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THANK YOU FOR JOINING US

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H2R^{cpa}

Business Solutions, Family Approach

Commercial Real Estate: The Domino Effect of COVID-19

JUNE 29, 2020

2:00 P.M. TO 3:00 P.M.



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Leo A. Hannah, CPA, MBA

Partner

H2R CPA

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Leo A. Hannah began his career with H2R CPA in 1985 and is currently the firm's Accounting & Assurance Services Partner-in-Charge. Leo is responsible for various administrative and quality control functions of the firm.

Leo concentrates his practice in accounting and auditing for closely held businesses and fraternal benefit societies as well as management consulting in areas such as mergers & acquisitions. His industry specialties include manufacturing, technology, fraternal benefit societies and construction.



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Dan Adamski
Senior Manager Director
JLL
Dan.Adamski@am.jll.com

Dan Adamski is a Senior Managing Director in JLL's Tenant Representation Group where he is responsible for all client requirements in Western Pennsylvania and West Virginia. In this role, he focuses exclusively on Tenant Representation.

Prior to joining JLL in 2000, Mr. Adamski was President of Commonwealth Realty Investments where he was involved in more than 100 investment-related transactions including commercial leasing, land development and IRC Section 1031 Exchanges. Prior to beginning his real estate career in 1994, Dan served in the U. S. Marine Corps for eight years.

Mr. Adamski earned a Bachelor of Science from the University of Maryland and a Master of Science from Troy State University. Dan has been a licensed broker (Pennsylvania, West Virginia and Virginia) since 1994 and during that time has earned numerous industry awards including SIOR's Largest Lease of the Year, Build-To-Suit of the Year, Office Sale of the Year, and Most Creative Deal of the Year multiple times. He has been repeatedly recognized by The CoStar Group as one of Pittsburgh's top "Power Brokers".

Mr. Adamski is among the 1% of commercial real estate professionals nationally to hold both the prestigious Certified Commercial Investment Member (CCIM) and the Society of Industrial and Office Realtors (SIOR) designations, and he is the only one to focus exclusively on Tenant Representation in Pittsburgh.

Mr. Adamski is a past President of the Western PA SIOR chapter and a member of the Pittsburgh Regional Champions, the Pittsburgh History and Landmarks Foundation, the Allegheny Conference on Community Development, USATriathlon, the American Legion, and the Marine Corps Association. He sits on the boards of Bridgeway Capital, a private sector financial intermediary with a social mission, and also the American Diabetes Association of Western Pennsylvania.





David Massaro

President and Broker of Record

Massaro Properties

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David leads the Massaro Properties team, which is responsible for leasing and managing Massaro-owned properties, brokerage, development and property management. He has executed in excess of 700,000 square feet of lease transactions.

Like his father before him, David has what it takes to find the right deal in the right location with the right investment. Throughout his 20+ years of experience, he has been responsible for more than \$200M in real estate development and acquisition. In 2015, he was the co-recipient of the SIOR awards for Most Creative Deal of the Year and Land Sale of the Year, both for the former Allegheny County Health Department site on Forbes Avenue in Oakland. The land now contains a 144-key Marriott Residence Inn and SkyVue Apartments.



Pre-COVID-19

End of 2019 / January 2020

- How would you describe the commercial real estate market before the pandemic in the Pittsburgh region?
 - ✓ How did this compare to the national market?
 - ✓ What were the hot sectors?



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COVID-19

Qualified Opportunity Zones

- What were the tax advantages of a Qualified Opportunity Zones?
 - ✓ A brief review for those not familiar with program.
- Was the program working in regard attracting investment? What were/are the “hot” Zones in the region?
- How could the program be impacted moving forward due to COVID-19?



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COVID-19

We're in this together

- How are banks helping real estate owners?
- How are real estate owners helping their tenants?
 - ✓ And vice versa?



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COVID-19

Mitigation

- What type of mitigation request are you receiving and how are you alleviating your tenant's concerns?
 - ✓ How should a business owner relay to their employees the precautions taken to alleviate their employee's concerns?
 - ✓ How do real estate owners alter their leases if tenants expect these changes to continue beyond the pandemic?



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COVID-19

Domino Effect

- Although rental income may be down for 2020 as a result of COVID-19 rent forgiveness or possible extension of lease term, do you feel the long-term fair market value of commercial real estate has declined?
- What could be the new “selling points” of real estate?
- From a tenant perspective, what are your thoughts on the operations of the work force moving forward in regard to use of real estate?



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COVID-19

Domino Effect (cont'd)

- How could a work from home workforce impact mix use real estate/developments and other retail space?
- For the short-term, hotel occupancy has reduced significantly due to travel restrictions. Mid-term, many in person events have been canceled due to size restrictions. Do you think the occupancy rate will rebound?
- What business advice would you provide to real estate owners to help navigate these uncertain times?



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Questions / Discussion

THANK YOU



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