

Webinar

How Can the Construction Industry Help Your Deal Close and Remain Operational in the COVID-19 Era?

Date: May 07, 2020

00:00:22 --> 00:00:26: Kelly, I think we lost Christian now I'm still here.

00:00:28 --> 00:00:32: Now he's there. I'm here just watching the the attendees

00:00:32 --> 00:00:33: join us here.

00:00:44 --> 00:00:47: Give it another minute here so I'm still seeing that

00:00:47 --> 00:00:48: attendees number go up.

00:00:48 --> 00:00:51: And then we'll get started.

00:00:51 --> 00:00:51: Skip.

00:01:25 --> 00:01:28: Still have a few people trickling in?

00:01:28 --> 00:01:30: I'll give it to her.

00:01:30 --> 00:01:32: 32 past the hour and then we'll cut loose.

00:01:55 --> 00:01:58: Alright, well we'll go ahead and and get started here.

00:01:58 --> 00:02:01: Good morning everyone. Thank you for joining us.

00:02:01 --> 00:02:06: I'm Christian's pancake and I'm joined today.

00:02:06 --> 00:02:11: By Kelly Cantley and Larry Kramer and will be going

00:02:11 --> 00:02:11: over.

00:02:11 --> 00:02:18: The impact that COVID-19 has had on the construction industry.

00:02:18 --> 00:02:20: I would start with some brief introductions.

00:02:20 --> 00:02:24: Kelly Cantley is senior vice president of Bozzuto Construction,

00:02:24 --> 00:02:29: or she's responsible for prisoners renovation and capital improvements group

00:02:29 --> 00:02:33: as well as operations in new markets including Boston.

00:02:33 --> 00:02:36: In Florida I believe. She is also she also overseas

00:02:36 --> 00:02:40: the business development and marketing teams and is involved in

00:02:40 --> 00:02:43: every aspect of the business from pursuits,

00:02:43 --> 00:02:46: pre construction and execution of new work.

00:02:46 --> 00:02:49: So thank you for joining us Kelly.

00:02:49 --> 00:02:53: Larry Kramer is the Cooc chief operating officer of Harkins
00:02:53 --> 00:02:54: builders,
00:02:54 --> 00:02:58: Larry Scott Wealth of Knowledge is technical expertise,
00:02:58 --> 00:03:02: integrity and ability to work with all team members on
00:03:02 --> 00:03:04: the most complex project.
00:03:04 --> 00:03:07: I've earned him the trust and respect of colleagues and
00:03:07 --> 00:03:08: clients alike.
00:03:08 --> 00:03:11: He is in his process driven and his background in
00:03:11 --> 00:03:12: pre construction,
00:03:12 --> 00:03:17: marketing and business development help him collaborate in
all areas
00:03:17 --> 00:03:19: of the construction process.
00:03:19 --> 00:03:22: So with that. I'll do a quick quick introduction myself
00:03:22 --> 00:03:24: before I turn it over to Christian Spanic and I'm
00:03:24 --> 00:03:28: a senior project director with Bright View Senior Living
development,
00:03:28 --> 00:03:32: managing the design, construction and development of our
apartment buildings
00:03:32 --> 00:03:34: up and down the East Coast.
00:03:34 --> 00:03:36: So with that Kelly Larry,
00:03:36 --> 00:03:40: I'll turn presentation over to you real quick note,
00:03:40 --> 00:03:44: I apologize real quick. Note to our attendees.
00:03:44 --> 00:03:48: You'll note that the chat button may be or should
00:03:48 --> 00:03:52: be disabled at the conclusion of our presentation,
00:03:52 --> 00:03:55: we will open. The conversation off the field.
00:03:55 --> 00:03:59: Some questions from you to our panelists.
00:03:59 --> 00:04:02: Through the Q&A function which is located at the bottom
00:04:02 --> 00:04:03: of your screen,
00:04:03 --> 00:04:07: if you select that you can input your questions there.
00:04:07 --> 00:04:10: You can input them anonymously if you prefer,
00:04:10 --> 00:04:12: and I will do my best to get to each
00:04:12 --> 00:04:16: of your questions with the time allotted at the conclusion
00:04:16 --> 00:04:18: of the presentation.
00:04:18 --> 00:04:19: So that's it for me.
00:04:19 --> 00:04:21: I'm going to mute Kelly Larry.
00:04:21 --> 00:04:23: It's all yours. Thank you.
00:04:23 --> 00:04:26: Thank you Christian. I also wanted to thank Lisa and
00:04:26 --> 00:04:30: her team at you alive Baltimore for organizing the event
00:04:30 --> 00:04:30: for us.
00:04:30 --> 00:04:34: You lie and other organizations MA HC and the National
00:04:34 --> 00:04:38: Framing Council has been very instrumental in creating
forums like
00:04:38 --> 00:04:41: this so that you know Larry and I can share

00:04:41 --> 00:04:44: what we're seeing out in the industry and what best
00:04:44 --> 00:04:48: practices we can essentially arm with during these
challenging times.

00:04:48 --> 00:04:52: But one of the big questions that we keep getting
00:04:52 --> 00:04:55: is how many covid cases have we seen on our
00:04:55 --> 00:04:55: sites.
00:04:55 --> 00:05:00: An app pezzuto we are currently operating 26 projects.
00:05:00 --> 00:05:03: And we have roughly, I think it's at this point
00:05:03 --> 00:05:06: today we just got an updated number of 30,
00:05:06 --> 00:05:10: three reported cases. Five of those are in Bozzuto
employees.

00:05:10 --> 00:05:14: Larry would agree, and some other general contractors are
tracking
00:05:14 --> 00:05:15: similar numbers.

00:05:15 --> 00:05:18: We are looking at which trades in which cities have
00:05:18 --> 00:05:20: been impacted most.
00:05:20 --> 00:05:22: And honestly, we have yet to see a trend.
00:05:22 --> 00:05:26: Short answer is it's affecting pretty much all states in
00:05:26 --> 00:05:28: all traits with that today.
00:05:30 --> 00:05:32: There we go.

00:05:32 --> 00:05:35: We're going to essentially share some of our information that
00:05:35 --> 00:05:36: we've collected,
00:05:36 --> 00:05:39: and we've organized his presentation into three parts.
00:05:39 --> 00:05:41: The first is we're going to give an overview of
00:05:41 --> 00:05:43: what's happening in market.
00:05:43 --> 00:05:46: Secondly, Larry is going to talk you through how we
00:05:46 --> 00:05:50: as contractors can help close the deals and he's really
00:05:50 --> 00:05:52: going to be focused on pricing trends.
00:05:52 --> 00:05:56: How we mitigate sub risk and that pertains to the
00:05:56 --> 00:05:59: bid quality as well as defaults and what materials were
00:05:59 --> 00:06:03: seen that's impacted the most by covid and then the
00:06:03 --> 00:06:04: last segment I'll touch on.

00:06:04 --> 00:06:08: Essentially how we're trying to be more productive in the
00:06:08 --> 00:06:09: field,
00:06:09 --> 00:06:12: giving the current challenges and how to remain safe.
00:06:16 --> 00:06:18: And I do want to note that the current market
00:06:18 --> 00:06:21: update will be focused mainly on this regional area,
00:06:21 --> 00:06:24: not national.
00:06:24 --> 00:06:27: So jumping into what we're hearing from our consultants in
00:06:27 --> 00:06:28: general,
00:06:28 --> 00:06:32: architects feedback are the multifamily projects are
continuing to progress.

00:06:32 --> 00:06:36: There is some delays, especially as it pertains to the

00:06:36 --> 00:06:37: market rate product.

00:06:37 --> 00:06:40: There are also sharing that there is a delay,

00:06:40 --> 00:06:44: if not halt to most office and retail hospitality projects.

00:06:44 --> 00:06:48: The design though with this pause that they are experiencing

00:06:48 --> 00:06:52: are being re evaluated for a lot of new requirements

00:06:52 --> 00:06:53: that might be needed,

00:06:53 --> 00:06:56: such as Wi-Fi, Wi-Fi availability and how do we deal

00:06:57 --> 00:06:59: with this social distancing and separation?

00:06:59 --> 00:07:02: As far as the financial sector goes,

00:07:02 --> 00:07:06: it's important to recognize that what we're experiencing is not

00:07:06 --> 00:07:08: what we went through in 2008.

00:07:08 --> 00:07:10: This is rather not a financial crisis,

00:07:10 --> 00:07:15: but a health crisis, so the markets are responding differently.

00:07:15 --> 00:07:19: Anne. Moving into, we essentially the deals that had

00:07:20 --> 00:07:24: financing

00:07:24 --> 00:07:27: in place or were funded through public financing or tax

00:07:27 --> 00:07:32: credits have progressed and have moved forward.

00:07:32 --> 00:07:33: The biggest impact though that we're feeling is experienced

00:07:33 --> 00:07:38: to

00:07:38 --> 00:07:42: the lending market.

00:07:42 --> 00:07:44: Basically, they're really busy that banks are diverting their

00:07:44 --> 00:07:48: resources

00:07:48 --> 00:07:51: to work on loan modifications and forbearance request as

00:07:51 --> 00:07:54: well

00:07:54 --> 00:07:57: as the SBA paycheck.

00:07:57 --> 00:08:00: Protection loans and also due to the uncertainty of the

00:08:00 --> 00:08:02: market,

00:08:02 --> 00:08:06: we're seeing our equity sources are remaining cautious,

00:08:06 --> 00:08:08: and they're not necessarily rushing to close deals.

00:08:08 --> 00:08:13: Moving into property management, several sources,

00:08:13 --> 00:08:16: including our own property management company,

00:08:16 --> 00:08:21: they are reporting a 3.5 to 5%

00:08:21 --> 00:08:22: drop in rent collection as compared to last year.

00:08:22 --> 00:08:27: And then the retailer's rent,

00:08:27 --> 00:08:31: though, however, has dropped much more significantly at

00:08:31 --> 00:08:35: around 50%.

00:08:35 --> 00:08:37: We do anticipate may to trend slightly behind April given

00:08:37 --> 00:08:42: the change in unemployment and the continued quarantine

00:08:42 --> 00:08:47: conditions that

00:08:47 --> 00:08:52: everyone is experiencing.

00:08:52 --> 00:08:57: Unemployment. Just if you haven't read the Washington Post

00:08:57 --> 00:09:02: recently,

00:09:02 --> 00:09:07: is reporting that it's between 15 and 20%.

00:09:07 --> 00:09:12: An it's dramatically higher, obviously than recent history,

00:08:35 --> 00:08:38: but it still trails. Hopefully we don't get to the
00:08:38 --> 00:08:39: Great Depression era,
00:08:39 --> 00:08:42: but that was roughly 25%.
00:08:42 --> 00:08:46: New design considerations are being researched in our
properties so
00:08:46 --> 00:08:49: that we can look at ways for the social distance
00:08:49 --> 00:08:52: seen to be enforced such as touchless devices on the
00:08:52 --> 00:08:56: doors of common bathrooms, even hands-free trash rooms.
00:08:56 --> 00:09:00: There's ionized air systems being studied and really
reconfiguring some
00:09:00 --> 00:09:03: of the common area space to reflect.
00:09:03 --> 00:09:06: Make sure we're having less capacity.
00:09:06 --> 00:09:08: As far as lease up goes,
00:09:08 --> 00:09:10: we are not maintaining the same pace,
00:09:10 --> 00:09:13: however, we are taking advantage of virtual platforms and in
00:09:13 --> 00:09:16: some cases up in Baltimore are leasing.
00:09:16 --> 00:09:18: Is that pre covid levels so there has been a
00:09:18 --> 00:09:20: lot of success there and then.
00:09:20 --> 00:09:21: As far as rents go,
00:09:21 --> 00:09:26: the speculation is it will stay relatively flat for the
00:09:26 --> 00:09:28: next six months to a year.
00:09:28 --> 00:09:30: So Larry, I'm going to pass it off to you
00:09:30 --> 00:09:33: if you'd like to hit on what's happening with general
00:09:33 --> 00:09:35: contractor and community.
00:09:35 --> 00:09:38: Sure, thank you Kelly. So from the contractor side,
00:09:38 --> 00:09:42: it's been very active. Spring as usual projects are starting
00:09:42 --> 00:09:44: between the Xodo and Harkins.
00:09:44 --> 00:09:47: We have closed 7 projects in the last 30 days.
00:09:47 --> 00:09:49: We are under construction in DC,
00:09:49 --> 00:09:55: Maryland, Pennsylvania, Virginia, Massachusetts, for
Bozzuto in North Carolina for
00:09:55 --> 00:09:55: Harkins.
00:09:55 --> 00:10:01: Exceptions include renovations and occupied buildings which
have stopped for
00:10:01 --> 00:10:02: good reason.
00:10:02 --> 00:10:05: Pennsylvania went back to work May 1st after shutdown of
00:10:05 --> 00:10:07: non life sustaining construction,
00:10:07 --> 00:10:11: but both Bozzuto and Harkins had waivers granted so we
00:10:11 --> 00:10:14: didn't see much of a disruption in Pennsylvania region and
00:10:14 --> 00:10:18: North Carolina reopens most of their businesses tomorrow.
00:10:18 --> 00:10:22: Again, essential construction was not shut down so we didn't
00:10:22 --> 00:10:24: have any impact there as well.
00:10:24 --> 00:10:28: Navigating the different state and local jurisdictions is

challenging,
00:10:28 --> 00:10:31: but for the most part I think our industry is
00:10:31 --> 00:10:34: adapting very well to all the guidelines,
00:10:34 --> 00:10:36: face coverings, the temperature checks,
00:10:36 --> 00:10:39: the alternate staffing. It's all going pretty well,
00:10:39 --> 00:10:42: and I think our Subs in our employees really want
00:10:42 --> 00:10:44: to protect the protection.
00:10:44 --> 00:10:46: So all good on that front.
00:10:46 --> 00:10:49: From the backlog standpoint, is very strong in 2021,
00:10:49 --> 00:10:53: looks good as well. Our gross Billings through the first
00:10:53 --> 00:10:55: quarter are off about 5%.
00:10:55 --> 00:10:57: We didn't have many shut down,
00:10:57 --> 00:10:59: so that's not a real good barometer.
00:10:59 --> 00:11:02: I would say we'll look hard at the second and
00:11:02 --> 00:11:06: third quarters and that'll really be the key to how
00:11:06 --> 00:11:08: our year is going to play out.
00:11:08 --> 00:11:12: Engineering news record also did a survey last month where
00:11:12 --> 00:11:12: 50%
00:11:12 --> 00:11:16: of the respondents had a supply chain interruption and 40%
00:11:16 --> 00:11:21: had planned projects that were delayed or canceled.
00:11:21 --> 00:11:24: We haven't seen the cancellations to that level,
00:11:24 --> 00:11:26: but we are seeing slight delays as we figure out
00:11:27 --> 00:11:28: this new environment.
00:11:28 --> 00:11:32: As Kelly mentioned, Closings on some multifamily deals are
slipping
00:11:32 --> 00:11:35: and we're projecting in this slide of two to four
00:11:35 --> 00:11:37: months stage and affordable.
00:11:37 --> 00:11:40: Multifamily is strong. The tax credit cycle is starting in
00:11:40 --> 00:11:42: many states in Virginia,
00:11:42 --> 00:11:45: Maryland coming soon, Pennsylvania, North Carolina.
00:11:45 --> 00:11:48: So we have a positive outlook for the future.
00:11:54 --> 00:11:57: So let's talk about how we can help your deals
00:11:57 --> 00:12:00: clothes and get them to the closing table on time.
00:12:00 --> 00:12:03: As we all know it starts with pre construction and
00:12:03 --> 00:12:06: we've been working remotely for some time now and it's
00:12:06 --> 00:12:08: been extremely successful.
00:12:08 --> 00:12:11: We have about 20 plus projects between our two firms
00:12:11 --> 00:12:14: that have been completed and over 30 scheduled in the
00:12:14 --> 00:12:15: next two months.
00:12:15 --> 00:12:18: So it's been robust activity and people are very busy
00:12:18 --> 00:12:19: to mix of jobs.
00:12:19 --> 00:12:21: Is what we'll be watching,

00:12:21 --> 00:12:24: but it's too early to predict any trends.
00:12:24 --> 00:12:29: Commercial project activities slowing. And our government opportunities are very
00:12:29 --> 00:12:29: active,
00:12:29 --> 00:12:32: but our teams are becoming experts in virtual meetings and
00:12:32 --> 00:12:34: bidding jobs remotely.
00:12:34 --> 00:12:36: We really don't see any hiccups.
00:12:36 --> 00:12:39: Subcontractor activity is very strong.
00:12:39 --> 00:12:42: The number of bids for receiving is is greater than
00:12:42 --> 00:12:44: it's been in a long time,
00:12:44 --> 00:12:47: but we need to focus on quality versus quantity.
00:12:47 --> 00:12:51: The risk for sub failures in this environment is extremely
00:12:51 --> 00:12:51: high,
00:12:51 --> 00:12:55: so pre qualification is very critical and the questions we
00:12:55 --> 00:12:58: want to ask our Subs or how is their manpower
00:12:58 --> 00:12:58: changed?
00:12:58 --> 00:13:02: What's different about their financials from 12:31 to 3:31 and
00:13:02 --> 00:13:04: what are they projecting for?
00:13:04 --> 00:13:07: 6:30 had they tap their lines of credit?
00:13:07 --> 00:13:11: About their backlog and how are they adapting to their
00:13:11 --> 00:13:13: safety and covid procedures?
00:13:13 --> 00:13:15: As far as cost impacts,
00:13:15 --> 00:13:17: which is what everybody wants to know.
00:13:17 --> 00:13:19: As in past economic downturns,
00:13:19 --> 00:13:24: we have traditionally created more competition and better
sub pricing.
00:13:24 --> 00:13:27: Not sure if it will be different this time,
00:13:27 --> 00:13:29: but there are different factors.
00:13:29 --> 00:13:32: One issue will be reduced productivity with the social
distancing
00:13:32 --> 00:13:35: and Kelly will talk about that a little bit later.
00:13:35 --> 00:13:38: We have also experienced new costs for operating in this
00:13:38 --> 00:13:40: environment with the WASH stations.
00:13:40 --> 00:13:42: That additional cleaning crews and supplies,
00:13:42 --> 00:13:45: temperature screening and personnel involved with that.
00:13:45 --> 00:13:48: So there are a lot of factors that will be
00:13:48 --> 00:13:50: affecting pricing moving forward.
00:13:50 --> 00:13:53: In addition to material shortages and how they will impact
00:13:53 --> 00:13:53: us.
00:13:53 --> 00:13:56: Overall, for the next one to three months,
00:13:56 --> 00:13:58: we don't see much impact to what is in the
00:13:58 --> 00:14:01: queue where it goes after that is unknown.
00:14:04 --> 00:14:07: The next step in our process would be the buyout

00:14:07 --> 00:14:09: in getting jobs to the closing table.

00:14:09 --> 00:14:12: So we want to mitigate subcontractor defaults,

00:14:12 --> 00:14:16: minimized delays, and be proactive so early involvement by our

00:14:16 --> 00:14:20: pre construction and construction teams is a strength of both

00:14:20 --> 00:14:21: our firms.

00:14:21 --> 00:14:25: Developing good construction documents. Getting the right Subs involved with

00:14:26 --> 00:14:28: the best scopes is the best approach for all of

00:14:28 --> 00:14:29: us.

00:14:29 --> 00:14:32: Reducing that risk through sub bonding or sub default insurance

00:14:32 --> 00:14:34: is what both of our companies do,

00:14:34 --> 00:14:38: and I've recently seen some bond language from subcontractors that

00:14:38 --> 00:14:42: basically makes the bond useless in times of a pandemic.

00:14:42 --> 00:14:45: So we've got to be very careful of the new

00:14:45 --> 00:14:48: forms we're seeing in the new contracts we're seeing.

00:14:48 --> 00:14:50: We want to minimize delays,

00:14:50 --> 00:14:53: so our goal would be to buy out early 50%

00:14:53 --> 00:14:57: prior to construction. Developed material and control logs early on

00:14:57 --> 00:15:02: and confirm manpower availability and remembered nonproprietary products.

00:15:02 --> 00:15:05: Give us the most flexibility to avoid these supply chain

00:15:05 --> 00:15:06: disruptions.

00:15:06 --> 00:15:10: An important to get our architects in our interior designers

00:15:10 --> 00:15:12: on board that we can't be wet to anyone,

00:15:12 --> 00:15:15: project or product and we must be able to adapt

00:15:15 --> 00:15:18: quickly and make quick decisions when they arise.

00:15:18 --> 00:15:23: We don't have time to analyze alternate solutions in the

00:15:23 --> 00:15:24: field.

00:15:24 --> 00:15:26: To mitigate that risk, we gotta be proactive.

00:15:26 --> 00:15:29: We started this whole crisis out and we were reacting

00:15:29 --> 00:15:31: to everything on a daily basis.

00:15:31 --> 00:15:33: But we gotta get ahead of game.

00:15:33 --> 00:15:35: Now we gotta start our submittals early.

00:15:35 --> 00:15:39: We gotta continuously analyze our schedules and contingency plans,

00:15:39 --> 00:15:41: and we have to look at our policies or insurance

00:15:41 --> 00:15:45: and contracts language with our subcontractors are owners and our

00:15:45 --> 00:15:47: lenders and get ahead of it.

00:15:47 --> 00:15:50: We got to iron out the requisition process early as
00:15:50 --> 00:15:50: well,
00:15:50 --> 00:15:53: 'cause the flow of money is most important in our
00:15:53 --> 00:15:53: business.
00:15:56 --> 00:15:59: As far as the materials that we are seeing at
00:15:59 --> 00:16:00: risks,
00:16:00 --> 00:16:03: Fortunately with the trade wars and tariffs,
00:16:03 --> 00:16:06: we have been already adapting to the issues with China
00:16:06 --> 00:16:10: and adjusting to that prior to covid materials recently that
00:16:10 --> 00:16:14: we have gotten notice on or seen at risk include
00:16:14 --> 00:16:17: cabinets, flooring, lighting, and plumbing fixtures,
00:16:17 --> 00:16:21: appliances, as well as the potential for a drywall shortage
00:16:21 --> 00:16:24: with plant closures that they're experiencing.
00:16:24 --> 00:16:27: Just like the beef industry.
00:16:27 --> 00:16:31: We also have to watch plant closures that we've been
00:16:31 --> 00:16:34: affected in Mexico and Canada that have impacted us.
00:16:34 --> 00:16:37: Anything that has a long lead should have a contingency
00:16:37 --> 00:16:39: plan and an alternative source.
00:16:39 --> 00:16:44: Vendors like elevators, monopolies like the utility companies
to County
00:16:44 --> 00:16:45: inspections.
00:16:45 --> 00:16:48: When they shut down, there is no opponent alternative,
00:16:48 --> 00:16:51: so we have a big concern there.
00:16:51 --> 00:16:54: We have to be nimble and flexible in our approach.
00:16:54 --> 00:16:57: This time we'll turn it over to Kelly for on
00:16:57 --> 00:16:59: site operations discussion.
00:17:07 --> 00:17:09: Kelly, you're muted.
00:17:11 --> 00:17:14: You know I need something was going to happen,
00:17:14 --> 00:17:16: right, Larry?
00:17:16 --> 00:17:20: Alright, thank you, I said similar to other companies in
00:17:20 --> 00:17:20: March,
00:17:20 --> 00:17:24: we immediately created a task force that was focused on
00:17:24 --> 00:17:28: monitoring covid and really focused on crisis
communications,
00:17:28 --> 00:17:32: 'cause everyone needed to understand what was happening.
00:17:32 --> 00:17:36: Both Harkins and Bozzuto have in-house safety
department's,
00:17:36 --> 00:17:39: and those individuals had worked with this task force to
00:17:39 --> 00:17:43: come up with new operational protocols we have.
00:17:43 --> 00:17:46: We refer to that document as a continuity plan.
00:17:46 --> 00:17:49: I was going to touch on a few of those
00:17:49 --> 00:17:51: highlights from the plan.
00:17:51 --> 00:17:57: Essentially like 3 main elements between technology

separation and prevention
and sanitation.

00:17:57 --> 00:17:59: And I will say that with technology I think everyone
00:17:59 --> 00:18:02: you know call it the zoom fatigue that we're experiencing.
00:18:02 --> 00:18:05: We have found it to be extremely productive and we
00:18:05 --> 00:18:08: were surprised that we could be as productive as we
00:18:08 --> 00:18:11: are in the field to reduce the number of both
00:18:11 --> 00:18:13: our pezzuto and and Harkins is doing this as well.
00:18:13 --> 00:18:16: When possible we have moved to shift work so we're
00:18:16 --> 00:18:19: alternating days at the site.
00:18:19 --> 00:18:21: We've also been able to remotely conduct our meetings,
00:18:21 --> 00:18:24: whether it's with Subs or clients.
00:18:24 --> 00:18:26: A lot of our foreman meetings take place that way
00:18:26 --> 00:18:29: and then jurisdictions are actually leveraging leveraging
00:18:29 --> 00:18:33: technology.
00:18:33 --> 00:18:37: By doing virtual inspections, which Interestingly enough,
00:18:37 --> 00:18:41: we've seen more progress and more productivity related to
this,
00:18:41 --> 00:18:44: for example. We might see 5 to 10 units per
00:18:44 --> 00:18:46: day for an installation or MVP.
00:18:46 --> 00:18:50: Rough in inspection, and now we're getting as many as
00:18:50 --> 00:18:52: 30 to 40 per day.
00:18:52 --> 00:18:53: And then as far as tracking people,
00:18:53 --> 00:18:56: everybody's been here about hearing about contract tracing.
00:18:56 --> 00:18:59: We have several methods for doing that.
00:18:59 --> 00:19:03: And it's very critical, especially when a covid cases
discovered
00:19:03 --> 00:19:06: to know where that individual had worked.
00:19:06 --> 00:19:10: Some contractors are requiring therefore meant to provide a
daily
00:19:10 --> 00:19:10: map.
00:19:10 --> 00:19:13: This shows where they're going to be working.
00:19:13 --> 00:19:16: And then others are using technologies such as wristbands.
00:19:16 --> 00:19:19: There is a company out there that Triax trace time
00:19:20 --> 00:19:20: is an example,
00:19:20 --> 00:19:25: and that allows you to actually see cruise movement.
00:19:25 --> 00:19:28: As far as enforcing social social distancing,
00:19:28 --> 00:19:31: that is by far been our biggest challenge.
00:19:31 --> 00:19:35: We have done certain techniques such as staggering
entrance times
00:19:35 --> 00:19:38: and re sequencing work and that has helped.
00:19:38 --> 00:19:43: We think cross elimination of cross contamination of cruise.
00:19:43 --> 00:19:46: For example, in lieu of providing maybe 10 units for

00:19:46 --> 00:19:47: a drywall crew four,
00:19:47 --> 00:19:50: we might get them. The entire floor could be 20
00:19:50 --> 00:19:51: or 30 units,
00:19:51 --> 00:19:53: so they're able to spread out.
00:19:53 --> 00:19:56: 100% face coverings are now required on all sites and
00:19:56 --> 00:20:00: we've rolled out the temperature testing which that is
required
00:20:00 --> 00:20:03: for anyone to be able to enter on to the
00:20:03 --> 00:20:07: job site. If a worker has a temperature of 100.4
00:20:07 --> 00:20:08: or higher,
00:20:08 --> 00:20:10: they are asked to leave.
00:20:10 --> 00:20:14: We continue to face the challenges with the food trucks
00:20:14 --> 00:20:15: and carpooling and honestly,
00:20:15 --> 00:20:19: like aside from education and just trying to be as.
00:20:19 --> 00:20:22: Communicate if, as possible, to get them to understand the
00:20:22 --> 00:20:26: importance of whether they're wearing face masks or
standing apart
00:20:26 --> 00:20:27: where they're in line,
00:20:27 --> 00:20:30: but otherwise it continues to be one of our biggest
00:20:30 --> 00:20:31: challenges.
00:20:31 --> 00:20:33: As far as our protocols go,
00:20:33 --> 00:20:36: we do have several as far as if someone is
00:20:36 --> 00:20:36: sick,
00:20:36 --> 00:20:39: but in the case of if someone is diagnosed with
00:20:39 --> 00:20:40: covid,
00:20:40 --> 00:20:44: the site or area where they have been working is
00:20:44 --> 00:20:47: shut down for 72 hours in that area is cleaned.
00:20:47 --> 00:20:51: If it's multiple phase projects or buildings within a project,
00:20:51 --> 00:20:53: it's not necessary to shut the entire site down.
00:20:53 --> 00:20:55: Sometimes we can isolate it.
00:20:55 --> 00:20:59: But then discovered patient must quarantine for 14 days and
00:20:59 --> 00:21:02: then after 14 days and 72 hours of no symptoms,
00:21:02 --> 00:21:05: they may return to the site.
00:21:05 --> 00:21:07: And then anyone who's been in contact with that sick
00:21:07 --> 00:21:08: person,
00:21:08 --> 00:21:11: we ask that they quarantine themselves for 14 days as
00:21:11 --> 00:21:11: well.
00:21:11 --> 00:21:14: Sanitation efforts, as we know is very critical.
00:21:14 --> 00:21:17: Hand washing stations have increased at our sites.
00:21:17 --> 00:21:20: We have one for every 40 and then our field
00:21:20 --> 00:21:23: offices and other high traffic areas that just stairwells.
00:21:23 --> 00:21:26: Porta potties are being cleaned at least twice a week,

00:21:26 --> 00:21:27: if not daily.

00:21:30 --> 00:21:34: The last thing I wanted to touch on was productivity.

00:21:34 --> 00:21:38: Given the current challenges, we have an amplified focus on

00:21:38 --> 00:21:41: this to make sure that we are as productive as

00:21:41 --> 00:21:44: possible and keeping the schedule where it needs to be.

00:21:44 --> 00:21:48: We track manpower daily. An aside from that significant drop

00:21:48 --> 00:21:52: that we all remember in middle of March when jurisdiction

00:21:52 --> 00:21:55: starts shutting down and they begin issuing the stay at

00:21:55 --> 00:21:59: home orders, we have seen overall a decrease between 15

00:21:59 --> 00:21:59: and 20%

00:21:59 --> 00:22:01: over the last eight weeks.

00:22:01 --> 00:22:03: Larry share some material impacts,

00:22:03 --> 00:22:05: and so we've also received.

00:22:05 --> 00:22:09: Reports from our production facilities that their manpower is

00:22:09 --> 00:22:09: also

00:22:09 --> 00:22:09: impacted.

00:22:09 --> 00:22:13: This can be because of the jurisdictional shutdowns like the

00:22:13 --> 00:22:16: Cabinet factories up in Pennsylvania or the factories were

00:22:17 --> 00:22:19: closed

00:22:17 --> 00:22:19: because someone was sick and they needed to do a

00:22:19 --> 00:22:21: deep clean.

00:22:21 --> 00:22:24: Many people have asked, though you know what is

00:22:24 --> 00:22:26: happening

00:22:24 --> 00:22:26: with your construction schedule.

00:22:26 --> 00:22:29: Are you delayed? And the short answer is yes.

00:22:29 --> 00:22:32: However, it's still a bit early to really verify the

00:22:32 --> 00:22:35: overall impact because you know as contractors,

00:22:35 --> 00:22:37: our job is to try to find a recovery plan.

00:22:37 --> 00:22:41: Can we re sequence so that we can maintain schedule?

00:22:41 --> 00:22:43: The most important thing we can do,

00:22:43 --> 00:22:45: and really in closing for me before I give it

00:22:45 --> 00:22:46: back to Larry.

00:22:46 --> 00:22:48: As you know we need to keep the job site

00:22:48 --> 00:22:49: safe.

00:22:49 --> 00:22:51: Our Subs want to be working and we if we

00:22:51 --> 00:22:54: run a tight ship as they say and people feel

00:22:54 --> 00:22:56: more safe there going to be more productive.

00:22:56 --> 00:22:59: So that is. All I have for right now,

00:22:59 --> 00:23:01: Larry, so I'll give it back to you.

00:23:01 --> 00:23:02: You're on mute now, so don't you forget.

00:23:05 --> 00:23:07: Thank you for reminding me.

00:23:07 --> 00:23:10: OK will close out with communication and collaboration.

00:23:10 --> 00:23:14: It's something obviously we need to do better with in

00:23:14 --> 00:23:15: any environment.
00:23:15 --> 00:23:18: I'll start with 2744, which is the number of emails
00:23:18 --> 00:23:21: I received in the month of April with the Covid
00:23:21 --> 00:23:22: in the subject line.
00:23:22 --> 00:23:26: So we're all dealing with a tremendous amount of information
00:23:26 --> 00:23:27: coming at us,
00:23:27 --> 00:23:28: and like the zoo, though,
00:23:28 --> 00:23:31: we have a task force that we put together.
00:23:31 --> 00:23:34: We meet daily twice a day for the last month
00:23:34 --> 00:23:34: and a half,
00:23:34 --> 00:23:38: and then hopefully we'll be reducing that moving forward.
00:23:38 --> 00:23:40: But I want to talk about the makeup of that
00:23:41 --> 00:23:41: task force,
00:23:41 --> 00:23:44: 'cause it's really important to have that be diverse.
00:23:44 --> 00:23:47: We learned early on that we can't.
00:23:47 --> 00:23:49: Put all the executives on the task force.
00:23:49 --> 00:23:53: You need to have all departments representative from all
different
00:23:53 --> 00:23:54: stages of your company.
00:23:54 --> 00:23:58: Because you have multiple audiences in every audience
reads these
00:23:58 --> 00:24:00: messages differently and you have to be careful.
00:24:00 --> 00:24:03: You know early on people wanted to post virtual happy
00:24:04 --> 00:24:07: hours and pictures of people sitting at home with their
00:24:07 --> 00:24:09: dog on their lap and at the same time we
00:24:09 --> 00:24:12: had people in the field that were really scared to
00:24:12 --> 00:24:13: be out there in the message.
00:24:13 --> 00:24:17: You know they were receiving was different than what we
00:24:17 --> 00:24:18: wanted to send so.
00:24:18 --> 00:24:22: Very important to keep diversity in mind when you're creating
00:24:22 --> 00:24:23: your task force.
00:24:23 --> 00:24:25: We'd like to go by one leader,
00:24:25 --> 00:24:27: 1 voice with all of our messaging,
00:24:27 --> 00:24:30: and I would just say if you if you don't
00:24:30 --> 00:24:31: have a crisis plan,
00:24:31 --> 00:24:33: you should have them by now.
00:24:33 --> 00:24:36: If not, it's a perfect time to create one as
00:24:36 --> 00:24:38: far as protocols and guidelines.
00:24:38 --> 00:24:42: Obviously it's continuous updating messages dozens of
messages.
00:24:42 --> 00:24:45: I've gone out to our company to our clients are
00:24:45 --> 00:24:46: subcontractors.
00:24:46 --> 00:24:50: We have daily meetings. We have had two town halls.

00:24:50 --> 00:24:52: We've had one subcontractor trade partner,
00:24:52 --> 00:24:54: Town Hall, and I would just like to mention,
00:24:54 --> 00:24:57: please don't forget your design teams.
00:24:57 --> 00:24:59: We've had some early issues where you know,
00:24:59 --> 00:25:02: we thought we were notifying everyone just come come to
00:25:02 --> 00:25:04: find out we missed somebody.
00:25:04 --> 00:25:07: So you gotta think about everyone that you're trying to
00:25:07 --> 00:25:10: disseminate this information out to bottom line is we are
00:25:10 --> 00:25:11: managing fear.
00:25:11 --> 00:25:13: It's it's lies versus livelihood.
00:25:13 --> 00:25:16: That's the decision people are making every day when they
00:25:16 --> 00:25:17: go out onto our job sites.
00:25:17 --> 00:25:19: The picture on the screen,
00:25:19 --> 00:25:22: the Stockdale. Paradox I thought was pretty relevant.
00:25:22 --> 00:25:25: You know we we have to instill confidence in our
00:25:26 --> 00:25:26: teams,
00:25:26 --> 00:25:29: but at the same time be honest about our company's
00:25:29 --> 00:25:34: position in the current reality we're dealing with the
construction
00:25:34 --> 00:25:34: industry.
00:25:34 --> 00:25:38: It's a tough business. It's tough people and we make
00:25:38 --> 00:25:42: tough decisions and its challenges like this that really
separate
00:25:42 --> 00:25:43: the good from the bad.
00:25:43 --> 00:25:46: So obviously collaboration is key.
00:25:46 --> 00:25:51: Very stressful. It calls for patience and understanding and
good
00:25:51 --> 00:25:52: decision making.
00:25:52 --> 00:25:55: Our Subs in our field teams they have been resilient.
00:25:55 --> 00:25:58: There's a lot of talk about the heroes and there
00:25:58 --> 00:26:00: are a lot of heroes coming through this crisis,
00:26:00 --> 00:26:03: but I think our field teams are here as well.
00:26:03 --> 00:26:04: The roles are changing daily,
00:26:04 --> 00:26:06: they adapt and they keep working.
00:26:06 --> 00:26:09: So we have to appreciate the pressure that they're under
00:26:10 --> 00:26:13: from their employers from just the normal job site schedules
00:26:13 --> 00:26:16: and especially from their families as they go out to
00:26:16 --> 00:26:19: work work each day when their their friends and family
00:26:19 --> 00:26:22: and neighbors may be sitting at home working so.
00:26:22 --> 00:26:25: In the end, I'll leave you with let's just push
00:26:25 --> 00:26:26: forward.
00:26:26 --> 00:26:29: Stay positive, look for the opportunities and we'll learn from
00:26:29 --> 00:26:30: our mistakes.

00:26:30 --> 00:26:33: We have faith will prevail through this,
00:26:33 --> 00:26:35: and John will come out on the other side,
00:26:35 --> 00:26:38: a better company. That's all we have.
00:26:38 --> 00:26:40: I think we've turned it back to Christian.
00:26:40 --> 00:26:42: It's time for some Q&A.
00:26:44 --> 00:26:48: Kelly Larry, thank you very much for those insights.
00:26:48 --> 00:26:52: Yeah, so we have 72 participants and I'll start fielding
00:26:52 --> 00:26:55: some questions here through the Q&A.
00:26:55 --> 00:26:58: Again, that's at the bottom of your screen and you
00:26:59 --> 00:27:00: can submit with your name.
00:27:00 --> 00:27:03: Or you can submit anonymously.
00:27:03 --> 00:27:05: So to start off.
00:27:05 --> 00:27:08: Obviously for the past couple of years,
00:27:08 --> 00:27:11: we've seen and experienced price increases,
00:27:11 --> 00:27:15: partly as a result of a tight labor market and
00:27:15 --> 00:27:20: with the obvious and perhaps sustained impact that Covid
will
00:27:20 --> 00:27:24: have and continue to have on other industries,
00:27:24 --> 00:27:28: say retail and hospitality. You anticipate labor to trickle over
00:27:29 --> 00:27:31: from these other construction assets,
00:27:31 --> 00:27:34: and how might that impact pricing?
00:27:34 --> 00:27:37: I guess we can start with Larry's as.
00:27:37 --> 00:27:39: As you start looking and you mentioned precon,
00:27:39 --> 00:27:42: why don't we start there for what you're seeing and
00:27:42 --> 00:27:43: what you might forecast?
00:27:43 --> 00:27:46: Short Christian yeah, any help we can get in our
00:27:46 --> 00:27:49: industry we've been struggling for years with with labor and
00:27:49 --> 00:27:52: that's probably one of our biggest issues.
00:27:52 --> 00:27:55: So any help we can get from our own industry
00:27:55 --> 00:27:58: from sectors that are down or or other industries where
00:27:58 --> 00:28:01: the unemployment level so high would be a benefit to
00:28:01 --> 00:28:03: us and will help with pricing.
00:28:03 --> 00:28:05: The question will be how we deal with that,
00:28:05 --> 00:28:08: that labor training them getting them up to speed and
00:28:09 --> 00:28:11: then working with them and on our job sites and
00:28:11 --> 00:28:12: social distancing.
00:28:12 --> 00:28:14: But yes it will be a benefit.
00:28:17 --> 00:28:21: Related to that, we were talking more specifically about labor
00:28:21 --> 00:28:23: as I asked that question,
00:28:23 --> 00:28:26: what are you seeing in terms of materials,
00:28:26 --> 00:28:31: material costs there is coming from China or other overseas
00:28:31 --> 00:28:32: locations?

00:28:32 --> 00:28:34: Sure, I'll take that one as well.
00:28:34 --> 00:28:36: Anything overseas is a concern for us,
00:28:36 --> 00:28:39: whether it's coming through customs,
00:28:39 --> 00:28:43: getting cleared, and dealing with the China products that
we've
00:28:43 --> 00:28:46: been dealing with for the last year.
00:28:46 --> 00:28:48: So we've had a head start on that,
00:28:48 --> 00:28:53: and many of our manufacturers have changed manufacturing
locations,
00:28:53 --> 00:28:55: but where we can, we love to buy locali,
00:28:55 --> 00:29:00: especially locally produced products, but we are seeing
impacts at
00:29:00 --> 00:29:02: any materials coming out of Asia.
00:29:02 --> 00:29:03: In the Middle East.
00:29:06 --> 00:29:09: So so to repeat back to in both labor and
00:29:09 --> 00:29:14: in materials you're anticipating seeing pricing increase or
decreases sooner
00:29:14 --> 00:29:16: rather than later?
00:29:16 --> 00:29:20: Or are we still kind of finding our way through
00:29:20 --> 00:29:21: the weeds?
00:29:21 --> 00:29:25: Mixed bag I think. I think material I don't.
00:29:25 --> 00:29:28: I don't know about pricing decreases in material.
00:29:28 --> 00:29:32: I think our price savings will come in competition.
00:29:32 --> 00:29:35: An labor that enters our workforce.
00:29:35 --> 00:29:38: That would be a big benefit for us.
00:29:38 --> 00:29:42: Grace Kelly have a question here for you regarding delay,
00:29:42 --> 00:29:44: delay to project and delay claims.
00:29:44 --> 00:29:49: Are you experiencing any others on your projects?
00:29:49 --> 00:29:50: Well, the short answer is yes,
00:29:50 --> 00:29:54: definitely experiencing delays as far as official like change
orders
00:29:55 --> 00:29:55: or you know,
00:29:55 --> 00:29:58: kind of like the official claim process.
00:29:58 --> 00:30:01: I think it's still early before we've been able to
00:30:01 --> 00:30:03: package that up to submit it to an owner.
00:30:03 --> 00:30:06: Our subcontractors are notifying us when they're impacted.
00:30:06 --> 00:30:10: Whether it's Koster time and we're tracking that as well,
00:30:10 --> 00:30:12: and we have notified our owners are clients,
00:30:12 --> 00:30:15: but you were trying to like we're all in this
00:30:15 --> 00:30:18: together kind of concept where we really want to get
00:30:18 --> 00:30:20: this cross finish line.
00:30:20 --> 00:30:23: Healthy and on time, so I think it's still a
00:30:23 --> 00:30:26: little early to tell on what the true final impact

00:30:26 --> 00:30:27: will be.

00:30:29 --> 00:30:32: Um? Related, I guess too.

00:30:32 --> 00:30:34: That would you kind of need to know when projects

00:30:34 --> 00:30:35: are starting,

00:30:35 --> 00:30:38: or at least the window in time in order to

00:30:38 --> 00:30:39: staff them appropriately.

00:30:39 --> 00:30:44: D anticipate Kelly any changes in Bozzuto's staffing philosophy when

00:30:44 --> 00:30:48: you start putting your construction teams together.

00:30:48 --> 00:30:51: We have absolutely revisited it just based on 'cause we've

00:30:51 --> 00:30:54: been doing shift work and then when one of our

00:30:54 --> 00:30:56: guys is sick or gals is sick and they are

00:30:56 --> 00:30:59: unable to really post, then we're having to pull people

00:30:59 --> 00:31:00: from other sites.

00:31:00 --> 00:31:03: And so it's been a little bit of a everyone's

00:31:03 --> 00:31:06: super flexible just to make sure that we're covered.

00:31:06 --> 00:31:09: But moving forward, we haven't made any like now we

00:31:09 --> 00:31:10: need 6 people versus 5.

00:31:10 --> 00:31:12: We haven't made official changes yet,

00:31:12 --> 00:31:15: but it is something we're studying and up in Pennsylvania.

00:31:15 --> 00:31:18: They have a requirement for a pandemic officer.

00:31:18 --> 00:31:21: There's a person that is focused strictly on that,

00:31:21 --> 00:31:23: and so far we're able to handle that with the

00:31:23 --> 00:31:25: given teams that we are utilizing,

00:31:25 --> 00:31:29: but there might be a need that we're adding and

00:31:29 --> 00:31:30: supplementing.

00:31:30 --> 00:31:34: And Larry compared with that same question over you,

00:31:34 --> 00:31:39: yeah, it's interesting that people are adapting to performing different

00:31:39 --> 00:31:39: roles.

00:31:39 --> 00:31:43: We have new positions were creating as as Kelly mentioned

00:31:43 --> 00:31:44: in Pennsylvania,

00:31:44 --> 00:31:48: the pandemic officer. We're looking at temperature screeners.

00:31:48 --> 00:31:52: People on site just cleaning everything from door handles to

00:31:52 --> 00:31:54: entrances to stairwells.

00:31:54 --> 00:31:57: But you know, it's still a trial and error to

00:31:57 --> 00:32:01: find out what works and how we can best support

00:32:01 --> 00:32:05: our subcontractors and keep things moving forward.

00:32:05 --> 00:32:09: Have a question here from Jim G.

00:32:11 --> 00:32:15: Have either of your companies given change orders to

00:32:15 --> 00:32:17: owners based upon covid circumstances,

00:32:17 --> 00:32:21: and if so, please describe what that would have included.
00:32:24 --> 00:32:26: Mr. Start with Kelly if you experience that on some
00:32:26 --> 00:32:29: of your current projects given notification and we opened up
00:32:29 --> 00:32:31: PCOS official change orders haven't,
00:32:31 --> 00:32:34: to the best of my knowledge as of yesterday,
00:32:34 --> 00:32:36: have not gone over to the owner but there are
00:32:36 --> 00:32:38: costs that have been incurred.
00:32:38 --> 00:32:41: So we are definitely. We are tracking those.
00:32:41 --> 00:32:44: Yeah, likewise we. We've given notice on almost all of
00:32:44 --> 00:32:44: our projects.
00:32:44 --> 00:32:46: We don't know what the impact is yet,
00:32:46 --> 00:32:48: but I don't know of any change orders that have
00:32:48 --> 00:32:50: actually gone out the door.
00:32:52 --> 00:32:54: Roger
00:32:54 --> 00:32:59: what are the top three labor trade sectors where you
00:32:59 --> 00:33:03: see the most demand over the next 6 to 12
00:33:03 --> 00:33:03: months?
00:33:06 --> 00:33:09: Larry will go over to you for that one.
00:33:09 --> 00:33:13: Sure. Well, I I don't think it's changed traditionally in
00:33:13 --> 00:33:15: multifamily it's it's drywall,
00:33:15 --> 00:33:19: plumbing, and electrical. Those are three biggest trouble
spots,
00:33:19 --> 00:33:23: and those were also some of the trades that we
00:33:23 --> 00:33:26: see the biggest impact with the Covid virus are,
00:33:26 --> 00:33:29: as Kelly mentioned during the presentation,
00:33:29 --> 00:33:34: it's across the board, but our electricians seem to be
00:33:34 --> 00:33:37: taking it harder than any other trade.
00:33:37 --> 00:33:39: Well, and there's a shortage in general.
00:33:39 --> 00:33:43: Unskilled labor forces, as we all know so.
00:33:43 --> 00:33:46: Fortunately, has not changed right?
00:33:46 --> 00:33:49: And that's and that's the same thing we're experiencing as
00:33:49 --> 00:33:52: we're developing and constructing our our new,
00:33:52 --> 00:33:54: bright view communities as well.
00:33:54 --> 00:33:58: The labor market certainly hasn't opened up with Stella's ties.
00:33:58 --> 00:34:00: It type as it was an workforce.
00:34:00 --> 00:34:03: And if you fall behind schedule as a result of
00:34:03 --> 00:34:04: covid,
00:34:04 --> 00:34:07: it's very challenging, if not near impossible to catch back
00:34:07 --> 00:34:11: up on schedule because you can't over staff a job,
00:34:11 --> 00:34:14: you need to maintain a healthy protocol and.
00:34:14 --> 00:34:18: Healthy, safe distance. In order to get your work done.
00:34:18 --> 00:34:20: Um?

00:34:20 --> 00:34:22: Going back to some of the industries and what you
00:34:22 --> 00:34:25: see looking into your crystal balls,
00:34:25 --> 00:34:28: if you will. You guys had mentioned that government and
00:34:28 --> 00:34:31: multifamily projects are continuing to move forward.
00:34:31 --> 00:34:33: Office projects might be lagging behind a bit.
00:34:33 --> 00:34:36: Which industries do?
00:34:36 --> 00:34:39: Foresee progressing this year in which ones?
00:34:39 --> 00:34:41: Maybe not.
00:34:41 --> 00:34:44: I think that the ones that we would had stated,
00:34:44 --> 00:34:48: whether retelling it feels like hotel hospitality,
00:34:48 --> 00:34:51: is really hit hard. That's just that's preliminary.
00:34:51 --> 00:34:54: Again, this is 8 weeks in the making and a
00:34:54 --> 00:34:57: lot can happen in change in the next 60 to
00:34:57 --> 00:34:57: 90 days.
00:34:57 --> 00:34:59: That will turn that back around.
00:34:59 --> 00:35:03: Hopefully the Larry. I know you've got a commercial division
00:35:04 --> 00:35:07: so that you probably can speak a little bit more.
00:35:07 --> 00:35:10: Yeah, in that world, interesting 'cause I could see.
00:35:10 --> 00:35:13: Pros and cons? You know the tenant world right now
00:35:13 --> 00:35:15: is is kind of on hold,
00:35:15 --> 00:35:18: but there could be a huge opportunity to reconfiguring
spaces.
00:35:18 --> 00:35:21: We over the last 10 years everybody's been going to
00:35:21 --> 00:35:24: open environments and now with the flip of a switch
00:35:24 --> 00:35:27: got to go back to closed offices separation no no
00:35:27 --> 00:35:31: community kitchens changing the whole world that we've just
adapted
00:35:31 --> 00:35:34: to so there there could be a lot of tenant
00:35:34 --> 00:35:35: work coming down the road,
00:35:35 --> 00:35:38: but right now it's on hold as far as base
00:35:38 --> 00:35:41: buildings and coming out of the ground.
00:35:41 --> 00:35:43: I think a lot of people that got to be
00:35:43 --> 00:35:47: rethinking that because of people are being successful
working from
00:35:47 --> 00:35:49: home so that that's a big concern.
00:35:49 --> 00:35:53: But then I would say that there's huge opportunities in
00:35:53 --> 00:35:54: the healthcare sector.
00:35:54 --> 00:35:57: Are nursing homes are a big challenge.
00:35:57 --> 00:35:59: That this country's gotta figure out.
00:35:59 --> 00:36:02: I think it last that I heard was one out
00:36:02 --> 00:36:06: of four Buck obit desk came out of nursing homes.
00:36:06 --> 00:36:09: Gotta believe some of the national providers have got to
00:36:09 --> 00:36:13: refigure and reconfigure those spaces and figure out a better

00:36:13 --> 00:36:14: way to do that.

00:36:14 --> 00:36:17: Christian, that's probably. I mean in your wheelhouse.

00:36:17 --> 00:36:22: Curious out, you guys are responding to any new designs

00:36:22 --> 00:36:25: even or even your existing properties.

00:36:25 --> 00:36:30: Yeah, I think we're we're certainly are open communities.

00:36:30 --> 00:36:32: We we have instituted, you know.

00:36:32 --> 00:36:37: Pretty Richard quarantine situation to protect our residents,

00:36:37 --> 00:36:42: protect associates. And when we go to open backup will

00:36:42 --> 00:36:43: be working.

00:36:43 --> 00:36:46: Direct, you know, I think on the development side and

00:36:46 --> 00:36:50: the capital improvement side will need to have honest and

00:36:50 --> 00:36:55: clear calm conversations with residents with associates with

00:36:55 --> 00:36:58: resident families

00:36:58 --> 00:37:01: to understand what what they feel is safe.

00:37:01 --> 00:37:06: What makes sense and how adapting and evolving protocols

00:37:06 --> 00:37:08: for

00:37:08 --> 00:37:11: operating our communities will impact design of existing

00:37:11 --> 00:37:12: communities as

00:37:12 --> 00:37:14: well as those on plan tables.

00:37:14 --> 00:37:18: So I think it's a little too early to set

00:37:18 --> 00:37:20: anything in stone,

00:37:20 --> 00:37:23: but I do anticipate. Some change will come,

00:37:23 --> 00:37:24: and certainly. Um Larry, this ones come back to you

00:37:24 --> 00:37:28: from up at Limburg.

00:37:28 --> 00:37:32: Larry talked on the increasing need to vet Subs as

00:37:32 --> 00:37:35: bids come in.

00:37:35 --> 00:37:40: However, a reduction in qualified Subs might make for a

00:37:40 --> 00:37:43: less competitive environment and more expensive bids.

00:37:43 --> 00:37:45: Do you anticipate this might be the case,

00:37:45 --> 00:37:49: or? Do you think a potential reduction in available contracts

00:37:49 --> 00:37:51: might keep work affordable?

00:37:51 --> 00:37:54: Thank you, that's the first part of.

00:37:54 --> 00:37:55: It is always the challenge that the qualification process.

00:37:55 --> 00:37:58: You can get 5 seven drywall bids.

00:37:58 --> 00:37:59: But if four or five AM can't get across the

00:37:59 --> 00:38:02: finish line,

00:38:02 --> 00:38:05: then it's really not a qualified bid on.

00:38:05 --> 00:38:09: You don't want to use it,

00:38:09 --> 00:38:13: so it's it's always a struggle with us.

00:38:13 --> 00:38:15: Whether we're in this environment or any environment,

00:38:15 --> 00:38:18: getting those bids and then qualifying him right now,

00:38:18 --> 00:38:21: though, with the financial hit that many companies are taking

00:38:21 --> 00:38:24: in cash flow.

00:38:15 --> 00:38:18: As it flows down through through the owner and general
00:38:18 --> 00:38:19: contractor to the Subs.
00:38:19 --> 00:38:23: It's their biggest issue and that's really our biggest concern
00:38:23 --> 00:38:24: with our Subs.
00:38:24 --> 00:38:26: Can they stay afloat through this?
00:38:26 --> 00:38:28: Can they if job did stall and they had a
00:38:28 --> 00:38:31: crew for that and they're sitting on the bench,
00:38:31 --> 00:38:34: do they? Do they retain them or or do they
00:38:34 --> 00:38:34: lay them off?
00:38:34 --> 00:38:37: So a lot of questions we have during the pre
00:38:37 --> 00:38:40: qual process to make sure that you know we're putting
00:38:40 --> 00:38:44: the right sub 'cause bad number doesn't help anybody at
00:38:44 --> 00:38:45: the end of the day.
00:38:45 --> 00:38:48: In the second part of that,
00:38:48 --> 00:38:52: yes, I think reduced. Number of projects.
00:38:52 --> 00:38:56: Increased labor creates competition as in every economic
downturn.
00:38:56 --> 00:38:58: We've seen better pricing.
00:39:00 --> 00:39:03: Yeah, I guess related to that we have a question
00:39:03 --> 00:39:06: here regarding price increases since the start of the
pandemic.
00:39:06 --> 00:39:09: Have you experienced particular trades that have increased
their pricing?
00:39:12 --> 00:39:15: I personally haven't seen that I I've been amazed at
00:39:15 --> 00:39:17: how cooperative everybody's band.
00:39:17 --> 00:39:21: Just like the earlier question that has anybody you know
00:39:21 --> 00:39:23: given change orders,
00:39:23 --> 00:39:27: you know we have stopped projects for for a period
00:39:27 --> 00:39:30: of days because of outbreaks.
00:39:30 --> 00:39:33: And I can't think of a sub or or trade
00:39:33 --> 00:39:36: that's come back on us and said hey you disrupted
00:39:36 --> 00:39:39: me I'm putting in a delay again they will give
00:39:39 --> 00:39:42: notice but but it's been remarkable.
00:39:42 --> 00:39:46: How adaptable are industries been to working with us
through
00:39:46 --> 00:39:49: these downturns and temporary stoppages?
00:39:49 --> 00:39:51: So far so good. Yeah,
00:39:51 --> 00:39:53: we haven't seen any yet.
00:39:53 --> 00:39:55: I would say I would echo what Larry says.
00:39:55 --> 00:40:00: What's important for people to understand is even as jobs
00:40:00 --> 00:40:01: get pushed out.
00:40:01 --> 00:40:03: The Subs are so overworked right now.
00:40:03 --> 00:40:04: They have so much to bid,

00:40:04 --> 00:40:06: so much to look at that this is a little
00:40:07 --> 00:40:07: bit of a relief.
00:40:07 --> 00:40:10: 'cause of the capacity that they don't have,
00:40:10 --> 00:40:13: but if everything pushes then you're going to have like
00:40:13 --> 00:40:16: let's say everything pushes two to three months and you're
00:40:16 --> 00:40:19: going to have a nightmare this fall with bids with
00:40:19 --> 00:40:21: bid work, so it's.
00:40:21 --> 00:40:24: I wish we knew exactly what was going to happen,
00:40:24 --> 00:40:26: but yes, it could drop off.
00:40:26 --> 00:40:27: But yes, it could go up.
00:40:30 --> 00:40:34: How's that for being so?
00:40:34 --> 00:40:36: Crystal clear, Kelly Crystal clear great.
00:40:36 --> 00:40:38: Got a great question from Bob,
00:40:38 --> 00:40:41: what advice can you give to college students or graduating
00:40:41 --> 00:40:45: or about the graduate that are looking to start their
00:40:45 --> 00:40:45: careers?
00:40:45 --> 00:40:49: Job offers the internships that have been cancelled or
postponed?
00:40:49 --> 00:40:51: What? What are you seeing there,
00:40:51 --> 00:40:52: Kelly?
00:40:52 --> 00:40:56: We actually it is very disappointing from an intern program
00:40:56 --> 00:40:57: perspective.
00:40:57 --> 00:41:00: 'cause we do find that as a wonderful opportunity to
00:41:00 --> 00:41:02: bring in good talent.
00:41:02 --> 00:41:05: And I know Bob very passionate about even starting earlier
00:41:05 --> 00:41:07: from high school students,
00:41:07 --> 00:41:11: middle school students through his base program.
00:41:11 --> 00:41:14: But I would say. We are still having summer jobs
00:41:14 --> 00:41:18: so there legit jobs folks are going to be assigned
00:41:18 --> 00:41:19: to projects.
00:41:19 --> 00:41:22: Just the call it interaction that we typically would go
00:41:22 --> 00:41:25: to a baseball game or have some training Marana room
00:41:25 --> 00:41:27: will be done virtually,
00:41:27 --> 00:41:30: so we have like an abbreviated version as far as
00:41:30 --> 00:41:32: the individuals going through that like.
00:41:32 --> 00:41:35: I mean, there might be so companies that are doing
00:41:35 --> 00:41:36: this,
00:41:36 --> 00:41:39: or if they can perform a function virtually remotely.
00:41:39 --> 00:41:42: I mean, I'm sure there's always the need for estimators
00:41:42 --> 00:41:44: people doing takeoffs.
00:41:44 --> 00:41:48: They can get creative and approach these construction
companies anyways

00:41:48 --> 00:41:48: to say,
00:41:48 --> 00:41:51: hey, I'm willing to still work as an intern I,
00:41:51 --> 00:41:53: I'll do it remotely. Here's what I can offer.
00:41:55 --> 00:41:57: How about over at Harkins Larry?
00:41:57 --> 00:42:00: Yeah, we we have a pretty robust intern program and
00:42:00 --> 00:42:02: actually have two started already.
00:42:02 --> 00:42:05: The restaurant will start at the end of the month.
00:42:05 --> 00:42:08: We have not rescinded any of those offers.
00:42:08 --> 00:42:11: We also have full time that we've recruited through the
00:42:11 --> 00:42:13: college is starting in June.
00:42:13 --> 00:42:16: We have not rescinded any of those offers.
00:42:16 --> 00:42:19: The challenges on boarding them and we were talking about
00:42:19 --> 00:42:21: that before we got on doing it.
00:42:21 --> 00:42:25: Virtually orientations and training. So it's a little more
challenging.
00:42:25 --> 00:42:28: But you know, we we again our industry's been.
00:42:28 --> 00:42:31: Struggling with getting workforce so we see this as an
00:42:31 --> 00:42:35: opportunity to get some great talent and maybe from other
00:42:35 --> 00:42:35: industries.
00:42:35 --> 00:42:38: So that would be my message to the other college
00:42:38 --> 00:42:43: students or people unemployed out there that there's great
opportunities
00:42:43 --> 00:42:44: in the construction world.
00:42:44 --> 00:42:47: You may have to do something that you didn't think
00:42:47 --> 00:42:50: you were trained for or it was not what you
00:42:50 --> 00:42:52: really wanted to do in the long run.
00:42:52 --> 00:42:55: But you might be surprised there's a lot of different
00:42:55 --> 00:42:58: opportunities in our worlds in I think I would just
00:42:58 --> 00:43:00: tell all college students and.
00:43:00 --> 00:43:02: And anyone unemployed to go for it,
00:43:02 --> 00:43:05: get yourself into the workforce and see what we have
00:43:05 --> 00:43:05: to offer.
00:43:05 --> 00:43:09: It doesn't mean you have to be out on the
00:43:09 --> 00:43:10: job site.
00:43:10 --> 00:43:11: That's a great point.
00:43:13 --> 00:43:17: We have another question, jumping back to subcontractors.
00:43:17 --> 00:43:21: Have you changed your contract terms for subcontractors,
00:43:21 --> 00:43:25: or do you envision doing so as we move forward?
00:43:25 --> 00:43:27: Through the coving.
00:43:27 --> 00:43:30: Now. I'll take a stab at it and Larry curious
00:43:31 --> 00:43:32: how you're handling it,
00:43:32 --> 00:43:35: but currently we have not changed our subcontracts.
00:43:35 --> 00:43:38: We do have language. Should it be requested?

00:43:38 --> 00:43:41: The tricky issue with the force majeure clauses,
00:43:41 --> 00:43:44: as we all know, is that accounts for the unknown.
00:43:44 --> 00:43:48: An in this case, now moving forward.
00:43:48 --> 00:43:51: It's now, but we still have not quite been able
00:43:51 --> 00:43:52: to figure out really.
00:43:52 --> 00:43:54: How do you price for it?
00:43:54 --> 00:43:55: How do you plan for it?
00:43:55 --> 00:43:59: Like it's still too new so we're maintaining flexibility and
00:43:59 --> 00:44:03: we are moving forward having certain type of language
crafted
00:44:03 --> 00:44:05: for our owner contracts for sure.
00:44:08 --> 00:44:11: Yeah, likewise we haven't adjusted our subcontract,
00:44:11 --> 00:44:13: but we're seeing it come back on the other side
00:44:14 --> 00:44:17: where the subcontractors want to adjust our contract
because of
00:44:17 --> 00:44:18: the exact issue,
00:44:18 --> 00:44:21: Kelly mentioned that it is known now and and so
00:44:21 --> 00:44:23: how do we deal with that?
00:44:23 --> 00:44:26: But it's it's still working process as far as with
00:44:26 --> 00:44:26: our clients,
00:44:26 --> 00:44:28: yet we have to deal with.
00:44:28 --> 00:44:31: What do we know about the materials and the and
00:44:31 --> 00:44:33: the labor and and how we're going to deal with
00:44:33 --> 00:44:34: it.
00:44:34 --> 00:44:36: Most importantly wins the job starting.
00:44:39 --> 00:44:41: Related to when a job is starting with a question
00:44:41 --> 00:44:44: about again getting back into the market and what you're
00:44:44 --> 00:44:45: seeing out there,
00:44:45 --> 00:44:47: what impact has COVID-19 had on Class A market rate
00:44:47 --> 00:44:48: deals?
00:44:48 --> 00:44:49: Are you seeing pending deals?
00:44:49 --> 00:44:53: Getting pushed back, several months for closing or getting
postponed
00:44:53 --> 00:44:53: indefinitely?
00:44:53 --> 00:44:56: Kelly when we start with you?
00:44:56 --> 00:45:00: We mentioned earlier in the presentation that we are seeing
00:45:00 --> 00:45:01: a lot of them be delayed.
00:45:01 --> 00:45:05: I personally have a couple of projects that have pushed
00:45:05 --> 00:45:06: out and they're now saying 90.
00:45:06 --> 00:45:09: Call it 3 months. I haven't had any cancel yet.
00:45:09 --> 00:45:12: Which is good news, but they believe a lot of
00:45:12 --> 00:45:15: this is driven by what's happening with the banks and

00:45:15 --> 00:45:18: the lending market is really what we're seeing.
00:45:18 --> 00:45:20: But you know, Larry had mentioned what.
00:45:20 --> 00:45:23: How many deals between the two of us that we've
00:45:23 --> 00:45:24: actually closed,
00:45:24 --> 00:45:26: so it's like 7 in the last 30 days,
00:45:26 --> 00:45:28: so those projects are moving forward 'cause.
00:45:28 --> 00:45:32: Financing was ready and they were also publicly financed,
00:45:32 --> 00:45:34: so those deals seem to be still on track.
00:45:34 --> 00:45:36: We have a closing we hope today.
00:45:38 --> 00:45:42: Yeah, I would echo that we we haven't seen cancellations
00:45:42 --> 00:45:46: but but the market rate sector Class A definitely I
00:45:46 --> 00:45:49: think are waiting to see what the rents are doing
00:45:49 --> 00:45:51: and how that you know April.
00:45:51 --> 00:45:55: They were high percentages. What we heard from our clients
00:45:55 --> 00:45:57: and Bozzuto would know May reported earlier.
00:45:57 --> 00:46:00: But you know what's the May what what did May
00:46:00 --> 00:46:02: look like and what's June look like,
00:46:02 --> 00:46:03: but for the most part,
00:46:03 --> 00:46:06: our deals we've seen couple months here and there,
00:46:06 --> 00:46:10: but hopefully they'll start up this summer.
00:46:10 --> 00:46:12: I've got a great question for Bob that kind of
00:46:13 --> 00:46:14: fits right along with this.
00:46:14 --> 00:46:17: Do you see a need for state and or local
00:46:17 --> 00:46:20: governments to develop incentives or tax credits?
00:46:20 --> 00:46:23: To help plug budget gaps to keep these projects moving
00:46:23 --> 00:46:26: as you as you look forward and then Kelly,
00:46:26 --> 00:46:29: you mentioned you were able to get things closed that
00:46:29 --> 00:46:31: were already tied up for closing,
00:46:31 --> 00:46:34: but what about those things that are now pushing out
00:46:34 --> 00:46:35: 90 days?
00:46:35 --> 00:46:38: Those those other projects that would have been coming to
00:46:38 --> 00:46:43: you that are now facing possible underwriting challenges with
00:46:43 --> 00:46:43: lenders.
00:46:43 --> 00:46:45: Can you speak to that?
00:46:45 --> 00:46:48: Gosh, now you're really testing us Bob.
00:46:48 --> 00:46:50: Like with anything world so sure,
00:46:50 --> 00:46:53: that would be ideal to have more of that,
00:46:53 --> 00:46:56: I just think you know buckets are drying up and
00:46:56 --> 00:47:00: I think that we're seeing even heard rumblings recently from
00:47:00 --> 00:47:03: one of my clients that even their submitting for tax
00:47:03 --> 00:47:06: credits and it's a little bit of a struggle.

00:47:06 --> 00:47:09: Or it's been challenging as far as being promote or
00:47:09 --> 00:47:10: shut down,
00:47:10 --> 00:47:13: a lot of these jurisdictions aren't existing right now,
00:47:13 --> 00:47:17: they're they're closing their offices so.
00:47:17 --> 00:47:20: I think that. There's only so much money out there
00:47:20 --> 00:47:23: that is going to be available is the concern,
00:47:23 --> 00:47:24: so I don't know about you,
00:47:24 --> 00:47:27: Larry. Well, I mean, I think before this there is
00:47:27 --> 00:47:29: more money than deals.
00:47:29 --> 00:47:32: I mean, it felt like everybody had an equity fund.
00:47:32 --> 00:47:34: Nobody was looking for deals.
00:47:34 --> 00:47:36: I don't know if that's going to change much,
00:47:36 --> 00:47:39: but it's really not our part of the business were
00:47:39 --> 00:47:41: strictly third party.
00:47:41 --> 00:47:44: I would say where where the government can step in
00:47:44 --> 00:47:47: where we obviously have an affordable housing issue in our
00:47:47 --> 00:47:48: country.
00:47:48 --> 00:47:51: But this crisis is going to only amplify that to
00:47:51 --> 00:47:51: the likes.
00:47:51 --> 00:47:54: I don't think we've ever seen we're doing a project
00:47:55 --> 00:47:56: in North Carolina.
00:47:56 --> 00:47:59: It's only 180 units and you know there were hundreds
00:47:59 --> 00:48:02: of people lined up for the application process,
00:48:02 --> 00:48:05: so and that was before the crisis,
00:48:05 --> 00:48:07: so with 30,030 million unemployed,
00:48:07 --> 00:48:11: I think that's where our government needs to focus and
00:48:11 --> 00:48:12: provide the subsidies.
00:48:12 --> 00:48:14: Fordable housing.
00:48:17 --> 00:48:21: Shifting back over to how you've been able to get
00:48:21 --> 00:48:25: work done in this new remote digital virtual platform.
00:48:25 --> 00:48:28: How do you feel about the efficacy of what you're
00:48:28 --> 00:48:32: able to accomplish when your all of your meetings are
00:48:32 --> 00:48:35: now remote and you've got folks on job sites that
00:48:35 --> 00:48:39: they have to stay certain distances apart to get work
00:48:39 --> 00:48:44: done and communicating digitally when you have instances
where folks
00:48:44 --> 00:48:45: perhaps have?
00:48:45 --> 00:48:47: Newborn at home. A sick family member.
00:48:47 --> 00:48:50: Someone who's elderly you don't want to expose yourself,
00:48:50 --> 00:48:54: so they themselves are working remotely.
00:48:54 --> 00:48:57: Let Larry want to start with you for that one.
00:48:57 --> 00:49:01: Yeah, it's a challenge struggle with it emotionally,

00:49:01 --> 00:49:05: mentally. The mental strain that many all of us are
00:49:05 --> 00:49:07: going through every day.
00:49:07 --> 00:49:11: You're telling these teams get out there and do it
00:49:11 --> 00:49:13: and overcome all these obstacles.
00:49:13 --> 00:49:18: Yet you know you're putting them at risk is really
00:49:18 --> 00:49:21: highly contagious disease.
00:49:21 --> 00:49:24: I think what we miss most is the personal communication
00:49:24 --> 00:49:27: we are feels like I'm on more meetings now than
00:49:27 --> 00:49:29: I've ever had in my life.
00:49:29 --> 00:49:31: That's all my day is is on the phone and
00:49:31 --> 00:49:33: on the zoom and teams meetings.
00:49:33 --> 00:49:37: But we are missing that personal contact and we're working
00:49:37 --> 00:49:40: on our opening plans of our office to see how
00:49:40 --> 00:49:43: that will roll out so that we don't miss a
00:49:43 --> 00:49:46: beat there. But I'll be happy to get people back
00:49:46 --> 00:49:49: into the meetings and will social distance.
00:49:49 --> 00:49:51: But important to get people back.
00:49:51 --> 00:49:54: Together yeah, I would say for Bright View,
00:49:54 --> 00:49:58: that's certainly the case in Manageing active construction
projects,
00:49:58 --> 00:50:00: some of which are with with you guys.
00:50:00 --> 00:50:04: Larry, it's been certainly interesting to move those OAC
meetings
00:50:04 --> 00:50:05: to an online platform,
00:50:05 --> 00:50:08: where normally when you come across.
00:50:08 --> 00:50:11: You know Harry issue or a point of contention that
00:50:11 --> 00:50:14: you gotta work through your there in the room together
00:50:14 --> 00:50:17: and there's that personal field that personal touch that you
00:50:17 --> 00:50:20: you know you can get through it.
00:50:20 --> 00:50:24: Having bandwidth issues and service coming in coming out.
00:50:24 --> 00:50:26: It kind of disrupts that a bit and it starts
00:50:26 --> 00:50:27: a little bit of.
00:50:27 --> 00:50:31: In an awkward time and unique situation to get through
00:50:31 --> 00:50:34: 'cause you know that you can so that so from
00:50:34 --> 00:50:35: my perspective,
00:50:35 --> 00:50:40: that's been certainly a unique challenge here is is keeping
00:50:40 --> 00:50:42: that personal touch.
00:50:42 --> 00:50:47: When you're when you're having these digital remote
conversations right.
00:50:47 --> 00:50:50: Increasing you, you kind of when you were rattling off
00:50:50 --> 00:50:52: all the different scenarios.
00:50:52 --> 00:50:55: I mean, we have absolutely experienced every one of those.
00:50:55 --> 00:50:58: Whether someone is caring for someone sick or elderly or

00:50:58 --> 00:51:00: they have children at home now.

00:51:00 --> 00:51:02: But the fun part I feel like in my zoom

00:51:02 --> 00:51:03: meetings with people,

00:51:03 --> 00:51:06: it's like I've got to meet all the kids like

00:51:06 --> 00:51:06: they're great.

00:51:06 --> 00:51:08: They come in and they hang out.

00:51:08 --> 00:51:11: But I think the flexibility is the biggest word here

00:51:11 --> 00:51:12: because individuals,

00:51:12 --> 00:51:14: you know, shift there's a nine to five.

00:51:14 --> 00:51:17: You know, old time. This is what everyone this is

00:51:17 --> 00:51:19: when we're working.

00:51:19 --> 00:51:21: But if you have a deliverable in something that you

00:51:21 --> 00:51:23: know that you need to be getting done,

00:51:23 --> 00:51:26: if that happens in the evening or whatever time you

00:51:26 --> 00:51:28: can get it done in our philosophy is that's that's

00:51:28 --> 00:51:28: great.

00:51:28 --> 00:51:31: That's fine. Now there are some jobs that can't do

00:51:31 --> 00:51:32: that right there.

00:51:32 --> 00:51:34: Superintendent is a very helpful if he goes there at

00:51:34 --> 00:51:35: midnight,

00:51:35 --> 00:51:38: there's no one there, so understanding the flexibility and just

00:51:38 --> 00:51:39: being supportive,

00:51:39 --> 00:51:40: I think, is so far,

00:51:40 --> 00:51:41: and I would think Larry,

00:51:41 --> 00:51:43: with some of your stats really showed this.

00:51:43 --> 00:51:46: We haven't missed a beat in our pre construction Department

00:51:46 --> 00:51:49: where we're churning out bids like we were here.

00:51:49 --> 00:51:53: And as far as schedules and what's happening on sites,

00:51:53 --> 00:51:56: we're doing very well, so I.

00:51:56 --> 00:51:58: I think it's going to be interesting to see when

00:51:58 --> 00:52:00: you know call it when we get back to normal,

00:52:00 --> 00:52:02: whatever that might be. That I.

00:52:02 --> 00:52:05: I think we're going to make some more productive changes.

00:52:05 --> 00:52:07: I think that being on the road all the time

00:52:07 --> 00:52:08: is maybe not the answer.

00:52:10 --> 00:52:12: Yeah, it's a good point.

00:52:12 --> 00:52:15: Kelly. You and I were chatting this morning about about

00:52:15 --> 00:52:17: that reality of now that folks are getting used to

00:52:17 --> 00:52:19: these remote meetings.

00:52:19 --> 00:52:21: What does that mean for the future of renewing there's

00:52:21 --> 00:52:24: office leases when everybody comes back to the office?

00:52:24 --> 00:52:27: Or can you get people back to the office?

00:52:27 --> 00:52:29: Larry, can you get all your associates back,
00:52:29 --> 00:52:32: right? Well, that that that could be the challenge,
00:52:32 --> 00:52:37: but maybe will convert all our offices into affordable housing.
00:52:37 --> 00:52:39: There you go. Two birds with one stone.
00:52:39 --> 00:52:42: Have another question that just came in.
00:52:42 --> 00:52:45: Do you think we will see an increase in private
00:52:45 --> 00:52:48: funding sources for smaller projects?
00:52:48 --> 00:52:52: Larry, do you have any insight on that?
00:52:52 --> 00:52:54: Not my world, but I did make sense to me.
00:52:54 --> 00:52:57: I I believe that you know if I were investing
00:52:57 --> 00:53:01: my money 150 unit deal might be more appetizing this
00:53:01 --> 00:53:03: environment than a 300 unit deal.
00:53:03 --> 00:53:07: That's just me personally.
00:53:07 --> 00:53:11: Yeah yeah, and he thought on that Kelly agree with
00:53:11 --> 00:53:11: Larry.
00:53:11 --> 00:53:14: I do. I think especially.
00:53:14 --> 00:53:16: When you when there are issues,
00:53:16 --> 00:53:20: especially the lending community, like sometimes there.
00:53:20 --> 00:53:22: Probably.
00:53:22 --> 00:53:27: Less cautious about a smaller volume to do their loans
00:53:27 --> 00:53:27: with,
00:53:27 --> 00:53:29: so I would say yeah.
00:53:32 --> 00:53:35: You know, in the last downturn 2008,
00:53:35 --> 00:53:39: 2009 we saw we saw that some industries were I
00:53:39 --> 00:53:40: don't know.
00:53:40 --> 00:53:45: Recession resilient to get. Do you see any particular
industries
00:53:45 --> 00:53:49: or product type then that's going to get through this,
00:53:49 --> 00:53:52: almost regardless of the impact of covid.
00:53:52 --> 00:53:53: Or do you think it?
00:53:53 --> 00:53:55: That's too hard to predict.
00:53:55 --> 00:53:59: Well, I think the multifamily industry is without a doubt.
00:53:59 --> 00:54:02: I mean, there's. It's considered essential for more than one
00:54:03 --> 00:54:03: reason,
00:54:03 --> 00:54:05: and we need housing. There's a shortage,
00:54:05 --> 00:54:07: so I do think that will be OK.
00:54:09 --> 00:54:10: As far as like government,
00:54:10 --> 00:54:12: I think Larry you were hitting on that earlier that
00:54:13 --> 00:54:15: you felt like government was still moving.
00:54:15 --> 00:54:17: Yeah, it just back the multi family.
00:54:17 --> 00:54:19: I think it is a very resilient industry and and
00:54:19 --> 00:54:21: then the sectors within it.

00:54:21 --> 00:54:25: Christian obviously senior senior living and the baby boomers that

00:54:25 --> 00:54:27: the majority of them are just turning 70.

00:54:27 --> 00:54:30: So they have a long long run to go.

00:54:30 --> 00:54:32: In our renovation world, I think is is strong.

00:54:32 --> 00:54:35: We just gotta figure out how to work in these

00:54:35 --> 00:54:39: occupied buildings safely and doing in place renovations.

00:54:39 --> 00:54:41: But renovation where I will get us through it.

00:54:41 --> 00:54:44: Multifamily whether it's affordable or market rate,

00:54:44 --> 00:54:46: we need housing in this country.

00:54:49 --> 00:54:53: Yeah, I would agree with you there on the affordable

00:54:53 --> 00:54:55: and certainly on senior living.

00:54:55 --> 00:54:57: Being that is my.

00:54:57 --> 00:55:01: No, that's my bread and butter with price you and

00:55:01 --> 00:55:05: we we feel very confident that what we're building is

00:55:05 --> 00:55:09: what we're providing is essential service and and it's it's

00:55:09 --> 00:55:13: going to be needed even more as baby boomers.

00:55:13 --> 00:55:17: , ***** and are looking for assistance.

00:55:17 --> 00:55:22: So I would agree with with both here that housing.

00:55:22 --> 00:55:27: Regardless of what sector within that is going to be

00:55:27 --> 00:55:27: needed.

00:55:27 --> 00:55:32: We've got about 5 minutes left for 11:30 for questions.

00:55:32 --> 00:55:34: I mean, we can.

00:55:37 --> 00:55:40: Well.

00:55:40 --> 00:55:43: In the Meanwhile we did have 72 participants,

00:55:43 --> 00:55:46: so I just wanted to thank everybody who joined us.

00:55:46 --> 00:55:50: While we have a lap here in question and answer

00:55:50 --> 00:55:53: session and also do a plug for an upcoming.

00:55:53 --> 00:55:57: Panel, which are pretty would be similar to this,

00:55:57 --> 00:56:00: but focused specifically on the senior housing,

00:56:00 --> 00:56:03: so we'll have a senior housing panel with you align

00:56:04 --> 00:56:06: members from the Mid Atlantic region,

00:56:06 --> 00:56:09: so I believe DC Metro Baltimore Metro and up to

00:56:09 --> 00:56:12: Philly and that will be on May 18th.

00:56:12 --> 00:56:14: So if you're interested in that,

00:56:14 --> 00:56:16: please be sure to register.

00:56:16 --> 00:56:20: I think there's a number of webinars that are forthcoming

00:56:20 --> 00:56:23: and you can find out all that information out on

00:56:23 --> 00:56:24: on the UI website.

00:56:29 --> 00:56:32: That's all that I have on my end.

00:56:32 --> 00:56:36: Kelly Larry greatly appreciate your time this morning and for

00:56:36 --> 00:56:40: your insight into what is certainly challenging times and trying

00:56:40 --> 00:56:41: times presents,
00:56:41 --> 00:56:45: I think all of us with great opportunities to apply
00:56:45 --> 00:56:48: lessons learned in the future.
00:56:48 --> 00:56:50: Thank you Christian for having thanks Christian.
00:56:50 --> 00:56:53: Thank you Kelly.
00:56:53 --> 00:56:56: Well thank you all. I Baltimore for hosting us an
00:56:56 --> 00:56:58: and Todd Marius who helped us get through this with
00:56:58 --> 00:57:01: our practice and figure out how to use technology.
00:57:01 --> 00:57:04: So thank you all who could join us and be
00:57:04 --> 00:57:04: safe.
00:57:04 --> 00:57:07: Enjoy this beautiful day. Thank you.

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