:40: to the rest of the team.  
 01:07:40 --> 01:07:44: That and I'm I'm talking about really the greater Southeast  
 01:07:44 --> 01:07:45: right now,  
 01:07:45 --> 01:07:47: so I'm talking about Florida Georgia.  
 01:07:47 --> 01:07:49: You know, as far North as DC,  
 01:07:49 --> 01:07:52: that things are more stabilizing than than decreasing.  
 01:07:52 --> 01:07:55: But but I. I'd be curious to see what other  
 01:07:55 --> 01:07:57: team members are seeing.  
 01:07:57 --> 01:07:59: Then I'll jump in at John here,  
 01:07:59 --> 01:08:02: you know we're pricing office now and I would echo  
 01:08:02 --> 01:08:03: down what you're saying.  
 01:08:03 --> 01:08:06: I would say we haven't seen prices go down and  
 01:08:06 --> 01:08:10: we certainly are seeing more contractors interested in looking  
 01:08:10 --> 01:08:12: at  
 01:08:10 --> 01:08:12: things more availability,  
 01:08:12 --> 01:08:15: whereas in the past you know last couple years you  
 01:08:15 --> 01:08:18: lot of times people wouldn't even want to talk.  
 01:08:18 --> 01:08:21: They were so busy. So more more more folks looking  
 01:08:21 --> 01:08:21: at it,  
 01:08:21 --> 01:08:24: but certainly no node price decreases to date,  
 01:08:24 --> 01:08:28: that really are measurable. Thanks yeah.  
 01:08:28 --> 01:08:32: And then I'll just add to that the same as  
 01:08:32 --> 01:08:33: what John said.  
 01:08:33 --> 01:08:36: You know Liz pointed out there's going to be perhaps  
 01:08:36 --> 01:08:38: of reduction in construction starts,  
 01:08:38 --> 01:08:40: so it's really supply and demand driven.  
 01:08:40 --> 01:08:42: So just anecdotally, and this can't be validated in any  
 01:08:42 --> 01:08:43: way,  
 01:08:43 --> 01:08:45: but just I heard the other day that while perhaps  
 01:08:45 --> 01:08:47: as a result of fewer construction starts,  
 01:08:47 --> 01:08:50: then maybe construction pricing will come down a little bit,  
 01:08:50 --> 01:08:52: but there's just at this point.  
 01:08:52 --> 01:08:54: It's too early to tell.  
 01:08:54 --> 01:08:58: Yeah, I just jump in and echo similarly though one  
 01:08:58 --> 01:09:02: anecdote to the contrary is that we're in the middle

01:09:02 --> 01:09:03: of pricing.  
01:09:03 --> 01:09:07: A few things and different different areas.  
01:09:07 --> 01:09:10: One in Atlanta, we just got our site work numbers  
01:09:10 --> 01:09:14: to back part of part of its furthering design and  
01:09:14 --> 01:09:15: getting Subs.  
01:09:15 --> 01:09:19: Sharpen their pencil. But our numbers came in,  
01:09:19 --> 01:09:22: you know, about 7% now hard construction costs.  
01:09:22 --> 01:09:26: We have not seen pricing come in yet.  
01:09:26 --> 01:09:28: But we are seeing additional Subs.  
01:09:28 --> 01:09:31: Subs coming in and bidding and so our hope is  
01:09:31 --> 01:09:33: that they'll be more competitive.  
01:09:33 --> 01:09:36: We have not seen the park construction costs come in  
01:09:36 --> 01:09:36: yet.  
01:09:36 --> 01:09:39: Just wanted the anecdote on site work.  
01:09:39 --> 01:09:41: GCS themselves pipelines are drying up right,  
01:09:41 --> 01:09:44: so hopefully they're going to get more competitive as we  
01:09:45 --> 01:09:45: get through.  
01:09:45 --> 01:09:48: It's under construction, but in many ways those of us  
01:09:48 --> 01:09:51: who have to build office buildings as a scope.  
01:09:51 --> 01:09:53: Increasing right? Do we have to do more,  
01:09:53 --> 01:09:55: spend more on on the new office?  
01:09:55 --> 01:09:57: So jury's out.  
01:09:57 --> 01:09:59: Great thanks all critical question,  
01:09:59 --> 01:10:01: particularly for the development community.  
01:10:01 --> 01:10:05: Appreciate your insight on that and unfortunately I think we  
01:10:05 --> 01:10:07: were over a little bit.  
01:10:07 --> 01:10:08: We've run out of time.  
01:10:08 --> 01:10:11: I do want to thank the panelists again for their  
01:10:11 --> 01:10:12: participation.  
01:10:12 --> 01:10:14: The staff and Lyle for preparing this event,  
01:10:14 --> 01:10:17: and especially for the audience for joining us.  
01:10:17 --> 01:10:21: Hope you found me and then informative and a productive  
01:10:21 --> 01:10:22: use of your time.  
01:10:22 --> 01:10:24: We're adjourned and have a great day.  
01:10:24 --> 01:10:25: Thank you.  
01:10:27 --> 01:10:28: Thank you Dan.  
01:10:39 --> 01:10:39: Thanks.

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