

# Three Letters for the Commercial Realty Outlook: IDK



The picture of a post-COVID world won't be in focus until well after the pandemic ends.

*"I don't know."*

That is the answer my peers (and I) have for people outside the commercial real-estate industry asking what the future holds for real estate. Every day, I am asked what the effect of the pandemic will be for our industry. We discuss the common topics: Will office leasing be horrible? What are you going to do with all that retail space, given the pandemic and online shopping? Will anyone build anything ever again? Commercial real estate will absolutely survive, it will just be different. To thrive, be unique, be resilient, be creative, innovate.

Now starts my ramble.

The irony of 2020 is that a lot of my friends in the industry are having a good year. How can that possibly be? Most real-estate companies' staffs are still not coming to the office; it has been that way since March. As for me, I have not missed a day. I deemed myself "essential" from the start. Arrogant? Probably.

From March to June, before people started coming back to the office, my day in the office would begin in sweats doing push-ups and crunches, literally. Many people put exercise on the back burner. I wasn't going there. It has been said about the pandemic, people will end up "a hunk, a chunk, or a drunk." I am not going to speculate what I am.

Today, I have the best office and medical listings I've ever had. Showings are *slooooooow*. I can only use the excuse of the pandemic for so long; that is wearing on my clients who own empty buildings.

So, where do we go from here?

As for office, I believe employees like the culture that evolves from being together in one place. It is a big deal. Though I am not exactly sure what "culture" is; is it a keg in the office, more frequent happy hours, dressing down? I guess I like the camaraderie too, but there is always "that guy" who tests the nerves—you all know him. So, I do not see the elimination of a company office.

Rather, a re-imagining of what office space and configuration look like. People do like the socialization within an office, just visualize Michael Scott. Now, think about Plexpod, WeWork and Edison Spaces. Talk about the "cool factor." WOW! I could even visualize myself, "a gray hair", doing that—the jeans, tennis shoes, baseball hat (I am actually already doing that). The amenities are great, there is a lot of flexibility, price is reasonable, everything is new and clean (healthiness is a big deal), touchless interfaces, etc. My team toured Plexpod Westport a few weeks ago; it is, as they say, too cool for school.

Really, who wants to Zoom for the rest of our careers? I have to worry about what is behind me on my credenza, check my zipper, pay attention and look at the foreheads of people who

can't figure out the camera. I think about the parents with young kids, who work from home and Zoom—home schooling, day care, sports! They truly are the "person of the year." Advantage: empty-nester! For people working remotely, some are uber-disciplined and are more productive, others schedule their days accordingly and are now caught up with the events of Days of Our Lives or national news. You get the picture.

For six months or so this year, a neighbor's daughter, her husband, a one-plus-year old and a newborn stayed with her parents in our neighborhood. She worked for a big (4, 10, 8?) accounting firm in New York. Hunkered in her basement until 7 p.m. every day, working. Interesting, she could do her job half the country away and still be effective? I am not completely sold on remote, I want the traditional office too.

Retail is unique in and of itself. Even I am ordering cashmere leggings online (*for the Sweeney girls, not me*). Do retailers need the brick and mortar, or no? I am not one of those guys who needs the shopping experience. It's all about speed with me, 10 minutes in one store is too long. So, expect a lot of retail space continuing to sit empty, I suppose that is good for the batting-cage business. Clearly, we have to re-think the re-purposing of retail.

By the way, showing office or retail or meeting with prospective clients, sometimes in a mask, sometimes not, do you trash a mask after one use? Five uses? Ever? Not ever going to get used to masks. I feel very self-conscious in a mask, even though everyone else has one on, too. I have learned to decipher smiling eyes, which is a good thing. And, recognizing friends at the grocery store is somewhat of a challenge, but a built-in excuse if you cannot remember names.

I warned you this would be a ramble. So, my message is: Commercial real estate will survive, it will just be different. Be unique, new is always good, be resilient, be creative, innovate. These are the people who will be the winners. In the end, though, "I don't know." **I**

Despite the economic carnage, quite a few in the real-estate industry had a solid sales year in 2020.

Go figure.

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