EPISODE 29: COMMERCIAL REAL ESTATE DEVELOPMENT

Male Voice
Welcome to Careers in Finance, presented by the Boehly Center for Excellence in Finance at William & Mary's Raymond Mason School of Business. This podcast will explore various areas of the financial services industry, career paths in finance, and other practical insights that will help students better understand and prepare for professional success in the field of finance. Be sure to subscribe to the podcast and catch future episodes as we explore the field of finance. And now your host, Morgan Hutter.

Morgan Hutter
Welcome back, everybody, to the Boehly Center careers in Finance podcast. We today are going to be talking about another industry in focus today. We're talking about commercial real estate. And we're excited to have Mark Decker, class of 97, who is CEO at Center Space, and Taylor Mokris, class of 2006, which is also one of the best classes ever, given that that was my class as well. Who is senior vice president of Seniors Housing and care at Bellwether Enterprise Real Estate Capital, otherwise known as BWE. So welcome, Mark and Taylor.

Mark Decker
Thanks, good to be here.

Taylor Mokris
Good morning. Thank you.

Morgan Hutter
Well, let's get started. Obviously, I had the pleasure of knowing Taylor. We were classmates. He played basketball; I played lacrosse. So I lost touch with you, I'll admit since we graduated a few years ago. But let's start off just kind of getting to know both of you. Tell us a little bit about yourselves, your careers, what led you into commercial real estate, and why don't we start with Mark?

Mark Decker
Sure. Thanks, Morgan, and thanks again for having me. So I started my career when I graduated at an investment banking firm in DC called freedom billings Ramsay and then kind of migrated through a couple of different banks and, in 2000, went to a small bank to focus on the real estate space, specifically real estate investment trusts and real estate services companies, and then worked for about 16 years focused on that industry. And in the context of that, I got to know a lot of the people and understand the business a little bit. But I was always really a financier, as I think Taylor would describe himself possibly now, and then decided to get out of that racket mostly because it involves a lot of travel. I have four kids and had an opportunity to come to a

business that I had done work for on the financing side and advice side. And so that's really I'm still pretending to be a real estate person. Most real estate people would not call me that, but that's how I got here. So long career in the advice and financing side and then joined a client.

Morgan Hutter

Great. And where is center space located, so our listeners know where you're joining us from?

Mark Decker

Yeah. I'm joining from Minneapolis, Minnesota. The Great Northern tundra. And the company actually was started and is technically headquartered in May, not North Dakota, which is pretty close to Canada, but our executive team all sits here in the Twin Cities.

Morgan Hutter

Got it. Well, I have a feeling you're a little bit chillier there than we are today in Virginia. Well, so glad you're here. Thank you, Mark. Taylor, why don't you give us a similar update? Tell us your path.

Taylor Mokris

Yeah, it's funny. Thank you, Morgan, for having us. First of all, it's a joy to be able to give back to the William & Mary community. I know how useful it was when I was there to hear from industry participants. So this is awesome that we have a new medium back when we were in college, way back when. Now no podcast existed, and I'm not sure any audio-video type of stuff is even available. So it's amazing how much has changed in 15 short years. But looking back, like, if the question is what led me into commercial real estate, it's funny how you just gain perspective as you go through your career. And as I look back, I was actually adopted into a family of four boys, three brothers, and they were obviously wired a little bit different than me. And the reason I know this is when I went to the doctor when I was about ten years old and got just your basic fingerprint, I ended up passing out. And none of my brothers had this issue. And my dad the reason I point this out is my dad was a physician, and my brothers were drawn to kind of the medical field. You always want to do what your dad does, but for me, it was quickly apparent that I was not going to be in the medical industry after passing out after a fingerprint. So I always remember just kind of being drawn to newspapers. Mainly, I would go get the newspaper. For those who don't know what a newspaper is, you would go out and grab it off the front porch, and it would tell you the news for the last day or so. So I grabbed the newspaper, and I go to the sports section. I immediately look at box scores and statistics and was just always kind of drawn to numbers. And then the second thing that looking back, I was always drawn to just maps and geography. And so when we were going on trips, they'd have these world atlas before phones, and you could pull up a GPS, you'd have to actually, like, look on paper of where you're going and your route. And I was always, like, the one mapping out where we were going, how things were and came to be. And so, looking back, you get these little hints of kind of what you were drawn to. So I think part of it is just a natural draw to both the analytical side of what our business is and then also just the physical side of geography and history. I grew up in Charlotte, North Carolina area and wanted to kind of use basketball, which I'd played my whole life, obviously through college, and wanted to use it to go to a place that I really wouldn't have gone to otherwise if I was just a student. I was an okay, good student in high school, but I certainly wasn't at the caliber of many of my women mary peers. I was able to do that, which was great. Got to an institution that was just a premier academic place to be, and really basketball became it was not the end for me. It was just simply a means to a great education. And so I was able to use that. We used to joke as teammates in college, our locker room, we have TVs in our locker room. And the typical guys Division One basketball locker room was probably filled with your average locker room talk, and the TV was always on. People were playing video games and stuff like that. But we always used to joke that we were the only Division One locker room that had CNBC on more than any other channel across the whole sphere of channels. So we had a bunch of guys who were just kind of like-minded and interested in business. And that led me to go to business school at William & Mary, get a finance degree, got an accounting concentration. So I really wanted to understand just the language of business. And so accounting and finance kind of put those two together and accomplish that in school and really didn't get any real estate exposure as an undergrad. But I did get it as soon as I got my first job. So I joined Wachovia Bank, which was the predecessor to Wells Fargo, and I joined as an intern back in the summer of 2005, and I joined a group that was focused on managing the consumer real estate portfolio. So we had about a 200-plus billion dollar book of business of consumer mortgages, so anything direct to an individual, not a commercial mortgage. And I got really, you know, that was my first entry into real estate, and it really opened my eyes into kind of what lending was, what credit was, and really I kind of found my sweet spot. There was one thing missing in that. I was in a role that was kind of more staff or project-based. We were not generating revenue for the bank. And so the big difference I saw as a competitive athlete, I wanted to kind of jump to the side of the bank where they were generating revenue and winning business, or at least competing for business and maybe even losing occasionally. And so that really was the focus. And so after spending three or four years kind of helping manage that consumer real estate book of business, I jumped over to the commercial real estate side of the business. And this would have been 2010 or 2011, when it just so happened that Wells Fargo was not without its issues, much like any other real estate lender. And there was a swelling group of folks dedicated to working out various distressed real estate. So I joined the commercial real estate workout group, and that is where I cut my teeth, learning how to underwrite and learn the business of commercial real estate lending. And so it was a great experience. You learn a lot when you go through a workout situation, and you have to negotiate with people who might not want to do what you're asking them to do and just learning how things go wrong in commercial real estate lending. And so that was kind of my start. I got to touch all asset classes, and then long story short, after maintainers.

Mark Decker
Can you quickly help tell people what a workout is?

Morgan Hutter
I just figured you're hitting the hours there, making a list more.

Taylor Mokris
Yeah, I had plenty of workouts up until then, but this was not a physical workout, although it was definitely a mental workout. So a real estate workout at the bank, your typical down-the-fairway deal in a perfect world, you would want to lend money and then get repaid interest along the way. And then there's some type of capital event, whether the owner sells or refinances your mortgage and repays you in full. So that's just your typical kind of process of how the bank or lender makes money. Well, sometimes things don't go to plan. And so if I lend on a retail building and one of the primary retail tenants ends up leaving the building, their

lease runs out. And then, for whatever reason, given the economic factors going on in that primary market at the time, the owner cannot release that space. All of a sudden, you've lost a big piece of your income. Let's say that tenant was 60% of your income, and you cannot release the space. You might be in a situation where the property does not support the interest and principal payments on that loan. And so much like if you own the house and you couldn't support your mortgage payments, same type of situation. So in that situation, typically, the deal would be transferred into a workout division at a bank where they would work with the customer and not immediately just put their fist down and say we're going to foreclose on you and kick you out of the building and take over the property. That's not what banks want to do. They're not in the business of owning real estate, they're in the business of financing it. But they would be in a workout situation where it could be any simple solution, it could be a long-term solution, and everything in between. So that's really what I was doing, working with distress, some type of distress across the office. There were a lot of land positions because back in the last downturn, homebuilders went a little crazy in acquiring land positions. That ended up when the economy really turned on a dime. They were not able to build or finance the building of land, and all of a sudden, they're holding all this land that was not income producing, and thus, they could not repay loans. So we had a lot of land positions, office buildings, retail buildings, and everything in between. So that's really what a workout is. Good question, though.

- Morgan Hutter

Yeah. Thank you for clarifying. So, Mark, you talked a little bit about REITs tailor. You also talked about consumer mortgages. So what's the difference with commercial real estate versus residential real estate or REITs? What's the 30-second overview on each?

Mark Decker

Yes, I'll start. I mean, I would say commercial real estate is, generally speaking, I would define it as investable real estate. So, where business takes place, and it's not owner-operated. So if Morgan Hutterco owns their factory, that's company-owned real estate. If Taylor and I own it, it's commercial real estate, and you're paying us rent. Residential, I think, is broadly defined as all housing. So I don't know that necessarily in my mind, that doesn't mean for rent or for sale, although those would be the two big divisions. And REITs are just a subset and a pretty small subset. So total value of commercial real estate is well into the trillions. Residential is well into the trillions. The total market cap of all REITs, which on all sorts of different things, is roughly a trillion and a half. So relatively small. And in our business, just to put some perspective on it, all of the multifamily-focused companies that are structured as REITs and traded publicly own about half a million apartments. And there are well over 20 million apartments in the country. So not like the banking business or the coffee business, where there are some very large market share dominant businesses.

Taylor Mokris

The only thing I'd add is when I think of commercial real estate, I think of income-generating real estate. So there's a landlord-tenant relationship, a contractual relationship, where the landlord is receiving payments allowing that tenant to occupy space in that building. Much different than me just living in my house and paying my mortgage. And I don't produce any income based on the home I'm living in. So that's really Sierra. There's major food groups, office, retail, multifamily, industrial, and then there's an emerging large market of what, you know, I would consider alternative or specialty type of real estate. On the commercial side, when you talk about hotels, senior housing, medical office, self-storage, manufactured housing, life science, data center, mobile homebuyers data set, infrastructure like Data and Powers and all that kind of stuff, that's emerging. So huge food groups, each one of these is massive in their own right, but obviously, the major ones are larger than the others.

Mark Decker

Yes. And what it really comes down to from a business perspective, I think, is a capital allocation decision. So whether you choose to in my previous example, you're a manufacturer, you can choose to own that facility, or maybe Taylor and I'll buy it and lease it back to you, and that might be more effective way to finance your growth or just the operation of your business.

Morgan Hutter

So when you're working for this company center space, or when you're with who are your primary clients and vendors, or what's the average cost of these projects? Give us an idea of the scope and scale.

Taylor Mokris

So the way that if I was like teaching a class, the way that I would teach really commercial real estate is in the simplest form would explain a buyer if you have a buyer and a seller. So like, if you bring a transaction together, that's normally you pretty much capture all of the participants in commercial real estate. And so when I think of a buyer and a seller coming together, you've got a broker typically, and that's simply where the supply and demand meets the brokers pulling two sides of the transaction together. And so brokers, there's kind of two major forms of brokers, but really on the investment sales side. So if somebody's selling a building, they're bringing a buyer and a seller together. But then there's brokers like myself who are debt brokers who will simply broker the financing of that transaction. So you've got brokers, you've got investors or owners, as Mark described. So those would be anything on the construction side. So you've got developers who might build to sell or build to hold, and then you've got investors who kind of want to invest, but maybe on a more limited basis as far as the management and operationally just executing the build or the buy. So those would be family offices, large real estate, private equity firms that exist, public REITs that do a lot of this funding. So you've got brokers, investors, you've got operators. So, operators, they can be invested into the property, but a lot of times, they're just simply third-party managers, we call them. So operating the real estate, and then you've got the finance piece, which is a massive engine in and of itself. So that's really just the lending universe which you could break down into various banks. Obviously, I believe the largest lenders in commercial real estate are commercial banks, your normal banks that you see on the side of the street. You've got debt funds, which are typically private equity funds that are allocating capital towards financing of real estate. You've got REITs who do again they own and finance; they can do a little bit of everything. You've got CMS, which is really just a distribution strategy, financing strategy where you might originate to distribute or securitize into the market if you've ever heard of that term securitization. You've got life insurance companies who are in the finance market; you've got government entities that are backing the financing market in the form of Fannie, Freddie, HUD, SBA lending. And then, lastly, I think you've got all the administrative functions in a real estate transaction. So you've got legal. So attorneys obviously always involved in a transaction; you've got appraisals, you've got consultants, whether it's engineers, environmental, accounting, insurance. So that's really, you know, as I think about who are the primary vendors in a transaction, it's really runs the gamut from brokers to owners to operators, to financers, to the other administrative side of it.

Mark Decker

Lots of ways to play the built environment. One of the interesting things, I think, when I was an agent, meaning I was involved in putting things together like Taylor is now, a real estate consumer of that service, is incredibly good at it. So, in essence, Taylor is selling money. I used to sell some money and some advice and my advice would be about buying and selling things. But if you're in the business of real estate, you are in the business of buying, selling, and financing things. So it's unlike if I were talking to the CFO of an industrial company, they generally don't do a lot of that. They are focused on operating margin, supply chain, human capital, and a bunch of things that really real estate is a very small piece of their world. And they might have a group that just does that. If you're talking to a real estate person and you're talking to them about the cost of money and the benefits of competition and process, they're like, yeah, I do that every day. So I think it's a pretty tough it can be a, difficult space to differentiate yourself.

Morgan Hutter

Now, if students or listeners are interested in getting to this space, are you both saying that leading question here? Are you both those companies that you work for? Are they all inclusive of having all of these parts? When you're an agent, for instance, Taylor, are you collaborating with other companies that you're managing the deal right and keeping everything together? Or as you're working with people within your company that have those specialties, and as a company, you're working to make something happen. Does that make sense?

Taylor Mokris

Yeah. So we're a subset of that, and it's specifically to the financing piece. So we either directly finance a transaction or we will go out to the market. I hate the term broker, but that's really what we do, is we create a market for financing opportunity. When I say create a market, it's really taking a transaction, a sponsor, an opportunity to finance something, and taking it broadly to the market of potential financers and saying, this is why this makes a lot of sense for you, and would be a good allocation of your capital to finance this deal out of that. Obviously, that's the start of a competitive situation where hopefully, we shepherd the client to get to the best resolution through that process. And resolution would be the best deal for the client. And there are various different reasons why it would be the best deal for the client. Whether it's loan amount, whether it's the interest rate they are paying, the covenants that are involved, the structure we call it, or recourse. Is the bank going to require a particular form of recourse for this opportunity? So there are different components of a deal that are important to various owners of real estate that we kind of try to match up with and get the best execution for the client.

Morgan Hutter

Yes, got it. That makes sense. So, Mark, I know you talked about your start in investment banking and transitioning and why you transitioned, but can you talk to our listeners a little bit about the lifestyle and why it might be difficult to invest in banking on the commercial real estate side?

Mark Decker
Yeah, so I would really describe ourselves as an owner-operator. So our company has 450 ish 500 employees. Almost all of them work at a community focused on our residents. So the finance function is very important. And we're public companies, so our financials get posted every three months. But to me, finance is a key piece of the strategy. If your finances aren't working, you've got a real problem. And the apartment business, in particular, has the benefit of government-sponsored entities that Taylor talked about, Benny and Freddie, who are very involved in the housing market in a way that, you know, the three of us can borrow money at almost the same cost as my 52-year-old company with a bunch of properties and a great track record. So it's a pretty interesting space. On the finance side, we use all different forms of finance, but my daily focus is not on finances per se. Today it's really about people and capital allocation and things like that. So whereas it used to be helping people arrive at some form of growth capital or whatever the case may be. So I like that. I had done a lot of transactions. I also bristled at the term broker, although I don't think it's a bad word. So for me, it was a chance to sort of get to a spot where I could, in essence, take my own advice, which was pretty interesting to me for a whole lot of reasons.

Morgan Hutter
Do you find that the transition on working and balance? We always hear those that students that are interested in spending the first summer in investment banking versus other fields. Are you grinding out the 100 hours work weeks when you first get into this industry? Or do you have what is kind of the entry-level experience, maybe, which I know both of you are removed from, but just for our listeners to kind of know what kind of lifestyle opposes.

Mark Decker
Yeah, so I spent a lot of time in banking, and for certain, there is a lot of work there. I mean, I didn't do that job, quote, unquote, for the money. I did it because I like the people, and I thought it was interesting, and I would encourage anyone who's into that business; if you're going into it for the money, that could be a great reason, but that probably won't keep you in the business. And I stayed in the business for a long time. I mean, you have to like the work. So if I were advising a new grant, I'd say, find something you really like, get really good at it, and take care of yourself personally. But a lot of people look at the banking business and say, oh, that's like it's insane; you're going to work 100 hours a week. I look at it and say, you're essentially getting paid to get incredible experience on meaningful things to whatever businesses you're working with. And yes, you are going to work hard, and if you do a good job, you'll have tons of options at the end of it, but it's not for everybody.

Taylor Mokris
Yeah, I would echo that and encourage people the way that I thought about coming out in my twenty's and really using my twenty's to kind of multiply my experience in the sense of if I was working 80 hours a week, maybe that's not exactly what I want to do. But the bright side is I'm getting two x the output and experience that I would just try living a 40 hours week job. It's not necessarily about the hours. If you like what you're doing and you're working on interesting deals, you have to keep the long-term perspective of this will pay off. I mean, if you want your career to kind of really skyrocket and as you move into your thirties and forties and as you get a family, like, I thought I was busy in my twenties with my life now. Mark, I echo you. I have four

kids myself, and they're all ten and under. And so our lives are just crazy busy. And I think the point is, if I wouldn't have spent my early years really grinding and trying to multiply my experience level by just taking on more, it wouldn't have resulted in more balance. Right now when I think it's the most important time of my life to have balance. So that's really my perspective and my experience.

Morgan Hutter

I love that. I love that perspective. That's fantastic. So, Taylor, coming back to you for a second. You're obviously in a pretty unique market with senior housing care. Can you just explain a little bit about that particular industry?

Taylor Mokris

Yes, it is very niche, although if you talk to anybody, they probably have an experience with senior housing, whether it's a grandparent or spouse or aunt and uncle or something. How I got into it was really just luck and timing, honestly. I was at the bank, I was in workout, as I mentioned in my mentor at the time, got selected to lead a new specialty real estate finance vertical focused on senior living. So he came to me and said, what do you think about joining me? And I said, Great. Sounds good. My only experience was when I was 14. Literally, my first job ever was at a holiday retirement independent living community, which is senior living, running food from the kitchen out to the residents. And I actually love that job because you would hear tremendous stories, sometimes the same stories over and over, from the same people who were living there. But I just grew to love it because I felt like these people were so interesting, who were the residents of the building, and I just liked the business. And so here I was, getting back into it in the finance form. And I'll never forget my first site visit. When I went up to it was in the Boston area. We were looking at a new development deal up in New Hampshire. And so I go up, and one of the things you do when you go to a site visit, especially in new construction, because you're really just looking at dirt on the actual site is you go around all the comparable properties, and you see, what are you competing against, and can you garner the rate that they're getting? And all these questions, what's the quality of the competing buildings, and how do you fall within the competition? So I go to the first building, and I show up there, and there's a mother sitting there, a resident sitting there with her daughter, and probably a 60-year-old and an 85-year-old. And I always like to ask when I see those people around the building; I like to ask them how do they like the place. Because it gives you a good they always share more than you ask for, and they give you good perspective of just kind of the area and the building and everything. And this was literally the first building I ever went to. And the daughter looks at me and says I asked her, how do you like this place? And she looked at me and said, I love this place. This place is a gift. I live 2 miles down the road, and I promise you, my mom has slight dementia. And ever since she's come in here, she's just kind of come back alive. And I promise you, she's been here five years now, and every day I get to come have lunch with her. And I promise you; she would have been gone a couple of years ago if it wasn't for this place specifically. It just kind of hit me in that moment. It kind of hit me that this was more than real estate. This was a mission-driven business that had a lot of purpose behind it. And it wasn't like, right then, I was like, all right, I'm all in. But that kind of set a spark that has grown over time. And now eight, nine years into this business, and having seen five or $6 billion of transactions over the last eight years in this space, I just love the business, the mission behind it, the purpose behind it. It's more than real. Estate, senior housing? Effectively, yes, it's housing; it's real estate. But really the key to senior housing and the value behind it is in the operating component of the business. So if you think about senior housing, it's more than housing. There is a real estate component, but if you think about it, there's shelter, but then there's activities, there's recreation, there's transportation, there's laundry, there's meals, and then on top of all that, there's medical care, in particular, assisted livings or memory care type of situation. So it's way more than real estate; there's a care component. It makes it a little bit more complex to underwrite and understand, but in the end, it is real estate, and it's a really fun business to be in. So that's really the industry in a nutshell and a big reason of why I like it and why I jumped.

Morgan Hutter

Into it sounds really rewarding in a sense. You are really helping these families. So, Mark, coming to you for a second. Maybe you can share if you're comfortable, what has been the most rewarding and maybe challenging deal that you've worked on in your career?

Mark Decker

Yes, I would say here the most rewarding thing we've worked on. I mean, this company has really been a pretty significant repositioning. So when I got here, we were actually half senior housing and medical office buildings, and 50% of the business came from housing. And so it's not really a deal; it's just been a transformation of the company from really a diversified and relatively, I'd say, unfocused operator to really building what I would call a focused owner-operator that has changed the lens from, as we used to say, our mission was to create shareholder value. That's particularly uninspiring, I think, for most people that work here and not really what I want our team focused on. I want our team focused on the resident and agree with everything Taylor said. I mean, people live in our four walls. Everything that happens in someone's life happens on a property that we own. And our job is to make that a place where there's a lot of good community, and they feel like they're getting great value. And we are, in fact, providing great value and doing that with a team that also feels really good about where they are. So transforming from what I would call sort of more of an investment mentality to an operator and service mentality has been really what the whole last five years has been about, and it's been a ton of work and super interesting and rewarding for me personally and for my team. So not a deal per se over beers from final types of my favorite deals, but that's in my past life now.

Morgan Hutter

Well, thank you for sharing for both of you. You can team up on this one if you'd like. I mean, obviously, the last couple of years with the COVID-19 pandemic or endemic, whatever we're going to call it, probably took a big hit on commercial real estate, obviously, for your field. I would think Taylor, with the concerns, obviously, Kobe getting into some life hair places, things of that nature. How are you seeing maybe the industry being impacted most recently and then maybe projecting the next five years knowing we have no idea where this thing is going to go? But what's the talk in the industry?

Taylor Mokris

Yeah, I think you mentioned it. There certainly was severely distressed asset classes. When you talk about hotels, which, you know, overnight, people just stop staying in hotels, especially on the business side of it. You know, the leisure demand has certainly come back. Retail, same kind of story. I mean, people just stopped going to restaurants, and all of that has kind of worked through in some form of distress. But what I hear from my banking colleagues is there just hasn't been a ton of distress out there. And I think the great leveler was the fact that this was not a downturn that was caused by individuals or companies overextending themselves or becoming undisciplined. This was an exogenous shock that came really out of nowhere, and everybody was kind of fighting the same battle. And so what that meant was a lot of financers had a lot more leeway than they would have otherwise, a lot more understanding. So I think that has worked out for the industry, that there hasn't been a level of distress, not even near what there was the last great financial crisis back in '07, '08, or '09 time frame. But what do I see? I see this year back to normal. I think recent polls are showing people are done with COVID. Like it's just completely out of their mind. Life goes on. We're getting back to behavior that I would say was more like 2019 before this whole thing existed. I think equity and debt capital is more available than ever. I think there's a ton of factors in that. But the bottom line is people are private equity, and various capital providers are raising more capital than ever that it's being allocated towards real estate. I don't have a ton of experience, but my suspicion is that commercial real estate is somewhat replaced bond investing, and part of that is just higher yields for maybe just not that much more risk. So you're seeing endowments, pension funds, all of them are increasing allocations to commercial real estate as a replacement for kind of fixed income investing, which is a benefit to the industry. On the consumer side, you've got various metrics like household net worth and wages that are better than they've been in 40 years. So I think that bodes well for rent growth. I'm sure Mark could speak very well to the type of rent growth he's seen across his portfolio. So all that is good for real estate owners. And then I think you're going to see a flight to the alternative asset classes that I mentioned before; office and retail are extremely challenged. Both are probably oversupplied, definitely oversupplied across the country. And industrial manufactured housing, single-family rental, medical office life science, seniors housing all are somewhat undersupplied, and you'll continue to see investment there. So that's really kind of just a broad landscape of what I see currently happening and what might be the themes for this year.

Morgan Hutter

Yeah. Mark, anything to add?

Mark Decker

Yes, that was really well put, and there's a lot there. It's hard to add to that. But listen, I think today reminds me of, I'll say, 2006 seven, and that there's a lot more money than good ideas for all many of the reasons and others that Taylor talked about. But the fundamentals, our business, at the end of the day, is a fundamentally driven business, and the fundamentals have been very good. And the housing business, in particular, I mean, we had a lot of anxiety in April about all sorts of things, our team, our customers, and in April of 20, and people were really betting who would be able to pay rent. That happened in the commercial space as well. It worked itself out very quickly, and we've sort of gone from having; I thought 2021 was going to be a year where we saw full expense growth and no revenue growth. We saw lots of revenue growth in the form of higher rents and reasonable expense growth. I think going forward; we've just fundamentally underbuilt housing for the last 20 years. There are lots of good statistics around that, and there's a lot of household formation, people getting out of their mum's basement because cove is over and they're sick of their roommate or their parents or whatever. So, you know, we agree, I would agree with everything Taylor said about the dynamics on the human side because there are humans running these senior health care facilities and running our properties. It's been very difficult. I mean, we're continuing to see a lot of pressure on wages and on finding and keeping good people. So that's a real area of focus for us. How can we be the best employer we can be? And a lot of that's money, and a lot of that is giving people work that they like and trying to kind of reduce the TPS reports, as I like to joke.

Morgan Hutter
We're not recording on Monday. Sorry.

Mark Decker
It should be an interesting few years, for sure.

Morgan Hutter
Yeah. Well, this is great. Our time is coming to an end. But it's so exciting to hear that the growth of the industry and just how many different facets of the industry there are that you all talked about. And for listeners, it sounds like the themes I'm hearing are somebody that's competitive driven, a good communicator, analytical. It could be a perfect field for you to either start or transition over to. So I just want to thank Mark and Taylor again for joining us for the Boehly Center for Excellence in Finance at the Raymond bay Mason School of Business Careers in Finance podcasts on commercial real estate. So thank you, Taylor Mark, for joining me.

Mark Decker
Thank you.

Taylor Mokris
Thanks for having us.

Male Voice
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