

## Chapter Executive Ideas Swap Summary - June 30, 2020

### From NAIOP CEO Tom BISACQUINO:

- I.CON Virtual was very well received and net over \$300,000 in sponsorships. Networking was not as good as it could have been or should have been.
- A survey will be sent to Forum members next week asking their intention to attend CRE.Converge.
- NAIOP Corporate's 2021 budget process has begun. Final budget will go before board in October.
- NAIOP Corporate offices are open at 50% capacity with staff working from the office either Monday & Tuesday or Thursday & Friday.

### VP for Education Shaine ANDERSON on NAIOP Corporate virtual conference platform:

- Thanks to NAIOP New Jersey for assistance with virtual tours. Four were held.
- I.CON Virtual consisted of two keynote speakers, six other general sessions, three concurrent breakout sessions and seven to eight roundtable discussions.
- Survey results are still coming in, but overall feedback was positive. NAIOP had 300 - 500 individuals on the platform at any one time.
- Platform (GTR) was a bit "clunky."
- Content was very good.
- Needed more time between the sessions. Fifteen minutes was not quite enough.
- Emails from the platform provider were sent to some registrants' SPAM folder. This resulted in individuals having difficulty logging into the platform. Communication channels need to be reviewed and improved.
- Virtual platform providers are stretched throughout the industry. While the GTR customer service was very good, they could not provide us real time support during the entire conference.

### VP for Business Development Chris WARE on I.CON Virtual sponsorship activities:

- Business development was able to retain approximately 60% of their budgeted original live event dollars.
- To succeed, use all the opportunities a virtual platform provides to engage and interact with the audience when looking at sponsorships. Fixed costs are also different from typical live events.

### Comments and questions from chapter staff regarding I.CON Virtual:

- **NAIOP Washington State:** Visual sponsor recognition on platform was very good. Platform was easy to navigate once in. Emails instructed attendee to use Chrome but there were difficulties with this browser. Edge seemed to work. The first networking session was unstructured and the purpose was not clear.

- **NAIOP Northern Virginia/Kathy D'AMATO:** Challenge getting into the networking session.
  - *Q: Are recordings located on the NAIOP website?*  
A: Recordings are located on the conference platform and are available for one year.
  
- **NAIOP New Jersey/Donna LATERZA:**
  - *Q: What were the lessons learned regarding networking using the virtual platform?*  
A: Virtual networking needs to be reviewed going forward. Attendees need to understand how to use the program and what their role is. Many individuals used the chat feature so perhaps networking happened that way.
  
- **NAIOP San Francisco Bay Area:** I couldn't join the networking session, but was able to join other sessions just fine.
  
- **NAIOP Wisconsin:** It definitely feels like networking virtually requires more structure. Odd as that seems.
  
- **NAIOP Colorado:** I agree. Our DL's have been doing their Real Estate on the Rocks virtually and have been assigning "moderators" and "activities" in the breakout rooms and people rotate through the rooms. It seems to be working really well.

**NAIOP Washington State/Peggi FU on chapter diversity efforts:**

- Chapter's D&I program began in 2017 with participation in the NEXUS program.
- The NEXUS program was offered for two years. In 2019, the chapter participated in [the Hip Hop Architecture Camp](#) held at the University of Washington.
- Local resources were also focused on a D&I summer internship program. Twenty students participated in 2019.
- This summer the chapter is offering a [virtual fellowship program](#). This is a series of virtual meetings with the potential of meeting in person at the end of the summer.
- Specific D&I programming is also offered to members two to four times a year.
- In 2018, the board created a diversity task force which quickly morphed into the Diversity Committee.
- Recently, NAIOP Washington [issued a statement](#) outlining what the chapter has done plus action items for the future.
- The chapter is looking at barriers to membership and what can be done to mitigate these. For example, traditional networking opportunities, such as skiing

or golfing, may not be attractive to minorities if they haven't grown up participating in these sports.

- Trying to expand the discussion of the issue.
- Their membership is calling for more effort from the association. Currently, the chapter is actively recruiting more women and minorities to leadership and committee positions outside the chapter board. The chapter is benchmarking and reviewing all available data.
- A Resource section was created on the website to give all members information on D&I efforts.
- The chapter will bring in a national speaker to discuss this issue in a [webinar](#).
- **Has the chapter been able to calculate or publicize any metrics on the D&I initiatives?**
  - The chapter is trying to do a "look back" on programs but may not have a large enough sample size to publish.

#### **Does any chapter use AirMeet?**

- NAIOP Washington State: We tried to connect with AirMeet and they didn't respond.

#### **Is any chapter forgoing travel for the remainder of the year?**

- NAIOP South Florida: Yes.
- NAIOP New Jersey: Yes

#### **REMINDER:**

- Next week we will demonstrate/train on the NAIOP Chapter Portal to introduce new functions.
- Feel free to share "[I.CON in 10 Minutes](#)," the wrap-up video featuring Kate Nolan Bryden from our executive committee. Links to all of our blog coverage is also included.

#### **MARKET UPDATES:**

##### **NAIOP Georgia/Debbie KOENIG:**

- Industrial is busy. Some new deals are being done.
- Break in supply chain is coming and will affect all e-commerce in the Southeast US.
- Office is seeing 5% - 10% loss in revenue. Rent deferrals for July/August are being deferred further.
- Construction was considered essential. Many projects have been completed ahead of schedule.
- Based on current traffic patterns, most people are not back in their offices nor are they ready to return. Governor extended state of emergency designation and

business opening restrictions. Most businesses chose not to open because restrictions are so severe.

- Social justice protesters are wearing masks and being socially distant. Rise in local cases seem to be caused by young people going to bars and restaurants. COVID-19 cases have tripled in two weeks.
- Chapter believes that person-to-person events may be held outdoors in 2020, but not indoors.

#### **NAIOP Austin/Beth GULDING:**

- Waiting to see if any leases are signed, if any land purchases close, if any properties trade so we can get *some* price discovery initial indication, at least regarding land prices. We are not seeing any discounts to pre-COVID pricing.
- Interest in multi-family still high.
- Interest in office projects strongly reflects a flight to quality. "You better have the absolute best site in a given submarket if you want to attract any capital."
- Increased interest in industrial driven by AMAZON and cold storage.
- A site in east Austin, just north of the airport, appears to be a frontrunner for a TESLA giga-factory.
- Overall investors are thinking Austin remains one of the best places to invest given long-term macroeconomic trends (people moving here, diversity of economy, still cheaper than the coasts).
- Residents have started to venture out of their homes to restaurants at 25% capacity. This has backfired and we are seeing a resurgence of cases, largely due to the number of establishments not following strict re-opening procedures.
- Offices are slow to open up with varied policies and procedures.
- Some peaceful social justice protests occurred with a few isolated incidences of vandalism.

#### **NAIOP Edmonton/Anand PYE:**

- Overall market heavily dependent on oil. Looking at a longer and deeper recession than other localities.
- Both federal and provincial governments have announced stimulus packages. Federal government also passed a rent relief program which was not well received in Edmonton. If the landlord is willing to take a 25% reduction in rent, the federal government will pay 50% if the tenant had three months of at least 70% revenue decreases. Governmental groups are now talking to the commercial real estate industry more.
- Provincial government is working towards an evictions moratorium. The chapter, along with NAIOP Calgary chapter, is working to limit scope of the legislation.
- Rent collection rate is going up with 90% of rent collections coming in.
- Industrial is great with many RIPs created.
- Retail is poor with 50% of rents collected.

- More difficult to conduct government relations advocacy over Zoom calls. Relationships have become very important, but the chapter doesn't have a relationship with the federal government or with some aspects of the provincial government.

#### **NAIOP Washington State/Peggi FU:**

- The chapter and the market have been working remotely since early March. The area is very slowly reopening, county by county in phases. Phase 2 began two weeks ago, but infection numbers are still rising.
- State mandates all to wear masks.
- The market was very strong going into 2020 and few deals were canceled. Chapter believes strong market reflects conditions spilling over from the end of 2019 and is looking to partner with a research firm to quantify the market conditions.
- Special session of the state legislature is expected to convene to discuss the state budget. Taxes are expected to increase significantly including split-roll and transportation taxes. The chapter joined an industry effort against rent control which is anticipated to be an issue going forward.
- There are rumors surrounding potential lay-offs from large tech companies coming soon.
- Contractors are back to work on job sites, but not in their offices.
- Conservative guess is 50% back to office in September with most employers anticipating returning end of 2020 or beginning of 2021.
- More layoffs with Associate member related companies (architects, engineering). Chapter is monitoring by sending monthly email blasts and reviewing bounce back messages.
- Chapter planning golf tournament on August 10. The entire course is reserved with tee times scheduled. Approximately 260 golfers are registered with over 100 sponsors. Will happen unless area goes back to Phase 1. This tournament is much smaller than usual at 80% of last year's revenue.

#### **NAIOP Northern Virginia/Martha MARKS:**

- In 2020, NAIOP Northern Virginia is celebrating their 40<sup>th</sup> year of operation. Have experienced the best first quarter in many years, but also the worst 2<sup>nd</sup> quarter.
- Retail and hospitality are faring the worst. Tourism is a large part of the market and there is great uncertainty as to when the hotels can open.
- Chapter conducted a virtual retail orientated program. Retail will need to reboot itself and introduce innovative options.
- Governor is a medical doctor and has been somewhat slow to open compared to other southern states. Phase 3 begins tomorrow.
- Construction was never shut down.

- Job loss for members has been low.
- Residential is still strong. Amazon HQ2 project in Northern Virginia may be a factor.
- Data centers & industrial has not stopped.
- Local governments transitioned well to working online.
- Rents are still coming in; Microsoft will lease office space in Reston, VA and Rosslyn, VA soon.
- Members still don't know when they will get back to the office. Most companies are not attending outside business functions. Chapter is moving all events to virtual including the bus tour.