

# Webinar

## ULI Colorado: The Real Estate Response to COVID-19

Date: March 27, 2020

00:00:00 --> 00:00:03: Action is something we have to be concerned about.  
00:00:03 --> 00:00:07: We gotta figure out how to pay for trillion dollar  
00:00:07 --> 00:00:07: bailouts.  
00:00:07 --> 00:00:11: And generally we've had to pay for that through inflation.  
00:00:11 --> 00:00:15: I think in our industry the impact of density is  
00:00:15 --> 00:00:18: going to be re analyzed and and how closely we  
00:00:18 --> 00:00:20: all are living and.  
00:00:20 --> 00:00:24: I'm a little concerned that the uncertainty in the capital  
00:00:24 --> 00:00:27: markets is going to freeze those markets and not to  
00:00:27 --> 00:00:29: be too doomsday here,  
00:00:29 --> 00:00:32: but I'm a little concerned that until there's a vaccine  
00:00:32 --> 00:00:36: which they're still saying is 12 to 18 months out,  
00:00:36 --> 00:00:39: I don't know that this issue goes away for all  
00:00:39 --> 00:00:39: of us,  
00:00:39 --> 00:00:43: and I don't know how social distancing gets handled.  
00:00:43 --> 00:00:46: If this thing could last into the fall and through  
00:00:46 --> 00:00:48: next winter and into next spring,  
00:00:48 --> 00:00:51: and so I think those are some bigger.  
00:00:51 --> 00:00:55: Questions and impacts that we all ought to be tracking.  
00:00:55 --> 00:00:57: So with that Michael Close,  
00:00:57 --> 00:00:59: thanks.  
00:00:59 --> 00:01:04: Great, thanks Billy. I think I think you're exactly right.  
00:01:04 --> 00:01:09: The this whole notion of separation and isolation that we're  
00:01:09 --> 00:01:13: all living in now is not what makes our economy  
00:01:13 --> 00:01:14: run and.  
00:01:14 --> 00:01:18: We're all trying to forecast just how long and how  
00:01:18 --> 00:01:20: deep this this dip's going to be,  
00:01:20 --> 00:01:24: but until you have a real strong solution and an  
00:01:24 --> 00:01:26: as in as a real vaccine you we got,

00:01:26 --> 00:01:30: we all have to. I think plan that this is  
00:01:30 --> 00:01:34: going to be longer than we'd like it to be.  
00:01:34 --> 00:01:37: What about what about Paul Washington Park and can you  
00:01:37 --> 00:01:41: talk about what segments you think might be most impacted?  
00:01:44 --> 00:01:48: Sure, thanks Mike. I would agree with everything that Bill  
00:01:48 --> 00:01:49: said.  
00:01:49 --> 00:01:51: I would add two other areas.  
00:01:51 --> 00:01:54: One is, I think coworking is going to be severely  
00:01:54 --> 00:01:57: impacted at represents a little over 2 1/2%  
00:01:57 --> 00:02:01: of the downtown Denver market and.  
00:02:01 --> 00:02:04: No, I think will be impacted for a couple of  
00:02:04 --> 00:02:05: reasons.  
00:02:05 --> 00:02:09: One just the density that's typical in coworking environments.  
00:02:09 --> 00:02:12: And then Secondly it will be negatively impacted because of  
00:02:13 --> 00:02:15: the underlying credit of the tenants.  
00:02:15 --> 00:02:19: Less discipline if you will from more traditional office scene.  
00:02:19 --> 00:02:23: So I think the coworking environment will will suffer severely  
00:02:23 --> 00:02:24: on the positive side.  
00:02:24 --> 00:02:27: And you know, I'm a touch up on this on  
00:02:27 --> 00:02:28: the third question,  
00:02:28 --> 00:02:30: but on the positive side,  
00:02:30 --> 00:02:32: I think over the medium to long term.  
00:02:32 --> 00:02:35: I think the United States benefits from this,  
00:02:35 --> 00:02:39: and I think you know that's that's a bold statement.  
00:02:39 --> 00:02:41: And given where we are in the pandemic.  
00:02:41 --> 00:02:44: But I think there's going to be a flight to  
00:02:44 --> 00:02:45: quality globally,  
00:02:45 --> 00:02:48: and that the US benefits from that standpoint,  
00:02:48 --> 00:02:51: both in terms of our of our currency and then  
00:02:51 --> 00:02:52: also in our assets.  
00:02:52 --> 00:02:54: Both equities and in real estate.  
00:02:54 --> 00:02:58: And so I think for quality real estate assets over  
00:02:58 --> 00:03:01: the long term and medium term that will they will  
00:03:01 --> 00:03:04: benefit from the experience we're having now.  
00:03:04 --> 00:03:06: Uh, the other way the US benefits.  
00:03:06 --> 00:03:09: I believe in Bill alluded to this earlier,  
00:03:09 --> 00:03:13: but there's going to be a pretty big backlash against  
00:03:13 --> 00:03:13: China,  
00:03:13 --> 00:03:15: and I think we will.  
00:03:15 --> 00:03:16: As a as a globe,  
00:03:16 --> 00:03:19: rethink the supply chain. And so there's going to be  
00:03:19 --> 00:03:22: a lot more on shoring up US manufacturing for the

00:03:22 --> 00:03:24: reasons mentioned by Bill.

00:03:24 --> 00:03:28: Also, in terms of inventory and just making sure we

00:03:28 --> 00:03:31: have a little bit more control over our own supply

00:03:31 --> 00:03:35: chain and that will benefit the industrial sector.

00:03:35 --> 00:03:37: To say the least, so those are the only two

00:03:37 --> 00:03:40: areas that I would add on both the negative and

00:03:40 --> 00:03:43: positive in terms of what will be most impacted by

00:03:43 --> 00:03:44: the kovid pandemic.

00:03:49 --> 00:03:51: Great thanks Paul. Michael Gifford.

00:03:51 --> 00:03:52: How about how about you?

00:03:52 --> 00:03:55: What segments do you think are going to be most

00:03:55 --> 00:03:58: impacted in the real estate business and also in your

00:03:58 --> 00:03:59: industry?

00:04:01 --> 00:04:03: Thank you Mike.

00:04:03 --> 00:04:07: And we really look to what Bill and Paul are

00:04:07 --> 00:04:07: seeing,

00:04:07 --> 00:04:11: as well as Anita in terms of the overall trends.

00:04:11 --> 00:04:14: But what I wanted to add to the discussion is

00:04:14 --> 00:04:17: just in terms of for the listeners.

00:04:17 --> 00:04:22: If you have active construction projects that are taking place

00:04:22 --> 00:04:22: right now,

00:04:22 --> 00:04:26: a couple of impacts within the industry.

00:04:26 --> 00:04:29: First of all.

00:04:29 --> 00:04:33: When a project starts and it's still in the initial

00:04:33 --> 00:04:34: phases,

00:04:34 --> 00:04:38: then there's for lack of a better way to describe

00:04:38 --> 00:04:40: outside and able to spread out.

00:04:40 --> 00:04:45: Your project is more likely to proceed on schedule and

00:04:45 --> 00:04:49: as you get towards the end of the project and

00:04:49 --> 00:04:53: you're inside and doing drywall and painting and those kind

00:04:53 --> 00:04:58: of activities, there's going to need to be a slowdown

00:04:58 --> 00:04:59: in the schedule.

00:04:59 --> 00:05:03: To keep a safe distance an execute all of the

00:05:03 --> 00:05:05: regulations from CDC CD,

00:05:05 --> 00:05:10: PHP, an OSHA. So that's that's one thing to keep

00:05:10 --> 00:05:10: in mind,

00:05:10 --> 00:05:16: so be visiting with your owners Rep and general contractor

00:05:16 --> 00:05:21: teams closely on on schedule and then the related impact

00:05:21 --> 00:05:24: is going to be on the specialty trades.

00:05:24 --> 00:05:28: There, that's a cash intensive business into the effect.

00:05:28 --> 00:05:32: They've had some project closures and the other pressures that

00:05:32 --> 00:05:33: they're under.

00:05:33 --> 00:05:36: It's going to be very important to keep cash flowing

00:05:36 --> 00:05:40: through to the specialty trades because they're going to be

00:05:40 --> 00:05:42: impacted by this by this whole situation,

00:05:42 --> 00:05:45: and so from talking to your financing,

00:05:45 --> 00:05:48: it and bankers down through your own policy's down to

00:05:48 --> 00:05:49: things like retention,

00:05:49 --> 00:05:52: talking with the general contractor,

00:05:52 --> 00:05:54: what can be done to keep those traits?

00:05:54 --> 00:05:58: Healthy both for the completion of your project and as

00:05:58 --> 00:05:59: a whole for Colorado.

00:05:59 --> 00:06:02: How do we keep that group business as healthy as

00:06:02 --> 00:06:04: we come out the other side?

00:06:04 --> 00:06:06: So those are two of the things that our board

00:06:06 --> 00:06:09: in our group is talking about right now.

00:06:15 --> 00:06:18: Great great thanks Michael Anita.

00:06:18 --> 00:06:19: I wonder do you have?

00:06:19 --> 00:06:24: Would you like to weigh in on this question about

00:06:24 --> 00:06:28: what segments might be most impacted?

00:06:28 --> 00:06:31: Just just a bit so everybody is covered.

00:06:31 --> 00:06:37: Pretty much every everything already just I wanna kinda echo

00:06:37 --> 00:06:37: the.

00:06:37 --> 00:06:42: The flight to quality I think from around the world.

00:06:42 --> 00:06:45: I think that that we are still.

00:06:45 --> 00:06:48: We are still going to be the one to come

00:06:48 --> 00:06:48: too.

00:06:48 --> 00:06:53: I also wanted to mention on retail the longer term

00:06:53 --> 00:06:57: impact very is likely this move to more online shopping

00:06:58 --> 00:07:02: which is actually only still has been only 12 to

00:07:02 --> 00:07:04: 13%. I think of all retail sales,

00:07:04 --> 00:07:08: but clearly it has strong impact on.

00:07:08 --> 00:07:10: On particular categories of stores,

00:07:10 --> 00:07:16: I think with everybody's there will be even more.

00:07:16 --> 00:07:18: More people going on line,

00:07:18 --> 00:07:22: who? Because this is what they've experienced now,

00:07:22 --> 00:07:26: so I think that will be a longer term impact

00:07:26 --> 00:07:27: on retail.

00:07:27 --> 00:07:31: Pushing pushing the pressure from on line even more on

00:07:31 --> 00:07:35: brick and mortar just also want to mention it all.

00:07:35 --> 00:07:40: Offer a small bright light and the restaurant business.

00:07:40 --> 00:07:44: So I've heard that the restaurants not only are they

00:07:44 --> 00:07:48: can you order out and they and they deliver.  
00:07:48 --> 00:07:52: That they are now kind of becoming more facile.  
00:07:52 --> 00:07:56: An online an allowing customers to create their own dinners,  
00:07:56 --> 00:08:01: and they're kind of developing a new new business.  
00:08:01 --> 00:08:06: Business line and maybe we'll see some more of that  
00:08:06 --> 00:08:07: as well.  
00:08:07 --> 00:08:11: Great great thanks Anita. Just wanted to mention to the  
00:08:11 --> 00:08:15: group that we've seen on some of the chat questions  
00:08:15 --> 00:08:20: that people might be having connection difficulties or were  
asking  
00:08:20 --> 00:08:24: the question about.  
00:08:24 --> 00:08:26: These slides being available this,  
00:08:26 --> 00:08:28: this session is being recorded.  
00:08:28 --> 00:08:32: It will be available on the UI Colorado website,  
00:08:32 --> 00:08:36: including the slides and so that's so that's I think,  
00:08:36 --> 00:08:40: were that that will be available.  
00:08:40 --> 00:08:43: Like to move to our next question if we could  
00:08:43 --> 00:08:47: and and ask the panel knowing where we really don't  
00:08:47 --> 00:08:51: know when a turn around is going to begin.  
00:08:51 --> 00:08:55: Where do you think the phase one opportunities are going  
00:08:55 --> 00:08:56: to be?  
00:08:56 --> 00:09:00: The most compelling when things do move into a recovery  
00:09:00 --> 00:09:04: and and strengthening or stability environment?  
00:09:04 --> 00:09:07: So Paul, do you want to kick us off there?  
00:09:14 --> 00:09:18: Sure, Mike, thank you. I really feel like there is  
00:09:18 --> 00:09:20: going to be 3 pretty.  
00:09:20 --> 00:09:24: Maybe 4 compelling opportunities. Start with financing.  
00:09:24 --> 00:09:28: I think when things return to some sense of normalcy  
00:09:28 --> 00:09:29: in the capital markets,  
00:09:29 --> 00:09:32: start to be a little bit more consistent.  
00:09:32 --> 00:09:36: The cost of capital and hopefully the access to it  
00:09:36 --> 00:09:41: will enable the refinancing of what was already historically  
low  
00:09:41 --> 00:09:42: debts and.  
00:09:42 --> 00:09:45: I like to make the joke that are over the  
00:09:45 --> 00:09:49: last 15 years or consistently declining costs of capital,  
00:09:49 --> 00:09:53: environment and interest rates have covered up a lot of  
00:09:54 --> 00:09:57: real estate mistakes and so that may continue.  
00:09:57 --> 00:10:00: So I think financing is going to benefit in Phase  
00:10:01 --> 00:10:01: one.  
00:10:01 --> 00:10:03: We talked about flight to quality,  
00:10:03 --> 00:10:07: so on investment sales front for those assets that are  
00:10:07 --> 00:10:12: well positioned that have bad full amenities and and

geographically  
00:10:12 --> 00:10:13: are located in.  
00:10:13 --> 00:10:15: In growth areas next to transit.  
00:10:15 --> 00:10:19: I really appreciate it. I need his comments about the  
00:10:19 --> 00:10:20: Millennial movement.  
00:10:20 --> 00:10:24: I think that's going to be very interesting so quality  
00:10:24 --> 00:10:25: will extend to well.  
00:10:25 --> 00:10:30: Place suburban development. I think doesn't meet  
tremendous opportunities.  
00:10:30 --> 00:10:33: There obviously industrial in the supply chain and and the  
00:10:33 --> 00:10:35: reinforcement of that,  
00:10:35 --> 00:10:39: so everything industrial supply chain related distribution will  
benefit.  
00:10:39 --> 00:10:43: I feel like there's going to be some opportunities in  
00:10:43 --> 00:10:44: multifamily.  
00:10:44 --> 00:10:48: So certainly there will be pressure as delinquency and soul  
00:10:48 --> 00:10:51: rent payments affect real estate values.  
00:10:51 --> 00:10:55: But I think the non destination on special if I  
00:10:55 --> 00:10:58: can coin a term retail is going to really suffer  
00:10:58 --> 00:11:01: and go away and there will be,  
00:11:01 --> 00:11:06: I think tremendous opportunities or redevelop the bills  
centers into  
00:11:06 --> 00:11:07: mixed use,  
00:11:07 --> 00:11:12: mixed income housing, so affordable housing in multifamily  
think will  
00:11:12 --> 00:11:15: will will rebound as people start to get back to  
00:11:15 --> 00:11:16: work.  
00:11:16 --> 00:11:18: And then finally, on leasing,  
00:11:18 --> 00:11:21: I think there's going to be a lot of opportunity  
00:11:21 --> 00:11:22: there for two reasons.  
00:11:22 --> 00:11:24: One is what this pandemic.  
00:11:24 --> 00:11:27: There's a certain repricing that will occur.  
00:11:27 --> 00:11:29: So tenants will I think,  
00:11:29 --> 00:11:31: take use that to their advantage.  
00:11:31 --> 00:11:34: And so there's going to be a lot of thinking  
00:11:34 --> 00:11:36: about not only how much space is needed,  
00:11:36 --> 00:11:40: how that's configured, but what price is appropriate to pay  
00:11:40 --> 00:11:40: an.  
00:11:40 --> 00:11:44: And there will be a lot more reliance upon service  
00:11:44 --> 00:11:46: providers to help tenants think through.  
00:11:46 --> 00:11:49: And also landlord to think through what is going to  
00:11:49 --> 00:11:53: be an appropriate utilization of space in this new normal.  
00:11:53 --> 00:11:56: So I think from a from advisory standpoint you should

00:11:56 --> 00:12:00: see an uptick in leasing activity and and those service  
00:12:00 --> 00:12:03: providers should benefit to the extent that they are capable  
00:12:03 --> 00:12:06: and creative.  
00:12:06 --> 00:12:10: Great thanks Paul. Hey before we pass the Mike there  
00:12:10 --> 00:12:14: was a question from the audience about flight to quality.  
00:12:14 --> 00:12:18: Could you please just talk about what when we talk  
00:12:18 --> 00:12:23: about flight to quality what what what that means to  
00:12:23 --> 00:12:23: you?  
00:12:23 --> 00:12:27: Sure, so I mean in in you can think about  
00:12:27 --> 00:12:30: real estate and in really three categories,  
00:12:30 --> 00:12:35: one being distressed to being value add so significant  
amount  
00:12:35 --> 00:12:40: of investment to bring that property up to snuff if  
00:12:40 --> 00:12:41: you will.  
00:12:41 --> 00:12:45: And then the third category will label is flight to  
00:12:45 --> 00:12:49: quality and these are going to be well maintained,  
00:12:49 --> 00:12:53: well positioned assets in growth markets where.  
00:12:53 --> 00:12:55: If you've got a dollar to invest much,  
00:12:55 --> 00:12:59: it's a much safer proposition to put money into something  
00:12:59 --> 00:13:01: that's very well positioned,  
00:13:01 --> 00:13:03: maintained. The returns might be less,  
00:13:03 --> 00:13:06: but the risk is going to be lower,  
00:13:06 --> 00:13:09: and so that speaks to the United States as a  
00:13:09 --> 00:13:09: whole.  
00:13:09 --> 00:13:13: If you think about from a global investors perspective,  
00:13:13 --> 00:13:15: you know when you have stable governments,  
00:13:15 --> 00:13:18: where do you have a big economy rule of law?  
00:13:18 --> 00:13:22: Things like that, and then you start looking at specific  
00:13:22 --> 00:13:24: geographies where there's growth.  
00:13:24 --> 00:13:29: Where there's a reasonable investments in infrastructure and  
and where  
00:13:30 --> 00:13:32: you have sensible taxing policies,  
00:13:32 --> 00:13:37: things like that, and so if you've got limited resources  
00:13:37 --> 00:13:40: and you're trying to make safe bets,  
00:13:40 --> 00:13:43: you want to put those bets and assets that have  
00:13:44 --> 00:13:45: these characteristics,  
00:13:45 --> 00:13:49: and that bodes well for owners of such assets.  
00:13:49 --> 00:13:55: So that's kind of my best definition of light quality.  
00:13:55 --> 00:13:57: I think that's a great definition.  
00:13:57 --> 00:14:00: Thanks Paul. How about Michael Gifford?  
00:14:00 --> 00:14:02: Can you talk about phase one,  
00:14:02 --> 00:14:06: opportunities when things really stabilize and start to to  
move,

00:14:06 --> 00:14:09: move forward again here where we should be focusing?  
00:14:13 --> 00:14:18: Thank you Mike. As we look back to past.  
00:14:18 --> 00:14:25: Recessions and certainly the Great Recession that we recently experienced.  
00:14:25 --> 00:14:29: The various units of government have recognized that investing in  
00:14:29 --> 00:14:31: needed infrastructure,  
00:14:31 --> 00:14:33: and when I say infrastructure,  
00:14:33 --> 00:14:36: it could be from the traditional roads and bridges to  
00:14:37 --> 00:14:40: the more social infrastructure that really is kind of the  
00:14:41 --> 00:14:44: part of of life that we all get to experience,  
00:14:44 --> 00:14:48: which are the buildings and the other pieces and the  
00:14:48 --> 00:14:52: functions that go on in those buildings.  
00:14:52 --> 00:14:56: Investment in those kind of activities can help the economy  
00:14:56 --> 00:14:59: get back on a strong footing,  
00:14:59 --> 00:15:02: and so we expect there will be some of that  
00:15:02 --> 00:15:07: from either federal sources and or state and local sources.  
00:15:07 --> 00:15:11: Last time Denver did a great job with their bond  
00:15:11 --> 00:15:16: program of trying to accelerate that as much as possible,  
00:15:16 --> 00:15:18: so we see that as.  
00:15:18 --> 00:15:23: An opportunity, and now with some of the other creative  
00:15:23 --> 00:15:28: types of financing that can probably be expanded on the  
00:15:28 --> 00:15:29: limiting side,  
00:15:29 --> 00:15:32: there is that as you know,  
00:15:32 --> 00:15:36: Colorado has a much harder hurdle to clear in terms  
00:15:36 --> 00:15:38: of funding some of those.  
00:15:38 --> 00:15:43: Some of those activities because any kind of a tax  
00:15:43 --> 00:15:48: adjustment or increase has to go to the voters versus  
00:15:48 --> 00:15:48: just.  
00:15:48 --> 00:15:51: Approved by the local or state legislative body.  
00:15:51 --> 00:15:54: So there's there's some challenges there,  
00:15:54 --> 00:15:57: but we see that as being one of the things  
00:15:57 --> 00:16:00: that will help our industry in general and then from  
00:16:00 --> 00:16:04: there were going to be tracking the ability to keep  
00:16:04 --> 00:16:07: up with the parts of the market that Bill and  
00:16:07 --> 00:16:10: Paul have talked about that that will start out.  
00:16:10 --> 00:16:14: So I think we should anticipate some sort of government  
00:16:14 --> 00:16:17: action and investment in some of those key pieces,  
00:16:17 --> 00:16:19: and that all starts with your.  
00:16:19 --> 00:16:23: Planning and design and we already are in discussions with  
00:16:23 --> 00:16:26: some of the governments about their programs to do that.  
00:16:30 --> 00:16:34: Great, thanks Michael, needed like could it could I turn



00:16:34 --> 00:16:37: that question over to you and what you see is  
00:16:37 --> 00:16:41: the phase one opportunities and if you could also at  
00:16:41 --> 00:16:45: the same time address. And I I think they're interconnected,  
00:16:45 --> 00:16:48: particularly since you're in in Washington DC,  
00:16:48 --> 00:16:52: and I guess the package is being approved this morning,  
00:16:52 --> 00:16:56: but there was a question about the stimulus package  
affecting  
00:16:56 --> 00:17:01: development that utilizes Pro public private partnerships.  
00:17:01 --> 00:17:04: And do you think this is going to going to  
00:17:04 --> 00:17:09: help things stimulate the economy when things turn around?  
00:17:09 --> 00:17:13: Package is up specifically driving the package will help well  
00:17:13 --> 00:17:14: if you could.  
00:17:14 --> 00:17:17: If you could talk about the package as it might  
00:17:17 --> 00:17:20: relate to public private partnerships.  
00:17:20 --> 00:17:23: That was a question from the audience and then also  
00:17:23 --> 00:17:25: type that into phase one.  
00:17:25 --> 00:17:29: Opportunities here that you might be seeing.  
00:17:29 --> 00:17:32: So I'm going to have to confess that I don't  
00:17:32 --> 00:17:36: know which part of the package may impact the public  
00:17:36 --> 00:17:37: private partnerships.  
00:17:37 --> 00:17:40: I have been scrambling to to be able to look  
00:17:40 --> 00:17:42: at all the all the analysis,  
00:17:42 --> 00:17:45: but maybe I just have to go read the act.  
00:17:45 --> 00:17:48: The whole thing I have to say the one one  
00:17:48 --> 00:17:52: of the one of the many pieces that I'm impressed  
00:17:52 --> 00:17:54: with is that the small business loan.  
00:17:54 --> 00:17:58: So these are probably of interest of people that have  
00:17:58 --> 00:18:00: small businesses or whose tenants?  
00:18:00 --> 00:18:04: Our small businesses is that the?  
00:18:04 --> 00:18:08: The loans that are going to be made available will  
00:18:08 --> 00:18:08: not need to,  
00:18:08 --> 00:18:12: so they'll be 10 week loans at least starting out  
00:18:12 --> 00:18:16: eight weeks of those loans will be forgiven if they  
00:18:16 --> 00:18:19: if the small businesses do not layoff.  
00:18:19 --> 00:18:22: In their employees, or that they move by June to  
00:18:22 --> 00:18:26: rehire the workers have already laid off,  
00:18:26 --> 00:18:31: which is a tremendous value because it's not.  
00:18:31 --> 00:18:34: It's not just moving the pain ahead,  
00:18:34 --> 00:18:37: it's really erasing almost, you know,  
00:18:37 --> 00:18:41: 80% of the pain, possibly so there seems to be  
00:18:41 --> 00:18:43: quite a few of those.  
00:18:46 --> 00:18:51: Approaches on every part of it where and that seems

00:18:51 --> 00:18:55: to be lessons learned from the last recession,  
00:18:55 --> 00:19:00: so that any bailouts will not cannot be used for  
00:19:00 --> 00:19:01: a year.  
00:19:01 --> 00:19:06: That the firms that received bailouts large firms cannot have  
00:19:06 --> 00:19:10: to repay and then wait a year before they get  
00:19:10 --> 00:19:12: into any stock buyback so.  
00:19:12 --> 00:19:15: I'd have to say overall I have a very favorable  
00:19:15 --> 00:19:19: impression of what the components of the legislation is.  
00:19:19 --> 00:19:23: Unfortunately, I don't, I just don't know about the public  
00:19:23 --> 00:19:25: private at this point.  
00:19:25 --> 00:19:30: And in terms of the first phase opportunities,  
00:19:30 --> 00:19:33: I think that.  
00:19:33 --> 00:19:36: There's been a lot out in this discussion.  
00:19:36 --> 00:19:40: I think I'll just kind of get back to retail  
00:19:40 --> 00:19:41: because really,  
00:19:41 --> 00:19:43: it's it's so it's just going to.  
00:19:43 --> 00:19:48: It's just been going through its own structural changes so  
00:19:48 --> 00:19:50: much over the past of five,  
00:19:50 --> 00:19:52: 6 maybe even 10 years.  
00:19:52 --> 00:19:57: I think the smaller shopping centers where the opportunities  
will  
00:19:57 --> 00:20:01: be is in the smaller shopping centers that really have  
00:20:01 --> 00:20:03: that are not well located.  
00:20:03 --> 00:20:07: That are not grocery anchored that are already marginal.  
00:20:07 --> 00:20:11: The owners have been holding on because maybe they've  
paid  
00:20:11 --> 00:20:12: off,  
00:20:12 --> 00:20:15: the mortgage has been in the family or it's been  
00:20:15 --> 00:20:17: generating some sort of cash,  
00:20:17 --> 00:20:19: but it's been a struggle.  
00:20:19 --> 00:20:22: I think those owners just may be ready to call  
00:20:22 --> 00:20:23: it quits,  
00:20:23 --> 00:20:24: and these will be great.  
00:20:24 --> 00:20:28: It may not be well located for their current use,  
00:20:28 --> 00:20:30: but these will be great.  
00:20:30 --> 00:20:33: Kind of having served as land banks for so many  
00:20:33 --> 00:20:35: years because they have large.  
00:20:35 --> 00:20:37: Anne.  
00:20:37 --> 00:20:42: And parking areas. Surface parking areas will now be  
opened.  
00:20:42 --> 00:20:44: The community to create new uses.  
00:20:44 --> 00:20:48: And I know one or you've already mentioned this as  
00:20:48 --> 00:20:52: kind of use of retail and specifically that kind of

00:20:52 --> 00:20:52: retail.

00:20:52 --> 00:20:55: So bringing in bringing in multifamily,

00:20:55 --> 00:21:00: mixed use to communities that really needed and haven't been

00:21:00 --> 00:21:02: able to find the right part.

00:21:04 --> 00:21:07: Great great thanks Anita.

00:21:07 --> 00:21:10: Bill Mosher, can you talk a little bit about what

00:21:10 --> 00:21:14: you think some of these phase one opportunities might look

00:21:14 --> 00:21:14: like?

00:21:14 --> 00:21:17: And what areas might be the quickest to recover?

00:21:20 --> 00:21:23: Well Mike, I'll be honest with you.

00:21:23 --> 00:21:25: I'm not sure I have any idea,

00:21:25 --> 00:21:30: but obviously I think industrial will continue to be a

00:21:30 --> 00:21:33: favored class product class.

00:21:33 --> 00:21:38: I think that multifamily will be there will be opportunities

00:21:38 --> 00:21:39: in multifamily.

00:21:39 --> 00:21:44: Obviously healthcare has a whole new world that that will

00:21:44 --> 00:21:45: be analyzing.

00:21:45 --> 00:21:50: I would I would answer the question in kind of.

00:21:50 --> 00:21:53: Three ways I guess. Number one is I think we

00:21:53 --> 00:21:55: all want to be opportunistic,

00:21:55 --> 00:21:59: as Anita said, even in the restaurant business,

00:21:59 --> 00:22:01: the people who say, OK,

00:22:01 --> 00:22:05: I'm going to, I'm going to survive and make this

00:22:05 --> 00:22:08: work are coming up with all kinds of new ways

00:22:08 --> 00:22:12: to serve their customers with food as an example.

00:22:12 --> 00:22:14: And I I, I guess,

00:22:14 --> 00:22:18: an overarching longer term. Positive view that I have is

00:22:18 --> 00:22:21: that the American economy in particular,

00:22:21 --> 00:22:25: but just humanity in general is generally very entrepreneurial,

00:22:25 --> 00:22:28: an necessity being the mother of invention.

00:22:28 --> 00:22:31: I think that we will find our way out of

00:22:31 --> 00:22:35: this and will find opportunities that we don't even envision

00:22:35 --> 00:22:39: right now that five years from now we'll look back

00:22:39 --> 00:22:40: and say, Oh my gosh,

00:22:40 --> 00:22:44: look what happened. So I really believe in the entrepreneurial

00:22:44 --> 00:22:47: spirit of our industry and of our.

00:22:47 --> 00:22:51: Denver Community and of Colorado and the United States so

00:22:51 --> 00:22:52: so that,

00:22:52 --> 00:22:55: I think, will be interesting to watch it unfold.

00:22:55 --> 00:22:58: Two other things in our industry.

00:22:58 --> 00:23:00: I think cash is King,

00:23:00 --> 00:23:04: so those who have cash who have avoided high leverage  
00:23:04 --> 00:23:08: situations will have opportunities for repositioning.  
00:23:08 --> 00:23:13: They'll have opportunities to step into projects that perhaps  
need  
00:23:13 --> 00:23:16: sponsorship or capital and financial strength.  
00:23:16 --> 00:23:18: And so I think that's.  
00:23:18 --> 00:23:21: I think all of us in most every business that  
00:23:22 --> 00:23:26: I'm hearing advice is everybody saying preserve cash and  
then  
00:23:26 --> 00:23:29: Lastly I would just say going forward we have to  
00:23:29 --> 00:23:31: look at time.  
00:23:31 --> 00:23:35: In our business we all know the listeners out there,  
00:23:35 --> 00:23:39: all know that having time is a huge benefit to  
00:23:39 --> 00:23:42: any deal that we do and so having options to  
00:23:42 --> 00:23:47: extend on debt to extend construction loans to extend on  
00:23:47 --> 00:23:51: land transactions to refinance in a way that buys term.  
00:23:51 --> 00:23:54: I think time is the second thing behind cash that  
00:23:55 --> 00:23:58: we all need to focus on as an industry to  
00:23:58 --> 00:24:03: protect ourselves and give us the opportunity to be  
opportunistic  
00:24:03 --> 00:24:04: and entrepreneurial.  
00:24:07 --> 00:24:10: Great thanks bill. I wanted to.  
00:24:10 --> 00:24:14: I wanted to answer or bring up a question that  
00:24:14 --> 00:24:19: was raised on the chat regarding rent strikes and and  
00:24:20 --> 00:24:23: Bill's comment about social equity,  
00:24:23 --> 00:24:28: which I think is so important and certainly social equity  
00:24:28 --> 00:24:30: issues have been.  
00:24:32 --> 00:24:36: There's been a heightened sensitivity around those issues,  
00:24:36 --> 00:24:40: like none of us in the industry have ever seen  
00:24:40 --> 00:24:41: in the past several years,  
00:24:41 --> 00:24:44: and I think that's only going to continue,  
00:24:44 --> 00:24:48: and that's a real positive thing for our community and  
00:24:48 --> 00:24:49: for our industry.  
00:24:49 --> 00:24:52: I do think that the some of the issues that  
00:24:52 --> 00:24:56: have come up in terms of increasing rents are a  
00:24:56 --> 00:24:57: thing of the past,  
00:24:57 --> 00:25:01: and that protests by tenants are no longer going to  
00:25:01 --> 00:25:03: be focused around ready increases.  
00:25:03 --> 00:25:08: I can tell you that in in Denver Metro.  
00:25:08 --> 00:25:11: This market was 10% vacant at the end of the  
00:25:11 --> 00:25:15: year with the vacancy in new projects almost 50%  
00:25:15 --> 00:25:21: and we've got over 20,000 apartments that are under  
construction

00:25:21 --> 00:25:24: and they're going to be delivered this year,  
00:25:24 --> 00:25:28: so I can tell you that on renewals in our  
00:25:28 --> 00:25:29: portfolio,  
00:25:29 --> 00:25:32: where we're actually reducing rents.  
00:25:32 --> 00:25:35: And I know other landlords are doing that.  
00:25:35 --> 00:25:39: Also, the industry is waiving late fees.  
00:25:39 --> 00:25:42: I will it's working with residents if you have if  
00:25:42 --> 00:25:45: you've lost your job if you have cash flow issues?  
00:25:45 --> 00:25:49: Talk to your landlord. They want to talk to you  
00:25:49 --> 00:25:52: and so I think there's a there's a whole different  
00:25:52 --> 00:25:53: environment.  
00:25:53 --> 00:25:57: Not only as a result of the social equity conversations.  
00:25:57 --> 00:26:01: We've been having but also the supply and demand  
fundamentals  
00:26:01 --> 00:26:05: that exist today as well as what's happening with the  
00:26:05 --> 00:26:06: capital markets.  
00:26:06 --> 00:26:10: You know, another another point that I I could imagine.  
00:26:10 --> 00:26:13: Year and we saw the last downturn with respect to  
00:26:13 --> 00:26:16: hotels in the hospitality industry.  
00:26:16 --> 00:26:20: I could imagine some secondary location hotels or with with  
00:26:20 --> 00:26:26: difficult financing that those could become shelter  
opportunities for homeless  
00:26:26 --> 00:26:30: housing or transitional housing an I could see I could  
00:26:30 --> 00:26:34: imagine that that becomes an exit where public or non  
00:26:34 --> 00:26:39: profits could be buying those those facilities well below  
replacement  
00:26:40 --> 00:26:40: costs.  
00:26:40 --> 00:26:44: Which could be a great opportunity at once in a  
00:26:44 --> 00:26:48: once in a generation opportunity to to repurpose some of  
00:26:48 --> 00:26:50: those buildings so.  
00:26:50 --> 00:26:53: About anybody else from the panel that has any conversation  
00:26:53 --> 00:26:57: or anything they wanted to add about social equity impacts  
00:26:57 --> 00:27:00: or what's what's going on out there with respect to  
00:27:00 --> 00:27:01: rent strikes.  
00:27:06 --> 00:27:09: Just.  
00:27:09 --> 00:27:16: This is Anita, just that the FHA has has announced  
00:27:16 --> 00:27:20: that any that they will not.  
00:27:20 --> 00:27:23: Lies there multi family.  
00:27:26 --> 00:27:31: Clients who have who who cannot collect who cannot pay  
00:27:31 --> 00:27:36: their their loan do their loan payment because their tenants  
00:27:36 --> 00:27:37: can't pay,  
00:27:37 --> 00:27:42: so there encouraging them to work with our tenants.  
00:27:45 --> 00:27:50: Right, absolutely I think any Colorado that's it's not just

00:27:50 --> 00:27:53: with FHA or with Fannie or was Freddie.

00:27:53 --> 00:27:57: It's really an across the board policy that that the

00:27:58 --> 00:28:00: apartment Association of Colorado,

00:28:00 --> 00:28:04: as well as as well as the industry is just

00:28:04 --> 00:28:05: as adopted,

00:28:05 --> 00:28:09: much more sensitive, much more flexible terms to to work

00:28:09 --> 00:28:10: through this.

00:28:10 --> 00:28:14: None of these. None of these issues were caused by

00:28:14 --> 00:28:16: anyone's bad decisions.

00:28:16 --> 00:28:19: Or by any ones over leveraging their lifestyle.

00:28:19 --> 00:28:21: This is this is not.

00:28:21 --> 00:28:25: This isn't like anything we've dealt with before and I

00:28:25 --> 00:28:29: think the industry is going to be very sensitive to

00:28:29 --> 00:28:32: those individual needs in the community.

00:28:32 --> 00:28:39: We had a question about about residential recovery for both

00:28:39 --> 00:28:42: primary and secondary homes.

00:28:42 --> 00:28:46: Does anybody would anyone like to take that one about

00:28:46 --> 00:28:48: what that might look like,

00:28:48 --> 00:28:51: or how the residential market in the resorts and or

00:28:51 --> 00:28:54: in in the Metro area are guard going to behave

00:28:54 --> 00:28:56: in this environment?

00:29:00 --> 00:29:04: Mike, this bill. I don't have an answer for that.

00:29:04 --> 00:29:11: I think it's an interesting issue of if you have.

00:29:11 --> 00:29:14: I think that people are going to be looking for

00:29:14 --> 00:29:17: opportunities to keep their families together.

00:29:17 --> 00:29:22: Get outdoors weather. That means people will put more

00:29:22 --> 00:29:26: priority

00:29:26 --> 00:29:26: on that sort of thing if they can afford it

00:29:26 --> 00:29:28: or.

00:29:28 --> 00:29:31: Or not, I don't know.

00:29:31 --> 00:29:35: I think the issue in the resort communities as I

00:29:35 --> 00:29:38: understand it is they're just so small and tight net

00:29:38 --> 00:29:41: that that the spread happened quickly,

00:29:41 --> 00:29:45: but there seems to be an opportunity out there for

00:29:45 --> 00:29:48: an outdoor lifestyle and many things that I'm reading or

00:29:48 --> 00:29:52: saying that outdoor hiking exercise,

00:29:52 --> 00:29:56: parks open space kind of opportunities are going to be

00:29:56 --> 00:29:58: a higher and higher priority because it's healthy.

00:29:58 --> 00:29:59: And so I don't know what what that means in

00:29:59 --> 00:30:03: the long term,

00:30:03 --> 00:30:06: but I'm I'm assuming the opportunity to get away is

00:30:06 --> 00:30:06: going to be as strong as ever for most people.

00:30:06 --> 00:30:09: Right, I think that's absolutely true.  
00:30:09 --> 00:30:12: The another thing I might add is just that if  
00:30:12 --> 00:30:16: we as we learn to live in this environment of  
00:30:16 --> 00:30:18: of having these kinds of meetings,  
00:30:18 --> 00:30:23: these kind of knowledge sharing this kind of education  
process  
00:30:23 --> 00:30:26: that is happening in the schools,  
00:30:26 --> 00:30:29: you could imagine that education can happen,  
00:30:29 --> 00:30:32: not necessarily in the classroom,  
00:30:32 --> 00:30:34: and that resort communities and.  
00:31:03 --> 00:31:06: Do a bit of around the horn here if we  
00:31:06 --> 00:31:06: could,  
00:31:06 --> 00:31:09: and as we start to wind down some closing thoughts  
00:31:09 --> 00:31:11: that anyone would like to add.  
00:31:14 --> 00:31:16: Paul, do you want to you want to circle up  
00:31:16 --> 00:31:16: here?  
00:31:20 --> 00:31:23: Sure, thanks Mike yeah.  
00:31:23 --> 00:31:27: I would just reiterate what I said earlier and that  
00:31:27 --> 00:31:28: is.  
00:31:28 --> 00:31:30: I think over the long term this benefits the US.  
00:31:30 --> 00:31:35: Just trying to keep a positive outlook on everything.  
00:31:35 --> 00:31:38: I heard the president 18 T speak on on CNN.  
00:31:38 --> 00:31:42: I think it was and he had mentioned that mobile  
00:31:42 --> 00:31:44: utilization is up 100%  
00:31:44 --> 00:31:48: and I can imagine the pressure on infrastructure.  
00:31:48 --> 00:31:52: I think Webex Teva increase their capacity by 20 fold  
00:31:52 --> 00:31:52: Anan,  
00:31:52 --> 00:31:54: so this will be painful.  
00:31:54 --> 00:31:58: We will emerge from this and and I think how  
00:31:58 --> 00:32:00: we communicate how efficient we are,  
00:32:00 --> 00:32:03: how much more paperless will be think?  
00:32:03 --> 00:32:07: These are things that. I will give us a strategic  
00:32:07 --> 00:32:08: advantage going forward,  
00:32:08 --> 00:32:11: and then you know just sort of personal level.  
00:32:11 --> 00:32:14: There's the old adage that if your kids aren't on  
00:32:14 --> 00:32:14: your nerves,  
00:32:14 --> 00:32:17: you probably aren't spending enough time with them.  
00:32:17 --> 00:32:20: I have a four and a half year old and  
00:32:20 --> 00:32:22: I'm definitely spending enough time with them.  
00:32:22 --> 00:32:25: So on the on the positive side of things,  
00:32:25 --> 00:32:27: just the time we're having with our family.  
00:32:27 --> 00:32:31: Being able to reconnect the perspective that we are having

00:32:31 --> 00:32:32: what's important in life,  
00:32:32 --> 00:32:34: health, family. You know these things,  
00:32:34 --> 00:32:38: I think, are lessons that will take from this and.  
00:32:38 --> 00:32:40: And I just try to remind myself and then last  
00:32:40 --> 00:32:44: thing I would just offer is this is another opportunity  
00:32:44 --> 00:32:47: to remind oneself that were 104 billion people on this  
00:32:47 --> 00:32:51: Earth and whatever anxieties and concerns and and and  
worries  
00:32:51 --> 00:32:54: we take to bet there are millions of people that  
00:32:54 --> 00:32:56: have the exact same issues.  
00:32:56 --> 00:32:58: And so we're not alone in this struggle.  
00:32:58 --> 00:33:02: And and I think forms like this are really helpful  
00:33:02 --> 00:33:05: that we get information out and and that we get  
00:33:05 --> 00:33:08: to get a sense of what tremendous leadership we have.  
00:33:08 --> 00:33:11: An annual Mike and annual lion and eat at Michael  
00:33:11 --> 00:33:12: and Bill.  
00:33:12 --> 00:33:13: This is a. This is very encouraging.  
00:33:13 --> 00:33:17: I think we'll get through this as a country over  
00:33:17 --> 00:33:18: the long term.  
00:33:18 --> 00:33:22: Great, thanks Paul. There's some great important thoughts in  
this  
00:33:22 --> 00:33:26: environment and he did some closing remarks from you.  
00:33:26 --> 00:33:30: Just that maybe you can take a minute to just  
00:33:30 --> 00:33:35: mention that you were like does a real estate economic  
00:33:35 --> 00:33:37: forecast twice a year?  
00:33:37 --> 00:33:41: This we is a survey of leading real estate analysts  
00:33:41 --> 00:33:42: and economists.  
00:33:42 --> 00:33:46: It's going to be released the spring one is going  
00:33:46 --> 00:33:49: to be released in in May,  
00:33:49 --> 00:33:53: so that may be something that the District Council may  
00:33:53 --> 00:33:56: be letting you know about and may.  
00:33:56 --> 00:33:59: Kind of start looking, helping us look forward a bit.  
00:34:06 --> 00:34:10: Thanks Anita Michael. Closing remarks from your point of  
view.  
00:34:14 --> 00:34:18: AG CRR board met earlier this week and agree with  
00:34:19 --> 00:34:23: with Paul that our nation is very much positioned to  
00:34:23 --> 00:34:27: have a competitive advantage going forward.  
00:34:27 --> 00:34:32: So we have an optimistic outlook at the very long  
00:34:32 --> 00:34:36: term and agree with Bill that we're as creative and  
00:34:36 --> 00:34:41: ingenious as peoples than anywhere in the world.  
00:34:41 --> 00:34:45: So we will figure this out so we're very optimistic.  
00:34:45 --> 00:34:49: Also what Paul said about going more paper Essen online.  
00:34:49 --> 00:34:52: One of the things Colorado has done is figured out



00:34:52 --> 00:34:55: how to help fund local infrastructure.

00:34:55 --> 00:34:58: I mean, Internet expansion in terms of broadband,

00:34:58 --> 00:35:01: and so I think that's an opportunity to try to

00:35:01 --> 00:35:03: beat that up and accelerate that even more.

00:35:03 --> 00:35:06: And that's one of the things that will be trying

00:35:06 --> 00:35:10: to talk about so that our industry is certainly having

00:35:10 --> 00:35:11: become more productive.

00:35:11 --> 00:35:14: And we think that a lot of that's going to

00:35:14 --> 00:35:15: stick with us.

00:35:15 --> 00:35:19: So we're. Very optimistic and think that we're going to

00:35:19 --> 00:35:21: come out in the long term on the good side

00:35:21 --> 00:35:22: of this.

00:35:22 --> 00:35:24: So we want to leave that.

00:35:24 --> 00:35:29: Kind of impression as we move forward.

00:35:29 --> 00:35:31: Great, thanks Michael Bill. You want us?

00:35:31 --> 00:35:33: Want to bring us home here?

00:35:35 --> 00:35:37: I would just say you know to be realistic.

00:35:37 --> 00:35:39: I think we've got a,

00:35:39 --> 00:35:41: you know, a long term hole to dig out of

00:35:41 --> 00:35:44: with a lot of change in front of us.

00:35:44 --> 00:35:46: I don't. I think this is significant.

00:35:46 --> 00:35:49: This is not going to go away is number one

00:35:49 --> 00:35:50: and we have to get.

00:35:50 --> 00:35:53: We have to get our mindset around the fact that

00:35:53 --> 00:35:56: the world is changed and we've got to fight an

00:35:56 --> 00:35:58: come out every day with our best.

00:35:58 --> 00:36:01: So I think we have to be realistic about that.

00:36:01 --> 00:36:04: I agree with everybody else that we also have to

00:36:04 --> 00:36:07: be hopeful and we have to believe in our.

00:36:07 --> 00:36:11: Community and our nation and our entrepreneurial spirit,

00:36:11 --> 00:36:13: which I certainly believe in.

00:36:13 --> 00:36:16: And then Lastly, know this is all about our health

00:36:16 --> 00:36:19: and our family and our friends an we're all on

00:36:19 --> 00:36:22: this call among friends in our industry.

00:36:22 --> 00:36:25: And I know our industry will hang together as we

00:36:25 --> 00:36:29: always have through this and I just applied you pulling

00:36:29 --> 00:36:33: us together periodically to share an and understand that

00:36:33 --> 00:36:36: we're all in this together. So thanks,

00:36:36 --> 00:36:38: Mike.

00:36:38 --> 00:36:39: Yeah, thanks very much bro.

00:36:39 --> 00:36:43: I think that's that's a great way to close things

00:36:43 --> 00:36:45: out here I I want to.  
00:36:45 --> 00:36:47: I think the panel I think they did a great  
00:36:47 --> 00:36:48: job today.  
00:36:48 --> 00:36:51: We lot of really good content there and you could  
00:36:51 --> 00:36:55: tell that they spent some time organizing their thoughts and  
00:36:55 --> 00:36:58: and what I thank him for that lot of great  
00:36:58 --> 00:37:02: insights and thank them for their leadership in the Community  
00:37:02 --> 00:37:03: that they provide.  
00:37:03 --> 00:37:07: I think the states fortunate to have leaders like this  
00:37:07 --> 00:37:10: in our industry and in our community when I also  
00:37:10 --> 00:37:14: apologize for I understand we may have lost some audio  
00:37:14 --> 00:37:17: during the. The web, web and are here where were  
00:37:17 --> 00:37:21: we appreciate your patience as we we learn how to  
00:37:21 --> 00:37:23: live in this new era.  
00:37:23 --> 00:37:26: We hope will get better but we we want to  
00:37:26 --> 00:37:26: be.  
00:37:26 --> 00:37:30: We want to be sharing information as best we can  
00:37:30 --> 00:37:33: and continue the programming as best we can.  
00:37:33 --> 00:37:37: So thank you for your patience as we figured out  
00:37:37 --> 00:37:40: what that means but want to close it out and  
00:37:40 --> 00:37:44: thank you for participating today and get out there and  
00:37:44 --> 00:37:47: and. You know, let's let's try to make Denver and  
00:37:47 --> 00:37:50: Colorado that show the rest of the world,  
00:37:50 --> 00:37:52: the kind of place that we can be and what  
00:37:52 --> 00:37:53: we're known for.  
00:37:53 --> 00:37:57: And that's coming together to help solve tough issues and  
00:37:57 --> 00:37:59: so get out there and do your part to try  
00:37:59 --> 00:38:01: to make Colorado better place.  
00:38:01 --> 00:38:02: Thanks everyone.

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