Hudson Pacific Properties | Citi Global Property 2022 | March 7 2022

Manny Korchman:

All right. Good afternoon, everyone. Welcome to the 4:15 PM session at Citi's 2022 global property CEO conference, I'm Manny Korchman with Citi Research, Parker Decraene's up at the table there, on my team. We're pleased to have with us Hudson Pacific properties, CEO, Victor Coleman, this sessions for Citi clients, only if media or other individuals are online, please disconnect now. Disclosures are available on the webcast and at the AV desk. For those joining us in person, you can use the mics for anyone that's listening or in person, you can use the live QA. I'll get them. I'll ask them. You guys are getting tired here as the day goes by, but put in some questions. With that, Victor, I'll turn it over to you to introduce the company and the guys sitting up there on stage with you. And then we'll go to Q and A.

Victor Coleman:

Thank you Manny. So before I begin, I appreciate giving us the time and everybody here, we'll try to be expeditious and get to everybody's questions. To my right, is our Executive Vice President, Leasing, Art Suazo, to my immediate left, our President, Mark Lammas, and beside him, my far left is Harout Diramerian, our CFO. So real briefly for those of you who probably know about us, we're a West Coast based studio media office REIT, with assets from Vancouver, Seattle, San Francisco, The Bay area in Los Angeles, about to be in the UK, as well, in our newest acquisition. We are a 50 50 partner with Blackstone in our studio business. Obviously revolving around the content, proliferation of content and growth in our portfolio and others. We also have acquired, and will continually to acquire, vertically integrated business lines to support our studio space.

Victor Coleman:

And we can talk a little bit about that as well. We own approximately 20 million square feet of Class A, exceptionally located assets. With about 20 of those assets running through the portfolio, which are single tenant assets of high quality tech and media tenants for durations of five, seven, 10 plus years. We have some multi-tenant assets in the portfolio. Currently today our leased assets of overall for the 20 million square feet, is about 92 to 93% leased. And we are actively engaged in some of our lease up metrics in our markets, which we can talk about at the same time. And some of the activity in our vacancies that are currently coming due in '22 and '23.

Victor Coleman:

We have a active company standard around our ESG platform, as well as our DEI engagement. We are Developer of the Year recipients in 2021. And we are GRESB five star graded, as well. Almost all of our assets have been upgraded during the COVID timeline with safety protocols, MERV HVAC systems and the likes of that. So I will stop, Manny, because I know you have a whole host of questions we could probably get into, instead of me delivering more information, we can sort of jump into it.

Manny Korchman:

Okay. If you precede my questions and I ask them, it gets all awkward. So I'd rather ask them first.

Victor Coleman:

Go.

Manny Korchman:

What are the top three reasons an investor should buy your stock today instead of any other listed property company?
Victor Coleman:

So thank you for that. So listen, I think the first reason is, is that we have embedded NOI that is signed, sealed and delivered you know of some of the assets, but between our newest acquisitions and our developments that are leased and coming online, and additions of our new vertical integration. I mean, you're talking about somewhere between $75 and $100 million of new capital that will enhance the value of the stock, as we sit right now, directly to the bottom line.
Victor Coleman:

Secondarily, our company's assets are positioned in the best in class markets, with the best in class tenants. Our track record of leasing, redevelopment and repositioning, I think is second to none. We've taken unique assets that people had different visions of and created massive value. And we continue to do that. So I think our track record is such that it would support that.
Victor Coleman:

I think thirdly, and not the least important, nor most important. But when you start talking about metrics and you start talking about peers and start talking about quality of assets, our multiple is way different than our peers and our NAV differential is way different than our peers, but yet our asset quality is in line with our peers. And so there is a upside to our portfolio, that I think has not been realized and our markets are starting to show that realization with the recent increase in our stock and future increase in our stock.
Manny Korchman:

So as you sit around and say, this befuddles us, it doesn't make sense. Why are we getting beat up with this, same or better quality, but the metrics don't line up. What answers do you come up with?
Victor Coleman:

You know, I don't have a straight answer for that, because there really isn't one. I mean, if you look at the asset, so I mentioned, I think if you look at our 18 assets in our portfolio today that are single tenant assets, with the tendency, the likes of Google and Amazon and Netflix and the quality like that. The value of those assets in the private market sector would almost equate to the entire value of our current market cap of our portfolio. So effectively you're getting everything else for free. So it doesn't make any sense. There has been banter around conversations that say, well, private market valuation and public market valuations are different. Yes, we've seen those spreads. I've been doing this for 22 years. So I've seen the differentiator and the spreads, but not to the extent that it is today and the aspects of proving those valuations out, have been proven multiple times over by multiple comps, by private investors as well as public investors. So I don't have a clear answer for you, Manny, on that.
Manny Korchman:

I guess you guys took advantage of a... Was it a week ago or two weeks ago, I've lost track at this point... Two weeks ago with the buyback, the accelerated buyback.
Victor Coleman:

It was two weeks ago.
Manny Korchman:

And I know that was something, Harout and I spoke for quite a bit about how that was sort of a different structure of buyback than what we're typically seeing in the REIT space and typically seeing in your stock. So I don't know if you want to talk about that or Harout or Mark do, but can you explain to the room what made that different?
Victor Coleman:

So listen, I'll get into just the top level. We have been talking about various different buybacks. We've been active in the marketplace and an HTM. And I think that for slightly less than $200 million over the last, well really since pre pandemic days, about $175 million.
Mark Lammas:

On the 10B-18.
Victor Coleman:

On the 10B-18. We've been looking for an ability to take a much bigger chunk and there are two methods. The method we did in a tender, the method here was a cleaner, cheaper, more efficient method. It is unique to the rate world, but as Mark will tell you, it's definitely not unique to public companies.
Mark Lammas:

Yeah. So, we wanted to, as opposed to what we had been doing, which were accessing the market under 10B-18, which we've done very successfully, we bought 170 million of stock over the last few years. We wanted to commit to a larger share repurchase, and you really have two alternatives that are regularly used. One's a tender and the other, one's an ASR. It's not commonly used in the REIT space. But if you look at a survey of major share repurchase programs outside of the REIT space, what you'd find is ASRs are far more relied upon than tenders. And the drawback of a tender, you can do a quick execution on the tender, but the drawback is you have no certainty of execution, right? So it's not uncommon to see a tender go out and only a small fraction of the amount that is being tendered for actually gets repurchased.
Mark Lammas:

And oftentimes, if the entirety of the target amount gets repurchased, it's sometimes because you've mispriced the shares. In any event, this gives us complete certainty that we are repurchasing $200 million of stock, all but the last seven and a half percent of the 200 million is pulled out of the float, essentially immediately, it takes nine days for the collared portion of the transaction to clear, but so, you're committed on the 200 million. We're hedged on half that trade. So we have, at least pricing certainty on half the trade. And so anyway, when we weighed the advantages and disadvantages, we just felt that it was the better way to go.
Manny Korchman:

And how did you come up with the 200 million?
Mark Lammas:

With all the other potential uses of capital, it's... And looking at ideal sizing for an ASR, we were at the outer boundary for a company of our size on an ASR. So a $200 million tender would be small and a $200 million ESR skews to the high end. Candidly, if we thought we could do it, we would've pushed it a bit higher, but it stretches out your timeframe for the period that the program has to be in place. So we still elected the 200 because we felt like a workable timeframe. And depending on how it goes, we might continue to look at further share repurchases.
Manny Korchman:

What would that be, Mark, just on the last point, what would that be contingent on? Is that on execution pricing of the sales you talked about? Is it on price volatility? Is it a combination?
Mark Lammas:

Yeah, I mean, I think we just, we've had a pretty steady track record of depending on what other opportunities there are to deploy capital into, when our stock seems especially cheap, we've taken advantage of those windows of time under 10B-18. And we did likewise at this. And I think we'll continue to monitor other opportunities, what the share price looks like at any point in time. And if it seems like the right way to deploy capital, that's what we'll do.
Manny Korchman:

I think about those other opportunities you guys have been actually somewhat, I don't want to call it aggressive because that has a bad connotation, but you've fought throughout the time, and over the pandemic. And I guess, as you sit here today and think about what those opportunities might be, you've now taken up 200 million of capital into the buyback. Obviously, you measured what the return on that was versus some of these other things, but help us figure out where your mind is because it's like, "Oh, we want to be growing." And you're growing, growing, growing, then you do buyback. You're like, "Okay, maybe they don't need to be growing." Then we're selling non-core assets. So maybe they're going to be shrinking a little bit. Is this growth, is it shrink? Is it from a company size perspective? That's maybe to you or Victor, Mark, I don't mean to point it at you, but what's sort of the direction of the company?
Victor Coleman:

I think the direction's been consistent since day one, Manny, and we continue to do so. We're a growth oriented company, that we said we're not mutually exclusive just growing. If the opportunity for us to buy back stock is in place, we will do that, but it's not mutually exclusive to us developing and, or acquiring another assets. So at the same timeline as us announcing this, we just closed on a transaction in Seattle, not 30 days prior to. We're about to announce another transaction on the development side, in the studio portfolio, and probably two. As well as evaluating a couple other acquisitions. So it's consistent. We're also breaking ground on almost a million square feet within, between now and hopefully the end of the year, on two projects. So I think it's been consistent. So it shouldn't be confusing because I think our story has been very, very much aligned.
Manny Korchman:

I've got a couple questions here in the live Q and A queue. "Victor, can you expand on the 75 to a $100 million new capital to the bottom line comment?" That was from earlier in our conversation?
Victor Coleman:

Yeah.
Manny Korchman:

"Is that 75 to a 100 million in NOI, or is the NOI based on a yield on an investment of 75 to a 100 million?"
Victor Coleman:

So about 45 million of it is going to be NOI, for our one West Side, which is stabilized. And that's about 45 million of it. About 35 million of it is EBITDA, just on our existing acquisition, of our two vertical integrated assets in the studio business. We've got an additional new asset that we just brought online, which is 5th & Bell in Seattle. So that would take it actually to more than just that number. I'll just give you sort of a snapshot of it.
Manny Korchman:

And, "In the office portfolio, can you talk about your largest tenant's plan for work from home and the impact on potential reduced demand per space." And second to that is, what is HPPs, that's just for your company itself, what's your work from home policy?
Victor Coleman:

Well, okay. So the-
Manny Korchman:

The first is about your tenants, your largest tenants and what they're doing.
Victor Coleman:

Yeah, I gotcha. So, HPP, we've been in the office four days a week since June 2020. And so we've not moved off of that. We actually took, over the holidays, in the first two weeks, we were work from home the entire time only because of Omicron. So we've been consistent throughout. We are work from home, one half day a week, which is a Friday. Our tenants, in almost concert, are either on their way back, have indicated that they're back and have not... For the most part, if we turned around and did a

survey of tenants in 19, that were expiring, whether they downsized or not, it would be consistent with our portfolio right now. So we've had a few tenants that have downsized or left, but we've also had a lot of tenants expand and continue to grow. Our largest tenants, in no particular order. The biggest ones are Amazon, Apple, Netflix, they're all... And Microsoft, they're all returning to work and have announced their return dates, which is in the next few weeks to the beginning of April.
Manny Korchman:

Right. Maybe we'll go to Art. Does Art want to go market by market or Mark? Who wants to go market by market here?
Arthur Suazo:

Yeah, we can do that. We can start in Vancouver if you'd like.
Manny Korchman:

Yeah.
Arthur Suazo:

Well, first of all, just to kind of level set, all the markets over the last three quarters are really, the fundamentals been coming back, starting with tenant demand. As confidence has been growing, we've been talking about it, the last three quarters, how demand has been growing. And certainly you're starting to see it everywhere, even in San Francisco, by the way, there's some highlights. But in Vancouver, which never really fell off too much, been very consistent. The tenancy there, the large tenants are still in the market, the small tenants are still in the market. We don't have a lot of exposure there. And we started to see the rates, really the asking rates over the last two quarters, start to tick up slightly in Vancouver.
Arthur Suazo:

In Seattle, I think the story, just as important as demand, is really that sublease, the sublease availability that had ticked way up, has come down. Really, I think just over the last second half of the year, 750,000 square feet or so of sublease availability came off the market and it was all quality space, right. So it was very competitive to us. It's coming off the market. I think there's still about 350, 400,000 square feet to go. Rates have started, last two quarters really started, we're starting to flatten down and starting to tick up. The last quarter was up about one and a half percent. And it's the demand for us on existing vacancy. I think we've got about 45% coverage on existing vacancy. Once again, driven by the larger tenants in the market and the expirations for this year, we've got about 50% coverage on those. And the mark to market in Seattle, by the way, is close to 50%.
Arthur Suazo:

In San Francisco, the two things that stand out to me, a lot of people think it's, have mentioned, it was falling into the ocean. Thing that jumps out to me really is the subway space. 1,000,002 was absorbed over the last, call it half of the year. We're down to about five, eight and a half million square feet. That's a good sign. Gross leasing, everyone kind of forgets about gross leasing. It was just under seven million square feet, right. And even if you go back to pre pandemic, gross leasing numbers, not off very far, so that's very promising. We don't have a lot of exposure there right now, Manny. In San Francisco, we're kind of close to 95% leased. And the spaces we have are just really kind of smaller spaces. And some of that is retail.
Arthur Suazo:

Moving down into the Valley. I would say that the Valley has responded the best out of, out of all of the markets. Combined there was six and a half million square feet of activity. Last quarter, there was three and a half million square feet of gross leasing. Again, most of that driven by large tenants that are out there, but we're seeing kind of the renewed confidence in the smaller tenants in that market. And they're drafting off the large tenants.
Arthur Suazo:

One example is the Peninsula, Redwood Shores, right? Most of that is a smaller tenant base for us. We're pretty close to 92%. I mean that... We've been getting comments over the last year or so that it'd been languishing. We're very close to 92%. And that's because of the small tenant activity that's driving that market and rates in the Valley and the Peninsula throughout the pandemic have remained very, very stable. Ticking up slightly over the last quarter or two. Down in LA, really LA is driven by west LA, the West LA market. Again, larger tenant activity, TechTainment, driven really, 350,000 square feet of positive absorption, just in the West LA market, which drove the activity in greater LA. And we don't have, we're about to finalize a lease for Harlow, which will bring that to a 100% lease in our whole portfolio, down there will probably be 98% lease.

Arthur Suazo:

The big expiration on the horizon, which is NFL, which you all are aware of. 170,000 square feet comes up at the end of the year. We're on the NFL space. We are very, very close to the goal line on signing a lease, pardon in the pun, and in about a 26% mark to market. So we feel really good about our LA portfolio. And again, this just speaks to the momentum that's been happening across all of the markets over the last three quarters. We've been tracking it very, very closely. And again, I think, Manny, I think it starts with the confidence that people are having, tenants are having coming back. And that rubs it out.

Manny Korchman:

Awesome, thank you for taking us through all those. Maybe on that point on confidence, we've had sort of mixed responses on how much occupancy of the actual physical space matters to leasing decisions. You're pretty close to this and you're speaking to tenants. How much are they thinking about how many people are in the office right now versus what they need or want, longer term?

Victor Coleman:

Listen, I don't think anybody knows right now, other than the fact they want all the space that they currently have. And I think what they're realizing is they need more space for less people, which would equate to more space for them, at the end of the day. And I think that's a pretty consistent theme. So people aren't making decisions for right now. I think they are making decisions. Whether they're saying we're going to start at three days a week, it doesn't matter how much space, three days a week, four days a week, five days a week, seven days a week, it's going to be the same amount of space. They're, like anything else, these companies are looking for their growth prospects over the next year, two, three, four. And that's what they should be doing. They're not looking for moment in time.

Victor Coleman:

And so I think getting away from the equation of one, two, three days a week versus just occupying space, the only difference for us, as real estate owners and landlords, is the ancillary revenue around that, right? Parking, after hours, HVAC, the security costs, et cetera, on expenses and revenue. And so that will stabilize as we get closer to the stabilization of people coming back.

Manny Korchman:

Victor, in that response though, I guess the pushback that I get when I talk about the same topic is, what are they willing to, or how much can they stomach the rent to do that? So if you're in three days a week, are you willing to pay five days a week of rent? Or do they come to you and say, "Hey, look, we're happy to stay in the space. We want more space, but the rent doesn't align with the use we're getting out of it."

Victor Coleman:

Manny, I can't think of a tenant in our portfolio that's come to us and said, we want to alter rent for occupancy, for timeline. I don't think there's been one. Am I wrong?

Arthur Suazo:

No, not at all. In fact, three day, like you said, three days a week, four days a week, whatever it is. Tenants are not going to want to overlap. They're going to want some people in and stagger their occupancy in there. They're going to need the space. Period.

Manny Korchman:

Art, I've got a follow up here on the live QA. On the NFL space, when that lease gets signed, knock on wood, what type of TI dollars will you have to spend? And so that 26% is a, I guess, a cash mark to market or a face mark to market?
Arthur Suazo:

Cash mark to market,
Manny Korchman:

But that's on base rent?
Arthur Suazo:

On the start rent. Yeah.
Manny Korchman:

And so how much other sort of math needs to go into that?
Victor Coleman:

Market TIs.
Arthur Suazo:

Yeah, it's a $100 TI.
Manny Korchman:

And rents are in the what ballpark?
Arthur Suazo:

I'm sorry?
Manny Korchman:

Just the rental rates. What ballpark are they in for that space?
Arthur Suazo:

They're, monthly, they're 350.
Manny Korchman:

Okay. Okay. And then Victor, this one's for you in the question queue here. "The common perception of HPP is that you have a tougher near term rollover schedule versus peers." What do you think?
Victor Coleman:

It's funny, one meeting we had today brought that up and I think, listen, consistently our role has been fairly stable in that it's been a larger number, 12%, 13%, 14%, 9%. And year over year, we've achieved our role in excess of rent and expiration and achieved higher mark to markets on... For the last 10 years. So I don't think our track record should speak for itself. I don't think that the numbers should speak for themselves in that it's expiring. It's normal business for us. We're not fearful of it. I mean, Art just told you, we got a tenant expiring in December. And so you're effectively talking nine months from now. We've got a lease that's going on at 26%, that's standard. We've got tenants that are expiring in '23, that we're negotiating terms at the same time. I think moment in time expiration is a very, very volatile way of evaluating the value of a portfolio.
Manny Korchman:

Okay. Maybe we'll get off of office in the few minutes we have left here and talk about studios.
Victor Coleman:

Sure.
Manny Korchman:

Sounds like you've got some exciting stuff going on there. Just maybe to start. What does the operating environment there look like? And how are your couple of recent acquisitions doing?
Victor Coleman:

Yeah, I mean, listen, let's first of all, talk about the environment, right. It's gone from a 2007 acquisition in a timeline that was, content was probably 10 or 15 billion a year, and now it's gone to 175 billion a year in content, growing to 250 by 2025. So the environment is such that this is not going away. I think everybody understands it. We're going to see consolidation, for sure. We're going to see technology evolve around virtual production and other avenues by which you're going to see gaming companies and other production companies get involved in this. Our portfolio consistently performs to the highest level, it has since the very beginning. I made a comment on this, which is a shockingly surprising fact, but we've never had a default on a sound stage in our, I guess it's been 15 years of running the sound stage business.

Victor Coleman:

So it just shows you the stickiness of the industry and the business. The comments around, "Well, how do you feel about Netflix losing market share or eyeballs." Or whatever the case may be. Listen, the quarter that they lose the next quarter, somebody else picks up. We're not picking and choosing content, we're picking and choosing an industry, by which is going to continually grow and has been growing for a 100 years for the likes of Disney and Warner Brothers. So we're very excited about our recent opportunities. We're building our newest development opportunity, Sunset Glenoaks. We've got a very, very strong indication from a handful of very, very recognized tenants to lease the whole thing. That's fallen on by our Sunset Waltham Cross, which is going to be a billion dollar project in London. And it's going to be a best in class as well.

Victor Coleman:

We've got tremendous interest on that asset from multiple tenants, for a large percentage of it. I think, at the end of the day, what you've seen is, the investment community has recognized this is an asset class in a business and is looking to get their share. We still have a great platform. I think it's the most recognized name platform in Sunset Studios under the Hudson umbrella and our opportunities in Vancouver, New York, in Los Angeles, in the UK. And some other markets are going to come to fruition. I believe in the next three to six months with some new deals.

Manny Korchman:

In those markets you just named, if we had to guess?

Victor Coleman:

If you had to guess, you wouldn't.

Manny Korchman:

Wow.

Victor Coleman:

So, listen, we're going to grow in London for sure. We're going to grow in New York for sure. We're going to continue to grow in Los Angeles and Vancouver for sure. And then there's a couple other markets that we're looking at right now.

Manny Korchman:

But I guess just on the three to six month that you sort of baited us with a couple times, that those are New York?

Victor Coleman:

Those are New York, Vancouver and LA, all three.

Manny Korchman:

Okay.

Victor Coleman:

Yeah.

Manny Korchman:

Art, before I forget, somebody wanted clarification on the NFL space, the 350 monthly, that's a net or a gross?
Arthur Suazo:

350 is a modified number.
Manny Korchman:

Okay. Back to studios. And then the studio operating businesses, Victor, how have those been performing versus what you've expected?
Victor Coleman:

So we're very excited about that existing platform and the other ones. We've tied up another operating vehicle. We are looking right now at a fourth operating vehicle, and it will continue to grow that business. Currently, the two vehicles that we have purchased last summer, we've rolled them into the consolidation of the enterprise under the Sunset Studio brand. I think we projected a low 30s EBITDA. I believe these guys have got us sort of at a mid to high 30s, EBITDA for '22. And we're on track for that. And that's, I think, the multiple on that is a very attractive investment. The business is going to be vertically integrated, as I said, based upon the fact that we've got a captive audience, so it's not just on our facilities, but the facilities that we control, all goods and services flowing through our facilities, we're going to be charging for. Currently, it's all under the TRS. But at the end of the day, if we cap out on the TRS in terms of size, we'll continue to acquire businesses. And if we have the unfortunate situation, we're very prepared to pay the tax.
Manny Korchman:

And sorry, I completely spaced... You mentioned two more potential operating businesses. Would those be done fully on balance sheet or would those be done in the partnership?
Victor Coleman:

Everything we were doing in Sunset Studios is going to be the partnership.
Manny Korchman:

Including the operating businesses?
Victor Coleman:

Yes.
Manny Korchman:

I thought, correct me if I'm wrong, but Star Waggons was not done in the partnership, correct?
Victor Coleman:

It will be.
Manny Korchman:

Okay. But right now they're not?
Victor Coleman:

Correct, but we are rolling-
Manny Korchman:

You confused me. You thought-
Victor Coleman:

No, no, no.
Manny Korchman:

I thought I was wrong.
Victor Coleman:

It's not a confusing question. It will all go into the same entity and our partner in Blackstone is going to be buying into that enterprise into those-

Manny Korchman:

Okay, so they've decided to go into all the operating you're going to be doing under Sunset.
Victor Coleman:

They decided some time ago, right?
Mark Lammas:

Yeah. Yeah. They candidly, we had exposed it to them and it's not exactly an easy fit for their Core Plus Fund, obviously, because it's an operating business and we needed to move as quickly as we could. And so we bought it, we took it down and now they're underwriting it.
Speaker 5:

I think at the time, market indicated that we wouldn't be surprised if they wanted to come back in to align the businesses and all the revenues. And so they're doing exactly that.
Manny Korchman:

Okay. Any questions in the room there?
Victor Coleman:

I see no hands.
Manny Korchman:

I actually can see the room. Believe it or not. Camera's everywhere. Be careful.
Victor Coleman:

There you go.
Manny Korchman:

I don't think we've touched this one yet. And if we have, pardon me, but what's your number one ESG priority in 2022?
Victor Coleman:

So, we've achieved carbon neutrality with offsets, as you well know, five years ahead of our plan. I think, we're thinking that we'll be between 2025 and 2030, a 100% carbon neutral. So I think that's our biggest and brightest. We've recycled concrete and rebar steel for our new development. We pre purchased recycled goods. We've got window treatment companies that we've invested in. We've got solar companies that we've invested in. We are a founding investor in Fifth Wall's climate fund. We're a founding investor in Fifth Wall's other funds. And we've continued to invest in that. So we've set our targets. And so we're looking for emissions, we're looking for embodied carbon for our development, as I said. And I think that's the direction that we feel comfortable with and very confident we're going to get that achieved.
Manny Korchman:

Well, with that, let's go to our rapid fire questions. What will same store NOI growth be for the office sector overall in 2023?
Victor Coleman:

4%.
Manny Korchman:

What will the 10 year treasury yield be, a year from today?
Victor Coleman:

2.13%.
Manny Korchman:

Sounds like you did a lot of thinking about that, that's right on the fly there.
Victor Coleman:

I'd say 2%, but I like to be, it's beneficial for me... Keep saying lower numbers on that. So yes, 2.13%.

Manny Korchman:

And will the office sector have more or fewer public companies a year from now?
Victor Coleman:

Fewer.
Manny Korchman:

Thank you all.
Victor Coleman:

Thanks guys.
Manny Korchman:

Thanks guys.