



Post-COVID Realities

“Oh my god, I’ve got to go. Esme just spilled her strawberry smoothie on the sofa!” And, with that, another telephone conversation with Nicole, my operations manager, came to an abrupt halt. In many ways, small and large, this one moment has come to encapsulate the way that my business has changed since I was told to close my office back in the middle of March. In short, expect the sudden arrival of the unexpected- and be prepared to calmly work through a solution.

My first experience with this newly relevant business principle- innovate- played out in the first few days of our mandated isolation. Like most New Yorkers, I was confronted with the terror and the uncertainty of “tomorrow” and had to act quickly. The first order of business was to think about our client’s immediate needs and renegotiate each of the nineteen pending contracts that were in queue. Given the multitude of unknowns, I needed to close each of our transactions as quickly as we could- not knowing if one of the parties involved was going to become sick or lose their job. At the time, for all that we knew, the US banking system might even collapse. I distinctly remember dialing the phone at 7:15 in the morning and, twelve hours later, trudging upstairs to take my morning shower and collapse. After eight consecutive days, we had renegotiated both early closing dates and post-possession agreements for all but one reluctant seller. We had also stepped foot into a new world where business was no longer going to be conducted in the same way.

That first week of quarantine was exhausting and the ensuing two months were fraught with a lot of uncertainty. However, like Arnold Schwarzenegger’s cyborg in the final scene of Terminator 2, my team and I were re-energized and ready to kick butt when Governor Cuomo opened Phase Three of the economy in late May. Because the workspace that we had abandoned was no longer available to us, we needed to improvise and, like so many others in corporate America, we began creating new systems retrofitted to accommodate our new pandemic realities. Some solutions were easy, others, however, are still in flux.

Some concerns are practical:

- When a client or cooperating professional calls into the office that is now staffed by workers stationed remotely, how is the call answered and, ultimately, how is it seamlessly forwarded to the member of the team most appropriately suited to handle the matter?
- Are open houses still a worthwhile endeavor and, if so, how should they be conducted?
- Do we purchase our own Matterport camera or do we hire out all of our virtual tours?
- What meetings are appropriately conducted via Zoom and which need to take place in person?

"In short, expect the sudden arrival of the unexpected - and be prepared to calmly work through a solution."

Others will be answered as a result of larger forces, beyond our control:

- How many concerned denizens of larger metropolitan communities will continue to migrate to Rochester and other, smaller cities? How long will they do so?
- How long will we be working remotely? How will working remotely impact commercial real estate rents and sales?
- Is the traditional office building doomed?

"Because the workspace that we had abandoned was no longer available to us, we needed to improvise and, like so many others in corporate America, we began creating new systems retrofitted to accommodate our new pandemic realities."



A Market Snapshot

Since the market reopened, it's been chaos. Absolute bedlam. The pent-up demand that was created between the middle of March and the end of May has been and continues to be released. Buyers and sellers have both been trying to make up for lost time and lost opportunity. In doing so, three distinct markets have emerged.

- The most exuberant category is made up of those properties listed for sale **under \$250,000**. These houses are selling with multiple offers, significantly over asking price, and in record time. Bidding wars are common, escalation clauses are in play, and there don't seem to be enough tissues to absorb the sea of tears that each lost opportunity gives rise to.
- Homes that are listed for sale **between \$250,000 and \$450,000** are also selling quickly, usually within a few days of listing, at prices in excess of last year's valuation. Bidding wars do occur but they're not the norm. This segment of the market is solid- one that is in stasis- with an equal number of engaged buyers and sellers.
- Finally, those houses that are listed for sale **above \$450,000** are, unfortunately, not enjoying the same demand as their less-expensive cousins. In particular, the higher the valuation, the more that buyers are demanding a bargain. These homes are taking longer to sell and need to be in pristine condition in order to warrant the attention of a prospective buyer. There is simply too much competition and there aren't enough people looking to purchase in this price point. Thankfully, there is some potential reason to be optimistic. Many of Rochester's largest employers have not yet begun hiring the out of town crowds who traditionally relocate to the region in the spring and summer. If the US economy continues to recover, we hope that relocating buyers will begin to enter the market and start to purchase some of these more expensive homes.

There's another trend impacting the real estate market that I feel is noteworthy. It's probably best explained by way of a Newsweek Magazine poll which found that **81% of Americans are concerned about a second wave of the novel Coronavirus**. The threat of another imposed quarantine has heightened homeowners concerns about the kind of property that they're living in. I'm increasingly engaged in conversations with clients about the need to find more space. Homeowners want to have an extra room in which the kids can play or an additional bedroom for relatives fleeing hotspot communities. Pools and outdoor kitchens are more popular. Buyers are asking about media rooms and soundproof dens for Zoom meetings. I wouldn't be surprised if consumers, anxious to avoid restaurants but wanting to remain engaged socially, started to rediscover the long-maligned formal dining room!

"81% of Americans are concerned about a second wave of the novel Coronavirus."



What Does This All Mean?

So, let me bring this back to the beginning- Nicole and Esme and the strawberry smoothie...

So much of what it is that's playing out in our lives- in our world- is uncharted. Every morning we wake up aware that, perhaps, some new, unknown force has reared its head overnight, forever impacting us and changing the planet. Personally, I've inured myself to the fact that, whatever it is, I will find a way forward and conquer whatever "rough beast, its hour come round at last" is vexing my day. My task is made easier because, ultimately, I'm responsible only to myself and my personal well-being. Nicole, and the other members of my staff, however, are trying to navigate a new frontier. Like so many parents in today's workforce, men or women, they're doing their best and making it up as they go along.

Nicole is lucky. She's got a great husband who is a loving father. Andy is present and he's supportive. He does the laundry and he plays "Shake It Up With Tato" with his daughter. However, he also works for a large corporation that, because of their size, doesn't have the ability to quickly pivot and create new policies reflective of today's suddenly-transformed work environment. As a result, it's fallen to Andy and Nicole to figure out how best to care for Esme who has no school to attend and no daycare available to her. Sadly, the answer to their dilemma, as is so often the case, falls, disproportionately, to one spouse- in this case, Nicole.

"It's like watching a modern-day version of the Pioneer Women of yore, navigating new frontiers. Rather than simultaneously wiping a tear from a child's eye while gutting a deer and churning butter, today's parents are using an iPad as a tutorial aid while stir-frying a nutritious meal and formatting a contract for electronic signatures."

She's not able to rely on teachers or daycare providers to help so, in addition to being a wife and a mother, Nicole is now homeschooling. This is on top of her already fixed roles as the one who shops and plans meals. She cooks and cleans and pays the household bills while, at the same time, she manages a team of ten employees, my real estate sales and rental properties. The panoply of job responsibilities means that work days are suddenly interrupted and rearranged and re-prioritized. You know what? Somehow, Nicole and the other members of our executive team are doing it! **Through perseverance and tenacity and hard work and long hours, they're making it happen. Most importantly, they're innovating.** I may receive a cash flow report at 11:00 at night or photos may be taken at a client's residence, child in tow, on a Sunday afternoon. However, the work is getting done. It's like watching a modern-day version of the Pioneer Women of yore, navigating new frontiers. Rather than simultaneously wiping a tear from a child's eye while gutting a deer and churning butter, today's parents are using an iPad as a tutorial aid while stir-frying a nutritious meal and formatting a contract for electronic signatures. In short, I'm in awe.

The takeaway? Whether you're a mother or father trying to juggle work and childcare or a real estate broker trying to advise clients or a large multi-national corporation intent on retaining your best employees through enlightened benefits, you're going to have to innovate. The reality that existed twenty minutes ago is no longer relevant- it's changed six times and it's about to morph again. The old business maxim, "innovate or perish", no longer pertains solely to Fortune 500 companies and business titans. Increasingly, they're words by which we all need to abide.

Thank you for taking the time to read this rather unusual version of my occasional cognitive peregrinations. If I can answer any questions or help you with your real estate needs, please let me know. I can easily be reached for an in-person or virtual consult at **330-8750**. Meanwhile, stay safe and enjoy this gorgeous summer weather!