

# Webinar

## ULI Utah: Steering Utah's Real Estate Industry Through Uncertain Times

Date: March 31, 2020

00:00:00 --> 00:00:03: Thank you so much for joining us this morning.

00:00:03 --> 00:00:06: We have an amazing lineup of speakers that will share

00:00:06 --> 00:00:07: with US local,

00:00:07 --> 00:00:11: national and international guidelines, personal experiences,

00:00:11 --> 00:00:16: lessons learned on how COVID-19 affected the real estate industry.

00:00:16 --> 00:00:19: During this time of social distancing you are,

00:00:19 --> 00:00:23: I will continue to provide the opportunity for our members

00:00:23 --> 00:00:24: to virtually get together,

00:00:24 --> 00:00:29: share best practices and educate throughout this virtual meetings.

00:00:29 --> 00:00:32: If you or have any ideas and suggestions on topics

00:00:33 --> 00:00:35: that you I should be focusing on,

00:00:35 --> 00:00:37: will you please email Rachel or me?

00:00:37 --> 00:00:41: We would. We would love to put together events that

00:00:41 --> 00:00:44: will be beneficial to all of our members.

00:00:44 --> 00:00:48: I would like to also just let you know about

00:00:48 --> 00:00:50: the upcoming events.

00:00:50 --> 00:00:53: Thursday, April 9 we will noon to one.

00:00:53 --> 00:00:55: We will have another siari update,

00:00:55 --> 00:01:00: this time from a great lineup of speakers from Cushman

00:01:00 --> 00:01:01: and Wakefield.

00:01:01 --> 00:01:04: So please save that on your schedule.

00:01:04 --> 00:01:08: And then Lastly, I wanted to say thank you so

00:01:08 --> 00:01:10: much for all of our sponsors.

00:01:10 --> 00:01:14: You can see all of our generous sponsors on the

00:01:14 --> 00:01:14: screen.

00:01:14 --> 00:01:18: Thank you for supporting us on an annual basis.

00:01:18 --> 00:01:21: We would love to listen to you if you have

00:01:21 --> 00:01:24: any ideas on events and topics.

00:01:24 --> 00:01:26: Once again, please reach out to us.

00:01:26 --> 00:01:30: We would be happy to share on our social media

00:01:30 --> 00:01:36: channels and initiatives that you guys are taking so please.

00:01:36 --> 00:01:38: Let us know how we can support you and help

00:01:39 --> 00:01:42: you throughout this time without your amazing support,

00:01:42 --> 00:01:45: we would. We would not be able to do what

00:01:45 --> 00:01:46: we are doing today.

00:01:46 --> 00:01:49: So thank you for your sponsorship with that.

00:01:49 --> 00:01:52: I will turn over.

00:01:52 --> 00:01:53: The rest of the event,

00:01:53 --> 00:01:59: Rubber Smith Robert is vice president of fact Development and

00:01:59 --> 00:02:03: his incoming you Ally Utah Chair and Robert will be

00:02:03 --> 00:02:06: moderating the rest of the event.

00:02:06 --> 00:02:08: Thank you again for joining us.

00:02:08 --> 00:02:11: Thank you for being a ULI member or friend and

00:02:11 --> 00:02:14: we are looking forward to see you hopefully in person

00:02:15 --> 00:02:15: soon,

00:02:15 --> 00:02:18: but will just continue to see if you're truly until

00:02:18 --> 00:02:19: until then,

00:02:19 --> 00:02:22: but that Robert, will you please take that over?

00:02:22 --> 00:02:25: You bet thanks baby.

00:02:25 --> 00:02:28: Welcome everybody, glad you could join us this morning.

00:02:28 --> 00:02:32: We're excited to be able to present this this webinar.

00:02:32 --> 00:02:37: We look forward to hearing information that hopefully is relevant

00:02:37 --> 00:02:40: and timely for each of you and that this is

00:02:40 --> 00:02:41: time well spent for you.

00:02:41 --> 00:02:45: We've got some folks that have graciously agreed to join

00:02:45 --> 00:02:46: us.

00:02:46 --> 00:02:49: I I'd like to introduce Kenri who is executive Director

00:02:49 --> 00:02:51: of ULI China Mainland.

00:02:51 --> 00:02:55: He'll be sharing just a short presentation on experiences and.

00:02:55 --> 00:03:00: And what he is seeing in China regarding COVID-19?

00:03:00 --> 00:03:02: And we also have Carey Loop.

00:03:02 --> 00:03:05: Who is the manage Managing director at China?

00:03:05 --> 00:03:08: Life and life is the largest insurance company in China

00:03:08 --> 00:03:12: and carry overseas real estate investment for China Life.

00:03:12 --> 00:03:17: We also have with us Jonathan Walsh and Jonathan had.

00:03:17 --> 00:03:20: He is the head of real estate and financial research

00:03:21 --> 00:03:22: at UBS Global Wealth Management.

00:03:25 --> 00:03:29: Here locally we have with us Rob Hyde with Curtain

00:03:29 --> 00:03:29: Mcconkie.

00:03:29 --> 00:03:32: And that Rob is going to stay with this.

00:03:32 --> 00:03:35: Some of what he sings locally on the ground and

00:03:35 --> 00:03:37: in terms of a legal perspective.

00:03:37 --> 00:03:41: And then Lastly, we have Rich Thorne who's the president

00:03:41 --> 00:03:45: of AGC Utah Riches boots on the ground regarding construction

00:03:45 --> 00:03:49: and the construction industry and he'll share with US insights

00:03:49 --> 00:03:52: and perspectives from a construction standpoint.

00:03:52 --> 00:03:54: So with that.

00:03:54 --> 00:03:57: We'd like to turn the time over to Ken for

00:03:57 --> 00:04:00: a few minutes to share perspectives on 19 in China

00:04:00 --> 00:04:01: can.

00:04:05 --> 00:04:09: Good morning everyone. If I can see those slide.

00:04:11 --> 00:04:15: OK, so I'm going to be talking about the latest

00:04:15 --> 00:04:15: situation,

00:04:15 --> 00:04:18: not only in China but also create.

00:04:18 --> 00:04:22: I'll spend more time on Korea as Korea offers very

00:04:22 --> 00:04:27: interesting granular details about Covin 19 that I think would

00:04:27 --> 00:04:30: be interest to our members in in the US.

00:04:30 --> 00:04:34: So this graph shows the historical infection data for for

00:04:34 --> 00:04:38: China as we can tell the number of Newtons has

00:04:38 --> 00:04:41: gone down substantially to nearly 08.

00:04:41 --> 00:04:46: The daily basis nowadays most of the if not all

00:04:46 --> 00:04:51: knew confirmed cases are coming from imported cases.

00:04:51 --> 00:04:57: Meeting Chinese people returning from overseas so far China in

00:04:57 --> 00:05:03: Curd over 3000 deaths and there currently about 4500

00:05:04 --> 00:05:07: people

00:05:04 --> 00:05:07: still confirmed as infected next days.

00:05:11 --> 00:05:14: Next piece.

00:05:14 --> 00:05:18: And this shows provincial level data in China one and

00:05:18 --> 00:05:24: the surrounding problems to Hubei represent the vast majority of

00:05:24 --> 00:05:27: the cumulative confirmed cases,

00:05:27 --> 00:05:30: around 83%, and also about 96%

00:05:30 --> 00:05:35: of the cumulative deaths, with about 3170 deaths as a

00:05:35 --> 00:05:37: comparison in Shanghai,

00:05:37 --> 00:05:40: with a population of 25 million,

00:05:40 --> 00:05:44: people had little over 450 cumulative confirmed.

00:05:44 --> 00:05:49: Infection cases with five resulting in deaths next please.

00:05:51 --> 00:05:54: And the next slide is for Korea,

00:05:54 --> 00:06:00: so this shows the confirmed cases on a daily basis.

00:06:00 --> 00:06:05: From January 20th. That's when they had their first case.  
 00:06:05 --> 00:06:10: A visitor from Wuhan and the country seemed to have  
 00:06:10 --> 00:06:14: coffee 1990 fall pretty nicely until February 18th.  
 00:06:14 --> 00:06:18: That's when they discovered patient over 31,  
 00:06:18 --> 00:06:22: which led to the discovery of a way more than  
 00:06:22 --> 00:06:22: 50%  
 00:06:22 --> 00:06:26: of the portal confirmed cases in Korea.  
 00:06:26 --> 00:06:30: It was in a religious group in San Diego.  
 00:06:30 --> 00:06:33: And within about 30 days,  
 00:06:33 --> 00:06:39: the country, through a combination of effective testing and  
 and  
 00:06:39 --> 00:06:44: other control measures sync bring code 19 under control.  
 00:06:44 --> 00:06:46: Next please.  
 00:06:48 --> 00:06:53: And this is a very time where infections occur as  
 00:06:53 --> 00:06:54: a few days ago,  
 00:06:54 --> 00:06:58: so of about 7500 cases for which they have verified  
 00:06:58 --> 00:06:59: links.  
 00:06:59 --> 00:07:04: 67% belong to this Church Group Church group called  
 Shincheonji,  
 00:07:04 --> 00:07:08: followed by small clusters representing 18%  
 00:07:08 --> 00:07:12: and contact confirmed cases representing 14%  
 00:07:12 --> 00:07:14: on the right hand side.  
 00:07:14 --> 00:07:19: You see the pitch chart that shows the small cluster  
 00:07:20 --> 00:07:21: infections.  
 00:07:21 --> 00:07:27: With venues provided by the government and and hospital,  
 00:07:27 --> 00:07:28: and.  
 00:07:28 --> 00:07:31: Um? See.  
 00:07:34 --> 00:07:36: I cannot see with it,  
 00:07:36 --> 00:07:40: sorry, so hospital is representing 36%  
 00:07:40 --> 00:07:43: and followed by call center,  
 00:07:43 --> 00:07:47: nursing homes and gym facilities and so on.  
 00:07:47 --> 00:07:49: And next please.  
 00:07:53 --> 00:07:57: And these are the photos of Hainan wholesale fish market  
 00:07:57 --> 00:07:58: in Wuhan,  
 00:07:58 --> 00:08:02: China. This is where the first case of coronavirus,  
 00:08:02 --> 00:08:06: a Kurd you could see inside.  
 00:08:06 --> 00:08:09: Of the shopping center of the wholesale center.  
 00:08:09 --> 00:08:13: Maybe? Perhaps integration might not have been too great  
 next,  
 00:08:13 --> 00:08:14: please.  
 00:08:18 --> 00:08:22: And this is the epicenter of COVID-19 in Korea.  
 00:08:22 --> 00:08:27: This is a Shin Chan Church in Democratic population of  
 00:08:27 --> 00:08:28: 2.5 million people,

00:08:28 --> 00:08:31: the third largest city in Korea,  
00:08:31 --> 00:08:36: and they represent the vast majority of the total confirmed  
00:08:36 --> 00:08:38: cases in Korea.  
00:08:38 --> 00:08:42: On the left hand side you see rather crowded nature  
00:08:42 --> 00:08:44: of the church service,  
00:08:44 --> 00:08:49: which patient #31 attended on February 9th and 16th.  
00:08:49 --> 00:08:54: An outside temperature of Bagel was pretty cold at around  
00:08:54 --> 00:08:55: 5 degrees Celsius.  
00:08:55 --> 00:09:00: Manship ended the first church service and I think just  
00:09:00 --> 00:09:03: just based on the available photos,  
00:09:03 --> 00:09:05: we think that there is.  
00:09:05 --> 00:09:08: I think that there is there was probably a low  
00:09:08 --> 00:09:14: humidity and relatively limited amount of fresh air injected  
into  
00:09:14 --> 00:09:15: the space.  
00:09:20 --> 00:09:24: And this call star building is sold represents the.  
00:09:24 --> 00:09:29: The is the value of the largest outbreak of coronavirus  
00:09:29 --> 00:09:33: in Korea Metro soul and they were out there.  
00:09:33 --> 00:09:36: 158 confirmed cases, but most of 'em.  
00:09:36 --> 00:09:42: In 9070 employees and 61 context employees were.  
00:09:42 --> 00:09:47: In fact it right. So about 994 employees worry worry  
00:09:47 --> 00:09:51: in the call center on the 11th floor of the  
00:09:51 --> 00:09:58: building and subsequent investigation by Kreas Aquarius  
CDC complete that  
00:09:58 --> 00:10:05: they were the probability of infection through sharing elevator  
office  
00:10:05 --> 00:10:06: lobby for a B.  
00:10:06 --> 00:10:09: As part of daily life is low.  
00:10:09 --> 00:10:14: So I think this is a significant finding it came  
00:10:14 --> 00:10:14: out.  
00:10:14 --> 00:10:17: About five days ago. Next please.  
00:10:19 --> 00:10:23: Anne and this other I operate in Zumba Class in  
00:10:23 --> 00:10:29: China and this shows that although the infections are  
categorized  
00:10:29 --> 00:10:34: as have taken place in gym facilities actually infection might  
00:10:34 --> 00:10:40: have a Kurd outside the gym facility through social  
interaction.  
00:10:40 --> 00:10:45: Outside the gym such as sharing meals had coffee together  
00:10:45 --> 00:10:46: and so on next please.  
00:10:49 --> 00:10:52: OK, now next slides are how created with Cover 19  
00:10:52 --> 00:10:55: and I'm going to just go through this in one  
00:10:56 --> 00:10:56: minute right?  
00:10:56 --> 00:11:00: So crazy DC played a significant role and they led

00:11:00 --> 00:11:05: the testing of over 380,000 suspected patients which is about  
00:11:05 --> 00:11:08: 3 times around 40 times the number of confirmed cases  
00:11:08 --> 00:11:09: in the country.  
00:11:13 --> 00:11:16: And and one key reason why they were able to  
00:11:16 --> 00:11:20: do that was because they had test kits available as  
00:11:20 --> 00:11:24: early as mid February and so they had plenty of  
00:11:24 --> 00:11:29: test kits available for testing next phase.  
00:11:29 --> 00:11:34: And also they were able to process a lot of  
00:11:34 --> 00:11:42: suspected patients through innovative ideas like drive drive  
through testing  
00:11:42 --> 00:11:44: stations next please.  
00:11:44 --> 00:11:47: And most recently, walk through testing stations.  
00:11:47 --> 00:11:51: It takes only 5 minutes to collect a saliva sample  
00:11:51 --> 00:11:53: from a suspected patient.  
00:11:53 --> 00:11:54: Next please.  
00:11:56 --> 00:12:01: And they they use high tech tracking of suspected patients  
00:12:01 --> 00:12:03: by searching credit card.  
00:12:03 --> 00:12:08: Use speech, CTV and GPS records on mobile phones or  
00:12:08 --> 00:12:10: we suspect the patient next.  
00:12:12 --> 00:12:14: Now this is the last page,  
00:12:14 --> 00:12:19: some positive news, none of the approximately 42,000  
volunteer medical  
00:12:19 --> 00:12:23: professionals who went to Han after this out of the  
00:12:23 --> 00:12:26: query of the city on January 23rd was infected,  
00:12:26 --> 00:12:30: right? So that this is what the government report is  
00:12:30 --> 00:12:30: saying.  
00:12:30 --> 00:12:32: So that's a positive news.  
00:12:32 --> 00:12:37: The volunteers were properly trained and properly equipped  
and DES  
00:12:37 --> 00:12:40: prevented infection of those people.  
00:12:40 --> 00:12:41: So.  
00:12:43 --> 00:12:44: Yes, thank you.  
00:12:46 --> 00:12:50: Thank you Tim. It's encouraging to see that in China  
00:12:50 --> 00:12:53: and South Korea that there is an end that things  
00:12:54 --> 00:12:56: are trending in the positive direction.  
00:12:56 --> 00:12:59: So thanks for sending that.  
00:12:59 --> 00:13:01: OK, Kerry.  
00:13:03 --> 00:13:07: Looking forward to hearing what you have to say.  
00:13:07 --> 00:13:10: You know, I'm curious for your perspective on what you  
00:13:11 --> 00:13:14: have seen in terms of effects of Corona virus on  
00:13:14 --> 00:13:17: commercial real estate in China,  
00:13:17 --> 00:13:21: and you know how tenants are reacting how landlords are  
00:13:22 --> 00:13:26: reacting and how lenders are lenders are reacting so.

00:13:26 --> 00:13:29: Karaoke bar with you for a few minutes and I  
00:13:29 --> 00:13:31: may jump in with a few questions as we go  
00:13:31 --> 00:13:31: along.  
00:13:31 --> 00:13:35: OK, no problem yeah. Hello everyone,  
00:13:35 --> 00:13:39: it's nice to have this chance to shine with you.  
00:13:39 --> 00:13:44: You know our experience in China and the good news  
00:13:44 --> 00:13:49: is that starting from January 24th when Wuhan City was  
00:13:49 --> 00:13:54: isolated and the whole nation was shut down for our  
00:13:54 --> 00:13:58: economic activities. So right up to 1/2 Maps.  
00:13:58 --> 00:14:01: So starting from mid March.  
00:14:01 --> 00:14:05: Almost to 95% of all economic activities are back to  
00:14:05 --> 00:14:10: normal and people are back to normal life almost everywhere  
00:14:10 --> 00:14:11: in China.  
00:14:11 --> 00:14:14: So I want to share with you from our,  
00:14:14 --> 00:14:18: you know, landlords perspective. Yeah,  
00:14:18 --> 00:14:22: so the first slide please.  
00:14:22 --> 00:14:25: Yeah, so my presentation will be covered on the 1st  
00:14:25 --> 00:14:29: impact on the commercial words lists it and also the  
00:14:29 --> 00:14:33: second would has Chinese government have them and  
special.  
00:14:33 --> 00:14:38: And I'll also introduce as a landlord channelized leasing,  
00:14:38 --> 00:14:43: corresponding strategy and also property management  
strategy in order to  
00:14:43 --> 00:14:47: control the spreading of the virus and make sure that  
00:14:47 --> 00:14:50: vehicle people can get back to the normal life as  
00:14:50 --> 00:14:52: soon as possible next.  
00:14:56 --> 00:15:01: Next please. The first is impact on the office owner,  
00:15:01 --> 00:15:04: so I think it's very obvious that we will.  
00:15:04 --> 00:15:08: All office owners will be under the rent reduction pressure.  
00:15:08 --> 00:15:12: An most of the tenants will ask for rental reduction  
00:15:13 --> 00:15:16: or you know later payment and also you will have  
00:15:16 --> 00:15:20: the OpEx to be increased due to the extra expense  
00:15:20 --> 00:15:25: of kernel virus, epidemic prevention and also the vacancy  
rate  
00:15:25 --> 00:15:29: will be raised because basically you cannot find.  
00:15:29 --> 00:15:32: Any new tenants to visit your place and you know,  
00:15:32 --> 00:15:36: discuss with the leading case and 2nd.  
00:15:36 --> 00:15:40: I'll share with you on the commercial side because we  
00:15:40 --> 00:15:40: also,  
00:15:40 --> 00:15:43: as a landlord, we own some retail shopping malls.  
00:15:43 --> 00:15:44: Next please.  
00:15:52 --> 00:15:54: OK, so for the office tenants,

00:15:54 --> 00:15:58: sorry we can also see they're trying to cut cutting  
00:15:58 --> 00:16:03: down the renter area and also they want to restructure  
00:16:03 --> 00:16:04: the rental.  
00:16:04 --> 00:16:07: Want you have some reduction on a rental and some  
00:16:07 --> 00:16:12: of them will move to suburban projects with lower cost  
00:16:12 --> 00:16:13: so this is very,  
00:16:13 --> 00:16:17: you know, simple trend that you will also see in  
00:16:17 --> 00:16:19: American office market.  
00:16:21 --> 00:16:26: But those stronger ones, especially those big associations,  
00:16:26 --> 00:16:32: especially those SOS State owned enterprises as well as to  
00:16:32 --> 00:16:33: Fortune 500's,  
00:16:33 --> 00:16:36: they are still very strong,  
00:16:36 --> 00:16:42: so most affected tenants others more sized MSS.  
00:16:42 --> 00:16:43: Next slide, please.  
00:16:46 --> 00:16:50: OK, here comes the impact under retail sector for the  
00:16:50 --> 00:16:55: shopping malls that we owned in major cities in China,  
00:16:55 --> 00:16:59: we can see that for the operation impact we have  
00:16:59 --> 00:17:01: tenants closure for about 85%  
00:17:01 --> 00:17:07: of tenants closed only the daily necessities and supermarket  
00:17:07 --> 00:17:09: opened  
00:17:09 --> 00:17:12: for people's purchasing an.  
00:17:12 --> 00:17:16: Also the sales are down by almost 95%  
00:17:16 --> 00:17:20: during this period time and traffic down by 90%.  
00:17:20 --> 00:17:23: So this is what the figure shows as operational site  
00:17:23 --> 00:17:28: and found a financial site.  
00:17:28 --> 00:17:30: Nowadays we have finished the calculation on the NRI  
00:17:30 --> 00:17:33: impact  
00:17:33 --> 00:17:35: for all our retail portfolio.  
00:17:35 --> 00:17:39: So we can see for Community malls.  
00:17:39 --> 00:17:42: Then I will down by 25 to 30%  
00:17:42 --> 00:17:46: and regional center malls are done by 15 to 20%  
00:17:46 --> 00:17:49: compared to the normal years.  
00:17:49 --> 00:17:53: Mainly because the community more they have more.  
00:17:53 --> 00:17:58: Tenants of education and Service,  
00:17:58 --> 00:18:03: and Jim so that the tenant makes will cost.  
00:18:03 --> 00:18:03: Um, more rental reduction because these kind of tenants,  
00:18:03 --> 00:18:08: they're opening date will be later than the retail and  
00:18:08 --> 00:18:12: FMB.  
00:18:12 --> 00:18:16: So currently this figure only shows our experience in  
00:18:16 --> 00:18:20: Shanghai  
00:18:20 --> 00:18:24: and also other major cities in China.  
00:18:24 --> 00:18:28: The closure time. Or I mean people stay at home  
00:18:28 --> 00:18:32: working at Home's time is only about two months,



00:18:20 --> 00:18:22: so if it is longer than that,  
00:18:22 --> 00:18:24: the impact will be bigger.  
00:18:27 --> 00:18:27: Next slide, please.  
00:18:31 --> 00:18:33: OK, in terms of the retail tenants,  
00:18:33 --> 00:18:38: we can see you know different types which are tenants  
00:18:38 --> 00:18:39: affected differently.  
00:18:39 --> 00:18:41: For the SMB you know,  
00:18:41 --> 00:18:45: although they their shop are closed or cannot be opened  
00:18:45 --> 00:18:48: for people to dining in house,  
00:18:48 --> 00:18:52: but most of them can still do.  
00:18:52 --> 00:18:56: Delivery so the delivery business is quite good and can  
00:18:56 --> 00:18:59: at least help them to paid staff cost.  
00:18:59 --> 00:19:04: You know for the entertainment and service education these  
00:19:04 --> 00:19:05: kind  
00:19:05 --> 00:19:09: of tenants.  
00:19:09 --> 00:19:10: They are impacted more severely because even now as I  
00:19:10 --> 00:19:14: said 95%  
00:19:14 --> 00:19:19: of office workers are coming back to office to work.  
00:19:20 --> 00:19:23: However all the cinemas, karaoke and nightclubs are still  
00:19:23 --> 00:19:26: closed  
00:19:26 --> 00:19:30: and also for the education and schools.  
00:19:30 --> 00:19:35: All of them are still closed the day to be  
00:19:35 --> 00:19:37: opened is to be informed by the government,  
00:19:37 --> 00:19:39: so these kind of tenants or ask of rental reduction  
00:19:39 --> 00:19:44: during these two Maps.  
00:19:44 --> 00:19:45: Anna for fashion and retail,  
00:19:45 --> 00:19:49: are 70% of the store suspended their operation in China  
00:19:49 --> 00:19:53: during disk upward.  
00:19:53 --> 00:19:56: However, nowadays you know things mid much.  
00:19:56 --> 00:20:00: You know that all the shopping malls are.  
00:20:00 --> 00:20:05: Back to normal operation. 80 percent 85%  
00:20:05 --> 00:20:06: of shops reopened, and as far as I know,  
00:20:06 --> 00:20:10: or the retail brands their cells are coming back to  
00:20:10 --> 00:20:14: around 60 to 70%  
00:20:14 --> 00:20:16: of the normal days. So only takes 2 weeks to  
00:20:16 --> 00:20:19: come back to around 2/3 of the cells of the  
00:20:19 --> 00:20:21: normal days.  
00:20:21 --> 00:20:24: I think the recover is quite soon.  
00:20:24 --> 00:20:27: Next please.  
00:20:27 --> 00:20:32: OK, now we can see the government support on the  
00:20:32 --> 00:20:35: copy prevention since Chinese government is very very  
00:20:35 --> 00:20:38: strong,  
00:20:38 --> 00:20:41: it's totally different from the United States.

00:20:35 --> 00:20:39: But I also think there may be something that you  
00:20:39 --> 00:20:41: can find interesting there.  
00:20:41 --> 00:20:46: Helping the first thing is very strict strict quarantine policy.  
00:20:46 --> 00:20:50: As you all know, the Hubei province has shut down  
00:20:50 --> 00:20:52: and no exception.  
00:20:52 --> 00:20:57: Inspection and 14 days quarantine policy for anyone with  
recent  
00:20:57 --> 00:20:59: travel history to any.  
00:20:59 --> 00:21:02: Places if you are not in the Hubei.  
00:21:02 --> 00:21:05: If you were in Beijing or in Shanghai,  
00:21:05 --> 00:21:09: if you left your own city to any other problems  
00:21:09 --> 00:21:13: other city you need 14 days current time,  
00:21:13 --> 00:21:15: so this is very strict,  
00:21:15 --> 00:21:20: strict and also currently since there helping or almost you  
00:21:20 --> 00:21:20: know,  
00:21:20 --> 00:21:25: one month like in Shanghai most Big City in China  
00:21:25 --> 00:21:29: we have 0 cases almost 0 cases confirmed during the  
00:21:29 --> 00:21:30: past one month.  
00:21:30 --> 00:21:35: Now all of the new cases are important ones,  
00:21:35 --> 00:21:40: so nowadays all the governments have very strict policy to  
00:21:40 --> 00:21:42: have suspected cases.  
00:21:42 --> 00:21:45: 100% site current height and 100%  
00:21:45 --> 00:21:50: tested in the airport. So right after they landed in  
00:21:51 --> 00:21:51: China,  
00:21:51 --> 00:21:55: you know they will be current timed to hotels and  
00:21:55 --> 00:21:56: you know 100%  
00:21:56 --> 00:22:00: tested. And if the hotels are full like in Shanghai  
00:22:00 --> 00:22:05: there already having over 100 hotels are full and some  
00:22:05 --> 00:22:09: of the people will be allowed to current time in  
00:22:09 --> 00:22:13: their home. However, as long as they back to home  
00:22:13 --> 00:22:18: and the workers will be together with them and you  
00:22:18 --> 00:22:19: know put.  
00:22:19 --> 00:22:21: Orlaam a digital alarm on their door,  
00:22:21 --> 00:22:24: so if they open the door,  
00:22:24 --> 00:22:28: it will be alarmed so everything will be delivered to  
00:22:28 --> 00:22:29: his house.  
00:22:29 --> 00:22:31: You know, by the volunteers,  
00:22:31 --> 00:22:35: however, you cannot get out of your door in this  
00:22:35 --> 00:22:35: 14 day,  
00:22:35 --> 00:22:39: so it's very strict and also financial support and a  
00:22:39 --> 00:22:41: tax exemption.  
00:22:41 --> 00:22:45: Ann Rand concession. I think these kind of things are

00:22:45 --> 00:22:48: very similar to what Euro and United States,  
00:22:48 --> 00:22:53: the. We were best countries are doing and what's interesting  
00:22:53 --> 00:22:56: is that for the rent concession,  
00:22:56 --> 00:23:00: because as you know, in China we have so many  
00:23:00 --> 00:23:00: ESO ES.  
00:23:00 --> 00:23:04: So as China life, we're also one big SOS.  
00:23:04 --> 00:23:08: So the government asked Audit SOS to give 223 months  
00:23:08 --> 00:23:11: rental free for all the tenants.  
00:23:11 --> 00:23:16: For other MSE the middle and small sized enterprises.  
00:23:16 --> 00:23:17: Next please.  
00:23:20 --> 00:23:24: OK, here is also one thing I want to say.  
00:23:24 --> 00:23:29: It's very important because China population is so big in  
00:23:29 --> 00:23:33: in in Shanghai we have 25 million people and everyday  
00:23:33 --> 00:23:38: yeah nowadays even most of the international flights cut.  
00:23:38 --> 00:23:42: We still have 10,000 people landed in the put on  
00:23:42 --> 00:23:44: airport every day.  
00:23:44 --> 00:23:48: So we have a huge volunteer community to work with  
00:23:48 --> 00:23:51: the government every building has.  
00:23:51 --> 00:23:54: A team, every residence, every office tower,  
00:23:54 --> 00:23:58: every shopping mall. Had a whole team you know to  
00:23:58 --> 00:24:02: work with the government and also currently.  
00:24:02 --> 00:24:06: For example, we have over 10,000 volunteers in the put  
00:24:06 --> 00:24:09: on airport helping on the prevention.  
00:24:09 --> 00:24:10: Next  
00:24:14 --> 00:24:17: next piece. So now I want to share with you  
00:24:18 --> 00:24:21: from the lenders perspective water landlord will do.  
00:24:21 --> 00:24:25: As you may know, China life is the biggest insurance  
00:24:25 --> 00:24:29: company in China and we do invest in commercial real  
00:24:29 --> 00:24:30: Estates in different.  
00:24:30 --> 00:24:33: First he ran major second tier cities next fees.  
00:24:36 --> 00:24:38: But this is our bounce in the,  
00:24:38 --> 00:24:44: you know, major cities in China next please.  
00:24:44 --> 00:24:48: OK, for the leaders in corresponding strategy on the 1st  
00:24:48 --> 00:24:52: is as I said direct the rent concession for medium  
00:24:52 --> 00:24:55: and small sized enterprises.  
00:24:55 --> 00:24:58: We have given one to two months rent free for  
00:24:58 --> 00:25:01: them and the Esther local government.  
00:25:01 --> 00:25:05: They encourage us to to give them second.  
00:25:07 --> 00:25:12: Yeah we are not stopping doing the leading team because  
00:25:12 --> 00:25:16: there are still more people wanted to,  
00:25:16 --> 00:25:20: you know, enlarge their market share in this.  
00:25:20 --> 00:25:25: And also some people wanted to find cheaper places to

00:25:25 --> 00:25:28: relocate because of the virus.

00:25:28 --> 00:25:34: So the leasing activity actually is quite active compared to

00:25:34 --> 00:25:37: last year and the last quarter.

00:25:37 --> 00:25:41: So the interesting as that for our own premise,

00:25:41 --> 00:25:44: we have used all these online promotion channels,

00:25:44 --> 00:25:47: including the we chat accounts,

00:25:47 --> 00:25:51: Blogger and also we use this VR project tour for

00:25:51 --> 00:25:54: client to see our buildings and we have even more

00:25:54 --> 00:25:56: transactions during this.

00:25:56 --> 00:26:01: During the season one the first season compared to last

00:26:01 --> 00:26:03: quarter which is very interesting.

00:26:03 --> 00:26:07: Of course the rental will be a little bit down

00:26:07 --> 00:26:07: but.

00:26:07 --> 00:26:09: If you have the quick response,

00:26:09 --> 00:26:13: you can still get some good transaction next.

00:26:16 --> 00:26:21: Yeah, and for the property management corresponding

00:26:21 --> 00:26:22: strategizing,

00:26:22 --> 00:26:26: this is very, very key,

00:26:26 --> 00:26:31: because if one building or one shopping mall have one

00:26:31 --> 00:26:32: confirmed cases and the government will close it down for

00:26:32 --> 00:26:36: a certain.

00:26:36 --> 00:26:39: And everyone who walked in this place need at least

00:26:39 --> 00:26:41: 14 days quarantine so it will have a very very

00:26:41 --> 00:26:45: big trouble to everyone.

00:26:45 --> 00:26:46: So I think it's very important for every owner to

00:26:46 --> 00:26:50: make sure that.

00:26:50 --> 00:26:54: Your place is very safe and it needs a collaboration

00:26:54 --> 00:26:58: from the owner site and the government and the tenants

00:26:58 --> 00:27:00: and so here I want to share more about you

00:27:00 --> 00:27:05: know what Chinese government in,

00:27:05 --> 00:27:06: especially Shanghai government did. It's a very high tech and

00:27:06 --> 00:27:07: clever way.

00:27:07 --> 00:27:11: Simple way to do it.

00:27:11 --> 00:27:15: So now every Chinese people we have we chat account

00:27:15 --> 00:27:16: so it's linked to your personal ID and you can

00:27:16 --> 00:27:20: simply refresh it.

00:27:20 --> 00:27:22: Every minutes an award shows different colors.

00:27:22 --> 00:27:23: If it's green means that you are OK to go

00:27:23 --> 00:27:26: everywhere,

00:27:26 --> 00:27:28: you can take public transportation's.

00:27:28 --> 00:27:31: You can go to other cities,

00:27:31 --> 00:27:31: but if it's orange and means that you need seven

00:27:31 --> 00:27:34: days current time and it's 14 days if it's red,  
00:27:34 --> 00:27:37: which means you need 14 days current time.  
00:27:37 --> 00:27:39: So this very simple rule.  
00:27:39 --> 00:27:41: So every office tower, an average shopping,  
00:27:41 --> 00:27:45: more every indoor places you can only come in when  
00:27:45 --> 00:27:47: you showed green QR code.  
00:27:47 --> 00:27:51: At entrance and backwards. Actually this is a whole big  
00:27:51 --> 00:27:53: data and monitoring system,  
00:27:53 --> 00:27:58: because you may know that all Chinese people we need  
00:27:58 --> 00:27:59: to you know,  
00:27:59 --> 00:28:02: use the app or the digital payment.  
00:28:02 --> 00:28:06: Basically to do another payment so we don't use credit  
00:28:06 --> 00:28:09: cards and cash these days,  
00:28:09 --> 00:28:12: so it's very easy to tracking your routines.  
00:28:12 --> 00:28:16: You know BYOD apps you use and also with all  
00:28:16 --> 00:28:17: the CCTV camera.  
00:28:17 --> 00:28:22: Everywhere and we have very strong face recognition  
system.  
00:28:22 --> 00:28:26: An even with masks, the police told me that it  
00:28:26 --> 00:28:27: is 90 percent 90%  
00:28:27 --> 00:28:31: accuracy for audacity cameras recognize who you are.  
00:28:31 --> 00:28:35: So even now this moment your QR code is green,  
00:28:35 --> 00:28:40: but maybe you know yesterday when transfer market and  
there  
00:28:40 --> 00:28:44: is a guy you know in the mean time he's  
00:28:44 --> 00:28:47: in a supermarket and your QR code well.  
00:28:47 --> 00:28:50: You know BBBBB reader or be orange as long as  
00:28:50 --> 00:28:52: they find it out in,  
00:28:52 --> 00:28:55: and they will easily find out you are at the  
00:28:55 --> 00:28:58: same place at A at the mean time and also  
00:28:58 --> 00:29:02: the volunteers will come to your place is and to  
00:29:02 --> 00:29:06: you know, make sure that your current height with digital  
00:29:06 --> 00:29:07: seal on your door.  
00:29:07 --> 00:29:11: So this is very important for every owner to follow  
00:29:11 --> 00:29:12: this rule,  
00:29:12 --> 00:29:15: and for the tenants. Of course we ask them to  
00:29:15 --> 00:29:17: give daily report on steps.  
00:29:17 --> 00:29:22: House condition and we need a very detailed information for  
00:29:22 --> 00:29:23: every stuff.  
00:29:23 --> 00:29:25: Of course there is some,  
00:29:25 --> 00:29:29: you know, privacy issue, but nowadays we think that healthy  
00:29:29 --> 00:29:33: and safety you know have higher priority than De Privacy  
00:29:33 --> 00:29:35: in this moment.

00:29:35 --> 00:29:38: And also all the tenants order companies.

00:29:38 --> 00:29:41: We need them to sign on the commitment letter.

00:29:41 --> 00:29:44: They are healthy and this man,

00:29:44 --> 00:29:48: the infection control and also if they don't have.

00:29:48 --> 00:29:52: Enough storage for the carpet prevention supplies and we will

00:29:52 --> 00:29:55: introduce them to places to buy,

00:29:55 --> 00:29:57: so make sure that if I could,

00:29:57 --> 00:30:00: we're going to run a little bit short on time,

00:30:00 --> 00:30:03: so if you could yeah last night.

00:30:05 --> 00:30:08: OK, um, so these are the property management so you

00:30:08 --> 00:30:11: can see we have their restaurant in house control mainly.

00:30:11 --> 00:30:15: That we have all the tenants workers and also property

00:30:15 --> 00:30:16: management stuff.

00:30:16 --> 00:30:20: Retail tenants you know to have very detailed health control

00:30:20 --> 00:30:24: and the declaration forms and also the entrance culture.

00:30:24 --> 00:30:26: As I said with a QR code with the strict

00:30:27 --> 00:30:31: in fridge temperature check in every building so it's confirmed

00:30:31 --> 00:30:35: and also the this this infection control for every public

00:30:35 --> 00:30:37: places.

00:30:37 --> 00:30:41: Yeah, so these are my presentations and experience to be

00:30:41 --> 00:30:41: shipped.

00:30:41 --> 00:30:43: Thank you Kerry.

00:30:46 --> 00:30:49: Jonathan and Carrie. We may come back with some

00:30:49 --> 00:30:50: questions

00:30:49 --> 00:30:50: at the end,

00:30:50 --> 00:30:53: so thank you very much for sharing your insights and

00:30:53 --> 00:30:56: some of the strategies that you're seeing in China.

00:30:56 --> 00:31:02: Jonathan, I suspect that given differences in culture

00:31:02 --> 00:31:06: differences in

00:31:02 --> 00:31:06: in government between China and US that you know some

00:31:06 --> 00:31:11: of these measures that Kerry talked about couldn't feasibly

00:31:11 --> 00:31:13: be

00:31:11 --> 00:31:13: implemented here in the US.

00:31:17 --> 00:31:20: But with that, what? What are you seeing an inhering

00:31:20 --> 00:31:24: in your research and your analysis of commercial real

00:31:24 --> 00:31:25: estate?

00:31:24 --> 00:31:25: You know across the US,

00:31:25 --> 00:31:28: sure that she's been thanks for having me.

00:31:28 --> 00:31:30: I don't have any slides,

00:31:30 --> 00:31:33: so anybody who wants to follow up with anything I'm

00:31:33 --> 00:31:35: saying please let me know.

00:31:35 --> 00:31:36: I'm happy to do afterwards,

00:31:36 --> 00:31:38: and I will apologize up front.  
 00:31:38 --> 00:31:41: I'm an over caffeinated New Yorker so I have a  
 00:31:41 --> 00:31:44: lot to go through when I talk very fast,  
 00:31:44 --> 00:31:47: so apologies up front. I just want to preface everything  
 00:31:47 --> 00:31:48: by saying,  
 00:31:48 --> 00:31:50: look. It is very early in a lot of this  
 00:31:50 --> 00:31:51: and it's very,  
 00:31:51 --> 00:31:54: very fluid. I've been on the phone in the last  
 00:31:54 --> 00:31:58: couple of weeks with whether it's whether it's.  
 00:31:58 --> 00:32:01: Building owners the Mortgage Bankers Association.  
 00:32:01 --> 00:32:04: Different lenders government agencies. So things are very,  
 00:32:04 --> 00:32:07: very fluid and please understand that I I did I  
 00:32:07 --> 00:32:10: did a call with one lender who said what I'm  
 00:32:10 --> 00:32:13: about to tell you may not be true in two  
 00:32:13 --> 00:32:15: hours, so that's how fluid some things are.  
 00:32:15 --> 00:32:18: So I was given a few things to address and  
 00:32:18 --> 00:32:20: I'll try to do them in order.  
 00:32:20 --> 00:32:22: Let me start with the multifamily industry.  
 00:32:22 --> 00:32:26: So you've got the National Multi Housing Council among  
 other  
 00:32:26 --> 00:32:30: trade groups as men encourageing members to provide rent  
 deferrals  
 00:32:30 --> 00:32:32: in evictions for several months.  
 00:32:32 --> 00:32:36: We've heard all the reads all the Reacher doing that,  
 00:32:36 --> 00:32:38: and largely I think we're seeing that now.  
 00:32:38 --> 00:32:41: What is a little bit more troubling to me as  
 00:32:41 --> 00:32:42: I live here in New York State,  
 00:32:42 --> 00:32:45: which is really trying to out California,  
 00:32:45 --> 00:32:47: California in terms of shifting hard left.  
 00:32:47 --> 00:32:50: And now I'm not trying to make a political comment,  
 00:32:50 --> 00:32:54: just understanding it. The governor is actually considering by  
 executive  
 00:32:55 --> 00:32:55: order,  
 00:32:55 --> 00:32:58: trying to eliminate rent payments for the next three months.  
 00:32:58 --> 00:33:01: And there's a bill going through the Senate,  
 00:33:01 --> 00:33:03: the New York state Senate.  
 00:33:03 --> 00:33:05: And and and for anybody on the phone,  
 00:33:05 --> 00:33:08: it doesn't know the New York Legislature has moved very  
 00:33:08 --> 00:33:11: hard left as of the last election is trying to  
 00:33:11 --> 00:33:13: put through a bill to do this.  
 00:33:13 --> 00:33:16: There's also been talk about nationwide rent strikes.  
 00:33:16 --> 00:33:20: So, while were heartened by some of the support that's  
 00:33:20 --> 00:33:22: coming out of the CARES act that I'm going to

00:33:23 --> 00:33:24: come and talk about that.

00:33:24 --> 00:33:27: There certainly are going to be some near term potential

00:33:28 --> 00:33:30: challenges to the multifamily industry now.

00:33:30 --> 00:33:35: On the positive side. You've seen Fannie and Freddie saying,

00:33:35 --> 00:33:39: for any multifamily borrower that has an agency backed loan,

00:33:39 --> 00:33:42: if they do not evict a tenant over the next

00:33:42 --> 00:33:43: three months,

00:33:43 --> 00:33:47: they'll get mortgage forbearance. Now there is going to be

00:33:47 --> 00:33:48: a 30 month,

00:33:48 --> 00:33:50: 30 month, a 30 day gap.

00:33:50 --> 00:33:54: So and I'm still trying to understand the details.

00:33:54 --> 00:33:58: The Multifamily Housing Council is basically said there's going to

00:33:58 --> 00:34:02: be a 30 day gap between when the mortgage forbearance

00:34:02 --> 00:34:03: will kick in.

00:34:03 --> 00:34:06: And when the tenants are paying rent again,

00:34:06 --> 00:34:09: but I think the more important part of this is

00:34:09 --> 00:34:13: that that Fannie and Freddie are really trying to help

00:34:13 --> 00:34:14: out here.

00:34:14 --> 00:34:16: Anybody who has an agency back loan.

00:34:16 --> 00:34:20: So that's a positive. Also just looking at what the

00:34:20 --> 00:34:24: agencies are doing on home mortgages that you're seeing.

00:34:24 --> 00:34:28: Fannie, Freddie the FHA are all putting in mortgage moratoriums

00:34:28 --> 00:34:30: on foreclosures now.

00:34:30 --> 00:34:34: The downside of this is this is really going to

00:34:34 --> 00:34:34: stress.

00:34:34 --> 00:34:37: The servicers we've had a number of calls on this

00:34:37 --> 00:34:38: topic,

00:34:38 --> 00:34:41: with various people. Now the Ginnie Mae has said that

00:34:41 --> 00:34:45: they're going to put up facility in place to help

00:34:45 --> 00:34:46: out the servicers,

00:34:46 --> 00:34:49: but the biggest pool of agency back loans are Fannie

00:34:49 --> 00:34:50: and Freddie.

00:34:50 --> 00:34:54: It's almost seven. I think it's almost 7 trillion dollars

00:34:54 --> 00:34:55: now includes \*\*\*\*\*

00:34:55 --> 00:34:57: so it's about 5 1/2 trillion,

00:34:57 --> 00:35:01: and so secretary Mnuchin is putting in task force together

00:35:01 --> 00:35:02: to deal with it.

00:35:02 --> 00:35:05: So while there's certainly risk on the on the mortgage

00:35:05 --> 00:35:06: servicer side,

00:35:06 --> 00:35:09: the good news is least will be able to help



00:35:09 --> 00:35:11: people out on the mortgage side.

00:35:11 --> 00:35:14: Now, one of the questions I got was had to

00:35:14 --> 00:35:16: deal with non payment of rent.

00:35:16 --> 00:35:19: I'll answer this a number of different ways.

00:35:19 --> 00:35:22: I did a call with a group of shopping center

00:35:22 --> 00:35:25: owners have been doing this for 40 years and to

00:35:26 --> 00:35:28: a person they all said the same thing.

00:35:28 --> 00:35:30: Be proactive with your tenants.

00:35:30 --> 00:35:35: We're all in this together and that's an exact quote.

00:35:35 --> 00:35:38: So the key is they said over communicate.

00:35:38 --> 00:35:40: Be proactive, no ones going to get out of this

00:35:40 --> 00:35:41: unscathed,

00:35:41 --> 00:35:43: but the more proactive you are in,

00:35:43 --> 00:35:45: the more communicate. Give more communicate.

00:35:45 --> 00:35:48: If you are the better chance you have,

00:35:48 --> 00:35:50: especially for your longer standing tenants.

00:35:50 --> 00:35:53: Also be realistic about concepts that were on the fence

00:35:53 --> 00:35:54: anyway.

00:35:54 --> 00:35:57: Going into this, some concepts weren't going to make it,

00:35:57 --> 00:36:00: and while none of us ever want to see anybody

00:36:00 --> 00:36:01: on the short end of the stick,

00:36:01 --> 00:36:03: it's the time to be pretty ruthless.

00:36:03 --> 00:36:06: I actually got during the global financial crisis,

00:36:06 --> 00:36:09: one of the shopping center REIT said this to me

00:36:09 --> 00:36:11: when I talked about.

00:36:11 --> 00:36:14: Rent relief, and I think this was very good advice.

00:36:14 --> 00:36:17: They said we will absolutely have that conversation with

00:36:17 --> 00:36:20: anybody,

00:36:20 --> 00:36:23: but we ask for three years of tax returns and

00:36:23 --> 00:36:26: we ask for business plans 'cause we want to separate

00:36:26 --> 00:36:29: who really needs help from who's trying to be opportunistic.

00:36:29 --> 00:36:30: So again, you can do this in a constructive proactive

00:36:30 --> 00:36:30: banner,

00:36:30 --> 00:36:33: but you know, again, you want to make sure you're

00:36:33 --> 00:36:35: helping the people really need the help.

00:36:37 --> 00:36:40: Next thing I was asked to address is forced mature

00:36:41 --> 00:36:43: and business interruption insurance.

00:36:43 --> 00:36:46: This is far from a settled topic we did put

00:36:46 --> 00:36:47: out a report on this.

00:36:47 --> 00:36:49: Had a number of calls.

00:36:49 --> 00:36:51: A number of calls with experts on this,

00:36:51 --> 00:36:53: so I'm just going to give you.

00:36:53 --> 00:36:55: You know what art feedback has been,  
00:36:55 --> 00:36:58: but I think my overall.  
00:36:58 --> 00:37:01: Comments are going to be that this is going to  
00:37:01 --> 00:37:03: be a lot of negotiation.  
00:37:03 --> 00:37:05: There's going to be what I like to call a  
00:37:05 --> 00:37:09: lot of people asking for forgiveness rather than permission,  
00:37:09 --> 00:37:11: because this is really unknown.  
00:37:11 --> 00:37:15: So the basic feedback that we've gotten as as it  
00:37:15 --> 00:37:19: pertains to force majeure clauses in leases and less their  
00:37:19 --> 00:37:22: specific language in the Force majeure clause,  
00:37:22 --> 00:37:25: related to a pandemic. It is unlikely that a tenant  
00:37:25 --> 00:37:29: can trigger that can trigger that to not pay their  
00:37:29 --> 00:37:29: rent.  
00:37:29 --> 00:37:32: So a lack of funds would not constitute a force  
00:37:32 --> 00:37:36: majeure clause if the situation is because of a voluntary  
00:37:36 --> 00:37:38: closure by a landlord.  
00:37:38 --> 00:37:41: Now we've seen Simon Properties announced about,  
00:37:41 --> 00:37:42: I guess, week or so ago.  
00:37:42 --> 00:37:45: They're closing all their US properties.  
00:37:45 --> 00:37:48: That's where it becomes a little bit a little bit  
00:37:48 --> 00:37:49: less clear.  
00:37:49 --> 00:37:52: Now, the experts that we talked to said you got  
00:37:52 --> 00:37:53: to go back to the Fort.  
00:37:53 --> 00:37:56: The language in the Force majeure clause.  
00:37:56 --> 00:37:59: However, in this situation, it's possible that the tenant may  
00:37:59 --> 00:38:03: have more leverage in terms of rent abatement or rent  
00:38:03 --> 00:38:04: relief discussion there.  
00:38:04 --> 00:38:08: If there's a government mandated closure or shelter in place,  
00:38:08 --> 00:38:11: restrictions that would likely not provide tenants with the  
00:38:12 --> 00:38:13: basis  
00:38:13 --> 00:38:16: for rent relief for abatement,  
00:38:16 --> 00:38:20: which I found a little interesting.  
00:38:20 --> 00:38:24: Now some some tenants have also questioned the possibility  
00:38:24 --> 00:38:25: of  
00:38:25 --> 00:38:27: invoking the casualty clause of the releases due to property  
00:38:27 --> 00:38:29: closures.  
00:38:29 --> 00:38:33: What we have been told is,  
00:38:33 --> 00:38:38: unless there's physical damage to a property,  
00:38:38 --> 00:38:42: it would be difficult to utilized the casualty clause.  
00:38:42 --> 00:38:43: Now, in terms of business interruption insurance.  
00:38:43 --> 00:38:44: Again, please understand these comments are coming from  
00:38:44 --> 00:38:45: experts in  
00:38:45 --> 00:38:46: the field.

00:38:43 --> 00:38:47: Business interruption insurance is triggered when there's what's known as

00:38:47 --> 00:38:50: a physical direct loss of a subject property.

00:38:50 --> 00:38:54: Now the question comes around whether the property considered habitable

00:38:54 --> 00:38:54: or not,

00:38:54 --> 00:38:58: and this is where the negotiations are going to get

00:38:58 --> 00:38:58: interesting.

00:38:58 --> 00:39:01: That if a building is not contaminated,

00:39:01 --> 00:39:05: it's technically considered habitable. If the building has been

00:39:05 --> 00:39:06: infected

00:39:05 --> 00:39:06: been contaminated,

00:39:06 --> 00:39:08: then it's more likely that.

00:39:08 --> 00:39:11: There there could be business interruption insurance,

00:39:11 --> 00:39:14: but the realities are there is going to be a

00:39:14 --> 00:39:16: lot of negotiations here.

00:39:16 --> 00:39:19: There's going to be a lot of litigation unfortunately,

00:39:19 --> 00:39:22: so that's why I go back to be proactive with

00:39:22 --> 00:39:23: your tenants.

00:39:23 --> 00:39:28: It's going to be the most helpful thing out there.

00:39:28 --> 00:39:32: What we're seeing from lenders it's a little early to

00:39:32 --> 00:39:33: answer the question.

00:39:33 --> 00:39:36: April Bills are going out now.

00:39:36 --> 00:39:39: I was very intrigued when I saw Taubman Taubman centers

00:39:39 --> 00:39:43: yesterday said we expect our tenants to pay their rent

00:39:43 --> 00:39:44: well,

00:39:44 --> 00:39:47: well, that was an interesting statement.

00:39:47 --> 00:39:48: I think the realities are.

00:39:48 --> 00:39:51: It's too early to tell given you know,

00:39:51 --> 00:39:54: and this is now a personal view.

00:39:54 --> 00:39:58: Given the extraordinary monetary and fiscal stimulus.

00:39:58 --> 00:40:00: Has gone on not only here in the US,

00:40:00 --> 00:40:04: but around the world. We suspect there is going to

00:40:04 --> 00:40:07: be a lot of subtle and not so subtle pressure

00:40:07 --> 00:40:10: on lenders to work with borrowers the way bar the

00:40:10 --> 00:40:13: way landlords are being encouraged.

00:40:13 --> 00:40:16: I'm air quoting the word encouraged to work with

00:40:16 --> 00:40:17: their tenants,

00:40:17 --> 00:40:20: but that is to be determined.

00:40:20 --> 00:40:22: My wife has a phrase of don't ask,

00:40:22 --> 00:40:26: don't get. I've been married for almost 29 years and

00:40:26 --> 00:40:29: if you saw her closet she's very good at asking.

00:40:29 --> 00:40:31: So I would emphasize, don't ask,

00:40:31 --> 00:40:35: don't get, so you certainly should ask as far as  
 00:40:35 --> 00:40:36: the Care Act goes,  
 00:40:36 --> 00:40:39: I'd say a couple of things in terms of banks,  
 00:40:39 --> 00:40:43: the Care Act allows banks to spend gap treatment of  
 00:40:43 --> 00:40:47: any loan modifications arising from COVID-19 that would be  
 categorized  
 00:40:47 --> 00:40:48: as TDR.  
 00:40:48 --> 00:40:52: And in addition, the Care Act suspends any determination of  
 00:40:52 --> 00:40:55: loans modified as a result of COVID-19 is being a  
 00:40:56 --> 00:40:57: troubled debt restructuring.  
 00:40:57 --> 00:41:00: In addition, banks who were supposed to.  
 00:41:00 --> 00:41:04: Institute something called Current expected credit losses.  
 00:41:04 --> 00:41:07: Those rules have been suspended to the earlier of the  
 00:41:07 --> 00:41:09: ending of the global health crisis or twelve 3120,  
 00:41:09 --> 00:41:13: so it looks like there would be a little bit  
 00:41:13 --> 00:41:14: of relief there.  
 00:41:14 --> 00:41:16: In terms of the MBS market,  
 00:41:16 --> 00:41:18: have a few comments there.  
 00:41:18 --> 00:41:21: A number one for all intents and purposes new.  
 00:41:21 --> 00:41:26: See MBS issuances come to a screeching halt.  
 00:41:26 --> 00:41:30: Where you seen spreads actually after everything gapped  
 out,  
 00:41:30 --> 00:41:33: spreads in the in the AAA's have come in but  
 00:41:33 --> 00:41:37: see MBS specially non agency is certainly is certainly the  
 00:41:37 --> 00:41:41: most stressed but I think it's worth spending a couple  
 00:41:41 --> 00:41:45: of minutes on the CMB S market because there's especially  
 00:41:45 --> 00:41:50: everybody is looking back at the global financial crisis in  
 00:41:50 --> 00:41:51: trying to draw the line.  
 00:41:51 --> 00:41:56: The non agency conduit CMBS market in the global financial  
 00:41:56 --> 00:41:57: crisis was almost 800.  
 00:41:57 --> 00:42:01: Billion dollars, it's a lot smaller today,  
 00:42:01 --> 00:42:04: so if the total see MBS market today is 1.35  
 00:42:04 --> 00:42:06: trillion dollars,  
 00:42:06 --> 00:42:10: agency is almost 760 billion of that and right now  
 00:42:10 --> 00:42:15: the Fed fish the feds facilities allow purchases of agency  
 00:42:15 --> 00:42:19: MBS so the non agency markets about 594 billion dollars  
 00:42:19 --> 00:42:23: of which the conduit market is 384 billion.  
 00:42:23 --> 00:42:28: So then if you break that down further the three  
 00:42:28 --> 00:42:29: biggest.  
 00:42:29 --> 00:42:32: Three biggest property types of that 384 billion retail at  
 00:42:32 --> 00:42:35: 108 hotel at 50 billion office at 100 billion.  
 00:42:35 --> 00:42:39: So I don't want to minimize any potential risk here,

00:42:39 --> 00:42:42: but I would say while the currency MBS market is  
 00:42:42 --> 00:42:44: certainly not functioning,  
 00:42:44 --> 00:42:47: it quickly, well. AAA spreads have come in an when  
 00:42:47 --> 00:42:50: you start to look through the distress,  
 00:42:50 --> 00:42:54: the potential distress. It is significantly smaller than I think.  
 00:42:54 --> 00:42:56: A lot of people are looking at.  
 00:42:56 --> 00:43:00: Plus most of these were underwritten during CMB S2 dot  
 00:43:00 --> 00:43:00: O.  
 00:43:00 --> 00:43:03: Where the underwriting standards were a heck of a lot  
 00:43:03 --> 00:43:04: better.  
 00:43:04 --> 00:43:06: So again, not minimizing the risk there,  
 00:43:06 --> 00:43:10: but certainly I think it's important to understand the  
 00:43:10 --> 00:43:13: magnitude  
 00:43:13 --> 00:43:16: of the CMB S market in terms of refinances and  
 00:43:16 --> 00:43:20: access to capital had a long conversation with the Mortgage  
 00:43:20 --> 00:43:23: Bankers Association. Again, please understand this is all  
 00:43:23 --> 00:43:26: very,  
 00:43:26 --> 00:43:27: very fluid information, but in terms of refinance,  
 00:43:27 --> 00:43:31: it depends on the lender and the borrower and the  
 00:43:31 --> 00:43:31: property type.  
 00:43:31 --> 00:43:34: Lenders are getting very, very selective on property types  
 00:43:34 --> 00:43:38: and  
 00:43:38 --> 00:43:40: instabilities of cash flow matter a lot.  
 00:43:40 --> 00:43:43: Not particularly shocking LTV's and debt service coverage  
 00:43:43 --> 00:43:47: ratios are  
 00:43:47 --> 00:43:50: certainly getting more conservative now.  
 00:43:50 --> 00:43:52: The good news here is markets have not ground to  
 00:43:52 --> 00:43:54: a halt.  
 00:43:54 --> 00:43:57: The GS remain active, particularly for multifamily banks and  
 00:43:57 --> 00:43:59: insurance.  
 00:43:59 --> 00:44:02: Companies are certainly getting more selective,  
 00:44:02 --> 00:44:05: but they still remain active.  
 00:44:05 --> 00:44:08: What we're seeing here in this very,  
 00:44:08 --> 00:44:11: very low interest rate environment is floor loans.  
 00:44:11 --> 00:44:14: Now we saw this during the global financial crisis.  
 00:44:14 --> 00:44:17: Now this day, this data is now probably a week  
 00:44:17 --> 00:44:20: old,  
 00:44:20 --> 00:44:23: so it's probably expanded a little bit.  
 00:44:23 --> 00:44:26: But smaller life companies are 325 plus larger life  
 00:44:26 --> 00:44:29: companies,  
 00:44:29 --> 00:44:32: maybe 280 plus what is difficult to price in this  
 00:44:32 --> 00:44:35: market or floaters in terms of construction.

00:44:14 --> 00:44:18: Loans an hotel loans. Not surprisingly very very challenging to

00:44:18 --> 00:44:21: come by here I can help you talk about the

00:44:21 --> 00:44:22: hotel market event,

00:44:22 --> 00:44:26: but he wants to. Multifamily financing is still reasonably good

00:44:26 --> 00:44:29: senior and student housing is seeing some funding stresses,

00:44:29 --> 00:44:33: especially if you see what's going on in the senior

00:44:33 --> 00:44:34: housing Reit's.

00:44:34 --> 00:44:37: I don't think that should shock anybody.

00:44:37 --> 00:44:40: Cielo Market is kind of stress tan on the debt

00:44:40 --> 00:44:40: fund side.

00:44:40 --> 00:44:43: You know debt funds are broken down into largely two

00:44:43 --> 00:44:44: categories.

00:44:44 --> 00:44:47: In my view, those who are reasonable and those who

00:44:47 --> 00:44:48: are not.

00:44:48 --> 00:44:50: And you know, I do a meeting every year in

00:44:50 --> 00:44:54: Los Angeles for about 50 large commercial real estate investors

00:44:54 --> 00:44:57: and I brought up the whole issue of debt funds

00:44:57 --> 00:45:00: last October and one of the participants there was a

00:45:00 --> 00:45:03: debt fund who I put in the reasonable category told

00:45:03 --> 00:45:06: me the business he was losing to debt funds that

00:45:06 --> 00:45:09: were going out. With 90 plus LTV 's in 1.1

00:45:09 --> 00:45:12: debt service coverage ratios and So what we're seeing here

00:45:12 --> 00:45:14: is for a portion of the debt fund market,

00:45:14 --> 00:45:17: they've completely eliminate it cash out.

00:45:17 --> 00:45:20: Refis some of them are having their lines called so

00:45:20 --> 00:45:21: you know,

00:45:21 --> 00:45:23: not all debt. Funds are going to be challenged.

00:45:23 --> 00:45:27: But certainly for anybody who has financed in that market.

00:45:27 --> 00:45:30: There are going to be some challenges now in terms

00:45:30 --> 00:45:32: of what they call the cares act or you know.

00:45:32 --> 00:45:36: Basically, the 2.2 billion dollar stimulus that has come out,

00:45:36 --> 00:45:40: particularly as it pertains. Choose me as it pertains to

00:45:40 --> 00:45:41: small business.

00:45:41 --> 00:45:45: There's been a 349 billion dollars in allocated to their

00:45:45 --> 00:45:46: protector,

00:45:46 --> 00:45:50: potentially forgiveable loans for small business and nonprofits with 500

00:45:50 --> 00:45:52: or fewer employees.

00:45:52 --> 00:45:56: Now, Interestingly, franchisees in food service in the hotel room,

00:45:56 --> 00:46:00: what they call the accommodation industry with 500 or fewer

00:46:00 --> 00:46:02: employees at a physical location,  
00:46:02 --> 00:46:06: are also eligible. So say you're a hotel owner who  
00:46:06 --> 00:46:06: owns,  
00:46:06 --> 00:46:09: you know 10 hotels. As long as you have less  
00:46:09 --> 00:46:11: than 500 people at each property.  
00:46:11 --> 00:46:15: Our understanding is you will be eligible for these loans.  
00:46:15 --> 00:46:19: There's also an emergency grant of \$10,000 that you can  
00:46:19 --> 00:46:23: that small business can get within three days of the  
00:46:23 --> 00:46:25: SBA verifying eligibility.  
00:46:25 --> 00:46:29: Now, the maximum loan is \$10,000,000 or about 2 1/2  
00:46:29 --> 00:46:31: time average monthly payroll.  
00:46:31 --> 00:46:35: The approved uses for this money are payroll rent and  
00:46:35 --> 00:46:36: utilities.  
00:46:36 --> 00:46:39: After 8 weeks, some or all of the loan can  
00:46:39 --> 00:46:44: be forgiven if alone went for payroll for rent utilities.  
00:46:44 --> 00:46:48: And the borrower maintains employment level whatever their  
employment levels  
00:46:48 --> 00:46:49: were,  
00:46:49 --> 00:46:51: as of March 24th, and they retain at least 90%  
00:46:51 --> 00:46:54: of their employees as of that date.  
00:46:54 --> 00:46:57: To the extent that the bar or takes alone,  
00:46:57 --> 00:46:59: and they do reduce reduce payroll,  
00:46:59 --> 00:47:03: the amount of any loan forgiveness will be proportionately  
reduced.  
00:47:03 --> 00:47:06: Now, any business that cut payroll prior to March 24th,  
00:47:06 --> 00:47:09: they can still get loan forgiveness that they restore payroll  
00:47:09 --> 00:47:11: levels prior to getting the loan.  
00:47:11 --> 00:47:14: Also, in terms of unemployment insurance,  
00:47:14 --> 00:47:16: in addition to the state level,  
00:47:16 --> 00:47:19: there's something called pandemic unemployment  
assistance.  
00:47:19 --> 00:47:22: Not only this spring in what they call the gig  
00:47:22 --> 00:47:22: workers,  
00:47:22 --> 00:47:25: you know the people who drive for Uber who have  
00:47:25 --> 00:47:27: nontraditional non W2 jobs.  
00:47:27 --> 00:47:30: But unemployment insurance increases by up to \$600 a  
week  
00:47:30 --> 00:47:31: for 39 weeks now.  
00:47:31 --> 00:47:36: There's also something the Small Business Administration  
has what they  
00:47:36 --> 00:47:40: call the the SBA disaster assistance loans are small  
businesses.  
00:47:40 --> 00:47:43: Now these are not forgivable these are loans,

00:47:43 --> 00:47:46: so the SBA is going to be working with states  
00:47:46 --> 00:47:48: provide targeted small business loans.  
00:47:48 --> 00:47:50: They can be up to \$2,000,000.  
00:47:50 --> 00:47:52: They can be used for payroll,  
00:47:52 --> 00:47:55: fixed expenses, accounts payable and other bills.  
00:47:55 --> 00:47:58: Basically running your business. They do come at a rate  
00:47:58 --> 00:48:00: for small business at 3.75%.  
00:48:00 --> 00:48:02: And two .75% for nonprofits.  
00:48:02 --> 00:48:05: Jonathan, let me ask a quick question on that can  
00:48:06 --> 00:48:09: can can you apply for both of those loans and  
00:48:09 --> 00:48:11: then pick which one you want to take?  
00:48:11 --> 00:48:15: Or both of them? That's an interesting question.  
00:48:15 --> 00:48:17: I'm truthfully not 100% sure,  
00:48:17 --> 00:48:19: because the way we read the CARES act,  
00:48:19 --> 00:48:22: it said if no other financing is available.  
00:48:22 --> 00:48:25: So what I don't know if that means if if  
00:48:25 --> 00:48:28: if you as a business is why you know I  
00:48:28 --> 00:48:28: would.  
00:48:28 --> 00:48:33: I would urge everybody to consult their attorney.  
00:48:33 --> 00:48:36: Does that mean there's available means it's out there,  
00:48:36 --> 00:48:37: but you chose not to get it?  
00:48:37 --> 00:48:40: Or you just said I'm going this route as opposed  
00:48:40 --> 00:48:40: to that route.  
00:48:40 --> 00:48:42: So that's the way the wording is.  
00:48:42 --> 00:48:44: But you know, like anything else,  
00:48:44 --> 00:48:48: it's open to interpretation. That's my best answer on that  
00:48:48 --> 00:48:49: question.  
00:48:49 --> 00:48:52: In terms of the transaction market,  
00:48:52 --> 00:48:56: not surprisingly, price discovery is getting pretty challenging  
00:48:56 --> 00:48:57: for a  
00:48:56 --> 00:48:57: few reasons,  
00:48:57 --> 00:48:59: so any any deal that was,  
00:48:59 --> 00:49:02: you know, within the two yard line is highly likely  
00:49:02 --> 00:49:03: to get done.  
00:49:03 --> 00:49:07: One of the big issues the transaction market is facing  
00:49:07 --> 00:49:11: the side from financing is that an especially in property  
00:49:11 --> 00:49:14: transactions you have to physically access documents,  
00:49:14 --> 00:49:17: and I think I read something like a third of  
00:49:18 --> 00:49:19: government government.  
00:49:19 --> 00:49:23: Document offices are closed, so that's going to make it  
00:49:23 --> 00:49:24: very,  
00:49:24 --> 00:49:27: very challenging to get to get documents in terms of



00:49:27 --> 00:49:28: appraisals.

00:49:28 --> 00:49:34: Agencies are allowing what they call drive by appraisals and

00:49:34 --> 00:49:36: you there they are allowing.

00:49:36 --> 00:49:40: They're allowing certain things to be done electronically,

00:49:40 --> 00:49:42: but if you still have to get physical documents,

00:49:42 --> 00:49:45: that's certainly going to be a challenge.

00:49:45 --> 00:49:46: Also, in times of uncertainty,

00:49:46 --> 00:49:49: not surprisingly, it's just going to be much,

00:49:49 --> 00:49:52: much tougher out there now.

00:49:52 --> 00:49:55: One thing that we have seen lobbying for whether this

00:49:55 --> 00:49:59: happens or not is clarifying language in tensor.

00:49:59 --> 00:50:01: In 1031, transactions to extend that 45 day.

00:50:01 --> 00:50:04: I know the the the Real Estate Roundtable,

00:50:04 --> 00:50:07: his lobby for that. I don't know where it stands,

00:50:07 --> 00:50:09: but they're trying to get that.

00:50:09 --> 00:50:13: Extended because obviously 45 days in this market is going

00:50:13 --> 00:50:14: to be very,

00:50:14 --> 00:50:18: very challenging. But right now we're seeing and we're

00:50:18 --> 00:50:20: hearing

00:50:18 --> 00:50:20: this from the REITs as well.

00:50:20 --> 00:50:25: Transaction market is certainly. Hold insignificantly as has

00:50:25 --> 00:50:27: and the last thing I want to highlight here is

00:50:28 --> 00:50:29: part of the cares.

00:50:29 --> 00:50:32: Act did have buried in a few positive things for

00:50:32 --> 00:50:36: the real estate industry and I'll just go through them

00:50:36 --> 00:50:37: very quickly.

00:50:37 --> 00:50:41: The tax treatment of qualified improvement property,

00:50:41 --> 00:50:46: which includes qualified leasehold restaurant leasehold

00:50:46 --> 00:50:49: improvements,

00:50:46 --> 00:50:49: was changed to qualify as 15 year property,

00:50:49 --> 00:50:53: not 39 year property. So those assets become eligible for

00:50:53 --> 00:50:53: 100%

00:50:53 --> 00:50:59: bonus depreciation for, for many taxpayers #2 interest

00:50:59 --> 00:51:03: expense limitations

00:50:59 --> 00:51:03: for business had been modified for 2018-2019 and 2020

00:51:03 --> 00:51:07: also,

00:51:03 --> 00:51:07: as well as increasing the amounts allowed is allowed to

00:51:07 --> 00:51:08: be deducted from.

00:51:08 --> 00:51:11: 30% of adjusted taxable income to 50%.

00:51:11 --> 00:51:14: In addition, non corporate taxpayers.

00:51:14 --> 00:51:18: The \$500 limit of business losses has been waived,

00:51:18 --> 00:51:22: so this is going to allow for a carryback of

00:51:22 --> 00:51:24: Nols so 2018 and 2019.

00:51:24 --> 00:51:27: Also, the CARES Act is eliminating the 80%

00:51:27 --> 00:51:32: limitation for the tax year 2018-2019 and 2020 and creates

00:51:32 --> 00:51:35: A5 year carryback for those NO else.

00:51:35 --> 00:51:38: So there are definitely some positives here.

00:51:38 --> 00:51:41: An I would certainly urge.

00:51:41 --> 00:51:43: Anybody who is looking to take advantage of these to

00:51:43 --> 00:51:47: consult with their their accounts and their attorneys take

00:51:47 --> 00:51:48: advantage

00:51:48 --> 00:51:50: of whatever is out there.

00:51:50 --> 00:51:53: Now the cares bills. I think it runs over 900

00:51:53 --> 00:51:55: pages and this certainly is not comprehensive,

00:51:55 --> 00:51:56: but those as it pertains to real estate.

00:51:56 --> 00:51:59: These are some of the highlights,

00:51:59 --> 00:52:00: so I apologize for blowing through a lot in a

00:52:00 --> 00:52:02: short amount of time,

00:52:02 --> 00:52:06: but I want to be respectful of everybody's time now.

00:52:06 --> 00:52:08: I appreciate that that's very valuable information for all this

00:52:08 --> 00:52:09: be aware of and so thank you very much.

00:52:09 --> 00:52:12: We may have some questions.

00:52:12 --> 00:52:16: Circle back we are. We're doing a little bit long

00:52:16 --> 00:52:18: here folks.

00:52:18 --> 00:52:22: We apologize, but we'd like to maybe run 10 or

00:52:22 --> 00:52:25: 15 minutes long so you know,

00:52:25 --> 00:52:26: for Rob Heidenrich, Thorne will ask him to take you

00:52:26 --> 00:52:29: know,

00:52:29 --> 00:52:33: 5 to 7 minutes at the most and give us

00:52:33 --> 00:52:37: an update.

00:52:37 --> 00:52:41: Rob will start with you and maybe a couple of

00:52:41 --> 00:52:43: things that haven't been touched on already from Jonathan,

00:52:43 --> 00:52:45: you know, locally here we're seeing in some noise about

00:52:45 --> 00:52:49: student housing and students that were asked to go home

00:52:49 --> 00:52:52: and asking for their rent.

00:52:52 --> 00:52:55: To be refunded, you know,

00:52:55 --> 00:52:56: can you talk about maybe some legal issues around that

00:52:56 --> 00:53:00: and and maybe some force majeure fuse?

00:53:00 --> 00:53:01: And again, if you could take 5 to 7 minutes

00:53:01 --> 00:53:05: or so would be great.

00:53:05 --> 00:53:08: I'll be brief. Jonathan covered a lot of what I

00:53:08 --> 00:53:11: would cover.

00:53:11 --> 00:53:14: We've looked extensively at forced measure in the country,

00:53:14 --> 00:53:17: my clients or national more so than local.

00:53:08 --> 00:53:12: We've looked at multi family office and retail primarily.

00:53:12 --> 00:53:14: I tell my clients tenants.

00:53:14 --> 00:53:17: The landlords have all the law on their side and

00:53:17 --> 00:53:19: the tenants have all the power,

00:53:19 --> 00:53:22: and so they've got to use a little practicality on

00:53:22 --> 00:53:22: the law.

00:53:22 --> 00:53:26: The Force measure clauses. They do not reach tenants and

00:53:26 --> 00:53:27: stream situations.

00:53:27 --> 00:53:30: I'd be surprised if anyone showed me one place for

00:53:30 --> 00:53:31: the most part,

00:53:31 --> 00:53:35: tenants don't even have force majeure clauses in their favor.

00:53:35 --> 00:53:37: If they do, they don't reach rent.

00:53:37 --> 00:53:38: Rent owed no matter what,

00:53:38 --> 00:53:39: and.

00:53:41 --> 00:53:44: But but the practical side is that is that the

00:53:44 --> 00:53:48: governments are disallowing evictions in multifamily an in

00:53:48 --> 00:53:49: some commercial

00:53:48 --> 00:53:49: cases,

00:53:49 --> 00:53:52: even if they didn't, the courts are closed and probably

00:53:52 --> 00:53:53: will be for awhile,

00:53:53 --> 00:53:55: and it'll be difficult to evict.

00:53:55 --> 00:53:57: If you wanted to. And really,

00:53:57 --> 00:53:59: what I'm seeing from my landlord clients,

00:53:59 --> 00:54:01: they don't want to anyway.

00:54:01 --> 00:54:04: Everyone's in this together, but from a legal standpoint,

00:54:04 --> 00:54:06: force measure really doesn't come up.

00:54:06 --> 00:54:11: It mostly comes up. It's mostly useful in the construction

00:54:11 --> 00:54:12: industry.

00:54:12 --> 00:54:15: Ironically, two things are ironic about that one.

00:54:15 --> 00:54:20: The clauses still aren't usually going to reach this pandemic

00:54:20 --> 00:54:23: until there's government action.

00:54:23 --> 00:54:26: The that's the one situation where the pandemic leads to

00:54:26 --> 00:54:27: government orders.

00:54:27 --> 00:54:30: When government orders come into effect,

00:54:30 --> 00:54:32: then you have clauses kicking in.

00:54:32 --> 00:54:34: But the irony of all that is that the one

00:54:34 --> 00:54:38: industry that could most use this at most applies to

00:54:38 --> 00:54:39: his construction.

00:54:39 --> 00:54:42: In my experience, is still going full full bore ahead

00:54:42 --> 00:54:43: on my construction.

00:54:43 --> 00:54:47: Clients are still building so.

00:54:47 --> 00:54:49: You're just going to block with force measure.

00:54:49 --> 00:54:52: The tenants are not write these housing tenants.  
 00:54:52 --> 00:54:55: I went to BYU's law school and the the people  
 00:54:55 --> 00:54:56: that are quoting in the paper.  
 00:54:56 --> 00:54:58: They're not right about that.  
 00:54:58 --> 00:55:01: That clause wasn't intended for how they're using it,  
 00:55:01 --> 00:55:03: and they're getting a lot of noise on it,  
 00:55:03 --> 00:55:06: but the fact is, there really is not illegal right  
 00:55:06 --> 00:55:09: for tenants not to be paying their rent,  
 00:55:09 --> 00:55:12: but there's a whole bunch of practical ones which we're  
 00:55:12 --> 00:55:14: seeing with the laws that are being passed.  
 00:55:14 --> 00:55:18: the New York laws. Interesting that Jonathan referred to.  
 00:55:18 --> 00:55:20: Not only does it would it?  
 00:55:20 --> 00:55:22: Relieve tenants from taking for making payments,  
 00:55:22 --> 00:55:26: but it would relieve those landlords from making mortgage  
 payments,  
 00:55:26 --> 00:55:29: which isn't helpful to some of my clients who don't  
 00:55:29 --> 00:55:30: have mortgages,  
 00:55:30 --> 00:55:33: and so it's gonna be interesting to see how that  
 00:55:33 --> 00:55:34: plays out.  
 00:55:34 --> 00:55:37: We know in the end it'll everyone will turn.  
 00:55:37 --> 00:55:40: The lenders will then turn to the government because it's  
 00:55:40 --> 00:55:42: really not fair that they eat it.  
 00:55:42 --> 00:55:44: Risk legally is to be born by tenants,  
 00:55:44 --> 00:55:47: but there's a group that isn't going to bear it  
 00:55:47 --> 00:55:50: and have a lot of power 'cause they just don't  
 00:55:50 --> 00:55:50: pay.  
 00:55:50 --> 00:55:54: There's noise about. Not having a negative credit reporting  
 be  
 00:55:54 --> 00:55:57: allowed for these few months next few months,  
 00:55:57 --> 00:56:00: which would you know the incentive for people to just  
 00:56:00 --> 00:56:01: not in multifamily,  
 00:56:01 --> 00:56:05: especially not to pay their their random then just walk  
 00:56:05 --> 00:56:08: away is going to be a pretty pervasive because of  
 00:56:08 --> 00:56:11: the non reported non reporting happens as well as the  
 00:56:11 --> 00:56:13: non enforcement of. Of debt.  
 00:56:13 --> 00:56:16: So there's there's. There's a lot going on there.  
 00:56:16 --> 00:56:19: In the end I keep telling my commercial clients,  
 00:56:19 --> 00:56:22: which are mostly landlords, just need to be generous and  
 00:56:22 --> 00:56:24: jump in and help the the tenants because in the  
 00:56:24 --> 00:56:25: end they want him back,  
 00:56:25 --> 00:56:28: right? This is going to be over here in awhile  
 00:56:28 --> 00:56:31: and they're going to want those same tenants back and  
 00:56:31 --> 00:56:34: and that's what I see is mostly cooperative relationship and

00:56:34 --> 00:56:37: and getting through the next few months and then striking  
00:56:37 --> 00:56:39: deals that are fair for everyone.  
00:56:39 --> 00:56:41: Everyone needs to take a little bit of a loss.  
00:56:41 --> 00:56:45: The business interruption insurance I looked at yesterday.  
00:56:45 --> 00:56:48: Jonathan spoke to this highly unlikely it's going to be.  
00:56:48 --> 00:56:50: We have it on my clients.  
00:56:50 --> 00:56:52: Have it on their commercial properties,  
00:56:52 --> 00:56:54: but. It really has to do with his.  
00:56:54 --> 00:56:58: Jonathan mentioned contaminated buildings getting people  
staying home with a  
00:56:58 --> 00:57:00: building that's still functional.  
00:57:00 --> 00:57:02: If you were there to use it probably probably the  
00:57:02 --> 00:57:04: insurance doesn't kick in,  
00:57:04 --> 00:57:08: but that's one where there will be plenty of lawyers.  
00:57:08 --> 00:57:11: I'm a business attorney, but there will be plenty of  
00:57:11 --> 00:57:14: the litigation attorneys that will be arguing the other side  
00:57:14 --> 00:57:15: of that,  
00:57:15 --> 00:57:16: with probably some some success.  
00:57:16 --> 00:57:20: So that's what why people buying business interruption  
insurance.  
00:57:20 --> 00:57:23: And it's always troubling when the insurance companies don't  
want  
00:57:23 --> 00:57:24: to,  
00:57:24 --> 00:57:26: you know, be a little bit more liberal,  
00:57:26 --> 00:57:28: but they won't be, so we'll end up with litigation  
00:57:28 --> 00:57:29: over that,  
00:57:29 --> 00:57:31: probably.  
00:57:31 --> 00:57:34: I I can stop there and you can ask any  
00:57:34 --> 00:57:37: other questions or other things you want to.  
00:57:37 --> 00:57:40: I guess the one thing I would say is it  
00:57:40 --> 00:57:41: changes every day so.  
00:57:41 --> 00:57:45: Impatient, well I appreciate your comments about you know  
the  
00:57:45 --> 00:57:47: fact that that you know,  
00:57:47 --> 00:57:49: be generous and that we want these tenants back.  
00:57:49 --> 00:57:51: I think you know. Ultimately,  
00:57:51 --> 00:57:54: we're all looking forward to recovery an and you know  
00:57:54 --> 00:57:55: how to.  
00:57:55 --> 00:57:56: How do we best affect that?  
00:57:56 --> 00:57:59: And I think your comments are pressing about,  
00:57:59 --> 00:58:01: you know the fact that.  
00:58:01 --> 00:58:05: Landlords have all. I'm not quite remember how you phrase  
00:58:05 --> 00:58:05: it,

00:58:05 --> 00:58:08: but landlords have all the legal rights,  
 00:58:08 --> 00:58:10: and the tenants have all the power.  
 00:58:10 --> 00:58:13: You know. Hopefully we can get some some relief for  
 00:58:13 --> 00:58:17: landlords in terms of lending standards and and get some  
 00:58:17 --> 00:58:18: help there as well.  
 00:58:18 --> 00:58:20: So thank you very much.  
 00:58:20 --> 00:58:23: Alright rich.  
 00:58:23 --> 00:58:25: If you would just take a few minutes,  
 00:58:25 --> 00:58:28: give us a rundown what's happening in construction and  
 how,  
 00:58:28 --> 00:58:32: how. Current regulations in the state of Utah specifically or  
 00:58:32 --> 00:58:34: affecting construction best practices,  
 00:58:34 --> 00:58:36: that type of thing. Thanks Robert.  
 00:58:36 --> 00:58:39: I'll jump right into it before I begin,  
 00:58:39 --> 00:58:42: though, I want to thank you align for pulling this  
 00:58:42 --> 00:58:43: together.  
 00:58:43 --> 00:58:46: Great job. Appreciate Rachel, you and EB and the team  
 00:58:46 --> 00:58:47: making this happen.  
 00:58:47 --> 00:58:51: Holy cow, great information, and we're grateful to be apart  
 00:58:51 --> 00:58:51: of it.  
 00:58:51 --> 00:58:53: Always on time and on budget,  
 00:58:53 --> 00:58:57: right? So we're going to accelerate this schedule all enhance  
 00:58:57 --> 00:58:59: my delivery a little bit quicker.  
 00:58:59 --> 00:59:01: So if I talk quick.  
 00:59:01 --> 00:59:04: Please forgive me, but thank you for letting us be  
 00:59:04 --> 00:59:04: apart of it.  
 00:59:04 --> 00:59:08: The Associated General Contractors is celebrate our 90th  
 year in  
 00:59:08 --> 00:59:09: business.  
 00:59:09 --> 00:59:12: We include just under 600 members that do the majority  
 00:59:12 --> 00:59:12: by volume.  
 00:59:12 --> 00:59:16: All commercial or non residential construction in the state  
 both  
 00:59:16 --> 00:59:19: on the civil side and the vertical side as well.  
 00:59:19 --> 00:59:22: So thank you for letting us be apart of this.  
 00:59:22 --> 00:59:24: We're we're in challenging times.  
 00:59:24 --> 00:59:25: There's no doubt. I mean,  
 00:59:25 --> 00:59:27: we have never seen anything like this.  
 00:59:27 --> 00:59:29: I'm in my 40th year here at AGC.  
 00:59:29 --> 00:59:32: I can't remember anything even close to what we've been  
 00:59:33 --> 00:59:33: going through.  
 00:59:33 --> 00:59:36: And it seems like it's changed so quickly or just  
 00:59:36 --> 00:59:38: the past few weeks and it is very fluid.

00:59:38 --> 00:59:41: It changes every day. We're blowing up our members in  
00:59:41 --> 00:59:44: boxes with basically how to do different things,  
00:59:44 --> 00:59:48: and I'm grateful that we have the opportunity to provide  
00:59:48 --> 00:59:50: some of that for years well.  
00:59:50 --> 00:59:53: I think the best thing the best message that I  
00:59:53 --> 00:59:56: could leave with this group is construction is here.  
00:59:56 --> 01:00:00: We are still classified as an essential service when you  
01:00:00 --> 01:00:03: look at the promotion that has been done and some  
01:00:03 --> 01:00:07: of the other speakers have talked about construction being in  
01:00:07 --> 01:00:10: full swing. I'd have to agree with that.  
01:00:10 --> 01:00:13: Most of our members are still very busy still looking  
01:00:13 --> 01:00:15: for additional people to hire.  
01:00:15 --> 01:00:19: Now that being said, some of the production has been  
01:00:19 --> 01:00:20: slipping a little bit.  
01:00:20 --> 01:00:22: Because we've tried to embrace,  
01:00:22 --> 01:00:26: not tried, we have embraced things like social spacing,  
01:00:26 --> 01:00:29: making sure that we've amped up all of the safety  
01:00:29 --> 01:00:33: protocols that have been suggested by CDC by the World  
01:00:33 --> 01:00:36: Health Organization by local best practices,  
01:00:36 --> 01:00:39: etc etc etc. So some of those things are taking  
01:00:39 --> 01:00:40: a little bit more time.  
01:00:40 --> 01:00:44: That being said, we're not aware of any projects that  
01:00:44 --> 01:00:47: our members are doing here in the state of Utah  
01:00:47 --> 01:00:48: that have been shuttered.  
01:00:48 --> 01:00:51: That's on a state level or on the.  
01:00:51 --> 01:00:53: On the commercial side as well,  
01:00:53 --> 01:00:56: there may be some we're just not aware of it.  
01:00:56 --> 01:00:58: So what are we doing as an industry?  
01:00:58 --> 01:01:02: We're working hard to make sure that our government  
01:01:02 --> 01:01:05: leaders  
01:01:05 --> 01:01:09: recognize that construction is an essential service,  
01:01:09 --> 01:01:10: and I'm going to reference the most recent iteration of  
01:01:10 --> 01:01:14: that.  
01:01:14 --> 01:01:16: And that's Salt Lake County Mayor Jenny Wilson's  
01:01:16 --> 01:01:19: declaration or  
01:01:19 --> 01:01:21: public Health Order number 2020 Dash 03.  
01:01:21 --> 01:01:24: Let me just read to you from Addendum a,  
01:01:24 --> 01:01:29: 'cause I think that's the same,  
01:01:29 --> 01:01:33: Ian. Boy, this group needs to hear.  
01:01:33 --> 01:01:34: It's essential infrastructure and it says for the purpose of  
this public health order asential infrastructure includes,  
but is not limited to,

01:01:34 --> 01:01:39: public works, construction, residential and commercial construction,

01:01:39 --> 01:01:42: airport operations, water, sewer, gas,

01:01:42 --> 01:01:45: electrical, oil, refining, roads and highways,

01:01:45 --> 01:01:48: public transportation, solid waste collection,

01:01:48 --> 01:01:52: removal, etc etc. You can read that in Mayor Wilsons

01:01:52 --> 01:01:55: in Mayor Wilson's Public health notice.

01:01:55 --> 01:01:57: And then when you drill down on that,

01:01:57 --> 01:02:00: the important part for our industry and for you as

01:02:00 --> 01:02:00: well,

01:02:00 --> 01:02:03: because you know what folks we are partners in the

01:02:03 --> 01:02:06: truest sense you pull these projects together.

01:02:06 --> 01:02:08: You develop him, you chase the money.

01:02:08 --> 01:02:09: You make these things happen.

01:02:09 --> 01:02:12: We're the ones that build them for you.

01:02:12 --> 01:02:14: So we are in the truest sense partners.

01:02:14 --> 01:02:15: And we want you know,

01:02:15 --> 01:02:17: we're grateful for that. We depend on you,

01:02:17 --> 01:02:20: and I believe that you depend on us as well.

01:02:20 --> 01:02:22: So thank you for letting us be part of your

01:02:22 --> 01:02:23: construction team.

01:02:23 --> 01:02:28: You're delivering projects. They are badly needed across the state

01:02:28 --> 01:02:31: of Utah and we will always claim that that's an

01:02:31 --> 01:02:32: essential service.

01:02:32 --> 01:02:36: So back to addenda Megan Meier Wilsons Light item M

01:02:36 --> 01:02:38: critical trades is spelled out.

01:02:38 --> 01:02:41: Let me just read those to you quickly and then

01:02:41 --> 01:02:44: I'll try and close up to leave some Q&A time.

01:02:44 --> 01:02:49: Critical trades is building and construction tradesmen and tradeswomen and

01:02:49 --> 01:02:50: other trades,

01:02:50 --> 01:02:53: including but not limited to plumbers,

01:02:53 --> 01:02:58: electricians, carpenters, laborers. Sheet metal ironworkers masonry pipe trades fabricators

01:02:59 --> 01:02:59: finishers.

01:02:59 --> 01:03:03: Extermination pesticide application, janitorial staff.

01:03:03 --> 01:03:05: I'm skipping around a little bit.

01:03:05 --> 01:03:08: Security staff operating engineers, HVC painting etc etc.

01:03:08 --> 01:03:12: We feel like we're clearly outlined as an essential service

01:03:12 --> 01:03:15: and I think that's probably one of the reasons why

01:03:15 --> 01:03:17: you're seeing construction move forward.

01:03:17 --> 01:03:20: It's really, really important that it does.



01:03:20 --> 01:03:23: We're still a major part of the economic sector and  
 01:03:23 --> 01:03:25: this is not just about the economy,  
 01:03:25 --> 01:03:27: it's about the public. And frankly,  
 01:03:27 --> 01:03:29: our employees health and safety.  
 01:03:29 --> 01:03:31: That's our number one asset people.  
 01:03:31 --> 01:03:34: We've got to make sure that we take care of  
 01:03:34 --> 01:03:37: our people when you look at the things that are  
 01:03:37 --> 01:03:38: being done.  
 01:03:38 --> 01:03:42: These are extraordinary measures that contractors in the  
 construction community  
 01:03:42 --> 01:03:46: are putting into place so we can maintain these operations  
 01:03:46 --> 01:03:48: in a safe and satisfying operation.  
 01:03:48 --> 01:03:50: You see up on the screen thank you.  
 01:03:50 --> 01:03:53: Rachel AGC, Utah's website hop on there.  
 01:03:53 --> 01:03:57: There's tremendous information that is available that will help  
 you  
 01:03:57 --> 01:03:59: navigate through these challenging times.  
 01:03:59 --> 01:04:03: From a construction standpoint, we've got a chronological list  
 of  
 01:04:03 --> 01:04:05: events that are happening more.  
 01:04:05 --> 01:04:09: The salient points that are members are requesting is trying  
 01:04:09 --> 01:04:10: to provide to them.  
 01:04:10 --> 01:04:13: Now couple lists with the Agency of America website who  
 01:04:14 --> 01:04:18: has actually pulled together 8 different webinars dealing with  
 eight  
 01:04:18 --> 01:04:20: specific topics that are also available.  
 01:04:20 --> 01:04:23: We feel like our industry is moving forward in a  
 01:04:23 --> 01:04:24: safe,  
 01:04:24 --> 01:04:27: orderly manner, and we appreciate the opportunity to be with  
 01:04:27 --> 01:04:28: you this day.  
 01:04:28 --> 01:04:30: If you look in closing.  
 01:04:30 --> 01:04:33: At the leadership that we've had here in the state  
 01:04:33 --> 01:04:34: of Utah,  
 01:04:34 --> 01:04:38: with the Governors document, Utah leads together a stay  
 safe,  
 01:04:38 --> 01:04:41: stay home information there great Rd Maps.  
 01:04:41 --> 01:04:43: We just need to please please please,  
 01:04:43 --> 01:04:47: please use good judgment. Do the social spacing.  
 01:04:47 --> 01:04:50: Wash your hands. All those things that we've heard a  
 01:04:50 --> 01:04:51: million times,  
 01:04:51 --> 01:04:53: but you know what they are so important.  
 01:04:53 --> 01:04:56: If we together going to flatten this curve and we  
 01:04:56 --> 01:04:58: need to do it so as we as we wrap

01:04:58 --> 01:04:58: up,

01:04:58 --> 01:05:01: we want, you know that we've been communicating with the

01:05:01 --> 01:05:03: governor and other governmental leaders.

01:05:03 --> 01:05:06: We've created an industry white paper that's made up of

01:05:07 --> 01:05:09: 19 different Utah trade associations,

01:05:09 --> 01:05:12: saying, we applaud what's happening on a governmental level.

01:05:12 --> 01:05:14: We need to stay open for business.

01:05:14 --> 01:05:17: Construction is essential, and we're here to serve so.

01:05:17 --> 01:05:21: With that, hopefully we've left some time for Q&A and

01:05:21 --> 01:05:22: Robert team.

01:05:22 --> 01:05:24: Thank you for letting us be apart of this and

01:05:24 --> 01:05:25: be happy.

01:05:25 --> 01:05:27: Answer Any questions that may come.

01:05:27 --> 01:05:29: Thank you. Thanks for it.

01:05:29 --> 01:05:32: So we're going to take 5 minutes for Q&A.

01:05:32 --> 01:05:34: Will wrap this up at at 10:15 and this this

01:05:34 --> 01:05:36: webinar has been recorded.

01:05:36 --> 01:05:39: Will disseminate that if you have not been able to

01:05:39 --> 01:05:41: participate in the entire thing,

01:05:41 --> 01:05:44: you'll be able to catch up so a follow up

01:05:44 --> 01:05:45: question for you.

01:05:45 --> 01:05:47: Rich. Have you seen any slowdown?

01:05:47 --> 01:05:50: In new starts, what do you see for the next

01:05:50 --> 01:05:52: year in terms of new construction starts?

01:05:52 --> 01:05:55: You know if you would just take a minute to

01:05:55 --> 01:05:58: answer that have not seen any slowdown at this point.

01:05:58 --> 01:06:01: Now again, we're still relatively new into this right?

01:06:01 --> 01:06:05: A month ago we weren't even having this conversation,

01:06:05 --> 01:06:08: but the communications we've had from our members here locally

01:06:08 --> 01:06:11: is that they are still moving ahead.

01:06:11 --> 01:06:12: Full steam ahead now again,

01:06:12 --> 01:06:16: full steam ahead is qualified a bit because because there

01:06:16 --> 01:06:18: are some unknowns at this point.

01:06:18 --> 01:06:20: But we're not aware of any projects that have been

01:06:20 --> 01:06:21: scuttled,

01:06:21 --> 01:06:23: so we're optimistic. I think we need to be that

01:06:23 --> 01:06:24: way.

01:06:24 --> 01:06:27: This could change quickly, but we're not seeing it at

01:06:27 --> 01:06:29: this point from our members.

01:06:29 --> 01:06:33: OK, great Jonathan. Are you still on?

01:06:33 --> 01:06:37: Yes, am I a question about going back to lenders

01:06:37 --> 01:06:41: and asking for some type of an amortizing loan?

01:06:41 --> 01:06:46: Maybe outside of the emergency packages that have been provided

01:06:46 --> 01:06:47: specially?

01:06:47 --> 01:06:51: Maybe with CMB S where there's not as much flexibility

01:06:51 --> 01:06:52: on there?

01:06:52 --> 01:06:56: You know the regulatory environment.

01:06:56 --> 01:06:59: You know, is there any traction they believe?

01:06:59 --> 01:07:02: Well, you know, I think the the bank,

01:07:02 --> 01:07:07: certainly a there are much better capitalized than they were

01:07:07 --> 01:07:10: during the global financial crisis,

01:07:10 --> 01:07:13: and that you know, or our view is,

01:07:13 --> 01:07:17: that the banks have both the capital flexibility an will

01:07:18 --> 01:07:21: get the appropriate nod from the Fed to to work

01:07:21 --> 01:07:22: with,

01:07:22 --> 01:07:26: you know with borrowers so you know whether I mean,

01:07:26 --> 01:07:29: I don't think it will be a holiday like.

01:07:29 --> 01:07:32: Some people are trying to get,

01:07:32 --> 01:07:36: but you know, working on some sort of forbearance program.

01:07:36 --> 01:07:40: We suspect that you'll you'll see because you know it's

01:07:40 --> 01:07:43: like working with the with the landlord,

01:07:43 --> 01:07:47: landlord and tenant. Everybody is in this together and it

01:07:47 --> 01:07:49: is all highly intertwined,

01:07:49 --> 01:07:53: so we're fairly confident that you know the regulators,

01:07:53 --> 01:07:58: the Federal Reserve, and the government are understand what's going

01:07:58 --> 01:07:58: on here,

01:07:58 --> 01:08:01: so we suspect as we talk about.

01:08:01 --> 01:08:05: Stimulus 4 or whatever the terminology for it is.

01:08:05 --> 01:08:08: That will see something along those lines,

01:08:08 --> 01:08:11: either through that program or I mean,

01:08:11 --> 01:08:15: the Federal Reserve is put in already 5 different facilities.

01:08:15 --> 01:08:18: So we suspect that this is something that is high

01:08:18 --> 01:08:20: on on on people's lists.

01:08:20 --> 01:08:20: Yeah, great.

01:08:23 --> 01:08:23: OK.

01:08:25 --> 01:08:28: I don't see any other questions in the chat box.

01:08:28 --> 01:08:32: Rachel, maybe I'll ask you if you've seen any questions

01:08:32 --> 01:08:33: come into you.

01:08:33 --> 01:08:34: No, I haven't seen any,

01:08:34 --> 01:08:37: so I think I think we're going to wrap up.

01:08:37 --> 01:08:39: But thank you everyone for joining us.

01:08:39 --> 01:08:42: Thank you to all the speakers for taking time out  
01:08:42 --> 01:08:43: of your schedule.  
01:08:43 --> 01:08:47: Apologies on the technical difficulties this morning.  
01:08:47 --> 01:08:49: If you were able to get on right at at  
01:08:49 --> 01:08:49: 9:00 AM,  
01:08:49 --> 01:08:53: I'm going to be sending our recording of the video  
01:08:53 --> 01:08:56: and so everyone will have access to watch this so.  
01:08:56 --> 01:08:58: Thank you, thank you everyone,  
01:08:58 --> 01:09:02: very good, thank you will we will we will be  
01:09:02 --> 01:09:03: putting out other.  
01:09:03 --> 01:09:06: You'll I webinars in the future.  
01:09:06 --> 01:09:07: We'd love to have you join.  
01:09:07 --> 01:09:11: Will be seeking to provide information that's relevant and  
timely  
01:09:12 --> 01:09:13: and important to each of you.  
01:09:13 --> 01:09:15: If you have suggestions.

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