The St. Joe Company - Annual Meeting

Wednesday 18 May 2022

Text has been edited for clarity. This is being made available for informational purposes only.

Operator: Welcome to the 2022 Annual Meeting of St. Joe Company. Please go ahead.

Bruce Berkowitz: Thank you. Good morning, ladies and gentlemen, I am Bruce Berkowitz, Chairman of the Board of the St. Joe Company. It is my pleasure to welcome all of you to our annual shareholder meeting that is being held in a virtual meeting only format via the internet with no physical in person meeting. Shareholders who logged into the meeting through the virtual shareholders' website using their control number are automatically registered. Also, we may have guests and shareholders that vote through their brokers that have logged in to attend the meeting. Now shortly after 9:00 AM Central, 10:00 AM Eastern time, on May 17th, 2022, and this meeting is officially called to order. As is our custom, we will conduct the business portion of our meeting first, after the formal business portion of the meeting has been adjourned, we will provide an opportunity for questions and answers.

Only validated shareholders may ask questions in the Q&A section of the shareholder portal. Out of consideration for others, please limit yourself to no more than two questions. We will answer as many questions this morning as time allows. Though we may not be able to answer every question submitted, we will do our best to provide a response to as many as possible. The website is open for you to submit your questions. We will conduct this meeting in accordance with the agenda and rules of conduct posted on the virtual shareholder portal. To ensure an orderly meeting we require that all participants abide by these rules. Now, I would like to introduce the other members of the board in attendance, Cesar Alvarez, Howard Frank, Jorge Gonzalez, and Thomas Murphy.

Also with us today are representatives of Grant Thornton, the company's independent registered public accounting firm, who will be available to answer any appropriate questions during the Q&A

portion of the meeting. The company's General Counsel, Lisa Walters, will act as the secretary of the meeting. We are being assisted today in the tabulation of proxies and ballots by James Hagan from Broadridge Financial Solutions. At this time, I appoint James Hagan as Inspector of Elections. The notice of the meeting has been mailed to each shareholder of record as of March 23rd, 2022. The Inspector of Elections has informed me that 54,449,102 shares of the company's voting stock are present in person or by proxy, constituting a quorum for today's meeting. A list of shareholders on March 23rd, 2022, the Record Date, is on the virtual meeting website and may be inspected by any shareholder who is signed in.

The final report of the Inspector of Elections will include the votes, if any, of shareholders present and voting during the meeting. The company's mailing agent, Broadridge Financial Solutions, has provided an Affidavit of Mailing to show that notice of the meeting was given on or about April 7th, 2022. A copy of both the notice and the affidavit will be incorporated into the minutes of this meeting. Next, I will describe each proposal to be acted upon today and then we'll take the vote. Since no direct nominations proposal for business were properly filed by a shareholder in advance of this meeting, the business of this meeting is limited to the following three proposals.

The first proposal before the shareholders is the election of five directors to serve for a one-year term until the next annual meeting. I am standing for re-election as the director today, along with the following nominees, Cesar Alvarez, Howard Frank, Jorge Gonzalez, Thomas Murphy. All of these nominees are present today. We recommend the election of these nominees. The second proposal is the ratification of the appointment of Grant Thornton as our independent registered public accounting firm for the 2022 fiscal year. The Audit Committee retained the services of Grant Thornton to audit the company's financial statement for 2022 and the board recommends that the shareholders ratify the appointment of Grant Thornton. The third proposal is the proposal to approve, on a non-binding advisory basis, the compensation paid to our named executive officers as described in the compensation discussion and analysis section, the compensation table, and related narrative disclosure set forth in the company's 2022 annual meeting proxy statement.

We recommend the approval of the compensation of our named executive officers. We will now vote on the proposals. Any shareholder who has not yet voted or wishes to change their vote may do so by clicking, voting, on the virtual meeting website and following the instructions there. Shareholders who have sent in proxies or voted via telephone or internet and do not want to change their vote do not need to take any further action. Since everyone wanting to vote has done so, the polls are now closed. Will the Inspector of Elections please report the results of the balloting when you are ready?

James Hagan: Mr. Chairman, the initial tally is subject to verification and the final tabulation may reflect small changes in the vote I have announced. The final tabulation will be set forth in the formal report of the inspector of election to the secretary of the company, which will be made after the count has been verified. I certify that a majority of the votes cast has voted for the election of each of the nominees as directors of the company. In addition, the votes cast favoring the ratification of the appointment of Grant Thornton has exceeded the votes cast opposing the action. Finally, the proposal to approve the compensation of the named executive offices has received more votes for than votes against. Thank you, Mr. Chairman.

Bruce Berkowitz: Thank you. I hereby declare that the director nominees have been duly elected that the appointment of Grant Thornton as the company's independent and registered public accounting firm has been ratified, and that shareholders approved the compensation of the named executive officers. This concludes the official business of the 2022 annual meeting. The annual meeting is adjourned, and we will now continue to the informational portion of our call today. Prior to opening up for questions, I will ask Jorge Gonzalez, the company's President and Chief Executive Officer, to provide a brief overview of company operations.

Jorge Gonzalez: Thank you, Bruce. Welcome everybody; we appreciate everyone joining us this morning. Earlier in the morning, we filed an 8K accompanied with a presentation, which I will review with you for the next few minutes. After the presentation, we'll open up the floor for questions through the internet, and we've already received several questions. So please, we encourage you to submit more questions. Next year, we plan on holding the shareholder meeting in person once again, we look forward to that. We're going to hold it in one of the new assets in our hospitality segment and we look forward to seeing everybody next year. So slide number five in the presentation, we always would like to start with value creation and always like to provide context about the trajectory of the core financial measures of the company. This is a bar graph that shows the three core financial measures of the company, revenue, net cash provided by operations, and then income over the last six years.

There's been an upper trajectory of those three measures starting with $96 million in revenue in 2016 and $267 million in revenue in 2021. An important aspect to point out is the results that you're seeing in this bar graph in the last couple of years is as a direct result of the investments that we've been making to grow the company in the earlier part of the time cycle of this slide. And we continue to make investments in the company to continue to grow revenue. Slide six is essentially the same three core measures shown in line graph form. Slide seven is cash generated for distribution or investment, we introduced this measure a couple of years ago as a way to better show the cash generation that the company is creating. So slide seven shows this measure growth from 2016 to 2021 has increased from $17 million to $155 million. Also on the right-hand side of the slide, you can see the first quarter of 2022. Typically, the first quarter is our slowest quarter.

We're off to a good start in 2022 with the net income of $13.4 compared to $3.2 last year. And the cash generated for distribution in the first quarter of 2022 is $43 million compared to $20 million last year. The next slide, which is slide number eight, scaling efficiencies, as we've grown the company in revenue, we've also been able to maintain corporate and operating expenses flat in actual dollars and an actual decrease as a percentage of revenue. So for example, in 2016, our corporate and other operating expenses was 24% of revenue generated by the company, in 2021 that percentage dropped to 9%. The reason why this is important is it shows that we can scale the company and do it in a very efficient manner. So the next section of the presentation is a snapshot of our three segments. So the first segment is residential sales. Over the last six years, the number of sales have increased from 106 to 853 last year.

An important aspect to mention here is the 853 number last year, the residential sales number, really includes a very small amount of contribution from our Latitude project. Only 47 closings occurred last year since that project just started last year. We expect the contribution of Latitude to grow this year and continue to grow over the next few years.

So the next slide is residential sales pipeline, I'm going to take a minute to provide a little bit of context about this. We often talk about pipeline and really, what we mean is our assembly line of production for residential sales. Home sites in communities that we develop take time planning, engineering, permitting and development. On the average, these communities take about a year to take from inception to transactions and closings. So we keep a close eye on what that assembly line and pipeline looks like.

So on the left-hand side of the slide, you can see the backlog that we have, we have 2,294 home sites under contract, there's 527 homes under contract at Latitude, and we have 18 active builders that represent the home sites under contract. When you move to the right of the slide, those numbers that you see there are essentially an order of production in our assembly line. We have 3,288 home sites platted or under development, so those are the most ripe for transactions and homes being built on them. Then when you move to the right, it's one step up in the production assembly line, we have 2,003 home sites in engineering or permitting. And then the last number on the far right-hand side of the slide is 12,185 additional home sites that have a concept plan. So those numbers move from right to left in the assembly line. The total that we have right now in our pipeline is at the bottom of the slide, which is a number of 17,476.

An important aspect to point out is that that does not constitute all the home sites that we have entitlements for. This slide represents entitlements that we literally have in the assembly line or production line. The next segment is hospitality. There are two bar graphs that show two major components of this segment. On the left-hand side is the number of hotel rooms. As you can see the growth in the number of hotel rooms over the last six years has been pretty significant. As of the end of last year, we have 1,177 hotel rooms either existing or under construction. That number is represented by 839 that are under construction which is the bar graph that's in gray. And the gray bar graph - part of the bar graph represents future revenue. Those are hotels that are being developed. They're not yet contributing to the company's financials.

On the right-hand side are club memberships. We've also experienced significant growth in our club membership program over the last six years growing from 754 members to 2,255 members. In a later slide, I'll show you where those members are coming from, which has been a widely expanded geography.

The next slide is number 13. This shows the commercial segment. We have other components of commercial; these are the two major ones. On the left-hand side are commercial and operational square feet in our portfolio. Of the 1.3 million square feet, roughly 984,000 square feet represent our leasing portfolio, which is 90% leased. Again, the gray part of the bar graphs represents projects that we have under construction and represent future revenue. On the right-hand side, our multi-family and senior living, we currently have 1,436 either existing or under production - under development.

The grey part of the bar graph represent future revenue, those are not yet contributing to the company's financials. Apartments have been going really well from a market demand perspective, currently, of the units that we have finished and offered for leasing, our occupancy level is 97%. And every time we get a certificate of occupancy for an apartment building, it gets leased up relatively quickly, within a matter of days. Next part of the presentation are milestones. So at the annual meeting in 2019, we issued milestones by asset type that we wanted to achieve. They were pretty ambitious at the time, and for many of these, we were at zero. For example, for multi-family, we had a portfolio without any multi-family units. At that time, we set these milestones at a 1,000 home sites per year, 1,300 multi-family or senior living units, 900 hotel rooms, 1.5 million square feet of commercial, and 1,400 club memberships. They were ambitious.

And on the right-hand side, you can see where we ended up at the end of last year, which is the timeframe that we gave ourselves when we created these milestones. We exceeded the milestones, three out of five, we exceeded. And then in two of them, we were in the 85% and 87% percentiles of achieving those milestones. The one that we exceeded by the largest margin is club memberships, our milestone was 1,400 and as of the end of last year, we ended with 2,255 milestones.

So for the first time in slide 16 we're releasing the updated milestones. These are the 2024 unit milestones. So, for home sites, we are expecting, by 2024, to have 2,000 per year, multi-family and senior living units, we are expecting to have 2,500, hotel rooms, 1,500, commercial square feet, 1.8 million, club memberships, 3,250. Then we have a new asset class, boat slips, where we're expecting to have 750. And that includes both dry and wet slips.

The reason why we're adding boat slips, I think it's no secret that boating and marinas have been in an upswing over the last couple of years and we believe that this area is underserved from a boating and marina perspective. Marinas are profitable in and of themselves and they also serve as an amenity, as part of the ecosystem that we often talk about to grow the region. So, we're looking forward to reaching those number of boat slips and opening marinas that will be accretive to a lot of the other investments that we're making in the area.

Construction stats. Slide 18 is a slide that we have shown the last couple of years in our annual presentation. It's a snapshot of the projects across our segments, commercial, hospitality, and residential, that we have under construction, and we expect to have under construction within a two-to-three-year window.

So, here, you can see that we have quite a number of these projects that we identified last year in the same slide, we've already commenced construction. Those are shown with a check mark on the right-hand side. We have a total of 16 projects here that we have not commenced construction, that we expect to commence either this year or by next year. We also have many more projects in the engineering, permitting phase, that over the next two years, we anticipate many of them will move towards the construction phase. Something I do want to mention is a question we get asked often, we're experiencing the same challenges that everybody else is across the country in terms of supply chain disruptions. Those supply chain disruptions have created increase in timeframes of delivery of product whether home sites or commercial or hospitality assets. We have not seen those disruptions in timeframe materially affect the demand or materially affect the execution that our team has been performing. So we have been experiencing some delays, but they have not been of the material nature that perhaps other parts of the country have been experiencing.

Demographic tailwinds. So we have been experiencing, over the last couple years, a significant amount of demand in our market, and there are four major components of why we think we're experiencing that demand - that surging demand. In my letter to shareholders this year, I've referred to it as a tipping point for the region, and we do believe that. The first component or the first reason is on the top-left-hand corner, the discovery of Northwest Florida. We really do think that we are in the middle of a tipping point for this region. The two most significant differences that we have noticed over the last two years that we hadn't noticed in previous cycles are, number one, where people are coming from.

We have seen a significantly expanded geography of where visitors and buyers and residents are coming from in the country. And then the second most significant difference is a lot of those individuals are deciding to live here full time. These are not second homeowners, there's been a significant increase in number of individuals and families that have made a decision to move from somewhere else in the country to live in Northwest Florida. The factor immediately below it is probably the biggest contributor to that, the reason why more people are moving here to live full time, the virtual work environment, the flexibility to work and live anywhere certainly has made an impact in the decisions that individuals have made and families to move to Northwest Florida. On the top-right-hand side, growing infrastructure.

The infrastructure that's needed to support the growth has been growing also, not just from a transportation perspective but also medical, educational, and in other ways. So for example, the two airports that serve our region, Northwest Florida Beaches International Airport and the Destin Fort Walton Beach Airport, last year both had record years. They had the most passengers in their history in 2021. The last item that we hear a lot from families that decide to move here are the quality of life and safety. They often reference the family oriented, natural beauty, open spaces, and relative affordability of the region. They also often mention safety; they feel that this is a location that they feel safe to move their families to. The next slide is slide 21, ecosystem focus. We often talk about this approach for our company. we are very much focused on creating an ecosystem in this region with our assets.

So this is essentially the way that we're positioning the company to take advantage of the surging demand and growth of the region. And the three major components are diversity in assets, diversity in demographics, and the types of income streams - the diversity in the types of income streams. So residential communities, we now have a wide range of prices and lifestyles, ranging from the $300,000 range to multimillion-dollar homes. We have lifestyles to fit essentially every stage or station in life, workforce housing, move up, retirement, luxury, and second home. Similar with hospitality experiences, we are offering a wide range of hospitality experiences for every type of visitor, luxury branded hotels, value flagged hotels, waterfront resorts, marinas, and private club membership.

We also have a pretty wide range of geographic diversity in the location of our hospitality assets. And that's something you can really appreciate when you come to the region, which we always encourage you to come to our region and see what's happening in real time. And our commercial portfolio is also getting very diverse, we have garden-style multi-family apartments, village town homes, senior living, commercial town centers, light industrial flex spaces, storage facilities and our financial services sector with our title agencies and our insurance agency. So this is a way that we're positioning the company to take advantage of that surging demand by creating a really wide and broad ecosystem of revenue streams. So let's talk a little bit about the expanding geographies. Slide 22 shows where the buyers came from to one of our residential communities, Watersound origins.

First, let me mention that Watersound Origins is not a retirement community, it's a regular community that has a mixture of families, empty nesters and retirees, but it's not age restricted. It is also not an investor-driven vacation rental community; we restrict short-term rentals in Watersound Origins. And in 2021, we had buyers from 26 different states and Canada, again, going back to a previous slide, we have not seen that range of diversity in our area before. 26 states are represented as you can see in the map. The other point I wanted to make here is that Walton County, the county that Watersound Origins is in and where we're developing many of our assets, from July 1st, 2020 to June 30th 2021, was ranked number two in the state of Florida and number five in the entire country, among counties for net domestic migration, the rate of net domestic migration. So number two in the state of Florida and number five in the entire country for net domestic migration.

And sometimes those data points don't match what we're seeing at the ground level, but that data point certainly matches what we're seeing at the ground level. Representatives of the 26 states that we saw buyers from - coming to Watersound Origins, we're also seeing it in other places. The school district, for example, in Walton County is busting at the seams - particularly at the elementary school level, which means that more and more families are deciding to move from other parts of the country and live full time in Walton County.

Slide 23 is the same data point for Latitude, that's our age restricted retirement community in Bay County. As I mentioned earlier, Latitude is just beginning, just starting. We started production last year, and the initial set of buyers at Latitude come from 38 different states and Canada. So that's also very broad, diverse geography where the buyers are coming from and we're just getting started. We expect as Latitude gets going, as the amenity opens, as that social fabric expands with more and more residents living there, that this diversity in geography will even expand further.

Slide 24 shows where our club members are from. I mentioned, in an earlier slide, that we have a record number of club members, over 2,200 club members, and those members live and come from 40 different states and Canada. So again, maybe a perception is that our club members just come from the Southeast. We certainly do have a significant number of those members from the Southeast, but club members really come from a much broader geography of the country, not just from the Southeastern United States. They come from 40 different states, which is pretty remarkable. We have seen that growth happen over the last couple of years. And it's been similar to the growth we've seen in the residential communities. That broadening geography of our buyers has also translated to a broadening geography of our club members.

So the last slide we always like to end, on slide 26, with the really basic and simple formula of why we think we're just scratching the surface of creating multi-generational value creation. It's essentially four different components. First of all, we have the land, we have over 170,000 acres. We have entitlements. Just with the Bay Walton sector plan alone, we have entitlement as of right to build over 170,000 homes. We have additional entitlements outside of the sector plan. We also have scalable operations. As I mentioned in an earlier slide, as a percentage of revenue, our, SG&A has decreased over the last six years, from 24% to 9%, showing that we can create scale in the company and do it efficiently. And then the last component is ecosystem focus. Every investment we make in every segment, we think of it as adding value to the other segments. There's not a single segment that we make an investment in that we don't believe is creating value in the other two segments.

So we're going to open up the floor for questions. And what I'm going to do is I'm going to fast forward to slide 30. So slide 30 shows a map of our land holdings, which is shown in green, and the projects both existing, under construction, unplanned, that we have in a three-county region, Bay, Walton, and Gulf County, which are the three counties of focus for the company. And if you can actually look back at the slide that shows the construction stats and any project that you see listed there by name, you'll be able to identify the relative location of that project in this map. So with that, we're going to go ahead and start answering the questions that we have received.

Bruce Berkowitz: All right. Thank you, Jorge. I'll get right into the questions. We'll take all shareholder questions that are being entered in today on the virtual shareholder portal. And as we said before, we'll try to attempt to answer all of your questions as time allows. Only questions that are germane to the meeting will be addressed. So our first question for Jorge is, "I'm curious why the Mexico Beach town homes are categorized as residential while the Origin Town homes are in the commercial category." That is, are the Mexico Beach town homes being offered for sale, and if so, why would we not want to own and lease them going forward?

Jorge Gonzalez: It's an excellent question, and this is a good opportunity for you to mention Tyndall Air Force Base. We have mentioned before that Tyndall has been identified as the air force base of the future by the Department of Defense. And Congress has made an appropriation of nearly $5 billion for the redevelopment of Tyndall. We anticipate more appropriations are coming. And just this week, a contract for the redevelopment of Tyndall was let for over $500 million, which I believe is the largest single contract ever let in any Air Force Base in the country, which is pretty significant. So the reason why that matters, Tyndall's very important to the region, it's an economic engine for the region. And we have land holdings that we think can benefit from the growth and redevelopment of Tyndall. One of those land holdings is Mexico Beach, the property that the question is being asked of.

We've been planning a mix-use project in Mexico Beach on the north side of US-98, with a specific focus on accommodating the growth of Tyndall. So, that project, that community, includes residential apartments which we have already broken ground on, it includes townhouses which we've already broken ground on, and will include residential single-family homes, which we plan to break ground later this year. At the moment, we believe the mixture that we have of the apartments being for rent and the townhouses and the single families being for sale, serve the market in the anticipated demand of Tyndall the best. If that were to change in the future, we obviously would revisit that. But as of right now, we believe the townhouses being offered for sale to the Tyndall families is really where the market is demanding.

Bruce Berkowitz: Excellent. Jorge, our next question, based upon Panama City News' Herald article, which recently reported that the FSU medical campus will consist of four medical office building as well as 500 bed hospitals. Will St. Joe own and lease the entire campus or is any part of it a donation to the community?

Jorge Gonzalez: That's an excellent question. And we're really excited about adding that component to our region - a medical healthcare campus that would take advantage of and create the synergies of research teaching in clinical delivery. We're doing that in conjunction with Tallahassee Memorial Healthcare and the FSU College of Medicine. We anticipate, over time, all three components will exist on that campus, research, teaching, and clinical delivery. The business structure for us of that campus is going to vary. So for example, assets on the campus that are very highly specialized like a hospital, we're going to execute a business structure that's a ground lease with the hospital entity. Other assets on that campus that are more conventional, for example, medical office buildings that can be leased, we will do those as build to suit, similar to the way that we execute commercial and office assets in our leasing portfolio.

So the short answer to the question is going to be varied, we'll have components that will be ground leased and we'll have components that will be built to suit commercial activities for us.

Bruce Berkowitz: All right. Our next question is regarding Highway 98, can you update shareholders on the status of plans to widen Highway 98 as well as any plans to extend Philip Griffitts Senior Parkway, also known as the Back Back Beach Road in either direction, how will these impact St. Joe's existing land?

Jorge Gonzalez: So the Department of Transportation - the Florida Department of Transportation recently announced that funding has been obtained to widen US-98 to six lanes from Mandy Lane, which is around the Pier Park area, all the way to Richard Jackson Boulevard, which is where our corporate headquarters is. That widening to six lanes is anticipated to commence, I believe as early as early next year. More funding is anticipated from Richard Jackson to near the Hathaway Bridge to widen US 98. And I think those announcements are anticipated to occur pretty soon. The Back Back Beach Road concept, which is the extension of Phillip Griffitts Parkway, is something that the Florida Department of Transportation and Bay County are actively involved in planning.

We have discussions with those entities on a regular basis, there hasn't been funding allocated for the Back Back Beach Road. Right now, the immediate focus is the six laning of 98, but it's an ongoing process to create that Back Back Beach Road egment. So hopefully, that will be something that announcements will be made in the near future.

Bruce Berkowitz: Jorge, with so much institutional interest in owning single-family rental properties, has St. Joe considered entering this category with Watersound Management overseeing it? Also, does Watersound Management have any plans to broaden out into property management of unowned long-term rentals in the area?

Jorge Gonzalez: Excellent question. So the first - the answer to the first part of the question is yes, we do evaluate opportunities for single-family long-term rentals. We've had discussions with many different groups and entities that have expressed an interest in doing that. We have not made any decisions to move forward with a project at this moment in time. Part of the reason for that, quite candidly, the efficiency level that we have with garden style apartments in terms of using every square inch of our property is just that much greater than single-family homes for a long rental product. And our apartment projects have been leasing up fairly quickly. As I mentioned before, we're almost 100% leased and almost within days of buildings getting certificates of occupancies, we have tenants moving in. So we get to a potential project where we think we can create the efficiency that we would want from a long-term rental single-family product, we'll certainly take a look at it a little bit more closely.

In terms of the second part of the question, right now, our property management joint venture is managing assets that the company owns or partially owns, whether it's our apartment portfolio or the townhouses in Origins. Right now, we don't have plans for that property management entity to manage third-party properties. But again, if opportunities present themselves in the future, we certainly will consider that. But right now, that management company is focused on managing the assets we own or partially own as best as we can.

Bruce Berkowitz: The next question is, how has the performance of the St Joe's vacation rental homes been relative to expectations? And are there any thoughts or plans for building more of them?

Jorge Gonzalez: That's another excellent question. And the individual is referring to the two vacation rental homes that we have on the west end of Panama City Beach. The short answer is they have exceeded expectations; they've been leased up a lot more and for higher rates than we anticipated and originally planned. And do we have plan to do more? Yes, those are things that we constantly are thinking of what parts of our assets would be ideal for that type of product. And there are a couple of locations that we've been looking into but, we're not quite ready to move forward with them at this moment. But we're constantly thinking about those opportunities particularly because the two that we built have performed so well.

Bruce Berkowitz: Jorge, can you offer any details as to what the Pier Park City Center, listed on slide 16, will consist of?

Jorge Gonzalez: So we have just started the planning and design of the Pier Park City Center. We anticipate having a mixed-use concept. We like mixed-use concepts, we like village centers that have diversity in assets and revenue streams. We're anticipating Pier Park City Center will have lodging, will have multi-family, and will have commercial. The commercial is going to particularly be focused on entertainment type of uses and we're in active discussions with different entities that have expressed an interest. So, again, short answer is mix-use project, lodging, multi-family, and commercial.

Bruce Berkowitz: There you go. Considering the company does not hold quarterly calls, which is understandable based on the long-term nature of the business, would the company consider turning future annual meetings into in-person investor days similar to Berkshire's annual meeting where the company's able to showcase the assets and the areas development to investors?

You've said in the past how investors really need to see the area in person in order to fully appreciate the company. This would give investors, both big and small, the opportunity to do so.

Jorge Gonzalez: That's an excellent question. And it's actually something we have talked about quite a bit recently. As I mentioned earlier in the presentation, we are planning on having next year's annual meeting in person and we really want to encourage people, not just at next year's annual meeting, but we really want to encourage everybody to come here and visit us. For folks who've never been here, for folks who haven't been here in a long time, when they come, without exception, everybody says, I had no idea this was happening here. So it's really important to come, visit, see what's happening with our projects, but more importantly, to see what's happening in the region, in the area, to see the growth, first-hand.

In terms of how we're going to structure next year's in-person annual meeting, we've had some discussions about trying to do something similar to an investor day. We're going to continue to have those discussions to see if we can come up with a formula that works for us and works for our shareholders. I think our shareholders know we tend to focus on results more than anything else, so we - certainly, anything that we structure in that way at next year's meeting is going to be focused on substance and results. So we'll see what we can come up with next year. But that's an excellent question, thank you for the question.

Bruce Berkowitz: Can you give any idea or rough estimate of the total amount of people that are moving to the Bay Walton area on an annual basis? Additionally, how many new homes have sold annually between Bay and Walton Counties and had St Joe's market share of new home sales grown materially over the past few years?

Jorge Gonzalez: It's an excellent question. I don't have the actual numbers at my fingertips but we'll post them with this presentation on the webpage so shareholders can go back and refer to them. As to the second part of the question, St. Joe's market share, yes, our market share has grown significantly, and I think I will point you to the slide I showed earlier in the presentation where the number of home site sales increased from 106 in 2016 to almost 900 last year. That significant increase in home site sales certainly has created an increase in market share for the company particularly considering the diversity of our communities. That - those 900 - almost 900 home sites represent a pretty wide range of different types of residential communities in a three-county area, both from a price point and lifestyle perspective.

As I will post this information, it's public information, we'll gather - we'll post it on the webpage next to this presentation. But it's an excellent question, and our market share has grown pretty significantly over the last couple years.

Well, thank you, Jorge. We have now answered all questions. And I will now ask the operator to please close the Q&A session. I'd like to thank our shareholders for all of their questions, we do appreciate your participation and look forward to next year. And this concludes our meeting. Goodbye.

Operator: Thank you. The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.