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Finding creative solutions to unique problems - by Brett Pelletier

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By now, every headline reads of COVID-19, your email inbox is full of CDC updates and response resources, and you've gotten really good at navigating Zoom, WebEx, and Skype. There is a lot to cause fear, caution, uncertainty, and cabin fever, but there is also a lot to make one hopeful, resilient, and nimble. Real estate markets are fragmented and sector specific and have reacted variously based on property type, geography, and timing. One thing is for sure, there's an awful lot of people hitting the phones and pushing deals through the process and finding creative solutions to unique problems never before imagined. Companies across the Country and Commonwealth have found ways to keep going and keep serving the markets and customers. That creativity and nimbleness is not universally applicable across industries and businesses, but significant efforts are being made to make accommodations. Not to mention the ability for firms to shift production lines and adopt new skills and processes to address the immediate need for masks, face shields, hand sanitizers and more. Reminiscent of wartime efforts, the cooperative nature of the response is inspiring.

By the time this article is published, the stock market will be up...or down...or flat, the CDC will refine their guidelines and recommendations, and Governors will further urge people to stay home and limit exposure. Things are moving fast, and people are working hard to stay informed and busy. Many of us have been pleasantly surprised how nimble and adaptive our businesses and our clients are. After all, we're all in this together. Some have used this experience to identify areas of weakness, vulnerability, and opportunity for additional preparedness and crisis management or response. IT and data protection are a priority for nearly everyone now and providers are testing their bandwidth, figuratively and literally.

Capital markets are in a state of flux while everyone waits for something to happen, or not, and deals are taken on a case-by-case basis. Well positioned assets are strong and stable, and most markets are looking to the future through the lens of the current crisis. Real estate is a resilient and durable asset and market with long term focus. Now more than ever before fundamental diligence

and best practices are at the front of the line for real estate and capital markets. Construction is continuing within select markets and uses and pre-negotiated deals are continuing. For some market participants, it is business as usual. Or at least there are minimal disruptions and maximum creativity, flexibility and innovation. Solving problems remotely is not as daunting as it might have initially seemed to some. The ever-volatile retail sector is certainly going to be significantly impacted by COVID-19 and ultimately will be shaped by the scale and length of the crisis.

The National Housing & Rehabilitation Association has started a weekly virtual 'town hall' for members to participate in discussions and panels surrounding best practices and the sharing of information and strategies. The Massachusetts and Rhode Island chapter of the Appraisal Institute is currently planning a similar virtual program for members, in the coming weeks, to share experiences and information with each other. Pro bono support and assistance resources have sprung up and information, once held close to the vest, is being shared more openly.

There are still lots of unanswered questions and there will be many more to come. Questions about financial obligations and benefits owed to and from whom. HUD has provided guidance and action to reduce the impact on vulnerable tenants and properties and owners throughout the country. Operating accounts can be used for broadly defined COVID related expenses without prior HUD approval and interim resident recertifications are taking place to account for loss of income of tenants. Foreclosure and eviction freezes have helped and will need to be bolstered with funding to support both the homeowner and the property owner. HUD and the GSEs have proved flexible and cooperative in the effort to reduce disruption in housing sectors.

One of the major questions I've heard this week is, how does this change our view of safety, wellbeing, and social interaction? Both at home and on the job there's a learning curve at work. Contacts report that it is essential that communication happens early and often, and accuracy and thoroughness is powerful. Connectivity and connectedness are on the front burner as the needs of workers, tenants, residents, and third-party service and support providers are of paramount importance. Social engagement with staff and tenants from digital cocktail hours for staff to hallway happy hours for residents, keeping social and mental health issues in the forefront of our efforts now and going forward.

While we're all getting very familiar with the insides of our homes, getting more acquainted with our spouses, kids, roommates, and pets, and watching far too much Netflix, it's important to remember that we'll all have a lot of work to do when we get back to the office. Real estate and capital markets are intertwined and are so very important to the everyday lives of so many people. Housing, supermarkets, hospitals, and pharmacies are the buildings that are at the center of this crisis and the capital markets that support their growth and sustainability are powerful and need to be sustainable and resilient going forward.

Stay safe, healthy, and busy.

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