

Rebekah Carlson

From: Matthew D. Baumann <matt@crosstownrea.com>
Sent: Friday, April 3, 2020 4:08 PM
To: Admin
Subject: Today in CASCO-19 News
Attachments: Final - Coronavirus FAQ v7(63007212v1).PDF

Members – there are a couple specific requests from other members below, so please take note and contact these members directly with feedback/answers.

- [ICSC Offering More Benefits](#) (complimentary membership if you lose your job, three-month extension on all memberships, etc.)
- [Will C-19 Pandemic Affect Your Property Tax Bills?](#) (max: waiving late fees)
- **PLEASE RESPOND TO Harry Dolan dolanasc@gmail.com** – does anyone have a simple paragraph stating that in event of a change of ownership, Landlord reserves the right, upon six months' notice to Tenant, to terminate this Lease?
- **PLEASE RESOND TO Harry Major harry@majorrealtygroup.net** – if anyone was on the call w/Men's Warehouse/Jos A Bank today he would appreciate an update of the call. We know they are announcing BK, per Biff's earlier email.
- Article below my signature line from Andy Margolis with current rates, links, and an article about the future.
- Attached is a pretty thorough update on all things C-19 provided by Mark/Craig for your review.
- [Ohio governor urges LL and Lenders To Suspend Payments for 90 Days](#) – but curiously leaves out suspending TAXES and other expenses that we can not avoid. My least favorite article in a long time!!!

Have a great weekend, everyone, stay home/stay healthy!



Matthew D. Baumann, CCIM | Crosstown Real Estate Advisors, LLC
3543 North Pulaski | Chicago, IL 60641
O: 773.293.6901, ext 2 | C: 312.617.5826
Investments | Brokerage | Property Management | Leasing

In the last week, the ten year T-Bill has gone down to histoic lows. February 12th the 10 year T-Bill was 2.85% compired to today, April 3, the ten year is .057 basis points.

Below is a few links to a few of the government websites with some helpful programs.

<https://www.sba.gov/document/sba-form--paycheck-protection-program-borrower-application-form>

<https://www.usa.gov/coronavirus>

<https://www.governmentgrants.us/small-business-grants/>

Feel free to call me to discuss any deal that you might think is ready to be financed.

Loan term	10	Loan term	10
Fixed Rate	4.00%	Fixed Rate	4.15%
Amortization	30	Amortization	25
Product Type	Multi Family	Product Type	Industrial

LTV	70%	LTC	70%
Loan Amt.	Call for more details	Loan Amt.	Call for more details
Loan term	7	Loan term	5
Fixed Rate	3.85%	LIBOR	3.25%
Amortization	25	Amortization	30
Product Type	Office	Product Type	Single Tenant Office
LTC	62%	LTV	60%
Facts	Large cash out refinance	Loan Amt.	Call for more details

Forecasting commercial real estate winners and losers in the post-pandemic world

[Nancy Sarnoff](#) April 3, 2020

[Comments](#)



The Woodlands Mall is seen, Thursday, March 26, 2020, in The Woodlands.

Photo: Jason Fochtman, Houston Chronicle / Staff photographer

The effects of the new coronavirus on commercial real estate will be long-lasting, as restaurants close, retailers file for bankruptcy and companies that occupy office space rethink their entire workplace strategies.

Previous health-related downturns have been brief and followed by relatively quick recoveries, but the amount of time it will take for the economy to rebound from the coronavirus is less predictable, Ben Breslau, chief research officer of JLL Americas, said Thursday on a conference call to discuss the pandemic's impact on commercial real estate leasing and the economy.

There will be winners and losers among, and even within, different property sectors.

How retail tenants have been affected by the pandemic has been sharply divided. Grocery, liquor, home improvement and other stores states have deemed to be essential are doing well. Restaurants, bars and mall stores are feeling the most pain as consumers stay home.

Twelve percent of restaurants in Texas are expected to shut down permanently within a month, according to a survey by the National Restaurant Association. One out of every 50 have already done so.

When dining rooms do reopen, it will take longer to get back to their previous sales levels. Many many are expected to return with 50 percent capacity to allow for safe social distancing, said Naveen Jaggi, president of Retail Advisory Services at JLL.

THE NEW OFFICE: What will the post-pandemic office look like?

Jaggi questioned whether the \$1,200 stimulus checks going to many Americans through the government stimulus act would stimulate the greater economy if most retailers are still closed.

“There’s a limit to where it will go,” he said. “It’ll go to grocery stores or to pay off credit card debt, which is a good thing, but doesn’t do much to stimulate the economy.”

Technology will play an important role in the recovery of the retail sector. Initiatives like those by Nuro, a San Francisco-based company developing self-driving delivery vehicles, will likely be sped up because of the hesitance from consumers to return to pre-pandemic shopping habits. Kroger and Walmart are already on board with the technology, and other grocers are testing similar services.

Yet more retail space will become vacant amid a new wave of bankruptcies.

“For those retailers already under heavy stress, the ones that have gone through Chapter 11 reorganization multiple times, this may be the last nail in the coffin,” Jaggi said.

The International Council of Shopping Centers is calling on industry leaders to urge Congress to do more to support retailers.

The trade group wants another of assistance that would allow business owners to retain and rehire employees and quickly reopen to spur economic activity.

“Although the loan programs instituted in the CARES Act provide a down payment on economic support for Main Street businesses, additional liquidity will be required for especially impacted industries and businesses to avoid an unprecedented economic crisis,” according to a letter ICSC is urging its members to send to their members of Congress.

Do we need offices?

The office market faces different challenges. Office tenants have spent years cramming more people into smaller spaces. COVID-19 could reverse that trend.

“We expect a lot of clients to consider less density in their workplace and examine the wisdom of shared desks,” Tom Maloney, an office tenant representative for JLL, said.

‘A VORTEX OF PROBLEMS’: Coronavirus fallout slams tenants and landlords

After discovering some of their employees can be just as productive at home, companies may consider letting them continue to work remotely two or three days a week, assuming they have the technology infrastructure to handle it. That may allow office tenants to reduce their footprints.

“In the short term, many of our clients were surprised by the ease of the transition and continued productivity of their people,” Maloney said.

Still, some remote communications tools are clunky and team collaboration has been missed.

“The work-from-home transition was smooth, but now people are recognizing some of the shortcomings of having a deployed workforce,” Maloney said.

Until the shape of the recovery becomes clear, tenants with expiring leases are asking their landlords for short-term renewals.

For those that had been looking for space, property tours have come to a halt and most non-critical leases are on hold. Property owners are turning to video tours to show space.

For tenants struggling to pay the rent, communicating with their landlords upfront could avoid problems later.

“If there is a way to negotiate this consensually, you want to go there,” said Eric Stern, partner and co-leader of the real estate practice with Morgan Lewis & Bockius in Philadelphia. “You don’t want to be necessarily staking out a position where a landlord is going to have an adverse reaction.”

Some landlords are offering relief in terms of parking charges and delayed start dates on leases due to stay-home orders. But in many cases, landlords can’t provide rental relief without getting their lender’s approval.

nancy.sarnoff@chron.com



Thank you,

Andy Margolis
Sr. Vice President

andy.margolis@draperandkramer.com

P: 312-795-2507

F: 312-795-2707