

## Chapter Executives Virtual Idea Swap – May 19, 2020

### From the NAIOP CEO Tom BISACQUINO:

- Kudos to chapters for innovative and continuing programming.
- NAIOP Corporate will extend free on-demand courses for members through August 1. A large number of individuals are joining for these courses.
  - New member survey results: Approximately 60% of new members are joining due to the free on-demand courses and over 50% cite local chapter programming as one of the primary reasons for membership.
- There has been a positive response to I.CON Virtual from sponsors and registrants.

**From the NAIOP Chairman Larry LANCE:** His business in Colorado has not seen much of an economic downturn. Last month, 90% of rents were collected though he anticipates lower collections this month.

### NAIOP Central Ohio/DebbieLee DOUGHERTY on the chapter's golf tournament planning:

- 144 expected golfers.
- The club house will be open and subject to social distance guidelines.
- No shot-gun start this year. Specific tee times must be used and the chapter will start the tournament in the morning to accommodate all registered golfers.
- Box lunches will remain. Golfers will receive their lunches based on what time they start play. Those who play in the morning will eat after their round; those starting in the afternoon will eat before play.
- Sponsors are allowed to staff their golf hole, but she does not expect all sponsors to take advantage of this benefit.
- To increase sponsor benefit, the chapter plans to show sponsor videos as part of the GPS system in each golf cart. The chapter will help produce them for those sponsors who do not have this capability.
- On-site award ceremony will not be held. Video of tournament winners and on-site give-away winners will be distributed via a web link to participants.
- Live scoring will be done so that all will know standing/winners in real time (no need to wait for announcement).
- The inclement weather date in September will remain.
- Drink tickets will remain.
- The chapter proposes to check temperatures, have participants sign a waiver, and order masks and hand sanitizers as giveaways. All these measures will go before the chapter board for approval. Thermal thermometers have been ordered.

BISACQUINO questioned providing masks. He believes masks can be categorized as medical equipment and it opens the chapter up to liability issues if the masks are of questionable quality.

- DOUGHERTY's opinion is that the masks are not to protect the wearer, but the general public so no medical liability exists. Additionally, masks and temperature checks are needed to enter the club house for any reason.

## **VP for Education Shaine ANDERSON on Successful Virtual Networking**

NAIOP Corporate has held a number of virtual roundtables and will offer DL specific roundtables in June. These virtual sessions cover one topic of interest with a limited number of attendees. The first session's registration was capped at 30 individuals, but it was determined that the number of participants was not enough to have a robust discussion. The current program registers 60 individuals and a waiting list is typical. Thirty to 40 individuals usually log on and this seems to be a good number for engagement.

Contributing to success is:

- Intentionally communicating the purpose of the program. Individuals attending must be ready to participate and share.
- It is important for participants to turn on and use their cameras.
- A good facilitator is key. This person should have at least 15 questions teed up for a good discussion to occur. Occasionally, we "seed" people with topic questions to engage the group.

I.CON Virtual will end with a virtual reception which will use some of these lessons.

- Don't forget that Chapter Execs can attend I.CON Virtual for free! You can see how Corporate is doing online networking and "receptions." Login at [www.naiop.org/iconvirtual20](http://www.naiop.org/iconvirtual20) and your registration will automatically show up as complimentary.
- You can include a chapter leader for a second free I.CON Virtual registration. Reminder to ***forward the name of the chapter leader you'd like to assign your second complimentary registration to education@naiop.org by no later than June 1.***

## **VP for Knowledge & Research Jennifer LEFURGY on Permitting Issues Research**

In addition to our comprehensive research, NAIOP Corporate is planning research briefs which will be short, compact reports on narrower topics. The first topic will be permitting issues. The research department is ***looking for input from the chapters regarding permitting delays.***

- **NAIOP Wisconsin/Jim VILLA** believes 25% of his job currently is talking to contractors and local governments to smooth out miscommunication and other issues. Most of the permitting is being done virtually, but there are some inspectors who are resisting. Rural areas seem to have an easier time conforming to a virtual platform. This may be due to the personal relationships in smaller markets. Larger cities are challenged by going virtual.
- **NAIOP Maryland/Tim O'FERRALL** states that online permitting is possible, but can be difficult due to working remotely. Due to recent election results, the county governments recently switched to a "no growth" platform hurting the CRE industry. This may change with the reduction of government tax revenues in the wake of Covid-19.

## **Who emcees/introduces your webinar speakers?**

- NAIOP Corporate's webinars use a speaker, but they are introduced by CEO Tom Bisacquino. A NAIOP staff person facilitates Q&A sessions.
- NAIOP Greater Philadelphia chapter executive introduces the webinar, then passes the program to moderators who introduce the speakers.
- NAIOP Massachusetts staff person moderates the smaller chapter educational webinars.

- NAIOP San Francisco Bay Area president kicks off the webinar and thanks the chapter sponsors. The program is then transferred to the moderator. The chapter also converted their monthly luncheon sponsor to their Zoom Sponsor who is thanked at every webinar program.

#### **Any other networking events to facilitate members' business development?**

- NAIOP Wisconsin stated that the chapter has held successful market segment Zoom calls. They are now mixing segments (architects & contractors) to increase networking opportunities.
- NAIOP New Jersey held a very successful DL networking/Idea Exchange. It used a "speed dating" format with Zoom breakout rooms and ice breaker questions.
- NAIOP Central Florida is hosting a roundtable with a theme of "generating leads in a semi-quarantine environment." This will launch next week.

#### **Joint events with other chapters?**

- NAIOP Massachusetts broker members will participate in a NAIOP Washington State breakfast program. NAIOP San Francisco is involved as well.
- NAIOP New Jersey and the chapters in New York participated in a regional Covid-19 Response Webinar.

#### **Are you offering your virtual programs free to NAIOP members outside your chapters?**

- NAIOP Central Ohio allowed members outside the chapter, but not non-members
- NAIOP Massachusetts received a complaint regarding charging non-members for webinars.
- NAIOP Wisconsin currently only allowing members on their weekly webinars and have done a geographic-specific event where they charged non-members a nominal fee. They also received a complaint for charging non-members.
- NAIOP New Jersey has an upcoming webinar "Restarting Construction and Mitigating Risk" in partnership with Structuretone on May 27<sup>th</sup> at 11:00am. This is modeled from their program with JLL. Free to all their members. If you would like more information, visit [www.naiopnj.org](http://www.naiopnj.org) or reach out to Donna Laterza at [laterza@naiopnj.org](mailto:laterza@naiopnj.org).

## **MARKET UPDATES**

### **NAIOP Maryland/Tim O'FERRALL**

- State governor allows each county to make their own decisions regarding reopening so there is uneven response in the Greater Baltimore region which is a concern to the chapter. The chapter's region covers up to six counties with potentially six different strategies/guidelines.
- Retail – curbside pickup is allowed. Retail segment very weak. Many retail business will not come back from this.
- Office - Most business are encouraged to stay away unless workers are classified as essential.
- Mixed Use – strong
- Industrial – strong
- Region is under a Phase 1 opening. There is uncertainty on what is needed to progress to Phase 2. Owners/managers are unsure how to prepare buildings for a Phase 2 or higher opening. Developers are trying to be proactive, but too much is unknown. Restrictions will last until mid-June at the earliest.
- Construction is strong but institutional projects are cancelling or cutting back.

## **NAIOP DC|MD/Sally MODJESKA**

- The chapter area includes Washington, DC, and three counties in Maryland. These counties have reported 40% of the state's Covid-19 cases.
- Washington, DC is under a severe lockdown until June 8 at the earliest. Montgomery County, MD, has not announced when their lockdown will end. No live chapter events will take place until the fall at the earliest.
- Retail – Segment is in deep trouble. Projected 40% will not reopen when restrictions are lifted. Most retail did not apply for PPP. It was more advantageous for their employees to collect the increased unemployment than stay partially employed.
- Office – Most office in DC market is Class A and highly amenitized. Tenants don't wish to pay for amenities they can't currently use. Tenants are looking at alternate ways to bring employees back when able such as "platooning" where the employees are divided into teams and return to work with their team for a specific period of time (day/week). Owners and tenants are also evaluating elevators, HVAC, adding lines to the floors, and increasing signage. There is a feeling that things are not going to go back to the "way they were."
- Industrial – the chapter has very little industrial development.
- Multi-family – Rents continue to be paid and there is some construction.
- The chapter canceled their golf tournament and bus tour.
- The Capital Challenge (university challenge program) was successfully judged virtually. Georgetown University students won.
- The chapter produces one webinar per week. Attendance has been better than many in-person events held pre-Covid-19.
- The annual awards banquet is typically held in October, but will probably be cancelled. The awards program will go on as scheduled.
- The mood in the area is uncertain. So far there have been few staff layoffs in the market. Most DC|MD area workers are either government employees or essential workers. The architect members are worried about lack of new business. Contractors are looking at new labor and materials issues going forward.

## **NAIOP Greater Philadelphia/Sarah MAGINNIS**

- Greater Philadelphia remains in the Red phase of the state government's reopening plan until June 4, but they are expecting an extension to an undetermined date. The Red phase includes a stay-at-home order, no large gatherings, food take-out is permitted, but no non-essential travel is allowed.
- All chapter events are virtual.
- The golf tournament scheduled for July is up in the air.
- Industrial – less impacted. Construction is allowed.
- Chapter is holding weekly webinars with 180–200 people attending each. This week's webinar was in partnership with NAIOP Pittsburgh.
- The area mood is mixed. Getting back to the office seems difficult and far away. Mass transit usage is an issue since so many individuals use it to get into the city.

## **NAIOP San Francisco Bay Area/Alison TREJO**

- The state of California and the city of San Francisco are being very conservative with reopening. The city is currently locked down and there is no end date.
- Retail – Curbside service only, no bars or restaurants open.
- Office – The transactional markets are currently frozen. Minimum sales are expected for the rest of the year. New leasing has stopped and landlords are not receiving rents.
- Industrial – demand is positive.
- Multi-family – Construction has been reduced which has put pressure on an already needed product.
- There is no discussion of back to work. It is too soon.
- The chapter is facing a number of legislative issues including a split roll tax which will tax commercial real estate at the highest best use fair market value which will be determined every three years. The result will be a significant increase in commercial real estate taxes. Another issue is SB 939 whereby a renter can withhold rent for over one year and can walk away from a valid lease at any time. The chapter and its new lobbyist have been actively working to defeat these two initiatives.
- A moratorium of evictions is in place up to 90 days after the state of emergency is lifted. A proposal exists to extend this up to one year after the state of emergency is lifted.
- The chapter cancelled all in-person events until at least September 14, the scheduled date of the annual golf tournament.
- The Real Estate Challenge was held virtually though the winners have not been publicized. The chapter hopes to recognize them at a banquet sometime in the future.
- The formal DL mentoring/education programs were interrupted. These are difficult to conduct virtually.
- A members' only webinar series has been successful with 100+ attendees consistently. New members have been recruited and former members reinstated as a result.
- The chapter is taking a close look at their sponsorship program. A few current sponsors mentioned that they will either be unable to sponsor in 2021 or will need to decrease the amount. This will not only affect the chapter's bottom line, but also ticket sales for a number of large events.