

## **“Work Shop” Author Joe Brady on the Evolution of Retail Real Estate**

**Dan Breslin:** Joe Brady. Welcome to the Rei Diamond! Show. How are you today?

**Joe Brady:** Doing. Great Dan. Thanks for having me.

**Dan Breslin:** Yeah, for sure. So, Joe, we'll talk about his background with Walgreens as head of head of National Real estate. I believe we were talking before we hit record about how we're both Philadelphia guys, then Chicago guys and then Florida guys still to this day. But with that, do you want to give a brief background of your career history and how that's led up to what you're currently doing, Joe.

**Joe Brady:** Sure happy to. You know, I've been in commercial real estate for 35 years or so, and during that time I've had a chance to sit almost at every seat at the table. So I've been on the capital capital market side. Been on the brokerage side, the advisory side. I've been on the principal side.

**Joe Brady:** and so I really grew up in the retail business, and it was a part of some very high volume rollouts, including Hollywood Video back when that was actually a that was actually an industry. Right? There's only one blockbuster left.

**Joe Brady:** Did you know that.

**Dan Breslin:** Somebody mentioned that to you.

**Joe Brady:** Yeah.

**Dan Breslin:** It must be like a museum now, or something. I mean.

**Joe Brady:** It's a swag shop. It's.

**Dan Breslin:** Okay.

**Joe Brady:** Bend Oregon of all places, right? So that industry doesn't exist. But was part of the team that rolled out 2,000 of those stores. And then we we took that business we took the skills and the relationships and rolled that into an outsourcing business.

**Joe Brady:** That, we ran from 2,000 to 2,008 and T-mobile, U.S.A. Became our biggest client. So we opened another 2,000 of those stores, the 1st 2,000 T-

mobile stores in the Us. And wound up selling that business to Jll. January 3, rd 2,008. So for those who, you know don't track history that was really really lucky timing and I'll take it so.

**Joe Brady:** You know, spent time at Jll running the retail practice around the Banking industry group. So I was doing a combination of retail and office, and then I had an opportunity to to join Walgreens instead of real estate. So I was there for almost 4 years, and right before the pandemic I left and joined a company called the Instant Group.

**Joe Brady:** which is the Airbnb of flexible office Space. So if you can imagine joining this company, I was the CEO of the Americas. The company was based in London.

**Joe Brady:** It's the Airbnb, a flexible office space. It also kits out, builds out office space for fortune, 100 clients, and and then instant, would run those spaces. So really,

**Joe Brady:** creating a lot of agility and flexibility in in the office world which really didn't exist. I started that December of 19, so you know, 3 and a half months later the pandemic hit, and everyone was looking around thinking, what are we gonna do about office space? No. One was in the office.

**Joe Brady:** And so for the next 4 years we we literally quadrupled the the revenue and the business

**Joe Brady:** building building out offices from Buenos Aires to Mexico City to Toronto, all throughout the us.

**Joe Brady:** And and so it was kind of fun. But

**Joe Brady:** while that was happening I kept hearing all of the same

**Joe Brady:** death knells and chatter that I heard 10 years ago about retail said about office. And so it really struck me that I had seen this movie before. And so I started putting some thoughts to paper about what we learned in the retail world, and what office the office industry could learn from retail.

**Joe Brady:** Given that there were

**Joe Brady:** 2 really dramatically impactful forces. One was this acceleration of technology in our world. And 2, how consumers were reacting to that acceleration? I guess the the short of it was that real estate wasn't keeping up with with those changes, and retail. Had to learn the hard time, hard way and and office right now is really going through a tough, a tough period.

**Dan Breslin:** Yeah, absolutely. It's ironic. So my very outside observation of Walgreens story. And this is totally uneducated. So take everything with a grain of salt. This is just my like gut feel.

**Dan Breslin:** But I remember from like 2016, 2015,

**Dan Breslin:** through 2020

**Dan Breslin:** you can usually track like distress, or the kind of assets that are starting to fall out of favor

**Dan Breslin:** on 10 x. Right. The commercial real estate auction platform, or any other auction platform. When the distress starts to occur. I mean, it was like

**Dan Breslin:** 2,000 12,009

**Dan Breslin:** that we started. I started. Remember personally seeing like shopping malls and retail centers start to hit the auction sites, as the retail death now, as you called it, was like starting to pop up, and I think that the trend

**Dan Breslin:** in retail

**Dan Breslin:** seem to happen over a lot slower. Period like what happened in oh, 8, 9 and 10, and all the bankruptcies was kind of a. It was a cycling out of a lot of weaker retailers that went bankrupt, and a lot of vacant space came online during that time period, but it felt a lot slower than what we witnessed in

**Dan Breslin:** office to me. And again this could be me talking out my ass, and I don't have the numbers to back it back it up. But office was like 1, 2 left, right, and a knockout punch. By Covid! It was like this instantaneous thing with office, because Zoom went from

**Dan Breslin:** whatever it was, \$40 to \$400 a share, and their subscriber growth was through the roof. And we're doing a zoom call right now. As a result of that

instant tech shift from the Black Swan event of Covid. And I remember Walgreens being in the retail space.

**Dan Breslin:** they started showing up on the 10 X auction platforms, and they were selling for 2 and a half, 3.5 million, sometimes less, sometimes more. And then, when Covid came and the Covid money and the vaccines came out, I mean, there wasn't a single Walgreens site available anywhere in the auction. I'm starting to see them kind of pop back up again. So it's

**Dan Breslin:** It's interesting. I'd be curious what your observation if you're allowed to speak on it with Walgreens, and maybe some of that trend with the retail death knell, and how that might affect someone with such a large footprint like that, and especially with hard corners all over the United States, some of the best located real estate, I mean. That was the strategy for Walgreens Hard Corner, the highest traffic corners in Xyz location with a

**Dan Breslin:** very large facade store. Real class, a presentation compared to what I remember seeing from like Cvs and rite aid in the Philly.

**Joe Brady:** Days, back in.

**Dan Breslin:** Yes.

**Joe Brady:** Yep.

**Dan Breslin:** Middle of the block, kind of weird, like nowhere near the caliber of real estate that Walgreens had, and I think that that strategy must have served them well for a long time, and I don't know if

**Dan Breslin:** you know what what would be like your comments if you're allowed to say anything

**Dan Breslin:** from the inside, and.

**Joe Brady:** Yeah, it.

**Dan Breslin:** For the rest.

**Joe Brady:** So.

**Dan Breslin:** Too.

**Joe Brady:** Exactly. I'm you know, far enough removed from it. And so, while I have have some

**Joe Brady:** experience. Having sat in the seat, I've also seen what's happened since. Now keep in mind. And and Dan, you said, Oh, yeah, from about 2,010 on right, things started to change a bit from from a retail perspective. But remember, the iphone came out in 2,007,

**Joe Brady:** and it took a couple of years for retailers to get good, or at least start to provide a relevant and and an acceptable experience, a shopping experience online. And everyone thought, Whoa! Whoa! Whoa! Whoa! Whoa! Like this this whole

**Joe Brady:** this whole cell phone thing or or online. It's gonna replace brick and mortar. You heard the death knells of. No one's ever gonna go to a store again.

**Joe Brady:** and the truth was the retail, you know, the retailers realized that the consumers

**Joe Brady:** were voting with their wallets. They were saying, You're either relevant, and I want to spend money with you, or you're irrelevant, and you're going to go on the dust heap of history, and you're going to go away, and that applied to malls as well, and to retail locations. So you know, the C. Malls have largely been bulldozed, and the B. Malls have largely been d malled, and what you're seeing now is

**Joe Brady:** more of a mixed use

**Joe Brady:** mixed use layout with live work and play.

**Joe Brady:** You're seeing gyms come in. You're seeing Multi family coming in as well. Quite interesting from a Walgreens perspective. You're right. The theory was, how do we get as close to

**Joe Brady:** 80% of the Us population. Right? How can we be 5 to 10 min from 80% of the Us population? How do we drive our business from the pharmacy back of house, and then really enable the front of house, which

**Joe Brady:** frankly had, you know it had insult pricing right when you, when you looked at buying a diet Coke at a Walgreens, it was. It was because you were dying and you needed it, and you're willing to pay anything.

**Joe Brady:** What happened with again. So these 2 stories now come together. This confluence I remember

**Joe Brady:** talking to the head of of Duane Reed in New York City, which Walgreens owns owns, and he he tracked a number of different items, and he was able to get

**Joe Brady:** 4 or 5 different items

**Joe Brady:** delivered by Amazon to his home

**Joe Brady:** cheaper than what he could get himself buying it in store with his employee. Discount.

**Joe Brady:** Now think about that right, and so the consumer is not dumb. The consumer is very, very smart, in fact, and so they've decided to to vote with their feet. There's this whole separate parallel conversation we can have, which is a little bit of a rabbit hole, but it's around organized retail crime. So in addition to

**Joe Brady:** having extraordinary competition with the front of the house that Walgreens was experiencing and having price compression on drug costs from the back of the house

**Joe Brady:** and and getting proper reimbursements. There was a huge margin squeeze happening in and of itself. And then you factor in that. There is a tony soprano of the dark supply chain that's literally sending people armies of these, you know, street urchins into stores and and literally just swiping entire shelves of product and

**Joe Brady:** Icsc, which is the retail industry trade group has done an analysis. And the impact to the United States is about 100 billion dollars a year. For Walgreens. It's about 4 billion dollars a year.

**Dan Breslin:** So.

**Joe Brady:** Now, you know, for for your listeners who go into a Cvs or a Walgreens, or a target, and you see literally everything behind a locked, plastic

little door. It's horrible horrible customer experience. But what's the alternative? Like having everything ripped off? And there's no product but there has to be a better answer to that. In any event.

**Joe Brady:** Walgreens has had a number of pressures to their margin, and so they tried a number of different things, whether it's primary care inside the store that didn't work. They're trying to dislodge that. What you're seeing now is. And they announced publicly that 1,200 stores would be closed.

**Joe Brady:** Many of those are going to be natural expirations of a lease. In other words, Walgreens would initially

**Joe Brady:** open and have somewhere between a 15 and 25 year lease.

**Joe Brady:** and then have a series of 5 year options. Thereafter. And it was almost.

**Joe Brady:** It was almost rote that you would click off those options. Sure. But we want to stay at that location now. What the company has said is, we're just gonna let some of these stores just naturally expire. Go away. We're gonna move on. And we're really gonna focus on markets and stores. Where

**Joe Brady:** we we have the business we have the the pharmacy business. We. We have good front of house business the the real estate makes sense. And you know, Slim down from what was at 1 point over 9,000 stores. To probably a chain. That's gonna be 5,000 or less. I'm just supposing, but it it probably needs to get there.

**Dan Breslin:** Yeah, it's interesting.

**Dan Breslin:** I'm going to take a detour from our trends. And before we touch on some of the things you wrote about in workshop. I want to

**Dan Breslin:** back up to the 30,000 foot level of like listeners

**Dan Breslin:** who are building their own career are listening to this right now.

**Dan Breslin:** and I believe I had it written down here somewhere. Maybe I didn't. Yeah, you were in capital markets.

**Dan Breslin:** You were in brokerage. You were part of this rollout of several 1,000 locations in 2 different instances. And then you talked about being on the

principal side. Where were they like variously happening throughout your career? And maybe if someone's listening, should they also try to take a

**Dan Breslin:** circuitous route like that, and maybe do brokerage to learn and get the contacts, maybe they should be going after some kind of executive level real estate job, if that's what their training and background is, because there's a lot more benefit. Perhaps when you get to the principal side, and I'll just plug my side is.

**Dan Breslin:** I've always just gone to the principal side. It's like principal principal. I want to run the deal. I want to make the decisions. I want to take all the risk and hopefully make the gain on the upside. Do you have? Would you have any advice to like somebody, or maybe yourself just starting back out again of paying attention to one of those categories, or doing it exactly in that same method. If you had your choice and could wave a wand, you know.

**Joe Brady:** Sure. Yeah, I mean, clearly you're smarter than I am. You went right.

**Dan Breslin:** I don't know about.

**Joe Brady:** You know I was. I was curious. When I came out of business school. I went to Unc. Chapel Hill, and I went to work for

**Joe Brady:** 1st Chicago, which is now part of Jp. Morgan in the in the Corporate Finance Group, and part of my thinking was I wanted to understand where the money came from and how it worked. And that was 1990. So just knee deep in the snl crisis, I showed up in the real estate department. All we were doing was real estate workout. So it was a phenomenal

**Joe Brady:** opportunity to see how

**Joe Brady:** projects and developers had approached situations where, you know, under one condition, things made sense. And then you had a major macro change being a crisis. In this case, the snl crisis and

**Joe Brady:** and how that impacted the value of real estate, and you know how, what

**Joe Brady:** what people had to do to actually work out those projects. And you know who won, who lost. It was really really interesting, interesting for me to see, because I had no risk. I had no downside right? So I was.

**Joe Brady:** I was learning I was a sponge. I have had an opportunity to get entrepreneurial to be that principle, and you know, for your listeners who are true entrepreneurs, you know, that can mean sleepless nights that could mean making payroll. That can mean, hey? You know, one thing goes wrong and everything could collapse. I mean, it's sometimes you're on a razor's edge. Right? It's it's not all.

**Joe Brady:** Always, as Scott Galloway says, champagne and cocaine. When you're an entrepreneur.

**Joe Brady:** you know you're you're kind of up against it. And I've had situations where I've built several businesses that got to a point where I could sell them, and when I did sell them. I felt comfortable going into, for instance, going to jll and being in a corporate environment. It. It allowed me to recharge my batteries. It allowed me to get a little bit more

**Joe Brady:** balance in my life. And it allowed me to think about next. And so. But but all along the way, Dan, and I think you'll appreciate this. And I and I know

**Joe Brady:** it's been. Part of your success is, I've tried to collect as many people as possible. You know I've tried to be a good mentee when I was younger, and ask a lot of questions and try to and try to

**Joe Brady:** meet as many people as possible. It wasn't always easy, because, you know, sometimes it's a bit awkward. I had this friend who, I remember just remark his name's Ken Marino, and he called me up one day, and he said, Hey, I just met this guy named Trammel Pro, and I said, That's a company like he goes. No, actually, you know, it's it's a guy I I just called him up and said, Sir, I would love to come to Dallas and see you. Could I spend

**Joe Brady:** 15 min with you? And I thought you're not allowed to do that. And Ken, of course, said, Of course you can right. It kind of opened my eyes. And so for the listeners out there, you know, there are senior people in the industry that would love to spend time with you. They give you 1520, 30 min, so that that, I think, is a really important point.

**Joe Brady:** don't be shy. Collect as many people, and then, when you start to get into our, you know the my, my role in the in the industry, and you're approaching it as well. Dan is like all of a sudden we become the mentor, right? We we I've always. I've always said I'm really nice to young people, because I never know when I'm going to be working for them, even though maybe they were working for me. Prior. And that's actually come to pass, interestingly enough. And so, you know, this industry

**Joe Brady:** can be phenomenal, you know. It's you know, there's days where it might be. Quote hard work. But when you're doing deals with people you like and respect and you're learning. And you're making money. It's a super fun industry. And and that's why, making yourself available to industry groups to conferences to constantly learning. Is vitally important.

**Dan Breslin:** I'm going to make a plug for the listeners who don't recognize Trammell Crow the name. There's a great book that was written probably in like

**Dan Breslin:** seventies or eighties. Trammel Crow, Master Builder.

**Joe Brady:** Exactly.

**Dan Breslin:** It must be on your shelf there, because I see you looking around there right.

**Dan Breslin:** Hey?

**Joe Brady:** It is.

**Dan Breslin:** He's shown on the screen for those who aren't watching on Youtube. Trammell Crow, Master Builder, by Robert Sobel. This is hands down the best book I read, at least in the last 12 to 18 months, hands down. So to get in the door, to even talk on the phone with Trammell Crow. I don't know if it was the father, or maybe there's a son by the same name, either one we're talking about

**Dan Breslin:** real estate development, American royalty if you were. I think Tramel Crow is the largest real estate developer, maybe on the planet. Besides, like the Chinese Government right now.

**Joe Brady:** He? Well, the the company, his son Harlan.

**Dan Breslin:** Parley. Okay.

**Joe Brady:** Is, is it's been in the news a bit. He has a very good friendship with Clarence Thomas, but we won't get into that on this podcast but Trammell Crow built his business and sold his corporate services side of the business to Cbre.

**Joe Brady:** which which is really interesting Trammell Crow still exists as a company, and they they do development. But but the things that that Mr. Crow did early on were were remarkable. You know he was a visionary. He built some of the, you know.

**Joe Brady:** 1st industrial distribution centers in Dallas, and he built these these large exhibition halls in in Dallas. So anyway, a great book. And I know that you're interested in books. But yeah, that's 1 on my shelf, and one that's important to me.

**Dan Breslin:** Yeah. And I shared it partially. Read the book. But the other part is, look at the caliber that Ken Marino was able to contact by reaching up, let's say, as he was somewhere in his career, looking for some additional inspiration. And the question, I think I'd like to pull on just a bit right now is Joe. What pro tips would you give to somebody in like Ken's position, who is sitting here contemplate contemplating making the call? What's the process for that? What is the most organized approach

**Dan Breslin:** for someone earlier in their career to reach out to someone? They might want the 15 to 30 min, because when people say to me, Hey, I want to pick your brain. I'm like sorry I don't allow brain picking. That's not the format, but I'm curious if you have some tips on how that call may go successfully. If somebody were to make that to you or someone else in some executive level position somewhere.

**Joe Brady:** I I always default, Dan, back to homework right? You have to have a point of view. There has to be a reason, and and what kind of gift can you provide to? You know a Trammell Crow in in return? In other words.

**Joe Brady:** you may be early in your career. But you know something, and because the world is changing so fast right now, if you're a part of the I generation, you know Gen. Z. Or you're you're a millennial like, maybe you have a different view or a thesis, a hypothesis on

**Joe Brady:** some real estate, and you know, you say, listen, I would love to have a just, a a conversation with you to share my thoughts. I'd like to learn from you. This is. And, by the way.

**Joe Brady:** I think it's really vital to be authentic and to be vulnerable, and and to share aspirations. In other words, you know, if I called you up, Dan, I'd say, Listen, you know I want to learn about being a principal. This is where I am. So far I've made some mistakes, you know you can commiserate, but really get to the crux of it. What is it? Come up with a thesis or an approach?

**Joe Brady:** Have your homework done? I you know I sit on the I sit on the Advisory Board at the University of Florida's Bergstrom Real Estate Center, and I have Mentees every year, and I find myself

**Joe Brady:** having more conversations with students who are not my quote official mentees, but they've they've done their homework. They've they've either read my book or they've you know, they're interested in retail, or they've

**Joe Brady:** they approached me after one of my lectures, and and

**Joe Brady:** they have really interesting perspectives that they want to test and say, You know, is this, is this on track, or am I thinking about this the right way, or what am I missing? And so that type of engagement for me is is is healthy. I also want to prepare because I want to get something out of them. I want the perspective. How you know, how are you looking at?

**Joe Brady:** How are how are you looking at jobs? How are? What is your view of an office? You know. How are you shopping? How much? How much are you buying off Instagram? You know Instagram ads. When's the last time you went into a bank, you know. Are you physically going and engaging in physical banking? Or is everything electronic? So there has to be this 2 way. Street.

**Dan Breslin:** Yeah, I love that. And it's like, if I summarize it.

**Dan Breslin:** I love the be prepared thing. Do your homework.

**Dan Breslin:** I wouldn't. I wouldn't take the call. I wouldn't schedule the call if someone didn't, and it was kind of this blind. Pick your brain thing like, sorry I'm tied up. I'm busy.

**Dan Breslin:** But if somebody's done the research and has

**Dan Breslin:** as a podcast host, I'll get like A, hey, your last podcast was great, nothing else, like yeah, that's copy and paste. That's not you did your homework.

**Dan Breslin:** And then the other part of the gift or adding value.

**Dan Breslin:** I think, to summarize that have some kind of agenda. And how much time you're expecting, hey? Can I get 15 to 30 min on a phone call? I'd like to talk about this this and this. Here's what I'm thinking on this. Do you have time at 3 o'clock tomorrow, or would next Wednesday, at 4, 30, be better 2 times 2 dates very specific

**Dan Breslin:** to allow the other person to not get caught in the trap of oh, can we do this sometime? Oh, yeah, sure. When do you want to do it? Oh, no. 12 doesn't work. Oh, how about this other thing? Sorry! But like 5 different replies, for the busy executive is going to be overwhelming. I want to make it very simple

**Dan Breslin:** for the person I'm reaching out to to know what's going to be talked about, so they can also prepare, which is the reason I want the agenda. If somebody were to reach out to me, I want the agenda so that I can be prepared to make sure. Hey? Maybe I'm not the right person to even have this conversation, and I can let you know that, and maybe even give you

**Dan Breslin:** direction to who may be the right person.

**Dan Breslin:** But yeah, simple bullet points, and be sure to provide 2 times and dates you've committed to, so that it's very easy for them to just confirm that date. Throw it in their calendar. They can touch the email one time.

**Dan Breslin:** and then you can move on to the 1530 min, or whatever whatever the case is, my final simple one, Joe, would you prefer? They reached out that way for a 30 min phone call

**Dan Breslin:** or the lunch date.

**Joe Brady:** Yeah, I would.

**Joe Brady:** I I would say the 30 min phone call

**Joe Brady:** it just I travel quite a bit. And so the the thought of nailing down a lunch date is

**Joe Brady:** difficult and remote. Could ask my wife.

**Dan Breslin:** Yes.

**Joe Brady:** So you know, I I think

**Joe Brady:** that's a that's a brilliant aspiration. If you could get to that point, you know, somehow having a face to face, you know, if you know you're going to New York City for a conference in the second week of December, you know you should have your list of people that maybe you've you've talked to and say, listen, can I just buy you a cup of coffee?

**Joe Brady:** You know it could be in the morning could be in the afternoon, and and I do think there's enormous value of having that face to face, having a handshake, you know, having eye contact in person. There's neuroscience behind it that makes the bonds even more stronger. The oxytocin that exists between 2 people when they're together, not when they're 2 dimensional and on a

**Joe Brady:** or on a call. But I'll be in Chicago soon, so I'll track you down. But.

**Dan Breslin:** Nice.

**Joe Brady:** you know. I I think there's an aspiration for you to get get together for a coffee or a lunch, but you know, probably initially, if you can. If you can crack the code with a call, you're doing really well.

**Dan Breslin:** Yeah, you're right about that.

**Dan Breslin:** All right. Cool workshop. The book you had written, did you? Did you co-write this with an author? Did you sit down and hatch this over a period of years? What was sort of the genesis for the idea and the thesis of the book.

**Joe Brady:** Yeah, I had this. I had the idea.

**Joe Brady:** and I had written a number of articles and had, had a number of presentations and speeches, and I left the instant group in in June of 23, and took about a 9 9 month Sabbatical, and during that time

**Joe Brady:** another thing that, I believe, is vital for everyone. It doesn't matter where you are in your career is to have a growth mindset and to always be learning. And so I had this opportunity, and I took a course at Mit in AI and business strategy, because I wanted to learn more about what was going on.

**Joe Brady:** and I took another course at the University of Chicago on Behavioral Economics.

**Joe Brady:** There's only been 5 Nobel prizes in economics awarded in and around behavioral economics, and I. And I thought that you know, if we're gonna focus on consumers

**Joe Brady:** and people, then it's going to be important to understand behavioral science. And you know what motivates people. You know, what incentives work. And and so I've been really, absolutely interested in this area of behavioral science and behavioral economics. And so sort of went to the source and and took a course in it, and between those 2 it helped form a bit of the backbone for the book.

**Joe Brady:** I wound up writing it myself. I had a great publisher editor

**Joe Brady:** called Grammar Factory, so if any of your listeners have ever considered writing a book, it's not as hard as you might think it is. And there are companies out there that can really help streamline it grammar factory. It's based in Montreal. But you know again, a global company, and Scott Mcmillan, who's the CEO, is just fabulous to work with.

**Joe Brady:** It was affordable great value for money. My editor actually was in Perth, Australia. I never met her, but you know it didn't matter, because we were operating asymmetrically, and I'd write something, and then she'd look at it while I slept, and then came back and forth. So that's the genesis of writing the book. It wound up, you know. The whole process was probably 6 months.

**Joe Brady:** and I wrote it because A. I always wanted to write a book. I think you should have big life goals. BI thought that I had something to say, and I wanted to share it, and I wanted to provide a different point of view.

**Joe Brady:** And you know, probably the best way to encapsulate my thoughts is just by an example, and oftentimes

**Joe Brady:** in real estate we see the ribbon cutting right, which is

**Joe Brady:** great cut ribbon job done. Let's go play golf.

**Joe Brady:** And in this new future world I argue that the ribbon cutting is literally the beginning of the process.

**Joe Brady:** because

**Joe Brady:** space is being used differently today, and the consumer is voting in how they spend their time and money. The consumer. We know for a fact that the consumer is voting with her wallet in retail.

**Joe Brady:** And and if you're not relevant, you're going to go away. But if you are relevant and you stay current and you engage in the personalization. And you know, if you're engaging with Aloe or Lululemon, or Apple, or you know, just name it

**Joe Brady:** restoration, hardware, Rh. They they're getting custom. They're getting hyper personalized. They understand your buying preferences. They're engaging with you on different levels. In many respects. Some of these retailers are now movements that we all want to be a part of like apple.

**Joe Brady:** The question then remains.

**Joe Brady:** how is the office

**Joe Brady:** class going to react now that

**Joe Brady:** consumers who are the new? The employees are the new consumers, how they're able to vote with their feet as to when and where they work. Now, assuming that you're not working at a call center, or you're not a surgeon. If you're operating in the conceptual economy, your tool and trade is a laptop or a cell phone, you really can work from anywhere. And so

**Joe Brady:** why are companies like

**Joe Brady:** Amazon

**Joe Brady:** mandating that people come back in an office 5 days a week? Right? And if if part of it is to drive culture. Well.

**Joe Brady:** culture is based on trust, and what way to erode trust faster than to issue a mandate? Because, like, why hire adults and then treat them like children and and in particular, because

**Joe Brady:** the employees who are going and working at these companies are the same ones who have for 10 years engaged in agency, autonomy, and optionality, and how they spend their money. And so what we learned through the pandemic was that many people thought they hated their job. Turns out they hate their commute right in Chicago. I lived in the western suburbs and if I had to go up to the north Shore to Walgreens. It could take anywhere from 40 min to 2 h each way.

**Joe Brady:** you know. And so that's a massive trade. So.

**Joe Brady:** so that's why I wrote the book. I think there's a lot of important things that are in the book. But I really talk Dan about this notion that shop at 1 point was literally a place you went to. It was a noun. And then, because of technology, it became a verb.

**Joe Brady:** And then I argue that that work is likewise going through that transformation. Right? It was. It was demonstrably

**Joe Brady:** paired up with office. So if I said, Dan, I'm going. I'm going to work. That meant I'm going to an office today. Those 2 are decoupled

**Joe Brady:** and work is a verb. I know that sounds obvious, but it's no longer a noun or a physical place. It's a thing, people, it's a thing we do, irrespective of place. Now it can happen in an office. It can happen in a satellite office. It can happen in a we work, and it can happen in an airport. It can happen in lots of different places, and so we have to be mindful of that.

**Joe Brady:** I think there's a some cost bias that a lot of companies have, and I'll use Amazon as an example, they own 50 billion dollars worth of office space.

**Joe Brady:** And darn it, you know, people need to go there.

**Joe Brady:** But other companies who aren't saddled with that much

**Joe Brady:** in in terms of fixed space

**Joe Brady:** can be really smart about how they offer an ecosystem of places for people to work

**Joe Brady:** and and then you can expand your your employee base. You can get mothers who are caretakers. You can get adults who, you know, people who are

caretakers, whether it's young children or older parents can remain in the workforce and be productive. But they're also gonna operate on at different hours, too. And so at the end of the day.

**Joe Brady:** If you're in the conceptual world, if you're if you're tool and trader ideas and and analysis, or, you know, creating products and things like that. Do you really?

**Joe Brady:** Do you really have to be in an office 9 to 5 Monday through Friday, as if we're still in the industrial era, like those are kind of factory constructs. And so things have to evolve. So part of what I wanted to do in the book is just give some historical context. Talk about how retail is learned, and give some thoughts to what? What office, and and the world of work should should be looking like for the next couple of years.

**Dan Breslin:** Yeah, I'm excited. I ordered the book already. I always get the hardcover. I like them on my shelf for the future.

**Dan Breslin:** The sunk cost theory is interesting with the mandate.

**Dan Breslin:** So our our business. We have maybe 22 acquisition people on the team spread between 3 offices in the Atlanta region, Chicago and the Philadelphia region.

**Dan Breslin:** and we were a hundred percent remote when this thing started, you know, 8, 9, 10 years ago. And we we like

**Dan Breslin:** started forming the organization.

**Dan Breslin:** And then we got offices, you know, 2016, some small ones, 2018, 2019, a little larger. And now we're in some pretty decent sized spaces, 5 to 10,000 square feet. These are not, you know, we work size type of offices.

**Dan Breslin:** and that comes with overhead. And I notice

**Dan Breslin:** I get feedback from the team that they do find they're more productive. They're a little more creative in office. They're

**Dan Breslin:** more savvy on the phone. They're kind of showing off for each other. And so we get this office culture where we do have a generation of more productivity and creative results that occurs there.

**Dan Breslin:** because invariably, whether it's Netflix or the fridge, or it's dinnertime, or you know, there's an Amazon delivery at the door. There's a lot of interruptions that would occur in the home environment versus the office. So

**Dan Breslin:** we're not like 5 days in the office required. We're probably like a few hours here and there 5, you know, 3 times a week, and then there's probably all day Monday, and maybe half a day on Friday, or something like that, and a lot of our business actually happens out on location

**Dan Breslin:** at the physical property that we're making the deal occur. So it's not like we could 9 to 5 and do it all from inside the office. So I wonder to myself out loud, I guess, with everybody. I'm not wondering to myself, but it's like, you know what? What is that? Yeah, what is that right balance

**Dan Breslin:** between those who are disciplined to be effective in the Home Office environment versus those that maybe didn't spend

**Dan Breslin:** years developing that Home Office environment who just love working at home, who are probably more susceptible

**Dan Breslin:** to the interruptions because they haven't really thought through and built out the Home Office environment versus the people who are

**Dan Breslin:** easily capable of producing the same amount at their home office environment versus the office. And I think the office has its place.

**Dan Breslin:** maybe for the people at the earlier end of the career, where that's there, the momentum's there, there's people around them who've been doing the business for 5 and 10 years.

**Dan Breslin:** and in their 1st year or 2 they will no doubt make more deals, more productive. Deals

**Dan Breslin:** lose less money on behalf of the company when they're operating out of the office. So I think it's a push pull. And I wonder where is Amazon's heart at? Is it the 50 billion dollars in sunk costs? Or did they start to notice a, you know, falling off of the creativity and the effectiveness? Who knows? Right.

**Joe Brady:** Yeah. And I love that you bring up effectiveness. Because in the conceptual age kind of this new collar economy, is it really about productivity? Or

is it about effectiveness? Right? So if I, if I send out a hundred emails and I call you up, Dan, and you're my boss. And I was like, Hey, Dan, I sent out a hundred emails

**Joe Brady:** and maybe none of them. You know, I I could, you know, say, I've been productive. And I've worked my ass off today.

**Joe Brady:** But

**Joe Brady:** maybe another day I send out 3 emails and 2 of them, you know, turn into deals. And then. And I also got to play 9 holes of golf that day like, do you really care? And

**Joe Brady:** I'm not. I'm not here to say it's all about work from home. What I'm what I'd love to emphasize is that hybrid work is the flip side of the coin of omni-channel, retail or hybrid retail, and what we've seen in hybrid retail is about 20% of the time 20% of of total retail sales of 3 trillion dollars are

**Joe Brady:** happening in the e-commerce channel. And what we're dealing with is these multiple channels of how people are spending their money. I think there's an equal and opposite example in how people make their money. Do we need to be Monday through Friday 9 to 5 in an industrial era construct?

**Joe Brady:** I don't think so.

**Joe Brady:** but I think what has happened is that we have generations of Dilbert, middle managers.

**Joe Brady:** who have determined that if you're sitting at your assigned station, you are therefore being productive, which is complete and utter bull hockey. Right? I mean, it's just. It's just not true. And so I argue that leadership is greater than management, that we need leaders

**Joe Brady:** at all levels, who are helping drive the the company mission and and mandate who help define what being effective is, who then surround younger people with resources, and even middle, you know, mid-career people with resources. Michael Jordan needed a coach right? Tiger Woods needed a coach. Everyone needs a coach. How many coaches are out there for the middle managers that we have.

**Joe Brady:** you know, very little unless someone has some get up and go. And they're reading books. And they're listening to podcasts like yours, and they're doing a number of things, but by and large. So I argue that leadership is greater than management, and that you need to focus on that. I argue that effectiveness is greater than productivity.

**Joe Brady:** And so if

**Joe Brady:** I think being in an office is fantastic. If I as a young person, you want to be in an office right? It's generally a target, rich environment to find a mate. You know, it's it's where you find your friends. It's where you know it's it's where you develop your social networks. It's it's vital. It's where you learn from the silverbacks that are that are in and around, and then.

**Joe Brady:** you know, for middle management and even more senior people. You're able to give back. But but what we're seeing is this desire to have more of this experience happen in

**Joe Brady:** in office settings, as opposed to just sort of passive attendance, so purposeful presence over passive attendance and during the pandemic we were doing some research, and I heard this phrase that I loved, and I carry it with me, and it's in the book, which is

**Joe Brady:** a a philosophy that on site is the new off site. So when we have people coming together, you know, is there an agenda do we have?

**Joe Brady:** Is there a meal prepared, you know. Is there a guest, speaker? Are we challenging each other in a different way? I I just think

**Joe Brady:** I think mandates are an intellectually lazy, blunt instrument, and that we have to get a lot smarter to provide incentives for people. This is where it goes back to Dan. This whole notion of behavioral science and behavioral economics. What are the nudges that can get people to want to be to make the decision to be in an office?

**Joe Brady:** And if it's an environment where everyone's there, if it's an opportunity, where, if you're not there, you have to opt out but otherwise everyone's opted in and gonna be in the office, or you know, if there's something

that can sway you and and make the 2 h. Commute a day worth the trade. People will be in the office.

**Joe Brady:** I I know there was a a law firm in New York, and they they had this mandate

**Joe Brady:** one day for everyone to be in the office, and out of 120, maybe like 58 showed up. And, by the way, and, by the way, right there's there's no bite. There's no bite or bark in the event people have, you know, Miss a mandate. No, no one's, you know. People aren't. There's not wholesale firing going on unless you're Elon, and you want a complete reduction in force, which he did at Twitter

**Joe Brady:** but that same group had another event 2 weeks after, and there was a social event after call it business hours, and out of a hundred 28 people is like a hundred 15 showed up.

**Joe Brady:** Not that people don't want to show up, but they want to show up for a reason. So if you want me, if you mandate that I have to come to an office and commute

**Joe Brady:** 15 miles each way, or take public transportation, and and I'm sitting at a cubicle, and I'm on a zoom call that I could be doing from home, and I could have. I could have seen my kids when they wake up you know, could have helped get them dress. I could have been on the zoom call, and then I could see them when they come home. I think there's this, there's this really interesting push, pull, like you said, that goes from work, life balance to life, work balance, and you can still get some of the same things done.

**Dan Breslin:** Yeah, I love it. I could go on this. This is a hot topic. Debate it. We're looking at office assets. We're passing on everything. Some friends of mine have bought some very, very cheap 10 bucks a foot for like class A, space and class B, plus, if not class, A minus locations, just phenomenal deals. And they're going to.

**Dan Breslin:** They're going to make a shitload of money.

**Dan Breslin:** and it's going to take 5 to 10 years. And certainly for the next 24 to 36 months. It's probably not going to be fun for them to own these assets. But I think you're right and spot on Joe

**Dan Breslin:** with the experience being created, people rethinking, turning this into more of the omni-channel retail

**Dan Breslin:** model, right? We have to evolve what the office is for and what we're doing in order to attract people back to the office. But I'll digress and we're going to shift gears here a little bit.

**Dan Breslin:** So you recently joined as a partner. Lrg, investors and you guys have in, I believe, in portfolio

**Dan Breslin:** shopping centers with grocery anchors, things of that nature, and have done quite a bit of tenant driven development, which for those listening, that's kind of what Trammell Crow

**Dan Breslin:** built a significant portion of his business on who we were mentioning earlier. The tenant comes, says, I need a hundred 1,000 square feet. The landlord builds the 100,000. Has the lease lined up the tenant day one. It's a phenomenal

**Dan Breslin:** development strategy. If you can do that right. Would you mind pulling on the thread of the decision to join Lrg. And what you guys are anticipating doing over. Let's say the next 18 to 24 months. Joe.

**Joe Brady:** Sure happy to Lrg is the development and investment arm of Lockhouse Retail Group, which was founded by my friend Steve Cutter. He partnered with Josh Amoroso. And so they've they've built both companies. And again, this goes back to my earlier point of collecting people. I was doing deals with cutter jeez

**Joe Brady:** 2025 years ago, easily if not more right. And we've just become friends and colleagues, and have a great deal of mutual trust and respect. And so when when it came time for me to think about doing something next

**Joe Brady:** he and I always talked about doing something, and so with with Josh and Steve. Now now we're together. What what the company is done over the last 3 years. 3, 4 years is really focused on acquiring grocery anchor daily needs centers

**Joe Brady:** that have some adaptive reuse and some uptick in in rental rates and out pads and things things of that nature. It was really difficult it to

**Joe Brady:** build ground up over the last 3 or 4 years is, you know, you

**Joe Brady:** rates were high. Input costs were were crazy. Labor was off the charts.

**Joe Brady:** and it was a really difficult time. We've seen a number of areas ease. Now, clearly, we've had 2, a 50, and then a 25 basis point drop from the fed. We haven't really seen a reaction in the 10 year. In fact, the 10 years actually gone up. But we're seeing more dollars more equity, capital dollars

**Joe Brady:** chasing retail deals now than we have in the last 5 years. And that's before a number of reasons

**Joe Brady:** one. There's been over a hundred 1 million square feet of supply taken out of the retail equation, and those are the old. Be be malls. It's you know. It's

**Joe Brady:** the last Kmart closed. If you can believe it, you know, just this fall. I I say that most people say Holy crap! I didn't even realize one was open still.

**Joe Brady:** You know you and and so now you have a number of retailers who are in a growth mode

**Joe Brady:** and the jet fuel for those retailers is net new stores right and and adding to the store base. Starbucks is still blowing and going the banks, I mean Chase is opening up. I think they added

**Joe Brady:** something like 250 or 300 new bank branches. We're seeing companies like kava coming on the on the into the picture their stocks up 300% since the beginning of the year. Just wish I would have bought it, my friend Jeff, my friend Jeff Gall, is the the Chief development officer there, and they're they're blowing and going and doing great. And it's interesting, because what they're offering is this Mediterranean? Have have you been to a kava. Are you familiar.

**Dan Breslin:** No, not yet. What. Tell me about it?

**Joe Brady:** Yeah. Think, think Mediterranean menu in what looks like a chipotle? Right? So you know, you have the the whole lineup, the walking line to construct your your Peter, your your bowl, or whatever super, healthy food reasonably priced great lifestyle. And these guys are blowing and going, and they need to, they need to expand. The grocers are still expanding the sprouts of the world we talked earlier about.

**Joe Brady:** you know, Trader Joe's you're seeing Kroger and Publix, just following the demographics. I'm here in northeast Florida and Jacksonville, and you know you start looking at places like Daytona, which

**Joe Brady:** harkens back to spring breaks and and

**Joe Brady:** and racing cars. You know, there's like 10,000 new houses going in in the Daytona market. It's like staggering. There's 1,200 people a day still moving to Florida. So

**Joe Brady:** So there's a great opportunity to capture some of these demographic shifts to help meet the demand of growth. And so we feel like inflation is subsided. Some we're seeing better pricing, not super great. Yet we we tend to be doing looking at single tenant built to suit

**Joe Brady:** multi-tenant buildings under 10,000 square feet. Still, don't really pencil great over 10,000. Probably, you know, we're seeing better probabilities. But but we, we think that our thesis is that the environment is going to continue to get better.

**Joe Brady:** I think the election means that carried interest is probably going to stay put. Taxes are likely going to be reduced. Regulation will be reduced hopefully inflation

**Joe Brady:** on inputs will come down, and so it'll start making a lot more sense. The capital markets are really strong. Banks want to lend to retail. That wasn't the case. 5 years ago I was at a Icse trustees meeting, and one of the phrases was, Thank God, we're not office right.

**Joe Brady:** There was. There was a long time there where retail was out of favor. But it's now back in favor. And so, you know, we're looking at. We're looking at opportunities across the country. We. We have great coverage along the west coast Rocky Mountain west as well as the east and the southeast. So we think that there's there's a place to to be, and to to help clients grow, and to make some money.

**Dan Breslin:** So the trend in retail.

**Dan Breslin:** I guess the new ground up developments I know of personally. A friend of mine built a Starbucks came out of the ground, and that was under construction, I think last summer. Maybe

**Dan Breslin:** I'm sure they're serving coffee right now. Another friend of mine just signed with

**Dan Breslin:** 7 brew. So it's a drive-through concept, red hot. It's actually they're trading at lower cap rates than Starbucks right now.

**Dan Breslin:** Who else do I have some car wash buddies who built, you know, 1516 of those, maybe in the last 36 months. But

**Dan Breslin:** they're small, right? It's 2,000 square feet. Give or take maybe 3, 4,000 really small developments. I don't know of any shopping centers, you know. 100,000 square foot, 80,000 square foot

**Dan Breslin:** that have gone ground up anytime at all. Recently, now we had a lot of that built in the 2,000 to 2,008 era, so we were probably well oversupply during that time period, just like offices now and then the bigger boxes I don't know. Maybe you would have a little more accurate number. But are you seeing the grocery concepts also, where they where they maybe used to be? 35, 40,000 square feet. And now it's a 2025,000 square feet, like? What are the trends in terms of

**Dan Breslin:** the actual size of the store? Have have they been shrinking the footprint and becoming more effective with inventory turns. And you know, the iphone, the ability to order or stable like, what? What kind of insight could you provide on the size of the stores that maybe were developed in the last 3 years, and what you'd expect to continue over the next 3 years as the development marketplace

**Dan Breslin:** hopefully becomes a little more favorable.

**Joe Brady:** Yeah, that's a really good question. I I would say, I point to target

**Joe Brady:** target was very busy doing a lot of their in city targets, reducing their footprint, trying to go on college campuses in high, dense urban areas.

**Joe Brady:** and

**Joe Brady:** they came up against some of the same challenges I mentioned earlier around organized retail crime, and, you know, real difficult to operate on their philosophy going forward, and there, I believe, they announced over a hundred new stores.

**Joe Brady:** They're reverting back to their 125,000 135,000 square foot, really large prototypes. And again it goes hand in glove with the the hybrid retail, because as much as the 4 wall experiences

**Joe Brady:** well lit and great, and and the and the associates are

**Joe Brady:** fantastic and have a smile on their face.

**Joe Brady:** It's also a last mile distribution center, too. Right? So people are buying online either having delivered to their home or buy online and pick up in store. So you're seeing more and more of these opportunities. Where, hey? You know, I've got 2 bagfuls that I need to pick up a target. I text them pull into parking lot B, someone comes out, puts it right in my trunk, and I leave right? Great experience. So

**Joe Brady:** we're actually seeing we're actually seeing an increase in in some stores. And we're seeing retailers test

**Joe Brady:** and learn. And and that is a really important lesson.

**Joe Brady:** to to see how the consumer is acting and reacting on on different different examples. So a lot of a B testing going on. It's difficult to do with a capital asset as expensive as piece of real estate, but you know, if you're a national retailer. You can test some things in one market, get learnings and try something different in other markets. So I think that's really important. The grocers, you know, 50, 60,000 square feet.

**Joe Brady:** walmart is back out again with their their neighborhood market a little bit re reconstituted

**Joe Brady:** but again a super strong anchor that can help drive a lot of other daily needs. So I am now for the 1st time starting to see

**Joe Brady:** potential for ground up grocery anchored centers. Starting to see site plans circulating, and, you know, deals being talked about. So

**Dan Breslin:** Are. Those are those deals

**Dan Breslin:** in proximity to, let's say, was it Daytona, I think, is Daytona? We had a 250 lot subdivision. I'm an investor in where we're selling that to. I don't know Pulte, or something like that. But if I imagine that going in on the outskirts of

**Dan Breslin:** Daytona, or whatever the big city is.

**Dan Breslin:** are those projects you're seeing located near those newer

**Dan Breslin:** development sites. I'd imagine.

**Joe Brady:** The the new housing development sites. Absolute, absolutely, absolutely, you know. There's a there's a really interesting project called Margaritaville that's that's residential in focus, and I think there's probably a half less than half a dozen of these Margaritaville. There's 1 by Hilton Head. There's 1 that's

**Joe Brady:** on LPGA Boulevard by Daytona, and these things are just sold out. And now there's the next Lennar, or Pulte, or whatever is going, Dr. Horton. It's building next to them. And then, you know, you have the initial public center. That's phase one. And now, all of a sudden phase 2 is happening. And you know, you're seeing all this happening happening in in almost a step curve right? And as more and more people are are moving full time

**Joe Brady:** to different parts, particularly the sun belt. The daily needs

**Joe Brady:** retailers have to respond.

**Dan Breslin:** Yeah, it makes sense. So one question on philosophy a lot of times, I mean, I don't know how true it actually is, or whether it holds up.

**Dan Breslin:** I thought I was a hold my rental portfolio forever. Kind of guy. I'm buying things. I'm holding them forever, and that's what I'm going to do.

**Dan Breslin:** I signed a deed package for one yesterday. I have contracts on the others. I can't wait to sell them all off, because I'm kind of going into the partnerships where I'm a little more passive. Instead of dealing with the day to day management, curious Lockhouse retail group Lrg investors to philosophy in terms of

**Dan Breslin:** hold everything forever on one side of the scale, and then on the other side of scale, maybe is, buy it, get it stable, and immediately take it to market and cash out. Where do you guys fall in terms of the own forever, or kind of flip and get out of it? Philosophy.

**Joe Brady:** I would say there's 2 different flavors, one, the grocery anchored center, the daily need centers. We tend to hold those a little bit longer allow them to season. Give us time to lift the rates. We typically look at a 15%

**Joe Brady:** uplift in rental rates. We try to capitalize or redevelop out pads and create value. So a little bit longer horizon there and then, as far as the single tenant assets go.

**Joe Brady:** given where the capital markets are today. We're more in the in the churn and burn mode where it's almost merchant building, right? So we're going to build them and then take them to market. And so it depends on the asset type. But it's a mixed, mixed approach.

**Dan Breslin:** Yeah. And I mean, if we look back at Walgreens, I mean

**Dan Breslin:** you build it as a merchant, and from the outside, or the inexperienced observer, you'd say, oh, you'd want to hold that forever! That's Walgreens. And then look if you held it forever. They're letting the lease expire on you, and like, what are you going to rent that out to a daycare center like what goes into the corner?

**Dan Breslin:** Yeah, very difficult to backfill. And that was one of my own lessons over the last 24 months is that you know nothing lasts forever, in a sense. So you get this great collection of national tenants, solid credit.

**Dan Breslin:** strong cap rate, and you have a length of term left on the lease. You got to sell it while it's marketable, because if you get down to.

**Dan Breslin:** You know someone brings you that same Walgreens deal, and there's 2 years left 3 years left on the lease. Sure you'll get the loan, but you're guaranteeing a 3.9 3.8 million dollars mortgage on a 5.

**Joe Brady:** Right.

**Dan Breslin:** 1 million dollar purchase.

**Dan Breslin:** not a comfortable position. That's why the owner is selling that asset, because the lease term is at the end. So yeah, I think that's great. That's a great model. We just filled our Vegas shopping center.

**Dan Breslin:** And I think we're

**Dan Breslin:** we're either going on the market by the end of the year we're going on the market early 2025, and some of the retail

**Dan Breslin:** numbers that we're seeing is like you're actually selling on 12 more months after you own it. So it's like this projected pro forma seasoning thing. And there's literally buyers out there in the market

**Dan Breslin:** who will pay it to maybe be in there, as the demographics are improving, and maybe it's a location, and they'll laugh at us for selling it at the price, you know. 4 years from now, maybe.

**Dan Breslin:** But it's just interesting to see the trend of retail properties getting hot again.

**Joe Brady:** And there was an interesting article in the Wall Street Journal this week, on November 12, th about how the real estate science in New York City are breaking the cardinal rule. They're actually which was, never sell. But they are having to sell. Rudin was one example and a handful of others. So yeah, I mean, nothing's forever. That's

**Joe Brady:** that sound sound advice.

**Dan Breslin:** True enough. So as we as we wrap up here, I have a couple more questions before we close 1st would be book recommendations. We talked about Trammell Crow earlier? Are there one or 2 other books, maybe real estate related or otherwise, that you found profoundly impactful might be interesting to the listener.

**Joe Brady:** Yes, one is around behavioral economics. And it's called Nudge

**Joe Brady:** by Richard Thaler and Cass. Sunstein

**Joe Brady:** Thaler is a Nobel laureate in economics. His Buddy Sunstein is a professor at the Harvard Law School, and this is a really important book. I recommend it often, and so it talks an awful lot about how

**Joe Brady:** you can engage in choice architecture to help people make good decisions without taking the agency and autonomy away from them. And I think this is going to be a really important area for us to focus on. We can't be that intellectually lazy, blunt instrument when it comes to dealing with people interacting with our real estate. So how do we nudge them to really come back into our space? And

**Joe Brady:** the second book I would mention is probably a little bit more personal, but it's it's called Build the Life. You want the art and Science of happiness.

**Joe Brady:** and it's written by Arthur C. Brooks

**Joe Brady:** with with Oprah Winfrey actually, and but Arthur Arthur Brooks is the most popular

**Joe Brady:** professor at Harvard Business School, and he teaches a class on on leadership and happiness. And I've I've found his message to to resonate

**Joe Brady:** and to be really important as we navigate really difficult times. I'm on the board of my national fraternity, the President of the Board responsible for I've got 11,000 undergrads, and I have a 22 year old son as well, so I see what's happening in the world with these kids. We're in an epidemic of loneliness, anxiety, depression.

**Joe Brady:** self-harm, non accidental deaths. It's it's not something that we should be proud of as a society, and so we need to arm not only ourselves, but we need to help arm our younger.

**Joe Brady:** our younger people with tools to be more resilient, to be more anti fragile, to to know that you're going to have bad days. And so how do you deal with them. And so these lessons about happiness that Arthur Brooks talks about are really, really impactful. And so I've had a chance to meet him. I'm actually working with him, with the national fraternity.

**Joe Brady:** as we take some of his lessons and bring them into the associate Member education process.

**Joe Brady:** So again, just another area, we can't have successful real estate unless we have successful functioning, energized, entrepreneurial, enterprising people

to either shop or work in them. So that's just another area that that I'm pretty passionate about.

**Dan Breslin:** Fantastic. Appreciate that. We'll have to get those ordered myself.

**Dan Breslin:** So the crown jewel of wisdom. If you could go back.

**Dan Breslin:** Let's pick a good point here. A good way to kind of phrase this question.

**Dan Breslin:** because we talked a little bit about the principal and the you know, the banker and the brokerage side of things.

**Dan Breslin:** Let's say you were starting with, you know 0 today, and you were one of the young people in your fraternity, Joe. What would be the crown jewel of wisdom that you would share with them, knowing everything, you know now.

**Joe Brady:** Yeah, I might sound like a broken record. But I I'd go. I'd go back out to you know who who are the most successful alumni out there. And how can I? You know? How can I go and engage with them? They're

**Joe Brady:** I mentioned earlier about the University of Florida, the Bergstrom Real Estate Center. Well, it turns out that Kelly Bergstrom, who's the benefactor, was the president of J. And B. Realty out of Chicago and is a fraternity brother, and so not only have I, but there's been an army of young men who

**Joe Brady:** kind of went and worked at Jmb. Who got to learn under Kelly. You know. So find a mentor find. Find a leader, and learn as much as you can

**Joe Brady:** sweep floors, fetch coffee. There should be no job below, you, you know. Show up early, stay late and and just work hard. 90% of winning is showing up. The other 10% is not leaving till you're done. You know, it's almost like it's almost like sending a handwritten note today, it just stands out right.

**Joe Brady:** And so if if you do that, and you just work your ass off and and don't expect

**Joe Brady:** anyone to give you anything. And you're just gonna outwork the next person. I I think it'll it'll prove it'll serve you well.

**Dan Breslin:** Yeah. And that ties into kind of our conversation earlier about doing your homework and reaching out to that person for some insight.

**Dan Breslin:** One thing I think I would have had challenges with when I was 1819, 2021. I didn't have

**Dan Breslin:** enough perspective to maybe even select

**Dan Breslin:** the right mentor like. If there was some guy who had 5 rental properties, he would have been like the King of the Hill, and I would have been, you know, been ready to worship at his feet for lack of a better. I would have just thought he was. You know, the pinnacle. What type of strategy advice. Would you additionally layer on for that person around trying to figure out who is

**Dan Breslin:** maybe the right people to to go out and contact? And maybe that's like Step One. You're you're kind of asking the 1st mentor. You identify something like that. But how would you go about? Maybe selecting that person

**Dan Breslin:** that you invest the time? Do the homework come up with the agenda, and then schedule and do the meeting.

**Joe Brady:** You know, it can be that formulaic or it can be super opportunistic. And I'll give you an example, Dan, and you'll appreciate this from our Philadelphia background. So, as a kid, you know, I thought the best job in the world was being a caddy, and so I was a caddy at the Philadelphia Country Club.

**Joe Brady:** You know. You're outside. You get paid in cash, you know, getting a little workout, you meet interesting people. Well, there was a member guest, and this gentleman named Tony Hayden for those in Philadelphia. He was the head of the Cushman and Wakefield office.

**Joe Brady:** I was his caddy, and very 1st day he looked at me and said, You're gonna for Caddy, you know as much as you want right on the back of the cart. We're just gonna have a good couple of days here. And oh, by the way, here's a hundred bucks, and that was like, I don't know. 40 years. It was a hundred bucks.

**Dan Breslin:** A lot of money.

**Joe Brady:** A lot of money.

**Joe Brady:** you know. And and I said, Wow, Mr. Hayden, this is awesome, you know, and I was studying electrical engineering at Villanova, so I got my degree in. But you know I got to interact with him. I went. I asked if I could come interview

with him, which I did. And you know again, it was just that opportunity. He looked like he was having more fun doing real estate than what I saw people doing in engineering.

**Dan Breslin:** So.

**Joe Brady:** It was my golf game still stinks, even though I live on a golf course. But in any event, I just think you have to be open to it, and you've got to, you know. Do these people match your your goals and aspirations, your character, your ethics, you know, like, does it feel good, and if so.

**Joe Brady:** probe and ask questions, and it doesn't have to be like a master's thesis on day one. It can just be a couple of questions, and then follow up and

**Joe Brady:** and work the angle.

**Dan Breslin:** Yeah, maybe it's as simple as just sitting down and thinking it through. No one, and no one gave me that idea. When I was heading into Villanova, and I remember my mom's like, just fill out the application you might get in. I'm not getting in. I just want to. I was working at a car dealership. All I wanted to do was drive the brand new trans. Ams. That they were delivering every day like 9 bucks.

**Joe Brady:** Eagle on the front, right.

**Dan Breslin:** Yeah, yeah, 6

**Dan Breslin:** hour, 7. Whatever it was, it was like.

**Joe Brady:** You didn't.

**Dan Breslin:** Matter. These cars were so much fun that I had the chance to drive, so I filled it out, and I thought, Well, I'll just design cars, so I'll be a mechanical engineer, and I checked the box, and then, when I got there, I had sort of a similar experience. I had always wanted to do real estate since I was a kid. Grandpop was like a property manager, and you know, did the early math, and figured out that was a really good plan as far as making money.

**Dan Breslin:** But when I looked around at mechanical engineering I had no idea what it really was. What I was getting into. I was like, Oh, I don't know if I want to do this actually. So sitting down to think it through is a is a great point.

**Dan Breslin:** and then maybe the action item is. And they did tell me this. Someone told me this back when I was that age.

**Dan Breslin:** Go, Caddy, because you'll meet the interesting people. Well, there you go! There it is. Go, Caddy, and you'll get at least 6, 1015, 20 in, you know, in a summer's worth of caddying interesting conversations to help develop the strategy. So, Joe.

**Dan Breslin:** where can people go to get more? Joe Brady.

**Joe Brady:** Well, you can go to my website, which is Joebradyai on the website. There's links to Amazon and Barnes and Noble for the book. There's some links to articles I've written, and podcasts and presentations that I've done. So, Joebradyai.

**Dan Breslin:** And my final question, Joe, what is the kindest thing anyone has ever done for you?

**Joe Brady:** When I was 1st out of college and working in Charlotte, North Carolina. I was working for my national fraternity, actually, and the executive director one of my lifelong mentors, Derwood Owen.

**Joe Brady:** knew that something went awry with the local bank branch, and he grabbed me by the collar took me in there. Somehow they were taking advantage of me, and it was just a horrible experience. I tried to forget it, but he brought me in.

**Joe Brady:** sat me down in the manager's office and literally ripped this guy up one wall down the other, and basically said, You don't know who you're dealing with here. This young man is going to be a leader of tomorrow. You know he's going to be one of your biggest depositors here. You should rectify what happened. What you did is wrong, and I never had anyone stand up for me like that. I never thought I deserved it until that time, and so, you know, I just felt that that kindness and support

**Joe Brady:** allowed me to stand a little bit taller that day, and I'll never I never forgot it.

**Dan Breslin:** Nice.

**Dan Breslin:** Joe. I have like 4 pages of notes. I had a fantastic time. I appreciate you coming on the show.

**Joe Brady:** Dan is so good to be with you, fellow Philadelphian, into Chicago. And I wish you well, and I hope to meet you. Live someday.

**Dan Breslin:** All right. We'll get it done.