



Basis Points – July 9, 2020

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Above the Fold

A Boom for Designers, HVAC and Filter Manufacturers?

Even though we are still in the throes of a global pandemic, some are returning to the workplace, while businesses and real estate owners are finding ways to not only make office spaces safer, but also keep their bills paid and budgets inline. In many of America's older and especially more temperate climates, the ventilation systems work around the clock, switching from heat to air conditioning, with ductwork and HVAC architecture that's decades old. Even newer buildings may only have basic filtration and/or fresh air mixing in place.

There are standards for filtration and air movement, but those common designs may be changing. Researchers from the Atlanta-based engineer's society suggest roughly 20% or more fresh air to be introduced to recirculated air to effectively dilute particles as well (this costs more money as that air must be filtered and temperature adjusted).

According to the Wall Street Journal, "modifications from equipment manufacturers such as Trane Technologies PLC, Carrier Global Corp. and Johnson Controls International PLC include filtering indoor air more thoroughly, drawing more outdoor air into buildings and deploying ultraviolet light against the virus inside ventilation systems."

We could also see changes to the typical design of buildings, allowing for more light and window openings and even major alterations to older structures to make them safer and more desirable for tenants. Unfortunately, these unexpected costs are coming at a time when revenues are flat or down and the future still uncertain.

Three Things

1. ***The Future of Farming (in an Urban High Rise)*** – A company called **Bowery Farming** has created a robot-controlled mega-farm right in the middle of an industrial park in New Jersey. The farm uses automation, artificial intelligence and a ton less water to grow produce (year round) for dense urban areas like New York City. It's a trend that experts say could spread to other big cities.
2. ***Look Up! It's a Bird, It's a Plane... Nope, It's the Internet*** – Alphabet subsidiary "Loon" launched a fleet of balloons 60,000 feet over Kenya to provide stable internet service to this highly underserved region. The balloons have been used during and after emergencies, but this is the first commercial application and will be used to supplement existing, sporadic networks.
3. ***Are You Ready for Walmart "Prime"?*** – Walmart has been slowly building its ecommerce and delivery services for some time, but is now set to reportedly launch its version of Amazon's Prime service called Walmart Plus. At \$98, the service will include perks like same-day delivery and discounts at Walmart's gas stations. The company captured 5% of ecommerce sales in the first quarter, while Amazon dominated with nearly 40%.

Did You Know?

Many Still Pay Student Loans Into Retirement

Last year, CBS News reported that 3 million Americans over the age of 60 were still paying student debt. Data from Transunion revealed total debt of roughly \$86 billion or almost \$34,000 for the average borrower. Between 2010 and 2017, total student debt for those over 60 jumped 161%, the most for any age group during that period.

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