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SPEAKERS

Adam Ifshin, James Cook

J James Cook 00:00

What was the biggest obstacle that you've encountered in your career? Maybe you're just starting out and it's finding that first foothold? Or maybe it's something different, something really complicated. I don't know. I asked that question of Adam, if shin and I was really surprised at what his answer was, Adam is the co founder and CEO of D LLC. They own, manage and redevelop open air shopping centers. And the strategies Adam has used have grown DLC since its beginnings back in 1991. Two today, where they are one of the largest private owners of shopping centers in the nation. So what was Adams biggest obstacle? Well, let's find out. You're listening to where we buy. It's the show where we talk with retail experts, and we visit the places where we buy. My name is James Cook, I research retail and real estate for JLL.

A Adam Ifshin 01:14

So I'm Adam, if Shin I'm the founder, co founder and CEO of DLC, DLC is best known as a large owner, operator redeveloper value creator in the open air retail space. In addition to that, I am also the founder of a large, hard dollar general contractor that does work for ourselves and for retailers. I am also the owner, most recently of a new business, in where we've acquired a service provider in the industry and in the industry and an adjacency, which we intend to roll out and expand. I consider myself an entrepreneur, first and foremost, an entrepreneur who's mostly focused on the people side of the business. I'm a big believer that the people are the true assets of any business. And that's a little bit different than a lot of my real estate brethren who tend to focus asset first. I'm a people first entrepreneur and I always have been that that's led to a level of investment in our people, that's probably different than a lot of other organizations and other CEOs that you might speak to.

J James Cook 02:18

And tell me, what's an example of a decision that you made? That was different because you took this people first approach.

A

Adam Ifshin 02:28

So good can give you a couple of examples, one of which is that very early in my career, I was rather agnostic about, we were not completely retail focused in the beginning came completely rid of retail focus fairly early on, when I realized that developing a specialized skill set of understanding retailers businesses would give you a material competitive advantage was paramount. So that's one we've done to fund I'll give you another one, much more conventional. We've done two phenomenally successful redevelopment transactions on the west coast. But we're not based on the West Coast. And I probably wouldn't have I've stopped looking on the West Coast probably 15 years ago, in large part because we didn't have the capacity to build out a great team on the West Coast. And I thought that maybe one day, we would get unlucky as opposed to getting lucky, in a couple of transactions out there, even though they're two of the more successful transactions we ever did. So I will pass certain opportunities if I don't think they're right for our people, I've passed certain opportunities to partner with people or acquire specific assets, where I didn't think they lined up well with the human capital talent in the organization. The other thing is I practice delayed gratification in that I spend almost all of the margin of the business and reinvesting in the business. And that is not in necessarily buying more assets. And that is overwhelmingly in developing and acquiring more talent. We spent a lot of time, we spent a lot of effort. And we spent a lot of money in trying to build the best possible team and the best possible culture for that team. Because we believe that in the long run, that's more important, then, on the margin, a small difference between two assets that might be otherwise very, very similar in terms of risk return dynamics, who would invest in them with you a million other things asset, I like to say that assets come and go. Right? And what you really want is if you really want to create wealth over a long period of time, for a lot of people, right? The people are what you want to be forever.

J

James Cook 04:42

For folks that aren't familiar with DLC. Let's talk a little bit about your portfolio and sort of like the thesis the approach that you take to real estate.

A

Adam Ifshin 04:51

So the portfolio today is about 17 million square feet. It's exclusively open air retail 69% The portfolio is traditionally grocery anchored 85% of the portfolio in totality has a grocery component in it, which might be something like a super Walmart or a Super Target, they might be shadow, you might not own them. Similarly for people like Costco, Sam's Club, and others in sort of specialty or discount or world with a big grocery component, and as you well know, for some of those retailers, they sell more groceries than they sell general merchandise. But frequently they may not be you may not own that part of the property in the fee. We are not an acquirer, typically of core assets, we are typically an opportunistic acquirer of assets that we believe that human capital I touched on earlier, can help add meaningful value to. And that comes in a lot of different forms. It could be leasing a vacant space, it could be densification, it could be adding mixed use, it could be trading out weaker tenants, particularly weaker asset, weaker anchors, hopefully with lower rents over time for stronger, as you know, for stronger anchors, who will generate more traffic. We've bought a number of power centers where we have added a grocery component over time. And I think we're probably best known the brochure like the people who just know us from the brochure or the top of the website. We're best known for large scale redevelopments. And frequently, again, multi anchored frequently with a grocery component, but not exclusively. You know, we've we've torn down a regional mall and done a major brownfields cleanup outside of Philadelphia and did Walmart Supercenter, Home Depot, Ross, PetSmart, Dollar Tree, you know, on and on and on. So I would say that's the core of the business, the traditional part of the business. And I think the biggest takeaways there are, since we don't typically acquire core assets just to hold them and cashflow them. The the strength of the team, the talent of the team, and the passion and the grit and the entrepreneurial traits of the team are really precedent setting. Because we're always seeking to figure out how do we unlock value in existing assets.

J James Cook 07:21

What's an example of a current redeveloped development project that you're working on that you're really you know, excited about?

A Adam Ifshin 07:28

Fortunately, there are a bunch. So for example, in in a shopping center we own here in the Hudson Valley in Poughkeepsie, New York that already has a very strong lineup. So it has ShopRite, dominant grocer doing in excess of $60 million a year. It has Hobby Lobby, it has had home, it has two top furniture that's there, we're pursuing a densification and an introduction of mixed use to the project. So we will be developing multifamily on just additional excess vacant land. We're in for entitlements now for about 300 units of multifamily, we will be adding self storage in obsolete retail space, which will be converting to self storage. And we will be adding experiential in the form of, of lifestyle fitness in a box that we got back from a vacant retailer. And then to top it off, we plan to add additional small, smaller impact retail in other words, those Starbucks that Chipotle things of the world, etc. to the project. So that's one that I think we're very excited about. Because we've historically been incredibly uniquely singularly focused on retail and we remain overwhelmingly that way. This will be a foray for us into some other areas and see if we've got the chops to do it. You know, we're doing a much more conventional traditional one for us outside of Chicago on in the Northwest Indiana where we are taking a we bought a note and mortgage $10 million unknown mortgage for three and a half million bucks, foreclosed almost completely vacant. We are in letter of intent with a 60,000 foot grocer to anchor a complete redevelopment that will be traditional grocery dollar store, fitness value apparel, and pants and it'll be a complete redevelopment right now the thing looks like you know, it looks like exactly what it is, which is completely obsolete, vacant retail that's falling down. And we're going to completely redo it so that it'll be state of the art 21st century. And I think they are you know, I think what's very classically DLC about that is we're there we're bringing all of our disciplines in our human capital toolkit to bear construction design development, entitlements, leasing, property management, or general contractor all all coming together to work as a team to get to an outcome. But I think the thing about that outcome that might be a little different than a lot of other redevelop errs is it is 100% about value. And it's 100% about being in tune with the demographics of the community in which it is, which is a very working class place. A very diverse place. And is not you know, the grocer will not be Whole Foods. The grocer will not be, you know, will not be Mariano's the grocer is is is uniquely qualified to cater to the demographic, the apparel player anchors will be value. Right. And, you know, if you look at our portfolio, right, we've done, we currently have 26 locations with a TJ Maxx concept. They're our largest tenant relationship. But we've already done three deals this year for deals this year with Ross. And we're building the eighth Burlington in our portfolio in the last five years. So we're very, very focused on value. Because we believe that we believe it open air has sort of one out here, particularly suburban open air has won out, it has conquered the challenges of everything, from E commerce, to regional malls, to high street retail to lifestyle, and we believe that it's the winner. But a key component of that to us is that the winner is about value. It's about creating a space. And a place where just your everyday working class family is going to be able to get the things that feed, clothe make their families go make their families go, we're never going to, we're very rarely the place for for aspirational, where the place for value in our centers. And I think that does, we're certainly not the only ones doing it. But I think the level of focus that we bring to that is something that I think in the long run will be will be better known for them. Perhaps people realize today,

J James Cook 12:09

whatever the economy is, value works. You know, everybody loves, loves saving a buck. Now, something I've been thinking about, and I know you've looked at this, too, is, you know, you've got a lot of traditional mall, not anchors, but in line mall tenants who are now choosing Open Air. Now, not all of those are value focused. But are you seeing are many of those coming into your centers?

A Adam Ifshin 12:36

There is this, you know, it's interesting. So the first research piece we ever did a couple of number of years ago, really was like, hey, the two big things you need to know about Open Air retail are one we have this. Everyone's wrong about e commerce. And we turned out to be right, nobody believed this time. Three years later, we did another research piece. They're like, yeah, you knew that all was one. But the other one is, is that we thought that there would be massive tailwinds, particularly in secondary and tertiary markets. For open air retail, as the result of people coming out of regional malls that were failing. The overwhelming majority of regional malls that are failing fall into one of two categories. They're either in secondary or tertiary markets. And very often in a secondary market, then the second or the third mall in it, you're in a secondary market. They might be the only mall and a tertiary market. And then if they're in a primary market, they're the fourth or the fifth or the sixth mall and they were probably disintermediated really by some other mall first. So what we thought was is that there would be this huge move from malls, particularly as you lost the JC Penney's, the Macy's, the Sears the Montgomery Ward's if you want to go far right back. The reality was it turned out that the inside the guts of a regional mall, even one failing take a long time to die. They are not they are not subject to gunshot wounds, they are subject to slow, painful, long, unattractive deaths, largely because those retailers were able to stay in those places for very, very little rent. We have seen since the end of COVID, really since mid 2021. That a much more a much higher level of intentionality on the part of inline of two types tenants, traditional inline mall tenants, the Bath and Bodyworks the American Eagles, the buckle, who we've recently done three transactions with in the last 12 months who had never been anything other than a mall retailer and a terrific retailer. No Dad incredibly knew their customer cold I mean they knew their customer as well as Chanel at the high end knows their customer they exceptional retailer, and always mall based, always mall based, right we finally got to do three deals with them. So we have seen that you know footlocker is another one where we're we've done Don and are doing multiple deals. So in that class Take guts in line retailer in the mall coming out. The other thing we've seen is we've seen a move for them, our tenants, who went to have a little dalliance with the mall on the cheap, right, the big box tenants who went to the mall because they got a sweetheart deal, right? Guess what? Yeah. We're going to come home. We're going to come home to open air power. And we have moved recently, multiple old Navy's Altos, we're building a Dix Dix was in the Mark was in an open air center left to go to the mall. Now they're coming to a different open air center in a college town market and a tertiary market. So we're seeing those two phenomenon happening. So you've got the return of some power boxes. But you've also got now some very classic mall tenants who have very compelling reasons to come out. The traffic that a average Walmart average heb average Kroger generates versus the average traffic that a mall department store generates is radically different. And I think that many of these retailers have now woken up to that. And they realize that guess what? The person in that late model SUV is going both places anyway. Well, you may as well go to the place they go to three times a week, as opposed to the police that go once a month.

J

James Cook 16:32

I guess when I think about it, when I think about like suburban open air retail, the cross section of people that visits it regularly, you just have more foot traffic, more types of shoppers. I think it's fascinating.

A

Adam Ifshin 16:46

I went back over 2019 traffic levels in virtually every center, I mean, and not by little by a lot. And yeah, for a handful of tenants. Certainly traffic fell off a little bit in 2023. So far from 22. But by and large 23 traffic is well above 19 traffic. In those places where we have data, we've seen very little back off in our core, in our core retail partners, the grocers, the discounters, the value apparel players. Now there have been there been a handful of apparel players who sort of missed the mark this year, and and I've struggled a little bit with traffic. But by and large, the traffic story is very, very good. The demand story for space remains excellent. Rent spreads are somewhere between excellent and exceptional. And we expect that to continue.

J

James Cook 17:45

So you've been a real beneficiary of the trend that really got turbocharged during the pandemic of a shift to the suburbs. You're I know you're based in Westchester County, which is sort of like a bedroom community of New York. So you're kind of like living and breathing that that shift of people working more from home. Do you foresee right now we're sort of seeing this hybrid a, you know, perhaps we'll see more of a return to you know, folks spending more time in downtowns, but that's still still up in the air, like where that's going to land? Do you have predictions or expectations about? You know, do you think your traffic is gonna do you think it might even go down a little bit with people going back to the city a little bit more?

A

Adam Ifshin 18:34

So the answer is I don't, the short answer is I don't. So I wrote my thesis and economic demography. And long before the pandemic came along, we were waiting for and waiting and waiting, kind of like Godot in Beckett's famous play. We were waiting for Gen X, to give up their super small apartment on the Brooklyn waterfront or in Long Island City, or in Manhattan and come to the suburbs, any we would take any suburb. And what I think a lot of people didn't realize is the degree to which generational behavior had shifted. And that shift was not structural and forever. The bottom line is a two bedroom apartment is 40%. A new two bedroom apartment in New York City is 40% smaller than it was 30 years ago. And two kids are still two kids. And two bedrooms are only still two bedrooms. And we were waiting for this not only in New York, but in markets all over the country, Chicago, Atlanta, Dallas, Miami, etc. And what we ultimately concluded was this is this was not structural. This was cyclical. And what that what that cohort needed, was they needed they needed jumper cables, and COVID gave them jumper cables like Get me the bleep out of here and And lo and behold, they woke up to the fact that they could live much more affordably, still upscale, but much more affordably and much more comfortably in the suburbs. And that has driven a very precise exodus of a certain cohort, a cohort that spends a lot of money in open air, right? They're typically very focused on value. They're typically making a lot of trips, kids are a big driver of retail, as you well know. So that was one big component of it as it relates to the return to Office conundrum if you Well, we've, we've looked at this a lot. And it none of it has anything to do with COVID anymore, it has to do, but it has to do with two other things. The two, the two most painful C's of living in the suburbs, one is affordable childcare, MEMO TO FILE, there is no such thing as affordable childcare, and to is the commute. And the reality is, is that figuring out childcare is really, really challenging, really, really challenging. Unless you make an extraordinary amount of money. It's incredibly challenging. And hybrid flags work from home, whatever you want to call it provides people with a lot more flexibility around that. That's number one. Number two, and I never commuted a long distance, but commuting is is just soul crushing over a long period of time. There's no way people could talk about oh, I listen to my favorite podcast, I listen to music, I play cards with commuting is still stressful. It's stressful when there is traffic, it's stressful when there isn't traffic. And the reality is is that is that I think that that's pretty now, you know, I've read a lot of the academics were Nick Blum out at Stanford's got a group that's done some really great work on this, amongst many, many others. And I've come to the conclusion, in part because of demographics that hybrid is here to stay, and it's not going to, we might move a little bit on the margin three, four, or 5% in either direction, based on weather, age, cohort, educational cohort, job calm, but at the end of the day, it's not going to move, and here's why. We do not have enough great people in America, who to go to work, it's a real problem. The single biggest driver of economic growth in a developed economy is the growth in the number of people in the workforce, we're making fewer and fewer and fewer 22 year olds in America. And guess what, it takes a long time to make a 22 year old. So that's not going to change anytime soon. And in fact, when you gaze out across the soccer field to suburbia, there are a lot of two parents in one child. That is not a recipe for economic growth. And at the moment, although I vehemently disagree with it, the immigration policies of this country are not conducive to economic growth. And I believe that needs to change that's a subject for a different time. But what does that mean, for the dynamic between management and labor? about where you're going to work? Well, guess what, if unemployment, three, three and a half 4%. Labor has leverage, it's not that complicated. Labor has leveraged so let Labor's gonna get to have a say now, can't just say, I think indeed did indeed produce the research paper, I think it was. It may have been at the end of 22 83% of jobs that are posted on indeed, that say you have to be in the office five days a week, get no response. Think about that. That's dramatic. Look, we adopted a hybrid work policy, we were always a little hybrid, right? Because we want our people to go out to the assets and be at the assets. That's how you create value.

Construction, people don't create a ton of value when they are sitting at a desk. Same thing for leasing agent, same thing for property manager, same thing for marketing person. So we always want to rip people out in the field anyway. But I would say we adopted a hybrid policy in June 2020. We've never changed it. And it's very simple. You have to work somewhere other than your bedroom, your kitchen, your home office or your couch three days a week. I don't care where it is. And assuming that you're satisfying our stakeholders, our clients stakeholders. I don't care when it is. But you cannot That's it. Come to the office go to a property travel to see a client but but we tried to come up with something and I didn't do it myself, I have a team of six other people on our executive management team who work with me on these things. And I think they did a great job on this. The fact that we haven't had to tweak it 100 times, puts us into distinct minority of business leadership in America, everybody's changing their policy all of the time. And I'm 58 years old, I would much I would love to be able to open the door to my office and see everybody working here. But I couldn't do that before COVID. And I can't do it now.

James Cook 25:28

Yeah, real estate has always been hybrid, as long as I've been in, in the business, there's people out everywhere and one day, you're over here and aside another day, you're at home, because you got to go meet a client somewhere. So it's, it's always been like that. So in a way, we were already prepared for this in our industry,

Adam Ifshin 25:47

you talk to really smart people in the real estate industry, you know, you are not making you are you are not making real value for assets. For investors, you are not adding value to your clients businesses, by sitting at the same desk, five, six days a week, I mean, just it just doesn't happen. One of our group that we're very friendly with in Texas, actually tracks what they call tap, which is time at properties. And that was a little too big brother for me. But they have a they have a very large, they have a very large commission only sales team. And they have like 20 years of data, showing that the more time leasing agents spend at properties, the more money they make.

James Cook 26:36

Well, I want to roll back the clock a little bit. And talk a little bit about so the origin of DLC, you started this company with your father in the early 90s. And we don't have time to give the whole story. But what was the biggest obstacle that you've encountered in the origin of DLC?

Adam Ifshin 26:56

That's easy. Yeah, I did not I did not take enough risk at the beginning.

James Cook 27:00

Oh, tell me more about that.

Oh, tell me more about that.

A Adam Ifshin 27:02

I did not take enough risk at the beginning. So my my dad had had a residential development business that failed. I worked that business out as I was starting DLC, I came as an entrepreneur, to having had a dad who had been a lifelong real estate broker and then a residential developer. And I had lived the ups and downs of that. I had watched my parents have amazing financial highs and incredible financial lows. And I had watched my father take risk without limitation. In this residential development businesses, he was trying to create something. And I came, I'm an entrepreneur who's a risk manager first. So the biggest obstacle in the beginning was I just didn't take enough risk, I didn't take enough risk to buy enough to buy enough assets fast enough. I didn't take enough risk in making making certain decisions about who to partner with and who to invest with a fast enough. The reality is, is that coming out of the savings and loan crisis of the late 80s, early 90s, the worst thing was to not take enough risk, or to be a property snob. Now, I didn't have any capital. So not being a property snob was easy, but not by not taking. I mean, if I had bought, I could have bought, I could have bought 10x what I bought, and I was thinking about it with such a defensive view that I wanted to be able to own them forever. God forbid, it took a long time. And the reality is what I should have done was bought a lot more and the stuff that I didn't love for the long term I should have traded out of and reinvested. But I wasn't that sophisticated. So that was the biggest obstacle. And I mean, coming out of that time. I mean, it's, you know, there's a fear, you know, because it was a down, you know, a downtime. So you want you want to be cautious. I mean, it's understandable that you're acting that way, I think. I'm not i That was the biggest obstacle. That was that obstacle did not occur because I was being irrational. That was probably being too rational. You know, I needed to be a little more Kirk and a little less Spock is really the and I'm not a big Trekkie, but I couldn't resist I needed to be a little more Kirk and a little less Spock at the start. And by the way, I mean, like I corrected the mistake. You know, in 1998 We couldn't buy a saying all the REITs had gone public, they had cheap capital. And we were really like pricing was just running away from us and then panic over Labor Day weekend. We had the Russian debt crisis and the four Tigers mass currency devaluation in the securitization market blew up and we tied up 90 We owned about I don't think we owned $100 million dollars worth of real estate at the time. We kind of $90 million worth of real estate between September 4 And September 30 doubled size the company and then turned around and tied up $140 million portfolio. And literally I had to take every dollar I had just to put down the due diligence deposit. So I, and it all worked, it all worked, you know, but that set off a run where we grew 70% A year compounded for close to it, you know, for probably seven or eight years. So there are always emotional, psychological things that will lead you, I believe, will lead good entrepreneurs at times to take their foot off the pedal. And sometimes that's prescient, and sometimes that can be really costly to Adam, let's

J James Cook 30:37

talk about the kinds of markets primary versus secondary versus tertiary, how do you feel about, I imagine there must be a lot of opportunities and say, a tertiary market,

A Adam Ifshin 30:50

we have always found there to be in select tertiary markets, very, very favorable trends to justify making investments in those markets. We started in those markets, largely because we were priced out of primary markets, when we were small and smaller, scrappy or private privately, you know, exclusively financed by high net worth individuals on the equity side. So we had a real tendency to end up there. But we again, like I said, I have this risk management ethos that I've never been able to shake. And, you know, you can go to lots of small towns in America, regrettably, and see, you know, towns that are essentially ghost towns because one major employer left. So when we've gone to tertiary markets, in particular, we've almost exclusively focused on college towns, college and university towns. Already, when we've gone to secondary markets, we've looked for secondary markets with, hopefully also a college or university or multiple colleges or universities, and coupling that in secondary markets with things like State Capitol, multiple employers in defensible mode, businesses, etc. You know, in some tertiary markets, the two largest employers other than the the college, or the university might be Walmart and local hospital, or the local school district, it's usually two of those three, but the university might employ five or 10 times the number of people as the next largest employer. And that led us to realize that those were very stable jobs. There would also be three to four times the number of people in that community because the students were there. And the student data was really in when we started doing this around 1999. The student data was really lacking. But we made a calculated guests that Mommy and Daddy were paying, putting the credit card on, and these people were going to be spending three to 400% of their quote unquote, classically defined disposable income. And it worked. It really worked and I mean, in a place like Carbondale, Illinois, which is the home to Southern Illinois University, but we bought there in 2001. The University at the time employed about 8000 people, the next largest employer was the Regional Hospital employed about 1000 people. So seven, eight times as many people there were 25,000 people in the city of Carbondale and there were 24,000 students that as far as we could tell, weren't in the census state. So in 20 years, we've brought Best Buy TJ Maxx, Kirklands, Petco, Home Goods, Old Navy, Alta Bath and Bodyworks Party City, Dick's Five Below ultimate market they weren't in before. You know, in secondary markets, we found that there were a bunch of secondary markets that we thought were just, they were just tremendous markets, and ultimately, people caught on Columbus, Ohio, dynamite dynamite market, Lexington, Kentucky dynamite market. We were fortunate enough to buy a few things in Nashville before suburban Nashville, before it became Nashville. That was an interesting one, right? Because the thesis was because there weren't a lot of big employers other than HCA at the time, and Vandy. But we took the view that the country music industry as a whole was this amazing employer with incredible loyalty and created incredible civic pride. Same thing in Columbus, same thing, Congress Oh, as the combination of OSU, the State Capitol, all the retailers who are headquartered there nationwide. The Children's Hospital System that nationwide is basically endowed, all contributed to making it just an extraordinary secondary market. And if anything, those two markets are really good examples of places where I wish we had acquired a lot more honestly. But we've always stuck to our discipline. And we've been fortunate in that we've rarely overpaid for an asset, but it's worked out pretty well. I think that that story He is better today than when we first invested in it around the start of the 21st century. Certainly secondary markets, well validated, well documented, we don't need to go into it right. I mean, 20 years ago often was a sleepy secondary market, right? It's not anymore. Nashville, same story. Columbus, same story. Salt Lake City seems like, this is not this is not a secret. But the interesting thing at tertiary, particularly at tertiary north of the Mason Dixon Line is retirement is playing a major, major role in tertiary markets. We had delayed retirement, much like we had delayed moved from urban to suburban by Gen X. We had delayed retirement by baby movers, for a very, very long time. Largely because baby boomers were by and large, healthier than their parents had been at the same age. And they said, they would look at it and say, you know, I'm 67, but I don't feel 67. And if I work one more year, I could take three more vacations between the time I'm 70. And the time I'm 80. If I work two more years, I could take six more vacations if I think work three more years. And companies were making it worth their while because unemployment was so low, and we were making so few 22 year olds COVID change that right? It pushed a whole bunch of people, baby boomers and baby boomers looked at themselves in the mirror and said, Why am I doing this? Why am I making that commute? Why am I putting myself in high risk places everything on the television or on the internet says I'm in a high risk group. I'm going to stop commuting, I'm going to stop going to the office, and many of them have have elected to move to tertiary markets, both for health reasons, quality of life reasons and cost of living reasons. So I think you're going to see and we've started to see it certainly in places like Boise, Idaho Sun Valley, Idaho, Burlington, Vermont, parts of New Hampshire, in Maine, Cape Cod, you know, like places where there wasn't all year round traffic. There's all year round traffic now. Right. So I think you're gonna continue to see that. And I think that that bodes really well for tertiary markets. And we've seen, the retailers have done a really good job of figuring out how to do retailers good about figuring out the consumer, they really are. It's funny, right? They've been doing it a long time, and the good ones are really good at it. So you know, you go to a place like a Seabrook, New Hampshire. And, you know, Dick's is in 35,000 feet, not 50,000 feet, and TJ Maxx isn't 17 or 18,000 feet, not 30,000 feet. And they're figuring out how to play the game in the smaller markets quite effectively. And there they tell us anyway, that they're successful in those markets, even though stores may not do chain average volumes.

J

James Cook 37:36

Well, thank you so much for joining me today. This has been a fascinating conversation. And I feel like we could, we could talk for another hour on some new topics. But unfortunately, we're out of time. So thank you so much.

A

Adam Ifshin 37:50

Thanks for having me. We look forward to talk and further be well.

J

James Cook 37:54

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