

# Webinar

## ULI Boston: Let's Get Down To Business

Date: March 03, 2022

00:00:05 --> 00:00:07: Good morning, my name is Timur and I'm the manager  
 00:00:08 --> 00:00:08: at Uli Boston,  
 00:00:08 --> 00:00:11: New England. I like would like to welcome you to  
 00:00:11 --> 00:00:12: this morning's program.  
 00:00:12 --> 00:00:15: As you can see we're using the zoom meeting format  
 00:00:15 --> 00:00:16: today rather than the webinar format.  
 00:00:16 --> 00:00:18: Please feel free to share your camera,  
 00:00:18 --> 00:00:21: but do stay muted. You can use the chat function  
 00:00:21 --> 00:00:23: to communicate with other attendees though.  
 00:00:23 --> 00:00:26: Please take a moment to differentiate between private  
 00:00:26 --> 00:00:28: an individual and messages to everyone.  
 00:00:28 --> 00:00:31: We have great discussion lined up for you today.  
 00:00:31 --> 00:00:33: If you'd like to submit questions for the panel,  
 00:00:33 --> 00:00:35: please feel free to do so at anytime by entering  
 00:00:35 --> 00:00:38: your question in the chat box to Michael Brian.  
 00:00:38 --> 00:00:40: If time allows, our moderator will call on you to  
 00:00:40 --> 00:00:40: unmute.  
 00:00:40 --> 00:00:43: And ask your question, live at the end of the  
 00:00:43 --> 00:00:43: meeting.  
 00:00:43 --> 00:00:45: The recording of this session,  
 00:00:45 --> 00:00:48: along with all programming across the UI platform,  
 00:00:48 --> 00:00:51: will be available to members in the coming weeks on  
 00:00:52 --> 00:00:55: the UI knowledge Finder at [ui.org](http://ui.org) here to lead the  
 00:00:55 --> 00:00:58: conversation is not healed of Jones Lang LaSalle.  
 00:01:01 --> 00:01:01: Great  
 00:01:02 --> 00:01:04: thank you Tim. Appreciate it.  
 00:01:04 --> 00:01:05: Thank you all for joining.  
 00:01:05 --> 00:01:08: I think we have an interesting and very relevant topic

00:01:08 --> 00:01:11: this morning which is ground floor retail typically in urban  
00:01:11 --> 00:01:12: settings.  
00:01:12 --> 00:01:16: We have a fantastic panel that has generously given their  
00:01:16 --> 00:01:19: time to enlighten us on ground floor retail.  
00:01:19 --> 00:01:22: So I'm not healed. I am a managing director at  
00:01:22 --> 00:01:22: JLL.  
00:01:22 --> 00:01:25: I'm going to be the moderator this morning.  
00:01:25 --> 00:01:27: I Co lead with my partner,  
00:01:27 --> 00:01:29: the retail investment sales platform,  
00:01:29 --> 00:01:31: for JLL in New England.  
00:01:31 --> 00:01:34: So we sell. All types of retail properties we sell,  
00:01:34 --> 00:01:37: grocery anchored shopping centers. We sell unanchored,  
00:01:37 --> 00:01:39: sort of urban strips. We sell single tenant net lease  
00:01:40 --> 00:01:40: deals.  
00:01:40 --> 00:01:45: We sell mixed use properties with retail component.  
00:01:45 --> 00:01:49: We sell, of course urban retail and I've been amazed  
00:01:49 --> 00:01:53: by how quickly retail has bounced back from the pandemic,  
00:01:53 --> 00:01:56: and we see that in so many areas we see  
00:01:56 --> 00:01:59: it in the expansion demand for existing retailers.  
00:01:59 --> 00:02:01: We see it in net new retail.  
00:02:01 --> 00:02:05: Concepts coming to the market looking for space.  
00:02:05 --> 00:02:08: We see it in retailer store performance which continues to  
00:02:09 --> 00:02:09: improve.  
00:02:09 --> 00:02:13: We see it in investor demand for retail opportunities and  
00:02:13 --> 00:02:16: we see it in pricing for retail opportunities.  
00:02:16 --> 00:02:18: And of course there's a lot of reasons for this,  
00:02:18 --> 00:02:22: right? But COVID has certainly been a catalyst of change  
00:02:22 --> 00:02:26: and probably even improvements in our world and COVID  
eliminated  
00:02:26 --> 00:02:29: just a tremendous number of retail businesses.  
00:02:29 --> 00:02:31: Some of them were great operators,  
00:02:31 --> 00:02:33: many of them were not.  
00:02:33 --> 00:02:36: But it accelerated that process as sort of creative destruction,  
00:02:36 --> 00:02:40: which is so important for retail to to evolve and  
00:02:40 --> 00:02:44: to reinvent itself and to reinvigorate itself.  
00:02:44 --> 00:02:48: Yeah, and wiping out a number of retailers.  
00:02:48 --> 00:02:51: It's sort of freed up space to allow new concepts  
00:02:51 --> 00:02:54: to access prime retail space that they never would have  
00:02:54 --> 00:02:56: been able to access previously.  
00:02:56 --> 00:03:00: It's allowed smaller retailers to expand at a clip that  
00:03:00 --> 00:03:04: they again never would have been able to previously,  
00:03:04 --> 00:03:07: and in many ways I think that it is created

00:03:07 --> 00:03:10: sort of a healthier retail ecosystem than we had pre  
00:03:10 --> 00:03:11: COVID right?  
00:03:11 --> 00:03:14: It's more diversified tenant based.  
00:03:14 --> 00:03:15: It's a reinvigorated tenant base.  
00:03:15 --> 00:03:19: It's probably more of an exciting tenant base again than  
00:03:19 --> 00:03:20: pre COVID.  
00:03:20 --> 00:03:24: On the other side, I think COVID has reminded people  
00:03:24 --> 00:03:28: just how important shopping and person is to that feeling  
00:03:28 --> 00:03:30: of living a normal life right now.  
00:03:30 --> 00:03:33: And after 18 months of sitting on the couch and  
00:03:33 --> 00:03:34: ordering everything online,  
00:03:34 --> 00:03:35: I think there's a lot of people who are kind  
00:03:35 --> 00:03:36: of sick of it,  
00:03:36 --> 00:03:37: right? They're done with it.  
00:03:37 --> 00:03:40: They'd rather do it in person again.  
00:03:40 --> 00:03:43: And I think in hope that that is something that  
00:03:43 --> 00:03:46: will stick with people for the long term.  
00:03:46 --> 00:03:48: So let's let's sort of.  
00:03:48 --> 00:03:51: Focus on our on our topic this morning and I'd  
00:03:51 --> 00:03:54: like to just kind of give some context around it.  
00:03:54 --> 00:03:58: So look retail is, I think retail is a fascinating  
00:03:58 --> 00:04:02: industry and in part it's fascinating because it's so complex  
00:04:02 --> 00:04:06: and in the framework of ground floor retail and one  
00:04:06 --> 00:04:10: of those complexities is just the number of stakeholders that  
00:04:10 --> 00:04:13: are involved in creating successful retail.  
00:04:13 --> 00:04:16: So as with any commercial product type,  
00:04:16 --> 00:04:18: you have a landlord and you have tenants,  
00:04:18 --> 00:04:20: but in retail we have professional tenants.  
00:04:20 --> 00:04:23: Right, many of our tenants are national retailers.  
00:04:23 --> 00:04:26: They have hundreds of locations across the country,  
00:04:26 --> 00:04:31: and they're laser focused on site selection on local demand  
00:04:31 --> 00:04:35: drivers and on their location within buildings right in other  
00:04:35 --> 00:04:37: product types here,  
00:04:37 --> 00:04:40: attendance location within a building is sort of ancillary to  
00:04:40 --> 00:04:42: their business in retail,  
00:04:42 --> 00:04:45: the retailers tenant within a building is the business right?  
00:04:45 --> 00:04:50: And that of course, brings complexities the next stakeholder  
in  
00:04:50 --> 00:04:50: retail.  
00:04:50 --> 00:04:53: Who is the public? And the public is sort of  
00:04:53 --> 00:04:55: an unpredictable mercurial thing,  
00:04:55 --> 00:04:57: right? The way that the public wants to shop,

00:04:57 --> 00:05:01: the way that the public wants to consume goods and  
00:05:01 --> 00:05:02: services is in flux.  
00:05:02 --> 00:05:06: It changes overtime, and that forces retailers to adapt to  
00:05:06 --> 00:05:08: those changing shopping patterns.  
00:05:08 --> 00:05:11: So, for example, the change the the size of their  
00:05:11 --> 00:05:14: stores to change the locations of their stores to change  
00:05:14 --> 00:05:17: the number of stores that they feel that they need  
00:05:17 --> 00:05:20: in order to meet the demand of a given trade  
00:05:20 --> 00:05:20: area.  
00:05:20 --> 00:05:24: And of course, those changes in sort of retailer and  
00:05:24 --> 00:05:24: intendent.  
00:05:24 --> 00:05:28: Needs trickle down to the landlords who are forced to  
00:05:28 --> 00:05:32: adapt to what they're the changing needs of their tenants.  
00:05:32 --> 00:05:36: And so there's 3 stakeholders in ground floor,  
00:05:37 --> 00:05:40: urban retailer, retail. I'm gonna add a fourth dimension of  
00:05:40 --> 00:05:41: 4th stakeholder,  
00:05:41 --> 00:05:44: which is the user's upstairs,  
00:05:44 --> 00:05:47: right? So ground floor retail needs to engage with.  
00:05:47 --> 00:05:50: It needs to respond to.  
00:05:50 --> 00:05:53: The complexion of those users upstairs,  
00:05:53 --> 00:05:57: and that adds again another layer of complexity.  
00:05:57 --> 00:06:01: So I think the opportunity for ground floor retail is  
00:06:01 --> 00:06:04: to create synergies between the retailers themselves.  
00:06:04 --> 00:06:07: The uses upstairs, the building as a whole,  
00:06:07 --> 00:06:10: and the public outside and hopefully to sort of drive  
00:06:10 --> 00:06:14: those synergies in a cohesive manner that adds value for  
00:06:14 --> 00:06:15: everyone.  
00:06:15 --> 00:06:18: Of course, it doesn't always happen quite like that,  
00:06:18 --> 00:06:20: right? It's always more complicated than that.  
00:06:20 --> 00:06:23: Yeah, and that is what we're going to talk about  
00:06:23 --> 00:06:23: today,  
00:06:23 --> 00:06:28: so. Alright, now that I have convinced you that retail  
00:06:28 --> 00:06:32: is a product type best left to the experts,  
00:06:32 --> 00:06:35: let's meet those experts. I would like our panelists to  
00:06:36 --> 00:06:39: take a few minutes to introduce themselves.  
00:06:39 --> 00:06:41: Tell us about your business and your role,  
00:06:41 --> 00:06:44: and maybe just sort of answer a conversation.  
00:06:44 --> 00:06:47: One one question to get the conversation going.  
00:06:48 --> 00:06:50: So, from a landlord's perspective,  
00:06:51 --> 00:06:53: you know what's the point.  
00:06:53 --> 00:06:55: What's the purpose of the ground floor right?  
00:06:55 --> 00:06:57: Is it for retail generation?

00:06:57 --> 00:07:00: Or excuse me, revenue generation is it for property Brandon?  
00:07:00 --> 00:07:03: Is it just simply an amenity base for the tenants  
00:07:03 --> 00:07:04: upstairs?  
00:07:04 --> 00:07:06: Is there something else that you would add to that  
00:07:06 --> 00:07:07: list and you know,  
00:07:07 --> 00:07:10: as you think about these three dynamics,  
00:07:10 --> 00:07:14: what's most important or what gets the most time and  
00:07:14 --> 00:07:17: attention in your conversations internally?  
00:07:17 --> 00:07:18: So Kareena, why don't we?  
00:07:18 --> 00:07:19: Why don't we kick off with you?  
00:07:19 --> 00:07:22: Introduce yourself and maybe you can respond to that  
question.  
00:07:22 --> 00:07:24: Yeah, so my name is Karina's,  
00:07:24 --> 00:07:27: you know. So I had up our retail experience and  
00:07:27 --> 00:07:30: incubation division here at WS Development.  
00:07:30 --> 00:07:33: My department offers solutions designed to help our existing  
brands  
00:07:33 --> 00:07:36: reach their fullest potential at our properties.  
00:07:36 --> 00:07:38: So what that means is we enlist a bunch of  
00:07:38 --> 00:07:41: services that we feel that businesses need to be successful,  
00:07:41 --> 00:07:43: which nowadays it includes staffing,  
00:07:43 --> 00:07:47: retail, operation strategies, retail operation strategies to us is  
making  
00:07:47 --> 00:07:51: sure that a business is fully Omni channel which includes  
00:07:51 --> 00:07:53: social media which includes their website.  
00:07:53 --> 00:07:55: So we're not just thinking about their physical space,  
00:07:55 --> 00:07:57: we're thinking about their entire business.  
00:07:57 --> 00:07:59: We also think about how in which we can support  
00:07:59 --> 00:08:00: their interiors,  
00:08:00 --> 00:08:04: their exteriors. So we're really creating key initiatives for  
businesses,  
00:08:04 --> 00:08:08: retailers to be successful. When they open up a store  
00:08:08 --> 00:08:12: and opening up a store nowadays isn't just about opening  
00:08:12 --> 00:08:12: the door,  
00:08:12 --> 00:08:16: they really need to have community and experiences in  
which  
00:08:16 --> 00:08:19: they are merchandising and activating their space key.  
00:08:19 --> 00:08:22: Important initiatives for us in the way in which we  
00:08:22 --> 00:08:27: merchandise ground reach ground retail is truly about the  
neighborhood.  
00:08:27 --> 00:08:29: We create places that people want to go.  
00:08:29 --> 00:08:32: That is the bread and butter of our business.  
00:08:32 --> 00:08:34: For people that are familiar with the company,  
00:08:34 --> 00:08:36: we truly base, you know,

00:08:36 --> 00:08:38: so much of what we do about.  
00:08:38 --> 00:08:40: Creating amenities in which there is a mix.  
00:08:40 --> 00:08:41: We want food and beverage.  
00:08:41 --> 00:08:43: We want you know consumer goods.  
00:08:43 --> 00:08:46: We want beauty. We want fitness.  
00:08:46 --> 00:08:49: So that's really the core of what we do.  
00:08:49 --> 00:08:51: And I think what many of people know about more  
00:08:51 --> 00:08:54: recently of what we've done is in seaport.  
00:08:54 --> 00:08:56: We own 7.6 million square feet there.  
00:08:56 --> 00:08:59: One point 1,000,000 is of retail,  
00:08:59 --> 00:09:02: 3.2 is residential, 2.8 is office.  
00:09:02 --> 00:09:04: You know. So we have 20 blocks in which we're  
00:09:04 --> 00:09:07: merchandising a really true destination.  
00:09:07 --> 00:09:10: New to Boston, which used to be a parking lot.  
00:09:10 --> 00:09:12: And and now one point,  
00:09:12 --> 00:09:14: 1,000,000 of that is just retail and it's exciting to  
00:09:14 --> 00:09:16: sort of think about the ways in which you know  
00:09:16 --> 00:09:18: we want our residents to shop.  
00:09:18 --> 00:09:20: We want them to have food and Bev and how  
00:09:20 --> 00:09:23: we want our office tenants to be enjoying the neighborhood.  
00:09:23 --> 00:09:26: So for us, we really do think about people first  
00:09:26 --> 00:09:28: and sort of build a community off of that.  
00:09:28 --> 00:09:31: We also have that luxury because we're the primary  
00:09:31 --> 00:09:33: developer.  
00:09:31 --> 00:09:33: We don't have competing interest,  
00:09:33 --> 00:09:36: so for us we've been really able to grab onto  
00:09:37 --> 00:09:38: what we want to curate,  
00:09:38 --> 00:09:40: which is much harder when you have.  
00:09:40 --> 00:09:42: Many different developers working, you know,  
00:09:42 --> 00:09:45: in a in a similar neighborhood,  
00:09:45 --> 00:09:48: so yeah, that's that's really the nuts and bolts of  
00:09:48 --> 00:09:50: what we do and how I work specifically with the  
00:09:50 --> 00:09:50: company.  
00:09:51 --> 00:09:53: That's great, thank you. Karina Andrew.  
00:09:54 --> 00:09:57: Introduce yourself and take a crack at our at our  
00:09:57 --> 00:09:58: question.  
00:09:58 --> 00:09:58: Sure,  
00:09:58 --> 00:10:00: my name is Andrew Callahan,  
00:10:00 --> 00:10:04: one of the cofounders of a retail brokerage company,  
00:10:04 --> 00:10:08: venture retail partners founded the company about eight  
00:10:08 --> 00:10:11: years ago.  
00:10:08 --> 00:10:11: Prior to that, we worked at Atlantic Retail for 910

00:10:11 --> 00:10:12: years.

00:10:12 --> 00:10:15: We're based here in Boston Post Office square.

00:10:16 --> 00:10:19: We operate throughout New England.

00:10:19 --> 00:10:24: A broad mix between tenant representation and landlord representation.

00:10:24 --> 00:10:28: By way of example, some of our tenant clients are

00:10:28 --> 00:10:28: Starbucks,

00:10:28 --> 00:10:31: Chipotle floor, and Decor, Sam's Club,

00:10:31 --> 00:10:34: Trillium Brewery, Barbara Lynch Restaurant Group.

00:10:35 --> 00:10:37: Here in Boston. We work on behalf of Synergy on

00:10:37 --> 00:10:38: a couple assets.

00:10:38 --> 00:10:43: Nuveen real estate, on their four point portfolio in Boston

00:10:43 --> 00:10:43: and.

00:10:43 --> 00:10:45: Host of other, you know,

00:10:45 --> 00:10:50: national retailers and landlords throughout New England and New York,

00:10:50 --> 00:10:53: so jumping into your question,

00:10:53 --> 00:10:57: Nat. You know I'm dealing with different buildings and different

00:10:58 --> 00:10:58: places,

00:10:58 --> 00:11:06: oftentimes suburbia, downtown Boston. Generally speaking.

00:11:06 --> 00:11:11: You know the 1st floor is going to be to

00:11:11 --> 00:11:13: benefit the portfolio,

00:11:13 --> 00:11:18: whether it's four point or the tenants upstairs.

00:11:18 --> 00:11:21: You know, with most of the stuff I work on,

00:11:21 --> 00:11:23: it's not the main revenue generator,

00:11:23 --> 00:11:26: especially in downtown Boston. Sometimes it is,

00:11:26 --> 00:11:27: and it's a different conversation,

00:11:27 --> 00:11:29: but oftentimes it's you know,

00:11:29 --> 00:11:35: creating an amenity for the neighborhood and something that is

00:11:35 --> 00:11:37: attractive for the building.

00:11:37 --> 00:11:41: And. Revenue can oftentimes be.

00:11:41 --> 00:11:44: Second, or you know a little further back,

00:11:44 --> 00:11:48: but you know it is also an asset specific conversation

00:11:48 --> 00:11:49: every time.

00:11:51 --> 00:11:52: Wendy

00:11:54 --> 00:11:56: morning everyone. My name is Wendy Adam.

00:11:56 --> 00:12:00: I work at GID. I'm Vice president of our commercial

00:12:00 --> 00:12:01: group.

00:12:01 --> 00:12:05: I oversee the retail at the base of our buildings

00:12:05 --> 00:12:10: nationally and our developer deals under development.

00:12:10 --> 00:12:14: I think for jids our buildings you know are in

00:12:14 --> 00:12:20: basically the main metros verbally located the point for us.  
00:12:20 --> 00:12:23: We really try to look at creating a great merchandising  
00:12:23 --> 00:12:27: decks and amenity based to our residents upstairs and we  
00:12:27 --> 00:12:30: found that bringing those new hot concepts in really does  
00:12:30 --> 00:12:34: help us on our residential side in terms of retaining  
00:12:34 --> 00:12:36: tenancy and pushing rates.  
00:12:36 --> 00:12:41: So our main focus revenue is important.  
00:12:41 --> 00:12:44: But we also try to get kind of that those  
00:12:44 --> 00:12:45: great merchandising mix,  
00:12:45 --> 00:12:50: be it local. Really ideally be a mix of local,  
00:12:50 --> 00:12:51: regional and national.  
00:12:52 --> 00:12:55: Awesome, thank you. George your turn.  
00:12:58 --> 00:13:01: OK, uhm I'm George fryer.  
00:13:01 --> 00:13:07: I am in charge of retail investments at a EW.  
00:13:07 --> 00:13:09: I've been with the firm 28 years and I was  
00:13:09 --> 00:13:13: with the Church of England endowment for a decade before  
00:13:13 --> 00:13:13: that.  
00:13:16 --> 00:13:22: My role is primarily acquisition of suburban shopping centers,  
00:13:22 --> 00:13:26: so my experience with urban is typically tangential to the  
00:13:27 --> 00:13:29: office or residential teams.  
00:13:29 --> 00:13:32: You know, buying, buying those assets.  
00:13:32 --> 00:13:37: So if anything I say is in conflict with the  
00:13:37 --> 00:13:38: other panelists,  
00:13:38 --> 00:13:41: go with them. They do.  
00:13:41 --> 00:13:45: I just write checks. If you're not familiar with ATW,  
00:13:45 --> 00:13:48: we're one of the larger.  
00:13:48 --> 00:13:52: Advisors to pension funds and their ownership of real estate.  
00:13:52 --> 00:13:56: We asset manage \$90 billion of assets globally,  
00:13:56 --> 00:14:00: about half of which are domestic and a fifth of  
00:14:00 --> 00:14:04: those are our retail in one format or another.  
00:14:04 --> 00:14:08: I would say with our urban properties right now,  
00:14:08 --> 00:14:13: the primary focus is indeed providing services and amenities  
to  
00:14:13 --> 00:14:14: the stakeholders.  
00:14:14 --> 00:14:20: Upstairs, the occupants upstairs. And you know,  
00:14:20 --> 00:14:25: beyond Boston, you know we have assets in New York,  
00:14:25 --> 00:14:30: Chicago, Minneapolis, San Francisco. Some of those cities  
you know,  
00:14:30 --> 00:14:34: hit pretty hard by pandemic loss of tourism,  
00:14:34 --> 00:14:38: and in certain cases even civil unrest.  
00:14:38 --> 00:14:43: So most of the revenue since we're large investors,  
00:14:43 --> 00:14:45: most of our assets are large.



00:14:45 --> 00:14:47: Many stories above the retail.  
00:14:47 --> 00:14:54: So those focusing on the office or residential rents is  
00:14:54 --> 00:15:00: primary and using retail as a tool to attract.  
00:15:00 --> 00:15:06: Prospects retain tenants, is is probably first and foremost  
over  
00:15:07 --> 00:15:07: revenue.  
00:15:07 --> 00:15:10: Now we are broad investors representing many clients,  
00:15:10 --> 00:15:14: so we do get exposure to other aspects.  
00:15:14 --> 00:15:18: You know. Recently we were the owners of 275 Newbury  
00:15:19 --> 00:15:19: St,  
00:15:19 --> 00:15:21: just a four story brownstone.  
00:15:21 --> 00:15:24: You have that type of asset well.  
00:15:24 --> 00:15:29: Revenue generation from your ground floor certainly  
becomes a primary  
00:15:29 --> 00:15:32: because the you know rents are going to be two  
00:15:32 --> 00:15:34: and three times per square foot.  
00:15:34 --> 00:15:39: What you're getting from office or or residential above.  
00:15:39 --> 00:15:43: So varies by asset, as as Andrew pointed out,  
00:15:43 --> 00:15:47: but. With challenges to CBD's right now,  
00:15:47 --> 00:15:51: and especially financial districts, our focus is on amenity.  
00:15:53 --> 00:15:56: Thank you. So let's let's kind of continue with that  
00:15:56 --> 00:16:00: theme of challenges to central business districts and talk  
about  
00:16:00 --> 00:16:01: demand drivers,  
00:16:01 --> 00:16:05: right? COVID has relocated and in many instances just sort  
00:16:05 --> 00:16:11: of eliminated the traditional demand drivers across  
neighborhoods across cities.  
00:16:11 --> 00:16:13: So Karina and Andrew maybe sort of talked to us  
00:16:13 --> 00:16:16: about why his retail in the Back Bay and in  
00:16:16 --> 00:16:16: the seaport,  
00:16:16 --> 00:16:18: and even in the suburbs,  
00:16:18 --> 00:16:22: sort of relatively thrived while retail in the financial district  
00:16:22 --> 00:16:24: continues to be just a real.  
00:16:24 --> 00:16:25: Challenge.  
00:16:29 --> 00:16:29: I'm gonna take that one  
00:16:29 --> 00:16:32: first. We're  
00:16:32 --> 00:16:34: seeing. I mean, we have,  
00:16:34 --> 00:16:35: you know, our property in seaport,  
00:16:35 --> 00:16:38: but we also have our properties in the suburbs and  
00:16:38 --> 00:16:40: I think what the biggest retail trend we've noticed with  
00:16:40 --> 00:16:43: COVID is that people actually don't want to travel into  
00:16:43 --> 00:16:46: the city they're looking for more convenience and so they're  
00:16:46 --> 00:16:48: looking at their main streets,

00:16:48 --> 00:16:50: their towns, and we, you know,  
00:16:50 --> 00:16:53: obviously are very keen on creating a destination where you  
00:16:53 --> 00:16:55: can get everything at one stop shop.  
00:16:55 --> 00:16:57: And so it's, you know,  
00:16:57 --> 00:16:59: as retailers are thinking about where they're going to open  
00:16:59 --> 00:17:00: up their first shops,  
00:17:00 --> 00:17:02: or when they come to a new market.  
00:17:02 --> 00:17:05: The big cities are actually coming in second.  
00:17:05 --> 00:17:07: They're actually looking at now.  
00:17:07 --> 00:17:09: More of our suburban properties as more of a focal  
00:17:09 --> 00:17:12: point because they're seeing that data come through on their  
00:17:12 --> 00:17:12: websites.  
00:17:12 --> 00:17:16: If this is where their consumer density is more focused,  
00:17:16 --> 00:17:20: and so it's it's been really fascinating to see that  
00:17:20 --> 00:17:23: shift happen quite drastically with the pandemic.  
00:17:23 --> 00:17:25: And it's, you know, obviously been very advantageous for us  
00:17:25 --> 00:17:27: to be able to get brands that would never maybe  
00:17:28 --> 00:17:28: explore.  
00:17:28 --> 00:17:31: But suburban market before, or been to really now take  
00:17:31 --> 00:17:32: the gamble of you know.  
00:17:32 --> 00:17:35: Starting their first, so with Seaport,  
00:17:35 --> 00:17:39: I think it's it's still interesting as we develop that  
00:17:39 --> 00:17:42: retail we're seeing still a lot of DTC brands interested  
00:17:42 --> 00:17:43: in joining,  
00:17:43 --> 00:17:46: but I think what? What's different about Boston and than  
00:17:46 --> 00:17:48: other major cities and I would bet you guys would  
00:17:48 --> 00:17:49: all agree with me.  
00:17:49 --> 00:17:52: It still has a lot of charm and not it's  
00:17:52 --> 00:17:55: not as overwhelming as your New York Suresan France.  
00:17:55 --> 00:17:57: So in Boston does a very you know it's just  
00:17:57 --> 00:18:01: naturally divided by segments of a of a neighborhood and  
00:18:01 --> 00:18:03: I think what we're doing in seaport is.  
00:18:03 --> 00:18:06: And we're really not competing with what's in the other  
00:18:06 --> 00:18:07: neighborhoods.  
00:18:07 --> 00:18:10: We're trying to really think about if they're already in  
00:18:10 --> 00:18:11: Copley or Prudential,  
00:18:11 --> 00:18:13: we're not going to over saturate them or even want  
00:18:13 --> 00:18:14: to consider them for support.  
00:18:14 --> 00:18:17: We really need to define that as a separate space  
00:18:18 --> 00:18:20: for people to come and explore,  
00:18:20 --> 00:18:22: so that's sort of what we're seeing as far as  
00:18:22 --> 00:18:24: retail and and the ways in which it's it's becoming

00:18:24 --> 00:18:25: more convenient,  
00:18:25 --> 00:18:29: at least for people to shop in these smaller,  
00:18:29 --> 00:18:30: close communities.  
00:18:31 --> 00:18:33: Andrew, what about sort of,  
00:18:33 --> 00:18:37: you know, the sort of monotone demand driver of the  
00:18:37 --> 00:18:39: financial district,  
00:18:39 --> 00:18:40: which is sort of, you know,  
00:18:40 --> 00:18:42: daytime traffic from office users,  
00:18:42 --> 00:18:44: which is largely gone away,  
00:18:44 --> 00:18:49: right? Just sort of compare the impact of demand,  
00:18:49 --> 00:18:53: driver scheduling and presence in residential neighborhood,  
00:18:53 --> 00:18:55: like the seaport or the Back Bay.  
00:18:55 --> 00:18:59: Versus just like this one stop demand driver in the  
00:18:59 --> 00:19:01: in the financial district.  
00:19:01 --> 00:19:04: How I mean, I? I think the COVID has really  
00:19:04 --> 00:19:08: shown that having multiple demand drivers that are driving  
traffic  
00:19:08 --> 00:19:09: at all times a day,  
00:19:09 --> 00:19:12: daytime, nighttime, nights and weekends.  
00:19:12 --> 00:19:17: You know that's really fundamental to a thriving retail  
environment.  
00:19:18 --> 00:19:20: Yeah, totally agree. I mean,  
00:19:20 --> 00:19:24: Simply put, you know retail needs.  
00:19:24 --> 00:19:29: People around the financial district has always been a five  
00:19:29 --> 00:19:31: day a week market,  
00:19:31 --> 00:19:37: largely. And most of the sales from food beverage coming  
00:19:37 --> 00:19:39: in that that lunch rush.  
00:19:39 --> 00:19:42: So when that goes away,  
00:19:42 --> 00:19:46: you know it becomes very challenging down here into your  
00:19:46 --> 00:19:46: point.  
00:19:46 --> 00:19:50: Green's point, you know, for a retailer these days to  
00:19:50 --> 00:19:53: be successful you need seven day a week traffic.  
00:19:53 --> 00:19:55: You need residential. You need office.  
00:19:55 --> 00:19:58: You need everything. And when someone is coming in from  
00:19:58 --> 00:20:00: another part of the country,  
00:20:00 --> 00:20:04: or you know, even looking from suburbia into Boston,  
00:20:04 --> 00:20:07: they're looking for those factors you need.  
00:20:07 --> 00:20:09: You just need the bodies,  
00:20:09 --> 00:20:12: you need them there morning.  
00:20:12 --> 00:20:14: Day and night, seven days a week to to make  
00:20:14 --> 00:20:15: it successful.  
00:20:17 --> 00:20:21: Right? George and Wendy from like a national perspective.  
00:20:21 --> 00:20:23: Or you seen similar things in other cities?

00:20:23 --> 00:20:25: You know other central business districts,  
00:20:25 --> 00:20:28: just retail suffering and with the loss of office  
00:20:28 --> 00:20:31: tenants who are have other cities.  
00:20:31 --> 00:20:33: Sort of, you know figured it out and brought people  
00:20:33 --> 00:20:34: back to the urban course.  
00:20:35 --> 00:20:37: One day I'll let you go first.  
00:20:38 --> 00:20:40: Thank you George. I think you're seeing that everywhere in  
00:20:40 --> 00:20:41: that right.  
00:20:41 --> 00:20:45: The lack of people commuting into office would definitely.  
00:20:45 --> 00:20:47: It's definitely affecting retailers Gidi.  
00:20:48 --> 00:20:51: All of our retails at the base of residential buildings,  
00:20:51 --> 00:20:56: so while we did have tenants that failed,  
00:20:56 --> 00:21:02: what we saw as a pretty prevalent trend nationally was  
00:21:02 --> 00:21:04: national or.  
00:21:04 --> 00:21:09: Well, oiled local operators actually using that has an  
opportunity  
00:21:09 --> 00:21:12: to get in on the ground floor when rents are  
00:21:12 --> 00:21:13: depressed.  
00:21:13 --> 00:21:15: For us specifically for second Gen restaurant space.  
00:21:15 --> 00:21:18: So we actually have seen a lot of space turn  
00:21:18 --> 00:21:23: that's already been released because operators have taken  
the advantage  
00:21:23 --> 00:21:27: of locking in when maybe rents are a little bit  
00:21:27 --> 00:21:27: more depressed because  
00:21:27 --> 00:21:31: of COVID. Yeah, and I would say to that point,  
00:21:31 --> 00:21:34: Wendy, we're seeing, you know,  
00:21:34 --> 00:21:37: so an uptick of restaurant activity,  
00:21:37 --> 00:21:40: especially in the last three or four months with some  
00:21:40 --> 00:21:43: Boston operators but lower rents than they were,  
00:21:43 --> 00:21:47: but also just higher T packages,  
00:21:47 --> 00:21:49: incentivize some of these groups to come in is is  
00:21:49 --> 00:21:50: a lot of what we're seeing too.  
00:21:52 --> 00:21:52: Yeah,  
00:21:52 --> 00:21:57: I I will. I'll say that there's a difference between  
00:21:57 --> 00:22:01: warm and red versus cool and blue states.  
00:22:03 --> 00:22:08: There are, you know, places down South and then you  
00:22:08 --> 00:22:12: know Texas where you know the pandemic was.  
00:22:12 --> 00:22:14: Its impact was short lived.  
00:22:14 --> 00:22:19: Now those are also the places with typically very small  
00:22:20 --> 00:22:20: CBD's,  
00:22:20 --> 00:22:26: so they did not. They don't have the same phenomenon  
00:22:26 --> 00:22:32: as the the larger or the concentrated cities per say.

00:22:32 --> 00:22:38: Those communities that have suffered loss of tourism as well  
00:22:38 --> 00:22:40: as you know,  
00:22:40 --> 00:22:45: safety concerns have suffered. I'd say far more than Boston,  
00:22:45 --> 00:22:46: Boston sort of middle of the road.  
00:22:46 --> 00:22:50: Boston also has the advantage of a number of  
neighborhoods,  
00:22:50 --> 00:22:57: integrated healthy neighborhoods integrated into you know  
the the urban  
00:22:57 --> 00:22:58: fabric,  
00:22:58 --> 00:23:02: and you know whether it's an office building near.  
00:23:02 --> 00:23:07: A residential neighborhood or a residential tower?  
00:23:07 --> 00:23:12: You know, at the at the confluence of office and  
00:23:12 --> 00:23:13: residential,  
00:23:13 --> 00:23:15: you know they've fared, you know,  
00:23:15 --> 00:23:19: much better we we own 1 Brigham Circle in the  
00:23:19 --> 00:23:21: Long Longwood Medical District.  
00:23:21 --> 00:23:24: But that's on the edge of the neighborhood and our  
00:23:25 --> 00:23:25: retail there,  
00:23:25 --> 00:23:29: which represents about 25% of the GLA stop and shop  
00:23:29 --> 00:23:31: Walgreens Fridays.  
00:23:33 --> 00:23:38: Didn't really suffer much because it had that neighborhood  
anchor  
00:23:38 --> 00:23:39: and you might think oh,  
00:23:39 --> 00:23:43: Gee, Medical did fine in in the in the pandemic.  
00:23:43 --> 00:23:47: No it not for patronage of retail.  
00:23:48 --> 00:23:52: The typical patients were postponing visits,  
00:23:52 --> 00:23:56: and there's also a lot of Medical University around there.  
00:23:56 --> 00:23:59: Those students weren't there, so the typical,  
00:23:59 --> 00:24:01: say, lunchtime traffic was off.  
00:24:01 --> 00:24:04: But that neighborhood anchored it.  
00:24:04 --> 00:24:08: I think you know Boston is is blessed in comparison  
00:24:08 --> 00:24:11: to a number of cities like that where you know  
00:24:11 --> 00:24:14: we do have residents available.  
00:24:14 --> 00:24:19: It's really only the financial district that is suffering similarly  
00:24:19 --> 00:24:20: to other CBD's.  
00:24:23 --> 00:24:25: Alright, let's let's pivot a little bit guys,  
00:24:25 --> 00:24:28: you know the the world of sort of ground floor  
00:24:28 --> 00:24:31: retail is a whole universe in its own right and  
00:24:31 --> 00:24:34: we have everything from sort of tower lobbies right that  
00:24:34 --> 00:24:38: were never intended for retail use that are now being  
00:24:38 --> 00:24:41: pressed into retail use and everything up to sort of  
00:24:42 --> 00:24:45: buildings that were designed with retail in mind.  
00:24:45 --> 00:24:48: Right ground floor retail in mind and then of course

00:24:48 --> 00:24:49: there's a whole world in between.

00:24:49 --> 00:24:51: Let's start with the tower lobbies,

00:24:51 --> 00:24:56: you know. Andrew, have we seen examples of buildings that

00:24:56 --> 00:25:00: have successfully converted lobby space to viable retail?

00:25:00 --> 00:25:03: Again, like you know, what is the purpose of that

00:25:03 --> 00:25:04: conversion?

00:25:04 --> 00:25:05: Is it just for amenities for tenants?

00:25:05 --> 00:25:09: Is it actually like a viable revenue opportunity?

00:25:09 --> 00:25:12: Recently I think what was it yesterday?

00:25:12 --> 00:25:16: Maybe 100 High Street opened their food hall.

00:25:16 --> 00:25:18: You know we talked about that a little bit before

00:25:18 --> 00:25:19: they call it.

00:25:19 --> 00:25:21: Does that seem like a a real revenue opportunity?

00:25:21 --> 00:25:23: Or again, is that more of an amenity in a

00:25:23 --> 00:25:26: branding opportunity for the building as a whole?

00:25:26 --> 00:25:26: Yeah,

00:25:26 --> 00:25:29: sure. I I think you know,

00:25:29 --> 00:25:32: especially in the financial district there are a handful of.

00:25:32 --> 00:25:36: Good examples of owners turning,

00:25:36 --> 00:25:42: you know. Space that may never have had anything.

00:25:42 --> 00:25:47: Into a revenue opportunity and an amenity opportunity you

00:25:47 --> 00:25:49: look

00:25:47 --> 00:25:49: at synergy at 10 P Oh square.

00:25:49 --> 00:25:53: You know you have Mario and an old bank space

00:25:53 --> 00:25:55: and Mario Underground,

00:25:55 --> 00:25:57: which is in the basement.

00:25:57 --> 00:26:01: They have a you know 10,000 square foot operation down

00:26:01 --> 00:26:03: there below the restaurant.

00:26:03 --> 00:26:06: And same thing with Lolita over in Fort Point.

00:26:06 --> 00:26:08: That was just an old lower level space,

00:26:08 --> 00:26:11: so you know you have landlords that have gotten creative.

00:26:11 --> 00:26:15: I think both those were pre pandemic but.

00:26:15 --> 00:26:19: Turning space that was storage or basement or not that

00:26:19 --> 00:26:22: usable into revenue opportunities.

00:26:22 --> 00:26:24: High Street Place is a great example.

00:26:24 --> 00:26:26: I'm I'm really pulling for.

00:26:26 --> 00:26:29: I'm going to go check it out at lunch today.

00:26:29 --> 00:26:32: But you know, there's I think 20 plus operators in

00:26:32 --> 00:26:35: their amazing amenity for the building but also an amazing

00:26:36 --> 00:26:38: amenity for the financial district.

00:26:38 --> 00:26:43: Overall Big neighborhood improvement so you know,

00:26:43 --> 00:26:49: I think. You know 53 state they're redoing.

00:26:49 --> 00:26:52: Working on a couple leases there with various retailers and  
00:26:52 --> 00:26:54: they get stalled out a bit with,  
00:26:54 --> 00:26:58: you know, COVID, but there's some great examples out  
there  
00:26:58 --> 00:27:02: of how to take these compromise spaces and turn them  
00:27:02 --> 00:27:05: into revenue generators and and amenities.  
00:27:05 --> 00:27:08: Not always that easy. Some of these old buildings were  
00:27:08 --> 00:27:10: never set up for it.  
00:27:10 --> 00:27:11: You know Karina and WS.  
00:27:11 --> 00:27:14: Obviously you guys have put retail at the forefront,  
00:27:14 --> 00:27:17: which is an amazing example of how to do it  
00:27:17 --> 00:27:19: properly when you're.  
00:27:19 --> 00:27:20: When you're building for retail,  
00:27:20 --> 00:27:23: 'cause even with new builds in in Boston,  
00:27:23 --> 00:27:26: it's often an afterthought. You know I've worked on projects  
00:27:26 --> 00:27:27: where the retails,  
00:27:27 --> 00:27:32: you know, wrapping elevator core and there's an electrical  
room  
00:27:32 --> 00:27:36: just there and it it doesn't really fit that well,  
00:27:36 --> 00:27:40: so it often seems like an afterthought to a lot  
00:27:40 --> 00:27:43: of the big office developers,  
00:27:43 --> 00:27:46: so it's nice to see it put four first with  
00:27:46 --> 00:27:47: WS and the likes of it.  
00:27:48 --> 00:27:50: Right, so let's continue with that.  
00:27:50 --> 00:27:54: You know as compared to ground floor lobby spaces,  
00:27:54 --> 00:27:58: right buildings that were designed with retail as a primary  
00:27:58 --> 00:27:58: focus.  
00:27:58 --> 00:28:02: Wendy and Karina. How much easier is it to lease  
00:28:02 --> 00:28:04: and drive rents on on those spaces,  
00:28:04 --> 00:28:09: right? That were intentionally designed by retail focused  
people?  
00:28:09 --> 00:28:12: And what are some of the challenges that you will  
00:28:12 --> 00:28:13: avoid in this intentional design?  
00:28:13 --> 00:28:15: You know, for example, column spacing,  
00:28:15 --> 00:28:18: suite configuration, etc like water,  
00:28:18 --> 00:28:19: water, sort of, the synergies,  
00:28:19 --> 00:28:23: and the opportunities for retail focused design of ground floor  
00:28:23 --> 00:28:24: rating scale space.  
00:28:24 --> 00:28:25: When do you want to?  
00:28:25 --> 00:28:26: We wanna give us some thoughts.  
00:28:27 --> 00:28:30: Yeah, I think in our in our developments but it  
00:28:30 --> 00:28:33: always comes down to or what we've learned from items  
00:28:33 --> 00:28:37: that we might have purchased that had some flaws and

00:28:37 --> 00:28:39: always comes down to the back of the House.  
00:28:39 --> 00:28:42: Trash parking. And then as you're commenting,  
00:28:42 --> 00:28:44: you know, retailers tend to wanna box.  
00:28:44 --> 00:28:46: Is it a rectangle? Is it a square and where  
00:28:46 --> 00:28:47: your columns are?  
00:28:47 --> 00:28:51: And then in specifically for?  
00:28:51 --> 00:28:54: Multifamily buildings, you know you've got to be very  
cognizant  
00:28:55 --> 00:28:56: of where the chefs are.  
00:28:56 --> 00:28:59: Your black iron to get those restaurants in there,  
00:28:59 --> 00:29:01: and they need to be able to vent and to  
00:29:01 --> 00:29:05: expect a retailer to pay for that cost is exorbitant,  
00:29:05 --> 00:29:08: and so it's something you need to pre plan into  
00:29:08 --> 00:29:10: your development from the beginning and including the cost.  
00:29:12 --> 00:29:13: So we try to be  
00:29:13 --> 00:29:15: really cognizant of that, and then depending you know on  
00:29:15 --> 00:29:18: where you're located throughout the country,  
00:29:18 --> 00:29:20: California, Boston, Chicago, you know,  
00:29:20 --> 00:29:22: then you have to get into parking and what's market  
00:29:22 --> 00:29:23: for that.  
00:29:23 --> 00:29:25: So I think those are kind of the hot buttons  
00:29:25 --> 00:29:27: jids focuses on with our ground up developments.  
00:29:29 --> 00:29:31: I wanna add one to you don't mind because I  
00:29:32 --> 00:29:33: run into it all the time.  
00:29:33 --> 00:29:39: It's clear heights too, especially on the new development  
side.  
00:29:39 --> 00:29:42: I've bumped into it so many times where you know  
00:29:42 --> 00:29:46: you got 13 foot clears when it would be much  
00:29:46 --> 00:29:47: better at 16 retailers.  
00:29:47 --> 00:29:52: These days. More often than not want that open feel  
00:29:53 --> 00:29:56: higher ceilings for their spaces.  
00:29:56 --> 00:29:56: Yeah, I'll add  
00:29:57 --> 00:30:02: to that in in original initial architecture of the of  
00:30:02 --> 00:30:03: the building,  
00:30:03 --> 00:30:08: you may want to consider retail facade as distinct from  
00:30:08 --> 00:30:12: what's above on 2 levels and also pay attention to  
00:30:12 --> 00:30:16: your clear heights in the basement and where you could  
00:30:16 --> 00:30:20: put. And how you would install vertical transportation in that  
00:30:20 --> 00:30:24: event that there's a user that comes to duplex?  
00:30:24 --> 00:30:28: It's by one of the assets that we bought 08  
00:30:28 --> 00:30:29: years ago,  
00:30:29 --> 00:30:34: 699 Boylston Street, formerly known as One Exeter and not  
00:30:35 --> 00:30:39: so affectionately known as the Darth Vader Building.



00:30:39 --> 00:30:42: We did all of those things in a fix.  
00:30:42 --> 00:30:46: We were able to recapture lobby space.  
00:30:46 --> 00:30:48: And it was not a good lobby.  
00:30:48 --> 00:30:51: It was shotgun style, came in one side and you  
00:30:51 --> 00:30:52: look to the right.  
00:30:52 --> 00:30:54: And there's this big cavernous space.  
00:30:54 --> 00:30:57: A lot of space, but it didn't provide any grand  
00:30:57 --> 00:30:58: sense of arrival,  
00:30:58 --> 00:30:59: so it wasn't doing anything.  
00:30:59 --> 00:31:04: We were able to recapture space and with lease rollovers  
00:31:04 --> 00:31:08: below and above and recapture a part of the ground  
00:31:08 --> 00:31:08: floor.  
00:31:08 --> 00:31:13: We were able to create a generational opportunity and  
indeed  
00:31:13 --> 00:31:18: brought AT&T in on a duplex and for their flagship.  
00:31:18 --> 00:31:24: Location in. In Boston and with the improve,  
00:31:24 --> 00:31:28: we also fully brand ovated the two first floors re  
00:31:28 --> 00:31:31: skinned the building took Darth Vader out of it and  
00:31:31 --> 00:31:34: the neutral peers were wide dark brick.  
00:31:34 --> 00:31:37: We brought them down to narrow sleek steel floor to  
00:31:38 --> 00:31:41: ceiling glass and we were able to attract Boston Sports  
00:31:41 --> 00:31:45: Club to the basement and which later we facilitated the  
00:31:45 --> 00:31:48: assignment to TB 12. We couldn't have done that if  
00:31:48 --> 00:31:51: we hadn't recaptured that ground floor space and.  
00:31:51 --> 00:31:55: Given them good ground floor exposure and TB 12 is  
00:31:55 --> 00:31:59: not a bad brand in New England or Tampa.  
00:32:01 --> 00:32:02: Kareena anything to add to that?  
00:32:05 --> 00:32:05: You  
00:32:05 --> 00:32:06: know we're in the process of,  
00:32:06 --> 00:32:08: you know, opening so many new retailers,  
00:32:08 --> 00:32:11: and so we're learning a lot in our construction.  
00:32:11 --> 00:32:14: And you know, we've set up a lot of expectations  
00:32:14 --> 00:32:17: for our retailers for how in which we want a  
00:32:17 --> 00:32:20: lot of these stores to show up in our neighborhood,  
00:32:20 --> 00:32:23: so some could have the intention of,  
00:32:23 --> 00:32:27: you know, having you know certain types of ceilings,  
00:32:27 --> 00:32:28: and we suggest open, and you know,  
00:32:28 --> 00:32:30: or certain types of floors.  
00:32:30 --> 00:32:31: And we're saying concrete. And you know,  
00:32:31 --> 00:32:34: I think it's really making sure that we're working with  
00:32:35 --> 00:32:36: the retailer too.  
00:32:36 --> 00:32:39: Make the right investment in the space so that there's

00:32:39 --> 00:32:41: longevity in it and then also for us and and  
00:32:41 --> 00:32:43: so it's it's it's it's.  
00:32:43 --> 00:32:45: It's interesting as because it's so fresh and it's so  
00:32:45 --> 00:32:47: new and you know again we're in the middle of  
00:32:47 --> 00:32:48: pouring concrete on.  
00:32:48 --> 00:32:51: Most of these stores as we speak that are sitting.  
00:32:51 --> 00:32:53: You know, in the Echelon lobby.  
00:32:53 --> 00:32:56: So it's it's. Yeah, I.  
00:32:56 --> 00:32:57: I think everyone really covered it.  
00:32:57 --> 00:32:59: I mean the the biggest thing that we're we focused  
00:33:00 --> 00:33:00: on.  
00:33:00 --> 00:33:01: Of course, when we were in the process of,  
00:33:01 --> 00:33:03: you know, creating anything is working with the right,  
00:33:03 --> 00:33:06: you know architecture architecture firms to make sure that  
00:33:06 --> 00:33:07: the  
00:33:07 --> 00:33:11: design,  
the facade, everything was first and foremost the most  
compelling  
because we wanted it to.  
00:33:11 --> 00:33:13: We wanted our retail to be the anchor and then  
00:33:13 --> 00:33:16: you look up versus where you're building a building.  
00:33:16 --> 00:33:18: A lot of times people want you to look up  
00:33:18 --> 00:33:20: and then down.  
00:33:20 --> 00:33:21: We sort of want everyone down and then up,  
00:33:21 --> 00:33:23: and that's something we do a little bit differently.  
00:33:23 --> 00:33:26: But we've had the. That we've had the ability because  
00:33:26 --> 00:33:29: you know,  
00:33:29 --> 00:33:30: we started this. So yeah,  
00:33:30 --> 00:33:32: I I we're definitely in the process of learning a  
00:33:32 --> 00:33:34: lot and setting up the right expectations for our tenants,  
00:33:34 --> 00:33:37: and I think that's really important.  
00:33:37 --> 00:33:38: Kareena, let's stick with you for a little while and  
00:33:40 --> 00:33:44: talk about ground floor re leasing.  
00:33:44 --> 00:33:46: You know how much do you think about sort of  
00:33:46 --> 00:33:48: merchandising necks on the ground floor with respect to the  
00:33:48 --> 00:33:51: use is upstairs.  
00:33:51 --> 00:33:52: How scientific do you get about matching ground floor  
00:33:52 --> 00:33:56: retailers  
with sort of the demographics of your users upstairs,  
00:33:56 --> 00:34:00: right? Do you spend a lot of time thinking about  
00:34:00 --> 00:34:02: how these uses interact?  
00:34:02 --> 00:34:04: Do you try to just sort of like generally get  
00:34:04 --> 00:34:06: something that's relatively appropriate?  
00:34:06 --> 00:34:08:

00:34:08 --> 00:34:11: You know, kind of. Walk us through your process.

00:34:11 --> 00:34:12: Yeah, it's a great question.

00:34:12 --> 00:34:14: I was in a I was on a tour yesterday

00:34:14 --> 00:34:18: and the brand asked me what is your residential look

00:34:18 --> 00:34:18: like?

00:34:18 --> 00:34:20: And so it's we think about it.

00:34:20 --> 00:34:23: But we the brands think about it way more than

00:34:23 --> 00:34:26: we do and they're making us think about it in

00:34:26 --> 00:34:27: a whole new way.

00:34:27 --> 00:34:28: So as Andrew mentioned before,

00:34:28 --> 00:34:30: of course the first question.

00:34:30 --> 00:34:31: Everyone wants to know is what is your traffic like?

00:34:31 --> 00:34:33: What is, you know who's living there,

00:34:33 --> 00:34:35: who's working there? And I think what,

00:34:35 --> 00:34:38: what we're what we're winning at in Seaport is that

00:34:38 --> 00:34:41: we are the only neighborhood that has a luxury building

00:34:41 --> 00:34:41: full service.

00:34:41 --> 00:34:42: And that is a really.

00:34:42 --> 00:34:46: It's an important amenity in a differentiator when people are

00:34:46 --> 00:34:49: thinking about where in Boston they want to go because

00:34:49 --> 00:34:52: it's the socioeconomics that are living there,

00:34:52 --> 00:34:55: that is very incentive vying for retailers to consider.

00:34:55 --> 00:34:57: All right, I should probably open up a store here.

00:34:57 --> 00:34:59: This is this is the this is the type of

00:34:59 --> 00:35:02: people who are living here and then we think about

00:35:02 --> 00:35:05: the office tenants that we're leasing out to the Amazons.

00:35:05 --> 00:35:07: Who's you know the robotics building the life and science

00:35:07 --> 00:35:08: buildings you know that were,

00:35:08 --> 00:35:10: you know partners that were you know,

00:35:10 --> 00:35:13: working with and so. Retailers want to hang out with

00:35:13 --> 00:35:16: those buildings and those residences,

00:35:16 --> 00:35:18: and so that helps in our favor.

00:35:18 --> 00:35:21: However, the question being how much we think about it,

00:35:21 --> 00:35:23: will we obsess over it because we have to make

00:35:23 --> 00:35:26: sure that the people working and living there are enjoying

00:35:26 --> 00:35:27: the amenities.

00:35:27 --> 00:35:29: Boston, as everyone has pointed out on this call,

00:35:29 --> 00:35:32: it's one of those neighborhoods where it doesn't take that

00:35:32 --> 00:35:33: long.

00:35:33 --> 00:35:35: If you're on foot to go to the next neighborhood

00:35:35 --> 00:35:37: so you have to make sure that you're making a

00:35:37 --> 00:35:41: really compelling merchandising mix so people don't want to

go  
00:35:41 --> 00:35:42: to the Back Bay because.  
00:35:42 --> 00:35:44: It is more accessible than you think.  
00:35:44 --> 00:35:46: It's not a hike, it's a walk.  
00:35:46 --> 00:35:50: And so you know, we're making sure that what's there  
00:35:50 --> 00:35:52: is is the most important.  
00:35:52 --> 00:35:54: Is is the the best thing that's you know the  
00:35:54 --> 00:35:56: each generation consumer profile is,  
00:35:56 --> 00:35:57: you know, wanting to eat,  
00:35:57 --> 00:36:01: drink, shop, and so we we,  
00:36:01 --> 00:36:03: I would say we obsess about reaching out and and  
00:36:03 --> 00:36:04: who we're partnering with.  
00:36:06 --> 00:36:09: George Wendy Andrew, you guys agree you have any other  
00:36:09 --> 00:36:10: sort of perspectives on them.  
00:36:15 --> 00:36:16: I think it depends on the profile,  
00:36:16 --> 00:36:19: right? So GID has a wide array of different types  
00:36:19 --> 00:36:21: of profiles of properties.  
00:36:21 --> 00:36:24: So for our Class A property in the best location  
00:36:24 --> 00:36:27: we can beat up clinice and some of our other  
00:36:27 --> 00:36:28: locations.  
00:36:28 --> 00:36:30: You know we need to make tradeoffs.  
00:36:30 --> 00:36:33: I think for uses for us because we have residents  
00:36:33 --> 00:36:34: upstairs.  
00:36:34 --> 00:36:37: We are really sensitive towards sounds and smells and that's  
00:36:37 --> 00:36:41: something else that we try to accommodate for when we  
00:36:41 --> 00:36:42: do ground up development.  
00:36:42 --> 00:36:45: In buildings that we've either acquired or have owned for  
00:36:45 --> 00:36:47: quite a while and have repurposed space,  
00:36:47 --> 00:36:51: it's something we have to retrofit.  
00:36:51 --> 00:36:53: You know, it really just depends for us on the  
00:36:53 --> 00:36:54: profile of the building.  
00:36:55 --> 00:36:56: Yeah yeah I  
00:36:56 --> 00:36:59: would. I would say we most pay attention.  
00:36:59 --> 00:37:03: Most to avoiding denigrating or conflicting uses.  
00:37:03 --> 00:37:06: You know, I don't see us doing a dark grocer  
00:37:07 --> 00:37:09: anytime soon in our in our building.  
00:37:12 --> 00:37:15: I wouldn't say we're scientific about merchandising mix.  
00:37:15 --> 00:37:19: We maybe try to be artistic to to some degree  
00:37:19 --> 00:37:23: if we have buildings like 69 and 699 Boylston,  
00:37:23 --> 00:37:27: or 275 Newbury. We were trying to attract boutique private  
00:37:27 --> 00:37:28: equity firms.  
00:37:28 --> 00:37:32: You know, we may opt for an elegant,

00:37:32 --> 00:37:35: but you know, quieter use on the ground floor that  
00:37:35 --> 00:37:36: doesn't produce.  
00:37:36 --> 00:37:39: You know lines in the evening.  
00:37:39 --> 00:37:42: At 275 we least start ground Florida.  
00:37:42 --> 00:37:47: Bo Concepts you know, high end Scandinavian furniture.  
00:37:47 --> 00:37:50: It looks great, but it's not,  
00:37:50 --> 00:37:55: you know high high traffic and that's a more sedate.  
00:37:57 --> 00:38:00: You know approach good brand,  
00:38:00 --> 00:38:03: but it's a date approach and it's in a neighborhood  
00:38:03 --> 00:38:05: where every other amenity is available,  
00:38:05 --> 00:38:10: so it didn't need to reinforce leasing.  
00:38:10 --> 00:38:11: You know with that.  
00:38:15 --> 00:38:16: OK, let's let's move on guys.  
00:38:16 --> 00:38:20: Let's talk about how landlord Outlook has changed.  
00:38:20 --> 00:38:25: Sort of post COVID right have Lauren landlord scene shifts  
00:38:25 --> 00:38:27: in demand from tenants.  
00:38:27 --> 00:38:32: Is there a greater demand for flexibility in leases with  
00:38:32 --> 00:38:34: respect to duration?  
00:38:34 --> 00:38:39: Shorter term leases, greater focus on percentage rents  
having COVID  
00:38:39 --> 00:38:42: language or sales kick out language?  
00:38:42 --> 00:38:45: Maybe Andrew, maybe we start with you and just talk  
00:38:45 --> 00:38:48: to us about like you know how has sort of  
00:38:48 --> 00:38:51: lease structure changed and also has the types of uses  
00:38:51 --> 00:38:55: that landlords are willing to engage with as that changed  
00:38:55 --> 00:38:55: as well.  
00:38:55 --> 00:38:56: Post COVID.  
00:38:56 --> 00:38:59: I would say you know one of the biggest changes  
00:38:59 --> 00:39:02: and I'm on both sides of a tenant and landlord  
00:39:02 --> 00:39:03: is,  
00:39:03 --> 00:39:07: you know the emergence almost every deal I work on  
00:39:07 --> 00:39:12: now has a COVID clause or pen pandemic clause which.  
00:39:12 --> 00:39:16: You know gets heavily negotiated by the attorneys at the  
00:39:16 --> 00:39:17: end of the day.  
00:39:17 --> 00:39:22: Once you're at least, but we're seeing that almost across  
00:39:22 --> 00:39:27: the board with national retailers and landlords as a protection  
00:39:27 --> 00:39:29: on both sides of it.  
00:39:29 --> 00:39:35: Secondly, I've seen. More sales kick outs than I used  
00:39:35 --> 00:39:36: to,  
00:39:36 --> 00:39:38: you know? Uh, a national tenant.  
00:39:38 --> 00:39:43: Does a 10 year deal oftentimes at Year 5 they're  
00:39:43 --> 00:39:46: going to look for a kick out related to a

00:39:46 --> 00:39:48: sales threshold.

00:39:48 --> 00:39:50: Usually, you know you can.

00:39:50 --> 00:39:53: Turn it into a one time right.

00:39:53 --> 00:39:55: Pay back on amortized cost,

00:39:55 --> 00:39:57: but I am seeing a lot more of that,

00:39:57 --> 00:40:02: especially in the the QSR kind of food and beverage

00:40:02 --> 00:40:02: world.

00:40:02 --> 00:40:07: And thirdly, you know kind of goes back to being.

00:40:07 --> 00:40:13: More assets specific, but I have seen they were starting

00:40:13 --> 00:40:16: to ramp up pre COVID but you know.

00:40:16 --> 00:40:20: The groups like Joker Door Dash Bike is another one

00:40:21 --> 00:40:25: that are really like Dark grocers or dark convenience stores

00:40:25 --> 00:40:27: and you could loop in.

00:40:27 --> 00:40:31: You know, the ghost kitchens to that where you know

00:40:31 --> 00:40:36: it might be a compromise space where it's really challenging

00:40:36 --> 00:40:39: to lease on a good day where you know these

00:40:39 --> 00:40:41: people just need an outlet.

00:40:41 --> 00:40:43: In a in an urban core and you know can

00:40:43 --> 00:40:45: pay a half decent rent in your around the side

00:40:45 --> 00:40:47: of the building and no one's gonna notice.

00:40:47 --> 00:40:50: I think owners you know depending on the asset are

00:40:50 --> 00:40:52: a bit more open to that than they used to

00:40:52 --> 00:40:52: be

00:40:53 --> 00:40:55: and how big are those spaces?

00:40:55 --> 00:40:58: Typically Andrew is that a few thousand they need.

00:40:58 --> 00:41:00: Yeah, the ones I've seen are,

00:41:00 --> 00:41:03: you know 2 to 4000.

00:41:03 --> 00:41:06: DoorDash is a little different there,

00:41:06 --> 00:41:09: airing a bit bigger as I understand it,

00:41:09 --> 00:41:11: and they're they're actually opening and a lot of the

00:41:11 --> 00:41:12: big cities.

00:41:12 --> 00:41:15: Another doing New York and some other ones,

00:41:15 --> 00:41:18: and they're opening in suburbia to more of like a

00:41:18 --> 00:41:19: grocery delivery model.

00:41:21 --> 00:41:23: Yeah, I would say we just recently.

00:41:23 --> 00:41:24: This is why we won't do.

00:41:24 --> 00:41:27: If we had an industrial building that is across street

00:41:27 --> 00:41:31: from the neighborhood where bikes can access or a garage

00:41:31 --> 00:41:32: we we we would do it.

00:41:32 --> 00:41:36: But you know we recently got a anello I from.

00:41:36 --> 00:41:39: One of those not named.

00:41:39 --> 00:41:41: They want to operate 24/7,

00:41:41 --> 00:41:45: have the right to play music all night long and  
00:41:45 --> 00:41:50: not have any responsibility for normal and customary aromas  
or  
00:41:50 --> 00:41:53: noise that may emanate from the space,  
00:41:53 --> 00:41:56: and that would have to be built into the lease.  
00:41:56 --> 00:41:59: I don't. I don't think we want a 24/7 dark  
00:41:59 --> 00:42:00: grocer,  
00:42:00 --> 00:42:04: you know with the music on to keep their employees  
00:42:04 --> 00:42:08: amped up through the through the night time.  
00:42:08 --> 00:42:11: That yeah, that that's not going to serve our stakeholders  
00:42:12 --> 00:42:12: above,  
00:42:12 --> 00:42:16: right? Wendy, I know that historically Gidi has been very  
00:42:16 --> 00:42:19: defensive right above ground floor retail as it relates to  
00:42:19 --> 00:42:21: the experience of the users above,  
00:42:21 --> 00:42:24: right? And making sure that there's no uses that are  
00:42:25 --> 00:42:28: offensive in any way to residents or office tenants.  
00:42:28 --> 00:42:32: Above, you know, give us some examples of uses that  
00:42:32 --> 00:42:35: you are open to now on your ground floor.  
00:42:35 --> 00:42:39: Then maybe you weren't. You know so excited about prior  
00:42:39 --> 00:42:39: to COVID,  
00:42:39 --> 00:42:41: you know maybe like PET uses,  
00:42:41 --> 00:42:42: for example, that's something. Yeah,  
00:42:42 --> 00:42:43: we've  
00:42:43 --> 00:42:46: seen a huge trend nationally on.  
00:42:46 --> 00:42:49: I'm gonna call their boutique kind of much more modern  
00:42:49 --> 00:42:50: vet clinics.  
00:42:50 --> 00:42:53: Not this is not your everyday vet clinic and I  
00:42:54 --> 00:42:57: think pre COVID we would have even considered it.  
00:42:57 --> 00:43:01: But during COVID I mean.  
00:43:01 --> 00:43:04: There's long wait lists for every type of animal you  
00:43:04 --> 00:43:07: want to adopt our in our where our kind of  
00:43:08 --> 00:43:10: tenancy bases in the residential side.  
00:43:10 --> 00:43:14: We have a lot of high end pets.  
00:43:14 --> 00:43:16: You know, a lot of pet services that we offer  
00:43:16 --> 00:43:17: at all of our properties,  
00:43:17 --> 00:43:19: and it's been really well received.  
00:43:19 --> 00:43:23: We don't do overnight boarding again nuisance and and  
that's  
00:43:23 --> 00:43:25: been pretty much well accepted.  
00:43:25 --> 00:43:28: I think. The other thing is in some of our  
00:43:28 --> 00:43:29: spaces which are.  
00:43:29 --> 00:43:33: Maybe a little bit more challenge to lease another opportunity  
00:43:33 --> 00:43:36: that we have kind of taken ahold of is is

00:43:36 --> 00:43:40: building out Executive office suites and so you know smaller  
00:43:40 --> 00:43:44: versions of you know they're smaller offices but people are  
00:43:44 --> 00:43:47: working from home and although we all love working from  
00:43:47 --> 00:43:49: home what we love about that is the lack of  
00:43:49 --> 00:43:53: commute. Most places right people still want to get out  
00:43:53 --> 00:43:55: of their houses and we've just seen.  
00:43:55 --> 00:43:58: I mean, we. Be pushing right on them and they've  
00:43:58 --> 00:44:01: been really well received by our residents that we haven't  
00:44:01 --> 00:44:05: really had to go outside of our residential base right  
00:44:05 --> 00:44:08: now. So we've been successful in executing that in some  
00:44:08 --> 00:44:09: of our markets nationally.  
00:44:11 --> 00:44:13: I'm creating a look. I wanna take 5 minutes before  
00:44:13 --> 00:44:15: we open it to questions,  
00:44:15 --> 00:44:17: but you know, sort of continuing with this theme of  
00:44:18 --> 00:44:21: retailers looking for a little bit greater flexibility and landlords  
00:44:22 --> 00:44:25: in many instances being willing to grant that flexibility,  
00:44:25 --> 00:44:27: particularly to get the tenants that they want,  
00:44:27 --> 00:44:30: right? Who provides sort of the right exciting interest in  
00:44:30 --> 00:44:31: experience,  
00:44:31 --> 00:44:34: demand driving experiences? Maybe you could just tell us  
quickly  
00:44:35 --> 00:44:38: about the incubator program that you oversee in the seaport,  
00:44:38 --> 00:44:40: and how that sort of responds to  
00:44:40 --> 00:44:41: these themes.  
00:44:42 --> 00:44:46: Yeah, yeah, absolutely. So we built a tiny village of  
00:44:46 --> 00:44:47: tiny homes.  
00:44:47 --> 00:44:49: There's nine of them. That's it along Seaport,  
00:44:49 --> 00:44:53: Blvd and Seaport common, they are 180 square feet to  
00:44:53 --> 00:44:55: 300 square feet.  
00:44:55 --> 00:44:59: They have no bathrooms and we provide HV AC lights,  
00:44:59 --> 00:45:02: keys, skylights. They're they're beautiful storefronts.  
00:45:02 --> 00:45:05: And we've circulated over 60 brands into the project in  
00:45:05 --> 00:45:06: the last four years.  
00:45:06 --> 00:45:08: And we have 3 rounds that will come up this  
00:45:08 --> 00:45:09: year alone,  
00:45:09 --> 00:45:11: which will launch in May.  
00:45:11 --> 00:45:14: The program has yielded us amazing opportunities to meet  
brands  
00:45:15 --> 00:45:17: that would never have come to the market.  
00:45:17 --> 00:45:19: I think in 2018 when we launched,  
00:45:19 --> 00:45:22: what we saw was there was this.  
00:45:22 --> 00:45:24: Excitement for brands, especially DTC,



00:45:24 --> 00:45:26: to come to new markets but also come to like  
00:45:27 --> 00:45:30: interesting footprints where testing retail didn't need to be in  
00:45:30 --> 00:45:31: 1000 square feet.  
00:45:31 --> 00:45:32: It could be in 300.  
00:45:32 --> 00:45:34: It could be in 180.  
00:45:34 --> 00:45:37: I think we've made a lot of concessions then.  
00:45:37 --> 00:45:38: With those brands given this,  
00:45:38 --> 00:45:42: the footprint and what the amenity of that that storefront  
00:45:42 --> 00:45:42: looks like.  
00:45:42 --> 00:45:45: Rent and it's allowed us to meet new brands and  
00:45:45 --> 00:45:49: then scale them to other properties that we have within  
00:45:49 --> 00:45:50: our portfolio.  
00:45:50 --> 00:45:52: You know, it's it's been like the biggest joy in  
00:45:52 --> 00:45:55: my career to do this project because,  
00:45:55 --> 00:45:57: you know, we work with really up and coming.  
00:45:57 --> 00:45:59: You know, Jean brands. That again,  
00:45:59 --> 00:46:01: you know would never have the opportunity to go in  
00:46:01 --> 00:46:03: seaport because they could never afford the rent,  
00:46:03 --> 00:46:05: but we're giving them a platform where they sit across  
00:46:05 --> 00:46:06: from blue mercury there are,  
00:46:06 --> 00:46:07: you know, adjacent to it.  
00:46:07 --> 00:46:09: A Shake Shack there across from Missouri,  
00:46:09 --> 00:46:12: and Everlane, which are brands that they want to be  
00:46:12 --> 00:46:13: merchandized with.  
00:46:13 --> 00:46:17: And so it's been. It's been incredible and we're,  
00:46:17 --> 00:46:19: you know, we think this is,  
00:46:19 --> 00:46:21: you know there's a lot of developers who actually do  
00:46:21 --> 00:46:22: similar programs.  
00:46:22 --> 00:46:24: The difference is that so many of them will put  
00:46:24 --> 00:46:26: them all under the same roof.  
00:46:26 --> 00:46:29: And what our project allows is this autonomy for brands  
00:46:29 --> 00:46:31: to really have their own space,  
00:46:31 --> 00:46:33: but with be in a collection of a community.  
00:46:33 --> 00:46:38: So the projects called the current and we've done.  
00:46:38 --> 00:46:40: We've done nine season eight seasons.  
00:46:40 --> 00:46:42: Yeah, we're going to launch our 8th season,  
00:46:42 --> 00:46:44: and we've even give brands opportunity to take.  
00:46:44 --> 00:46:47: Overall, nine of them, so it's one of the ways  
00:46:47 --> 00:46:49: in which we incubate brands and and then we work  
00:46:50 --> 00:46:51: with our leasing team.  
00:46:51 --> 00:46:53: When there is an opportunity at one of our staff  
00:46:54 --> 00:46:57: properties and like legacy place or Market Street for those

00:46:57 --> 00:47:00: are familiar with the Boston properties that we have,  
00:47:00 --> 00:47:02: where with the vacancy comes on board,  
00:47:02 --> 00:47:04: it's my team's job to find a tenant and activate  
00:47:04 --> 00:47:07: that space within the context of when we're going to  
00:47:07 --> 00:47:08: have an LOI or,  
00:47:08 --> 00:47:11: you know, a new lease to take possession and we  
00:47:11 --> 00:47:14: open them where they look like a permanent deal where  
00:47:14 --> 00:47:14: no.  
00:47:14 --> 00:47:17: Know any different and during COVID I was the busiest  
00:47:17 --> 00:47:19: I've ever been because we had a lot of vacancies  
00:47:19 --> 00:47:21: and we needed to fill space,  
00:47:21 --> 00:47:24: but it allowed us the runway for when people then  
00:47:24 --> 00:47:25: want realized.  
00:47:25 --> 00:47:27: Oh wow, I can't just be online,  
00:47:27 --> 00:47:30: I need retail. I need a physical footprint when those  
00:47:30 --> 00:47:33: stores were activated it in sent ified retailers even more  
00:47:33 --> 00:47:34: because they had a.  
00:47:34 --> 00:47:37: It was merchandise. It's like shopping for a new home.  
00:47:37 --> 00:47:39: You you can sell a house if you can see  
00:47:39 --> 00:47:41: and imagine how it looks and feels when retailers are  
00:47:41 --> 00:47:45: shopping for new spaces and they can see something  
merchandise.  
00:47:45 --> 00:47:47: It's easier for them to visualize when than what their  
00:47:47 --> 00:47:48: footprint could look like,  
00:47:48 --> 00:47:50: so that's a lot of what we do.  
00:47:50 --> 00:47:53: That's everything that we do.  
00:47:53 --> 00:47:55: I in terms of incubation.  
00:47:55 --> 00:47:57: Great thank you for that.  
00:47:57 --> 00:48:00: Yeah all right Tim. Why don't we open it up  
00:48:00 --> 00:48:04: to some questions from from the audience?  
00:48:04 --> 00:48:06: Excellent someone so informative.  
00:48:06 --> 00:48:08: I'm sure we can go on for hours about retail  
00:48:08 --> 00:48:10: and what the future is.  
00:48:10 --> 00:48:11: Our  
00:48:11 --> 00:48:13: next first question is going to be from Zachary may  
00:48:13 --> 00:48:16: Zachary can you unmute and put your camera on.  
00:48:19 --> 00:48:23: Everyone great discussion. I've got two questions for you.  
00:48:23 --> 00:48:26: For those retailers they're doing deals in the urban core  
00:48:27 --> 00:48:27: today.  
00:48:27 --> 00:48:29: What kind of traffic projections are they making?  
00:48:29 --> 00:48:31: Is current traffic sufficient for them,  
00:48:31 --> 00:48:32: or are they anticipating a ramp up

00:48:33 --> 00:48:35: interest in Andrew? You want to you want to talk  
00:48:35 --> 00:48:37: about that and sort of traffic and how?  
00:48:37 --> 00:48:39: How tenants are planning for you know,  
00:48:39 --> 00:48:42: hopefully increase in foot traffic over the coming.  
00:48:42 --> 00:48:43: You know 12 months.  
00:48:44 --> 00:48:47: Sure, you know it's it's really.  
00:48:47 --> 00:48:49: You know. Case by case.  
00:48:49 --> 00:48:50: You look at different neighborhoods in Boston.  
00:48:50 --> 00:48:52: We can gauge, you know,  
00:48:52 --> 00:48:54: I guess. Call it pandemic traffic,  
00:48:54 --> 00:48:56: whether it's support Back Bay and it's,  
00:48:56 --> 00:49:02: you know, busy. We've always found gathering fundamental  
pedestrian data  
00:49:02 --> 00:49:07: without an actual traffic counter on the side of a  
00:49:07 --> 00:49:09: building is a bit challenging,  
00:49:09 --> 00:49:12: at least in Massachusetts. There's no.  
00:49:12 --> 00:49:16: Good reporting on it that I've found anyway,  
00:49:16 --> 00:49:20: but yeah, oftentimes you know it's it's kind of a.  
00:49:20 --> 00:49:23: But look and feel test if it works today,  
00:49:23 --> 00:49:28: it's gonna get better. It's a hard thing to gauge  
00:49:28 --> 00:49:31: right 'cause it's when.  
00:49:31 --> 00:49:35: When will traffic be back to pre pandemic levels?  
00:49:35 --> 00:49:38: Hopefully sooner rather than later at this point.  
00:49:38 --> 00:49:41: But I I've been finding the last,  
00:49:41 --> 00:49:46: you know. Three to six months you're seeing.  
00:49:46 --> 00:49:49: Brands be a lot more comfortable that things are going  
00:49:50 --> 00:49:53: to be ramping up and then you know you look  
00:49:53 --> 00:49:56: at a lease negotiation process after an LOI.  
00:49:56 --> 00:49:57: Build a permanent build out.  
00:49:57 --> 00:50:01: I mean, it's oftentimes I don't know.  
00:50:01 --> 00:50:03: Like the the fast and if it would be six  
00:50:03 --> 00:50:04: months,  
00:50:04 --> 00:50:06: unless it's a you know pre packaged space like the  
00:50:06 --> 00:50:09: current in the long end of it could be 12  
00:50:09 --> 00:50:09: to 18 months.  
00:50:09 --> 00:50:12: So you are looking pretty far into the future.  
00:50:12 --> 00:50:15: Oftentimes when you're you're starting to deal right now.  
00:50:17 --> 00:50:19: Thank  
00:50:17 --> 00:50:19: you. Tim,  
00:50:19 --> 00:50:20: we got another one.  
00:50:23 --> 00:50:26: Thanks, do we? It seems like a lot of companies  
00:50:26 --> 00:50:28: are going back here relatively soon.

00:50:28 --> 00:50:32: At least large institutional companies and probably on a hybrid  
00:50:32 --> 00:50:32: schedule.  
00:50:32 --> 00:50:35: Is that hybrid schedule going to be enough to bring  
00:50:35 --> 00:50:37: back ground floor users in the urban core?  
00:50:40 --> 00:50:40: I'm  
00:50:40 --> 00:50:42: gonna be bullish and say yes.  
00:50:43 --> 00:50:45: Thanks so too yeah I  
00:50:45 --> 00:50:47: think so may not be the rents the same.  
00:50:47 --> 00:50:50: It won't be the rents you saw in 2015.  
00:50:50 --> 00:50:53: That and  
00:50:53 --> 00:50:55: and and some of the grand,  
00:50:55 --> 00:50:57: the traditional grand retail avenues of America.  
00:50:57 --> 00:51:02: North Michigan, Lower 5th Ave Union Square said Lincoln  
00:51:02 --> 00:51:07: Rd,  
00:51:02 --> 00:51:07: Miami. Everyone has confidence that the tourism returns and you  
00:51:07 --> 00:51:12: know they will always deliver what they had delivered,  
00:51:12 --> 00:51:14: but it may not be at the same complete sales  
00:51:14 --> 00:51:16: volume and and therefore rents.  
00:51:16 --> 00:51:19: So there's an adjustment down and I think you see  
00:51:19 --> 00:51:20: lease structures.  
00:51:20 --> 00:51:24: They're they're retailers who are bullish on that future,  
00:51:24 --> 00:51:28: but neither retailers nor landlords know where the sales and  
00:51:28 --> 00:51:30: and the rents will settle out,  
00:51:30 --> 00:51:34: so they're using percentage based rents for a couple years  
00:51:34 --> 00:51:34: that.  
00:51:34 --> 00:51:39: Then set the fixed rent based on that performance.  
00:51:40 --> 00:51:42: So. I  
00:51:42 --> 00:51:44: have a question do we what do we think the  
00:51:44 --> 00:51:47: role of augmented reality is going to be in retail  
00:51:47 --> 00:51:48: going forward?  
00:51:48 --> 00:51:49: Do we see that being a big mover or is  
00:51:49 --> 00:51:52: it something brains are considering that you're working with?  
00:51:53 --> 00:51:56: I think it's going to be a slow adapter,  
00:51:56 --> 00:51:57: especially in the physical space.  
00:51:57 --> 00:52:00: I think they're going to play around with it definitely  
00:52:00 --> 00:52:00: digitally,  
00:52:00 --> 00:52:04: but I think in the store build outs that we're  
00:52:04 --> 00:52:08: seeing it's not a component yet that's even being considered,  
00:52:08 --> 00:52:10: but it you know, you know we.  
00:52:10 --> 00:52:12: There's a lot about the metaverse and if you go  
00:52:12 --> 00:52:14: to any like conference right now there's a topic on

00:52:14 --> 00:52:14: it.  
00:52:14 --> 00:52:16: Everyone you know kind of obsessing over it.  
00:52:16 --> 00:52:18: I can't imagine like my daughter coming to me and  
00:52:18 --> 00:52:19: say,  
00:52:19 --> 00:52:19: Mommy, I'm going to go.  
00:52:19 --> 00:52:21: Can I buy something in the metaverse?  
00:52:21 --> 00:52:22: I think I'll be like,  
00:52:22 --> 00:52:24: no, you could go buy something in this universe.  
00:52:24 --> 00:52:26: And but I I you know,  
00:52:26 --> 00:52:28: I I, we're not seeing it in,  
00:52:28 --> 00:52:31: we're not seeing it in in the their build outs.  
00:52:31 --> 00:52:33: And you know I'm not seeing it even as a  
00:52:33 --> 00:52:34: trend in which they're.  
00:52:34 --> 00:52:35: They're thinking about that yet.  
00:52:35 --> 00:52:36: Thank God.  
00:52:38 --> 00:52:38: That's great.  
00:52:41 --> 00:52:45: Great anymore questions out there.  
00:52:45 --> 00:52:46: We're coming up on the hour.  
00:52:51 --> 00:52:58: No. OK, well I want to thank everybody for coming  
00:52:58 --> 00:52:59: today Nat.  
00:52:59 --> 00:53:01: Thank you for moderating our panelists.  
00:53:01 --> 00:53:03: Always so informational, especially with retail.  
00:53:03 --> 00:53:06: It's challenging to kind of look around the corner and  
00:53:06 --> 00:53:07: figure out what's working,  
00:53:07 --> 00:53:08: especially coming out of pandemic.  
00:53:08 --> 00:53:11: So we really appreciate all your views.  
00:53:11 --> 00:53:15: Moving forward, this will be available on the UI platform  
00:53:15 --> 00:53:16: within the upcoming days,  
00:53:16 --> 00:53:20: so you can definitely check out the recording there.  
00:53:20 --> 00:53:23: Just wanted one more round for for our panelists and  
00:53:23 --> 00:53:26: thank you all for coming and look forward to working  
00:53:26 --> 00:53:27: with you guys in the future.  
00:53:27 --> 00:53:30: Alright, thanks so much guys take care,  
00:53:30 --> 00:53:30: appreciate it.  
00:53:31 --> 00:53:32: Thank you.

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