[Host] Emily Myers (00:02):

This is the Brick Underground Podcast. I'm Emily Myers here to bring you everything you need to know about New York city real estate. Whether you have questions about co-ops condos, renting, buying, selling, moving, renovating, we are aiming to have you covered. And if you head to our website, Brick Underground.com, you can see, we provide lots of advice, explainers and analysis on the New York city real estate landscape. In this episode, it's all about the numbers in an attempt to map out how, and perhaps why the pandemic shifted buyers towards the suburbs, or at least out of the city. And really try to understand where that puts us now. If you're selling or want to buy either in New York or beyond, what can you expect? And if you're renting, we are seeing some fairly wild concessions. How long might it last? And is there a catch? Well, it's always a pleasure to chat to Jonathan Miller, president and CEO of the appraisal from Miller Samuel who joins me for this podcast. Hi.

[Guest] Jonathan Miller (01:02):

Hey, great to be here.

Emily Myers (01:03):

Jonathan, I suppose we should start by talking about the suburbs because that's been a big part of New York city's real estate story this year—the spring flight. Can you talk me through that narrative?

Jonathan Miller (01:15):

Sure. What happened in the suburbs has been sort of portrayed as this infinite pattern that will go on forever. When that's really not the case. Once the lockdown started to end we saw a regional surge and in transactions across the suburban markets. It was astonishing how many transactions there were. I think the narrative began, with people in the rental market, which are less anchored to the city than the purchase market, because they don't have to sell something. You know, what makes New York city so great is all the cultural and the easy transportation to get everywhere. And all of a sudden that's restricted. So many people look to rent in the suburbs and what they found out is there wasn't a lot to rent and many became first-time homeowners. And in fact, the rental market in the city in terms of pricing has been hit far harder than the purchase market, even though both have been hit.

Jonathan Miller (02:23):

And so when you look at the suburban markets you know, contract activity from May until July was a rocket ship just straight up, but what we've seen since July or maybe August, depending on the market is that contract activity in the suburban markets is leveling off and declining, but still well above year ago levels. And I think what's really fascinating is that in the third quarter research we did, you know, for our Douglas Elliman series covering Long Island and Westchester Fairfield alone, the average amount of bidding wars in terms of transaction activity was about 30%—meaning 30% of the markets in these regions, you know, the purchase price end of being above the last asking price, which is not sustainable. And so that's, and, and in many ways, some of the early buyers, I would almost frame that as panic buyers.

Emily Myers (03:20):

So, are you saying that they were some of the renters, they were renters who moved out and they moved to actually to rent in the suburbs and then found themselves buying?

Jonathan Miller (03:30):

Yes, I think that was a big part of it. I mean, some, you know, I'm not saying that people didn't go out to buy either, but I think the initial first wave was heavily weighted towards the rental market because they're less anchored. I mean, if you're talking about somebody paying, not a rent stabilized apartment or a rent controlled apartment, but you know, an open market apartment and I've long said, maybe I've said it in a prior podcast that I thought here, that I thought that New York city had gone about three years past what I called an affordability threshold, meaning it just gone a little too far. That's why their reaction and the change was so massive and sudden. I mean, the New York times did a story back, I think in may saying that in April and late March, that 420,000 New Yorkers moved out of the city and, you know, something like 40% of that were probably from Manhattan because Manhattan, you know, of the five boroughs is, has the most wealth and therefore the most mobile has the highest mobility.

Jonathan Miller (04:40):

And so as a result, you saw these second home markets, like The Hamptons become what I've been pushing just to get, you know, the word into their urban dictionary has always tried to get a phrase in like "aspirational pricing". I've tried trying to get "co-primary" in where a second home market that consumers were looking at it as not just a place to hang out in the summer or the winter, you know, whether they talk about the Hudson Valley or upstate Connecticut or The Hamptons and North Fork, but a place that they could at any point of the year, see themselves living in. And as a result, we're seeing school enrollment on the East End explode as tangible evidence of what has been happening. So it's been quite a phenomenon and we're, we're still in the middle of it. There's a lot more to play out. As we stand now, one of the things that I think,uis showing,ua return to the city movement or it's suggesting it is that,uwe started to see in the rental reports that we do for, you know, the, The Elliman Reports covering Manhattan, Brooklyn, and the Northwest region of Queens. Manhattan—We saw the most new leases signed since the financial crisis for the month of October. And we saw something like a 30% year over year gain. And why is that? Well, because rents have fallen sharply and it looks like we're starting to trigger, um, ou know, it got down low enough to start pulling people into the city, hn top of, you know, the vacancy rates at a record, the market share of concessions are at a record, the amount of concessions or at a record, mou know, it's been a phenomenal reset, mhat, how with price is down you are starting to pull people in. And, you know, if you look at it from the optimistic side, mhat could signal sort of a Renaissance or, you know, hort of new people coming in, then it, the story about the city, isn't just luxury, luxury, luxury, luxury, luxury, but it's something else I don't know what quite that is, but, you know, the influx of young people coming in, I think is kind of exciting.

Emily Myers (07:07):

And I guess the crucial question is how long do you think that will last?

Jonathan Miller (07:11):

Right. Well, you know, I think that the surge in new leasing activity is you know, in journalism school, right? Three data points make a trend. And then the trend is your friend. This is one data point, you know, I would anticipate a further expansion of activity. And I don't think that rental prices are going to bottom out right yet because we still have a vacancy rate, at least through our methodology of over 6%. It's never, I mean, you know, for the last 14 years vacancy the rate of empty apartments has been hovering in the one and a half to two and a half percent range. And now we've had six months in a row where the vacancy is not going up, it's going straight up.

Emily Myers (08:03):

So interpreting that, you're saying that we're going to see rents continue to fall, and...?

Jonathan Miller (08:10):

I think we see, you know, at least just because the metrics are all at record highs, meaning showing record weaknesses that that suggests to me that we still have weakness ahead. You know, that translates into pricing. I don't know how long or how much, but, you know, I see this at least at a step in the right direction that you're seeing now, inbound migration. And I should point out to your listeners that when we look at the the rental market in Manhattan and the sales market in Manhattan you know, I'm doing these contract reports, which, you know, I describing the results earlier of, you know, sort of peaking activity peaking the suburbs in July. And then beginning to slide, I do these around the U.S., And I have to say that Manhattan is one of the only markets that's showing weakness that Brooklyn is setting records. It's very strong, you know, in the New York Metro area, Manhattan is the outlier. So the term and beginning when it was fleeing the city, or, you know, in a blog post, if you put the word "exodus" in, you'd get a lot of readers, you know, everybody's searching for that sort of terminology. But the reality was the urban to suburban migration story really should be Manhattan to suburban at least in the Metro area.

Emily Myers (09:43):

So on rents and concessions you obviously we have this tension between the net effective and the gross rent, the net effective is the calculation that includes the concession and that's often what's advertised. And there has been certainly in our office, the concern that people are entering leases now with a calculation that they can pay the net effective rent, but in 12 months time, they're going to get the gross. But you're saying, you know, in a sense, if you are going into a lease right now, you should be fairly confident that you're not going to see excessive increases at the end of that time.

Jonathan Miller (10:24):

I, I guess I think sort of, it would be my answer—my definitive answer to that is that that there's a lot of weakness over the coming year ahead of us, so if we look at it, you know, people are looking at, you know, what is the future look like the near term? Is it a V recovery? Is it a K recovery? Like all these alphabet shapes? The other day it dawned on me, yeah, it's a V recovery—V for vaccine. And, and you know, and it looks like there's three candidates that look pretty darn positive in terms of helping and then introduction and distribution on top of companies default answer to when are they going to bring back employees—it seems to be next summer, which coincides with, In theory, an optimistic viewpoint of, you know, maybe life, I don't own say normalizing, but and that suggests the potential stability where you don't have the, you know, you have a reduction in outbound and you know, an acceleration in inbound as people are more comfortable.

Jonathan Miller (11:38):

I mean, people have to be comfortable. And right now you have 85% of the office buildings, the towers empty, and they support all the retail and the jobs that are around it like that doesn't come back until people feel comfortable. And then after they come, you know, who's to say, you know, we're not going to go back to where we were? We have Zoom and, and remote working and, you know, while offices are gonna pull people back, there's no way in my view that it, that they're all gonna come. I mean, in many offices, you know, are looking, you know, companies are looking to downsize because now they can have people that really just want to work at home and their job doesn't necessarily require them to be there. So there's this whole thinking in front of us. And that's why I think this sort of swirl of decision-

making and how things go, and it's sort of anchored to the vaccine means that, you know, 2021 is not necessarily some sort of, you know, booming recovery. But, but, you know, maybe a slow down in the decline or something along that line, at least that's the logic.

Emily Myers (12:50):

Yeah. thinking of a V-shape recovery, just go back to the vacancy rate

Jonathan Miller (13:00):

V all the time! Right.

Emily Myers (13:02):

Yeah, just going back to that because we we actually just put a piece out on our site about the shadow inventory. So, so in terms of this idea that landlords aren't actually putting out all their vacant apartments, it's even more of an issue than perhaps that we're seeing. Right. What are your thoughts on that?

Jonathan Miller (13:24):

Well so that's the same phenomenon. We see a new development where, you know, shadow versus active inventory, and the way you sort of manage the front facing supply is to, you know, not put it out in the open and until you need it, or, you know, because otherwise you tip your hand. Even though everybody's everybody understands at this point the default is a weak market. And I think that's another reason why, you know, look as far as active inventory went you know, listing rental inventory is in Manhattan, specifically has tripled same with Brooklyn. So, you know, you have to work through that and on top of that, you have shadow behind it. So that's why I'm not very worried about rent trends changing much in 2021, because you have that, you know, phenomenon sort of floating out there that, you know, it doesn't go away in three minutes. It's, it's, it's a, it's a significant challenge.

Emily Myers (14:34):

Is it fair to say it's a buyer's market, but is it a good time to buy? What, what is the data telling us?

Jonathan Miller (14:39):

So I, I, I, I always try to avoid being trapped into answering that question because, you know,

Emily Myers (14:48):

And we always try to trap you.

Jonathan Miller (14:49):

Absolutely, absolutely. And I, you know, skillfully navigate around it. So first of all, the the contract reports came out of the need to compliment the quarterly reports. And the idea is, you know, in the, in the quarterly reports that we publish around the country, the inventory data that's presented is total inventory. It's cumulative, you know, it's the, you know, it's, Manhattan's around 10,000, you know, it's, it's, it's, you know, if something is goes to contract in August and isn't closing until December, then it counts as a contract you know, for four or five months if something is a, goes on the market as a listing and it, you know, it goes on in May and it sells right now or sell it, doesn't, it hasn't sold yet, but is about to sell. And then it closes a month or two from now, you know, for like nine months, it's a, it's a listing.

What this, these reports attempt to do is take a fresh look at a couple of things. One is to to break the market out just at a monthly snapshot. So, you know, I wanted to show what activity was exclusive to the month of October, whatever month we're reporting and then release that immediately in the first week or the following month. So it's very fresh, but not only that break it out by property type, you know, and for the most part, you know, in Manhattan, it's, co-ops. Condos and one to three families, but then also break it out by eight price tranches. So what's been phenomenal about the, what we've seen in the results of the report is that the suburban markets, the action in terms of the year over year growth in activity, which tells us you know, it's really coming from the city is because the growth in activity contracts is in the upper half of the market. Like every price tranche, you go up higher, there's a higher percent year over year increase in activity. And, you know, if you think about like a market like Manhattan, where the median price fluctuates between like one and one, two, and you go into the suburbs, one and one two is like the low end of the high end. And so we're seeing, you know, you know, this demand coming from the city, because the city's more expensive, you're getting this sort of skew of higher end activity when the high end of the suburban markets fell asleep since the financial crisis have been not dormant, but very quiet. So it's allowed us to see, so anyway, so I've, I've tried to obliterate, but question, you were originally asking me, but I will say I'd never comment on whether it's a good time to buy or not. Just because everybody's situation is so different. Clearly in a period of falling prices and prices are falling generally in the sales market and absolutely in the rental market that, you know, there's definitely more advantage to the you know, the, the renter or the would-be buyer. But in the sales market, not as much as you would think in Manhattan in the third quarter below a million dollars, you know, we still had between three and 4% of the sales going to bidding wars. So it's not like there aren't any bidding wars, they're just less of them and they're more concentrated in so that's why that question is so hard to answer.

Emily Myers (18:41):

Yeah. But so I guess shifting it a little bit for sellers, and I suppose for appraises is pricing a problem. I mean, you've got fewer comps because there are fewer sales. And you've talked about sort of the data lag between contract and closing. So how are sellers accurately pricing their apartments?

Jonathan Miller (19:01):

Well so the combination of sellers and brokers are arriving at what a list price should be it's very difficult. They're having the same problems we are. I think one of the defaults in pricing a home for the last decade has been, "Hey, you know, I'm in, I'm in 8J and 7J sold two years ago for a million dollars. So I gotta get at least 10% more. And so I'm going to ask a million two and hope I get a million one." Well, you know, that simplistic sort of rationale, it's always higher than the last sale in the building that was similar and that's out the window right now. That is not reality. And, and the buyers are, it's not that they're afraid. It's that they're jaded. You know, they're not, they're not going to go for that. And also too, and this is actually a silver lining in the market in the sense that what has shocked me the most about this COVID impact on the market is that mortgage lenders are actually being responsible. I mean, they're actually mitigating risk—like the last cycle with the Lehman, culminating in the Lehman moment and the financial crisis, if you had a pulse and could fog a mirror, you could get a mortgage! I mean, those days are not even close. Now, you, you may see some of that on the margin, but that's not the, the mainstream norm of mortgage lending. Banks being incredibly diligent and underwriting is at least from where I sit has been remarkably good. So as we come out of this and there's a vaccine and, you know, there's maybe more aid coming out of the federal government to help cities to sort of dissipate some of the damage, we don't have a banking crisis on top of that. Right. I mean and that is, that's a, that's a relief. I think that's an amazing thing. And I'll give you an example, like when the Fed cut rates at

the beginning of the lockdown the end of March or March 16th, I think banks didn't drop rates as much as they could have. And why was that? Because they're also looking at when rates drop. That means there's an economic problem ahead, which means uncertainty and concern, you know, so I, I find it to be, you know, on a, on the wonky side of this as being somewhat of a relief, that banks are actually doing what they're doing after going through a decade of really bad behavior, where risk was thought to be under was managed and fully under control globally. And it never was.

Emily Myers (22:03):

Yeah. So, I mean, for, for, for buyers, borrowing is more affordable than ever, but a lot of the banks are tightening those restrictions and asking buyers in some cases to put down larger down payments up to up to 30%, I think on some of the retail.

Jonathan Miller (22:17):

Yeah, absolutely. I mean, you know, lending standards have not evaporated. Thankfully I know that, you know, isn't necessarily music to real estate agents ears or buyers ears. But I think it's important and it's a good, it's not a bad thing in terms of like future stability and avoiding going through some sort of crazy wild downturn that we went through with the financial crisis, which was predicated on, you know, bad credit decisions.

Emily Myers (22:48):

Yeah. So actually some of these tighter restrictions also have obviously a knock-on for sellers. Is there any indication that perhaps the good stuff isn't yet on the market and a savvy seller is holding on if they can waiting to sell?

Jonathan Miller (23:03):

I mean, there, I mean, as a general idea, there may be. I mean, when I think of, you know, listing inventory now is almost, it's not a record, but it's, you know, almost a record—that argument to me doesn't hold much water because there's already so many listings on the market and you know, a lot of those listings are like, in my view are, you know, older that they gave up andare coming back and, and, you know, so you, what you're having is we're also seeing older inventory being cleared from the market. And so there's more new ones.

Emily Myers (23:48):

What do you mean by cleared?

Jonathan Miller (23:49):

Cleared, meaning sold or removed but not in the supply mix anymore. So, you know, it may feel more fresh than the normal simply because you know, you have people that finally got the message on pricing and have sold, and we're starting to see that more and more, I mean, you know, one of the things about Manhattan in the housing market zeitgeist nationally has been, as I said earlier, that was, it's been the laggard. It's been the non-performer relative to everybody else, like a Brooklyn or Queens, but we haven't seeing a steady progression of an uptick in activity and in fact, co-ops are only, I think about 4% behind last year contract level and condos I think are around 20%. So they're, but they're gaining every month slowly which is, you know you know, progress, but it's certainly not, you know you know, this massive surge in activity.

Emily Myers (24:58):

We have articles on much of what we're talking about at brickunderground.com, including actually a cost analysis of living in the city versus suburbs, as well as a breakdown of the numbers we're talking about in our coverage of the market reports. I'm speaking to Jonathan Miller, president and CEO of the appraisal firm, Miller Samuel and author of The Elliman Reports, which are produced by Douglas Elliman. Jonathan perhaps we should talk a bit about new development, there's luxury apartments that just keep on coming online and sales were already in trouble because there were so many of them. What are the numbers saying specifically about new development?

Jonathan Miller (25:33):

Well, specifically we cover Manhattan—the closest—and the numbers haven't changed all that much. It's you know, if you look at all unsold new development, you're looking at about it's somewhere in the eights between eight and nine years, which is a huge number and it's still a market that's softer at the top and tighter as you move lower in price, everybody sort of had the same idea, which is build super luxury condos anywhere you could. And it just went way too far. And now you're starting to read in, you know, about different developers getting into trouble, you know, seizing their personal assets and things like that. So they will be people that have deeper pockets that survive and others that won't and it's going to be an unwinding for the next few years. And I think that means buying opportunities for people because, you know, the discounting is continuing and just, this is sort of a very broad overview, but if you look at like these sort of, you know, the super luxury type product, you know, that since 2014, through like '17 or '18 or down 25 to 30%, and then you add maybe another 10% for COVID, you know, or, you know and the mansion tax you know, which is 2 million and above, you know, I think more, you know, I think the damage that has happened to the high-end luxury, it's not, I mean, the high end new development is really not much about COVID and more about the mansion tax.

Jonathan Miller (27:19):

It's a very polarized market. It's important to realize though, that it's only about, you know, 12 to 15% typically, or 10 to 15% of transactions in a given year. So it is not the market, but the optics of it feel like it's the market to the world. And 85 to 90% of the transactions are resales. And, you know, in the sort of 500 to 2 million price points, we're having bidding wars. So you know, it's a very disjointed segmented market and you have to be careful not to brush stroke conditions over everything. The one thing to point out is on that is just that 50% of New York city's revenue comes from real estate activity. So it is to, in order for the city to be able to maintain the level of services, I'm not being political, I'm just saying that to maintain the level of services there has to be, you know, maybe it's not super luxury, but there has to be incentives for real estate development to bring in the tax dollars that are going to be lost. Especially as we come out of this COVID hole that we've dug into.

Emily Myers (28:38):

You mentioned some politics, so I'm just gonna weigh in there. And I'd ask you if you, are you interested in, in kind of giving your thoughts on what might happen to New York real estate with Democrats looking like they have the super majority in Albany? I mean, where do you see things heading?

Jonathan Miller (28:58):

Well, I've already, we've already seen it right since the midterms, the super majority has resulted in the mansion tax, a close call with the first wave of the pied-a-terre tax, which would have been catastrophic

in my view because it actually, in my calculations, it wouldn't have collected. It would have actually resulted in a net loss in tax revenue which,

Emily Myers (29:25):

How does that work out?

Jonathan Miller (29:25):

Because it would collapse development and the income that's generated from that. Plus it was wildly optimistic. Know, I sort of say this every time that I see a policy, I go, first of all, tax policy changes human behavior. And so usually the way that they're pitched when we saw that coming out of Albany, like, "Hey, the wealthy don't care about taxes." And it's like, "no, that's actually not true." And you can see that with the mansion tax, where there was a sharp drop in activity. So there's going to have to be a reckoning with where the shortfall, especially if the federal government doesn't bail out you know, municipalities like in New York City. The other thing is, you know, so we had the mansion tax, we had the the new rent law, which is you know, on the sort of developer investor landlord side of that observation that there's no upside to buying a multi-family building. Not only is there's no upside and you know, I'm for protecting the tenants. I get it. There has to be a happy medium because all the landlords let go of, you know, this reminds me of, I mean, I wasn't here in the seventies, but I came here in the mid eighties when I moved. I'm not a native new Yorker. And we were coming out of In Rem housing foreclosures that were, you know, you know, basically landlords walking away from buildings. And you're gonna remember that, you know, the cost of the landlord incurs are float with inflation, like like utilities and other, you know, maintenance costs. And then at the mercy of what the taxes are, how the taxes are going to trend, but the, but the revenue is, is controlled. So we're having, you know, pull back and upgrades to interior and exterior of buildings, which is not good for the city. So so I feel like it's been, it's been an overcorrection. I'm not saying before was right, but it's been an overcorrection. It's not sustainable.

Emily Myers (31:43):

You mentioned the pied-a-terre tax. And obviously New York city has lost a lot of its international buyers. I'm imagining those are some of the people who would not all of them, but some of the people who would be buying a pieds-a-terre actually understand you've been interviewed by some international media outlets in Japan and Korea. And I was wondering, you know, what's their interest. Is, is that, is that sort of international buyers getting ready to pounce? Or, or is it a schadenfreude and a joy in our misfortune here?

Jonathan Miller (32:20):

Well, I, I think it's more that so, you know, in many ways, you know, in New York, how's the housing market as a spectator sport and, and you know, it's the primary sort of classic backroom, barbecue backdoor, barbecue conversation. And, you know, and if we were in DC, it'd be politics. If you're in LA, it'd be tech. And and the world, you know, I think especially Asia is very interested in the fortunes of New York with the focus of whether, you know, like you had asked me earlier, it's a good time to buy, you know, is there, you know, in the, you know, to, to, to be corny and use a quote, I don't do this very much. Right. I prefer to have my own quotes, but, you know, Warren Buffet said, "when everybody's running out of the room, you need to run in." And and, and so I think there's a lot of sort of thinking about, because, you know, one of the challenges with, to the international contingent that looked favorably on this market was—and we have seen this every decade or so. There's no guarantee that that

can, that pattern continues—is when the dollar's weak man, you know, there's a big discount here and the dollar spent strong, there was no currency play anymore. So let's say the discount now is 10%, instead of 50%, that's a lot less compelling. And and those economies have also been struggling a little bit like ours you know, is right now, and those periods of a massive surge in international demand. I don't even think we appreciated it in '13 and '14 like we should have, because those contracts are invisible essentially. On new development, you know, they weren't, you know, it was hard to see. And then when they started closing, you know, it was, it was quite you know, a phenomenon and you know, we don't know when the next one will occur, but, you know, trust me, it will occur at some point. It just, you know, it could be 20 years from now. We don't know.

Emily Myers (34:35):

Yeah. Actually, I mean, we're beginning to see, I suppose, some of the lasting impacts of the pandemic in terms of perhaps on a more granular level, how transactions are done, virtual tours are prolific—here to stay—as our more efficient kind of remote closings online, co-op board interviews. Are there any silver linings that you're seeing from the pandemic as it relates to real estate?

Jonathan Miller (34:59):

Well, I, I think that this, so I've, I see COVID is the great disruptor. One of the things that it has done it is made in theory, the real estate transaction, more efficient or the potential for efficiency, the other thing, and probably one of the biggest things I've noticed. And I don't know, I don't know if this is quite accurate, but I get the impression post lockdown that brokers generally have to show far fewer properties than they did before, because the consumer is doing, you know, going on all the tours, looking, you know, virtually looking at everything and can say "no, there there's no way." And so this virtual reality aspect of it has become much more real. And and I, and even like just calling up or talking to your broker and, you know, doing something Zoom it's, you know, it can be somewhat collaborative. But let's not overdo it. Like, I like the whole idea of people viewing property and buying a house without ever stepping foot in it is the outlier like that, that, that did not, I mean, there are examples of it, but that is not what was gained. What was gained was doing the legwork before making a decision. I think that has been very helpful. And I think closings to seem much more efficient is the, is the word

Emily Myers (36:37):

It's always about this time of year that we start forecasting what happens next? You've talked about politics. We've talked about, you know, certainly the rental and sales market the vaccine, the election, have I missed anything?

Jonathan Miller (36:49):

You know, I don't think so. Other, you know, I just think because of all the variables that are in play that I don't think people should be in a hurry to sort of define every step of the way for the next 18 months. I I think you'll be very disappointed. You know, I think you have to take solace in the fact that there, you know, uncertainty is sort of the most overused word in real estate right now, and it's sort of a cop-out, but it's sort of a necessary out in that. You don't know how are humans gonna, you know, have how are human, how has human behavior going to change once the vaccine is back? You know, I have this very strong belief that, and having gone through many crises and seeing how markets react is that human beings have an amazing gift of forgetting the immediate past, even when it's to their detriment. So I'm not convinced that everything we're seeing other than maybe Zoom and sort of a, but we're at peak Zoom right now. You know, I don't think it's going to be this way. You know, after there's a vaccine that's

widely adopted, but there'll be a percentage of the workforce of schools that will have this. So it's an addition to sort of the flexibility of everyday life. But you know, I think we, we there's too much sort of writing off the way it was, and it'll never be that way. Again, life has completely changed and yes, things have changed, but let's not get carried away. We have to see what happens as the dust settles.

Emily Myers (38:36):

I think that's a good point to end it. Jonathan, thanks for joining us.

Jonathan Miller (38:41):

Oh, sure. My pleasure, anytime. I love Brick Underground!

Emily Myers (38:45):

That's Jonathan Miller, co-founder of the appraisal firm Miller Samuel. I'm, Emily Myers. The brick underground podcast is produced by myself and Jenny Falcon. Terry Rogers is our executive producer. Thank you for listening.