



Webinar

ULI Global Webinar: Powerhouses in Question: The Evolution of Global Business Districts - Americas/Europe

Date: December 05, 2025

00:00:10 --> 00:00:12: Good afternoon, good morning, good evening.

00:00:12 --> 00:00:17: Maybe for any of any of you joining, welcome to

00:00:17 --> 00:00:22: today's webinar organized by EY and you and I.

00:00:23 --> 00:00:24: My name is Lisetta von Dorn.

00:00:24 --> 00:00:27: I'm the chief Executive for you and I in Europe.

00:00:28 --> 00:00:31: I'm very pleased that you're joining this webinar focused on

00:00:31 --> 00:00:35: powerhouses in question, the evolution of global business districts.

00:00:35 --> 00:00:39: And this webinar is actually part of a series of

00:00:39 --> 00:00:43: launch events for a new report that EY and you

00:00:43 --> 00:00:47: and I have been working on and are very pleased

00:00:47 --> 00:00:50: to present today and to also discuss.

00:00:50 --> 00:00:55: We had the official kick off event for the report

00:00:55 --> 00:00:57: in Paris on the 14th of November.

00:00:58 --> 00:01:01: We've done a teaser session at the Europe Live full

00:01:01 --> 00:01:03: meeting earlier in November in San Francisco.

00:01:04 --> 00:01:09: And also this morning in European time, we did another

00:01:09 --> 00:01:14: similar webinar to also allow our members in Europe and

00:01:14 --> 00:01:16: Asia Pacific to join.

00:01:16 --> 00:01:20: Today we're going to hear more about a report focused

00:01:20 --> 00:01:22: on assessment of global business district.

00:01:23 --> 00:01:27: This is actually the third edition of the report and

00:01:27 --> 00:01:33: previous editions were launched in 2017 and 2020, just when

00:01:33 --> 00:01:34: COVID had hit.

00:01:34 --> 00:01:37: And obviously the world looked very differently.

00:01:37 --> 00:01:41: And while sort of it's not even 10 years ago

00:01:41 --> 00:01:45: that the first edition was published, so much has happened

00:01:45 --> 00:01:47: in those past eight years.

00:01:48 --> 00:01:55: Think about COVID, think about higher interest rates, macroeconomic circumstances

00:01:55 --> 00:02:00: which have dramatically changed, obviously a remote work

00:02:00 --> 00:02:05: which has

00:02:05 --> 00:02:11: become a phenomenon to stay and climate change and of course, geopolitical tensions or differences in a situation that we're

00:02:11 --> 00:02:12: seeing a lot.

00:02:13 --> 00:02:16: We're going to kick off this webinar with a presentation

00:02:16 --> 00:02:19: on the main results of the report, followed by a

00:02:19 --> 00:02:20: panel discussion.

00:02:20 --> 00:02:24: Before I hand over to to for the presentation of

00:02:24 --> 00:02:25: the report.

00:02:25 --> 00:02:29: I would like to thank EY for the collaboration with

00:02:29 --> 00:02:32: you and I in producing this high level report.

00:02:32 --> 00:02:36: I would also like to thank the Global Business District

00:02:36 --> 00:02:40: Innovation Club, which have been funding and heavily supporting this

00:02:40 --> 00:02:41: piece of work.

00:02:42 --> 00:02:45: And I want to thank many of you and others

00:02:45 --> 00:02:49: in the industry for having participated in this work, either

00:02:49 --> 00:02:53: through interviews, surveys and other contribution.

00:02:53 --> 00:02:56: And some of you were also part of a steering

00:02:56 --> 00:03:00: committee for the editorial oversight to make sure that all

00:03:00 --> 00:03:02: results resonate with the industry.

00:03:03 --> 00:03:06: And now it's my pleasure to hand over to Mark

00:03:06 --> 00:03:08: Learmeet, Partner at EY France.

00:03:09 --> 00:03:13: We will present the main results and I will introduce

00:03:13 --> 00:03:14: the panel later.

00:03:14 --> 00:03:15: Over to you, Mark.

00:03:16 --> 00:03:18: Thank you so much, Lizette, and good afternoon.

00:03:19 --> 00:03:20: Good morning everyone.

00:03:21 --> 00:03:24: Very happy to do this presentation and and kick off

00:03:24 --> 00:03:28: the discussion and the great panel that will have left

00:03:28 --> 00:03:29: the word.

00:03:29 --> 00:03:32: So in the interest of time and thanks Kirsty for

00:03:32 --> 00:03:34: moving the slides as quickly as possible.

00:03:34 --> 00:03:37: You can actually go to the next slide if you,

00:03:37 --> 00:03:40: if you, if possible even the next one.

00:03:41 --> 00:03:42: We like our cover page.

00:03:42 --> 00:03:44: So we showed it to you twice.

00:03:45 --> 00:03:45: Very happy.

00:03:45 --> 00:03:47: And and I want to extend my thanks also.

00:03:47 --> 00:03:50: It's, it's going to be a lot of thanks today

00:03:50 --> 00:03:53: to you and I, to you Lizette, to Simon and

00:03:53 --> 00:03:57: you're great team for being great partners in crime because
00:03:57 --> 00:04:00: it's been an adventure to go around the, the world
00:04:00 --> 00:04:03: in about 6 months looking at 30 of the largest
00:04:03 --> 00:04:08: business districts, looking at their performance, their evolution.

00:04:08 --> 00:04:12: You see here on, on 8 critical dimensions.
00:04:13 --> 00:04:15: And this is a part of the report and part
00:04:16 --> 00:04:19: of the detailed report, which I, I, I encourage you
00:04:19 --> 00:04:22: all to, to read and to react on and even
00:04:22 --> 00:04:26: challenge us if there are aspects, conclusions that you think
00:04:26 --> 00:04:29: we should have done better with.
00:04:29 --> 00:04:34: I'm not going to focus on the performance and the
00:04:34 --> 00:04:35: rankings.
00:04:35 --> 00:04:38: I know a lot of you have looked at it
00:04:38 --> 00:04:42: with interest and and aspiration, but I will focus today
00:04:42 --> 00:04:45: on a on a few figures that I think will
00:04:45 --> 00:04:49: be more useful for our discussions and the four megatrends
00:04:49 --> 00:04:54: that transpired or were reflected by the 250 interviews that
00:04:54 --> 00:04:57: we conducted by the the KP is the vast amount
00:04:58 --> 00:05:01: of data Al alta lot that we looked at and
00:05:01 --> 00:05:04: and great insights from from some of you directly.
00:05:05 --> 00:05:08: So I'll, I'll go quickly through each of the aspects
00:05:08 --> 00:05:12: of first headlines from the survey, the global survey and
00:05:12 --> 00:05:16: then some mega trends that I think we're particularly interesting.

00:05:17 --> 00:05:19: Kirsty, if you can go, if you want to go
00:05:20 --> 00:05:23: to the next slide, I have to say, I'm sure
00:05:23 --> 00:05:25: it is also for you, Lizette.
00:05:25 --> 00:05:28: It was for me, it was for all of us,
00:05:28 --> 00:05:32: a big surprise to discover among the 2025 questions that
00:05:32 --> 00:05:37: we ask you this, this particular result about the attractiveness,
00:05:38 --> 00:05:43: the appeal of business district, the largest business district across
00:05:43 --> 00:05:44: the world.
00:05:44 --> 00:05:50: 63% of the stakeholders we interviewed investors, occupiers, developers, architects,
00:05:50 --> 00:05:53: managers of business districts.
00:05:53 --> 00:05:57: 63% of you said these business districts, the largest in
00:05:57 --> 00:06:01: the world, are more attractive now than they were in 2020.
00:06:01 --> 00:06:01: 2020.
00:06:02 --> 00:06:07: Of course, after the pandemic, after we got back to
00:06:07 --> 00:06:12: certain normalcy, it is also normal to find this positive

00:06:12 --> 00:06:14: transformation.

00:06:14 --> 00:06:18: The House full Glass is almost 2/3 think they have

00:06:18 --> 00:06:23: an appeal when the perception is that it's a model

00:06:23 --> 00:06:27: operating model, a real estate model that is that has

00:06:27 --> 00:06:28: to change.

00:06:29 --> 00:06:32: The half empty glass is that we could have reached

00:06:32 --> 00:06:36: more of that so many assets, so much focus, so

00:06:36 --> 00:06:40: much business power in is in this business issue that

00:06:40 --> 00:06:44: it should probably be closer to 8085% of satisfaction or

00:06:44 --> 00:06:45: attractiveness.

00:06:45 --> 00:06:48: Let's look at why the positive and then some of

00:06:48 --> 00:06:49: the negatives.

00:06:49 --> 00:06:51: Kirsty, you can move to the next slide.

00:06:51 --> 00:06:55: Again, I'll just show you a couple of figures and

00:06:56 --> 00:06:59: facts that I think are illustrative of.

00:06:59 --> 00:07:03: First, why these 30 largest business district as we call

00:07:03 --> 00:07:08: them global business districts are still the economic engines, the

00:07:08 --> 00:07:10: powerhouses of our world.

00:07:10 --> 00:07:14: It's a lot about the legacy, the brands, the money

00:07:14 --> 00:07:18: that is invested, but it's also has to do with

00:07:18 --> 00:07:22: the talent that is everyday going to work or has

00:07:22 --> 00:07:25: a place of work in the 30 area that we've

00:07:25 --> 00:07:30: looked at 7 million people in this 30 business district

00:07:30 --> 00:07:33: and and some are in the vicinity of 20 to

00:07:33 --> 00:07:38: 30,000 and in Manhattan it's over 1,000,000 people.

00:07:39 --> 00:07:43: More importantly, they are in the mega cities of our

00:07:43 --> 00:07:47: world, 226 million inhabitants in the cities where 7 million

00:07:47 --> 00:07:50: people go to work or have a place of work.

00:07:51 --> 00:07:55: In those business districts, it's also a concentration of

00:07:55 --> 00:07:59: decision

00:07:59 --> 00:08:02: places, decision centers, headquarters of Fortune 500.

00:08:02 --> 00:08:06: As you can see here, 84 of them are in

00:08:06 --> 00:08:10: the very heart of those business districts.

00:08:10 --> 00:08:15: And in the cities that the surround or of which

00:08:15 --> 00:08:21: these business districts are the hubs of business, retail, housing,

00:08:21 --> 00:08:25: equipment, sports, leisure, culture, 234 headquarters of

00:08:25 --> 00:08:28: Fortune 500.

00:08:29 --> 00:08:29: So it's, it's still a big legacy piece of our

00:08:29 --> 00:08:29: economic world, but it is changing.

00:08:29 --> 00:08:29: Why?

00:08:29 --> 00:08:31: Let's go to the next slide and see some of

00:08:31 --> 00:08:34: the headwinds that we also uncovered in the analysis.

00:08:34 --> 00:08:38: It's got to do with remote work and it's got

00:08:38 --> 00:08:42: to do with the current tensions in our economy context

00:08:42 --> 00:08:43: and background.

00:08:44 --> 00:08:46: Let's look at what I think we should keep in

00:08:46 --> 00:08:49: mind for the for the for the panel and maybe

00:08:49 --> 00:08:52: other aspects that you will want to to discuss.

00:08:53 --> 00:08:58: When we asked 250 decision makers what is the average

00:08:58 --> 00:09:03: time of presence in the office, they were huge variations,

00:09:03 --> 00:09:07: but the average is 3.4 days per week with on

00:09:08 --> 00:09:13: the lower end of that average the US business districts

00:09:13 --> 00:09:17: with return to the office rates lower than Asia.

00:09:17 --> 00:09:21: On the other end of the spectrum with four to

00:09:21 --> 00:09:24: four point 54.64.7 days per week.

00:09:24 --> 00:09:27: The Middle East is in the Asian category with a

00:09:28 --> 00:09:31: lot of presence in the office and Europe kind of

00:09:31 --> 00:09:32: in the middle.

00:09:32 --> 00:09:35: So huge variations and a trend actually to have a

00:09:35 --> 00:09:39: return to the office rate, but still with the younger

00:09:39 --> 00:09:44: generation maybe having different perceptions, sometimes

00:09:44 --> 00:09:47: cliches, but we have

00:09:47 --> 00:09:48: to deal with the perceptions as much as with the

00:09:49 --> 00:09:52: reality.

00:09:52 --> 00:09:57: 60% of the occupiers, as reported by CBRE, expect, and

00:09:57 --> 00:10:02: that's part of the economy tension, the trade tensions, the

00:10:02 --> 00:10:03: geopolitical situation, expect to reduce their footprint over the

00:10:03 --> 00:10:06: next

00:10:06 --> 00:10:10: three years.

00:10:10 --> 00:10:12: They have already reduced it by 15 to 20% in

00:10:12 --> 00:10:15: the past three years and they will reduce it more,

00:10:15 --> 00:10:20: probably less than that.

00:10:20 --> 00:10:24: But it's still a matter of of looking at the

00:10:24 --> 00:10:28: reduction at least of office space and looking at at

00:10:28 --> 00:10:29: two different business model and real estate models.

00:10:30 --> 00:10:33: Let's deep dive into the first megatrend firstly in the

00:10:33 --> 00:10:35: next slide.

00:10:35 --> 00:10:38: It's the big priority of this year's edition of the

00:10:38 --> 00:10:45: GBD Attractiveness Report.

00:10:45 --> 00:10:50: Talent, talent, talent, talent is the priority.

00:10:50 --> 00:10:54: When managers, investors, owners of assets in these areas

00:10:54 --> 00:10:55: have

00:10:55 --> 00:10:56: to convince to sell, to pitch, they not only convince,

00:10:56 --> 00:10:57: sell and pitch to VP of Real Estate, CF OS,

00:10:54 --> 00:10:59: they also have to speak with 2829 year old collaborators,

00:10:59 --> 00:11:04: employees of the, the, the companies, the occupiers that are,

00:11:04 --> 00:11:07: are in those business district.

00:11:07 --> 00:11:10: And, and talent is the key because this is where

00:11:11 --> 00:11:14: the moving parts are and the, the priorities, the ask,

00:11:14 --> 00:11:18: the challenges, the perceptions, again, as I said, are can

00:11:19 --> 00:11:23: I access the business district where you're offering me a

00:11:23 --> 00:11:26: position where you think and you say I have a

00:11:26 --> 00:11:29: career in your great company, is it safe?

00:11:29 --> 00:11:32: It's come very often in our research, the issue of

00:11:32 --> 00:11:35: safety more so again in the US and in part

00:11:35 --> 00:11:38: of Europe than in Asia or the Middle East or

00:11:38 --> 00:11:42: even in Latin America or or Africa where we're also

00:11:42 --> 00:11:43: have done our research.

00:11:44 --> 00:11:48: The ability to propose, to have a business proposition to

00:11:48 --> 00:11:54: young candidates, to young recruits, that also includes the ability

00:11:54 --> 00:12:00: to have a residential area, sometimes housing, accessible, affordable.

00:12:00 --> 00:12:05: And of course, it's about creating places that are different,

00:12:05 --> 00:12:09: more vibrant, with a mixed proposition of different categories.

00:12:09 --> 00:12:12: Because this is part, and I'm sure the panel will

00:12:12 --> 00:12:16: discuss it, 76% of the people we've interviewed say this

00:12:16 --> 00:12:17: is the top priority.

00:12:17 --> 00:12:21: And again, by far ahead of all the other megatrends.

00:12:21 --> 00:12:23: But let's go to megatrend #2 because I think it's

00:12:23 --> 00:12:24: a very interesting one.

00:12:25 --> 00:12:29: It's about real estate where a number of issues have

00:12:29 --> 00:12:32: have come up in the research.

00:12:33 --> 00:12:38: The the appeal and the attractiveness of the premium grade

00:12:38 --> 00:12:42: A office is sustained and and in most geographies where

00:12:42 --> 00:12:47: we've analyzed the data, it's the vacancy rates are are

00:12:47 --> 00:12:48: acceptable.

00:12:48 --> 00:12:52: But the gap between those grade A premium, high end

00:12:52 --> 00:12:58: renovated, ESG compatible, compliant office space with the other types

00:12:58 --> 00:13:04: of real estate, especially in office where renovation repurposing hasn't

00:13:04 --> 00:13:10: happened, where investment hasn't happened, where vacancy rates have raised.

00:13:11 --> 00:13:14: And, and you there's, it's a matter of visibility of

00:13:14 --> 00:13:18: seeing the lower end of the quality when so much

00:13:18 --> 00:13:21: has gone on and, and been invested in the high

00:13:21 --> 00:13:21: quality.

00:13:22 --> 00:13:25: So managing the quality gap, of course, navigating the cost

00:13:25 --> 00:13:26: pressure.

00:13:26 --> 00:13:29: And you see on the right hand side that 40%

00:13:29 --> 00:13:32: of the people we've interviewed say I want fair value,

00:13:32 --> 00:13:35: fair value for me, however we describe it and, and

00:13:35 --> 00:13:38: I'd love to hear the panel talk about it.

00:13:38 --> 00:13:40: Fair value is my priority.

00:13:40 --> 00:13:44: I should mention another number that we got from the

00:13:44 --> 00:13:47: research, which is only 9%, only 9% of the people

00:13:47 --> 00:13:52: we've interviewed, the 250 we've interviewed have said I'm

00:13:52 --> 00:13:57: getting

00:13:57 --> 00:14:00: fair value currently in the business districts that you're, you're

00:13:57 --> 00:14:00: offering me for analysis and where I occupy, where I

00:14:00 --> 00:14:03: invest, where I have projects.

00:14:03 --> 00:14:06: So 40% say it's a priority, only 9% things they

00:14:06 --> 00:14:08: find play fair value.

00:14:08 --> 00:14:11: And it's about many other things that but I'll need

00:14:11 --> 00:14:15: to accelerate a little bit and move to megatrend #3

00:14:15 --> 00:14:18: and I'm sure we'll discuss some of the things I

00:14:18 --> 00:14:20: haven't mentioned #3 technology.

00:14:21 --> 00:14:25: It's a lot about the technology that is used and

00:14:25 --> 00:14:28: is put in place to build, to operate, to look

00:14:29 --> 00:14:35: at the data, to create customer, employee experiences,

00:14:35 --> 00:14:40: tourist experiences,

00:14:35 --> 00:14:40: shopper experiences with the better use of the best use

00:14:40 --> 00:14:41: of technology.

00:14:41 --> 00:14:44: You know, of course AI plays a big role.

00:14:44 --> 00:14:45: 27%.

00:14:45 --> 00:14:49: We could have felt currently that AI could have played

00:14:49 --> 00:14:52: a more essential, a bigger role.

00:14:52 --> 00:14:56: And there are big varieties of situations across the 30

00:14:56 --> 00:15:00: business districts with some very advanced and some not yet

00:15:00 --> 00:15:02: as advanced in the use of AI.

00:15:02 --> 00:15:06: But 27% of you have said AI initiatives are essential.

00:15:07 --> 00:15:11: The other aspects of technology that we've looked at where

00:15:11 --> 00:15:14: that has come up in your research is the ask

00:15:14 --> 00:15:19: the absolute necessity for occupiers to find their peers, their

00:15:19 --> 00:15:21: counterparts, similar companies.

00:15:21 --> 00:15:25: That's part of the game, but also different types of

00:15:25 --> 00:15:30: occupiers, startups, research centers, academia,

00:15:25 --> 00:15:30: entrepreneurs.

00:15:30 --> 00:15:33: So it's also that type of mixed-use, if I can

00:15:33 --> 00:15:37: say that, that is looked and sought after in the
00:15:37 --> 00:15:38: business district.
00:15:39 --> 00:15:43: But only 919 percent, 19119 percent of stakeholders thinks
they,
00:15:43 --> 00:15:49: they get that innovation ecosystem of that environment that's
conductive
00:15:49 --> 00:15:51: of innovation in business history.
00:15:51 --> 00:15:53: That's probably work in progress.
00:15:54 --> 00:16:00: Let's finish with megatrend #4, which is about the complexity
00:16:00 --> 00:16:05: of the cost, the many aspects of sustainability.
00:16:05 --> 00:16:07: That's probably why it's very complex.
00:16:09 --> 00:16:13: The research has said you need to look at transportation
00:16:13 --> 00:16:17: because this is a big part of how we can
00:16:17 --> 00:16:21: reduce our carbon footprints and get to the objectives that
00:16:21 --> 00:16:26: we've set for ourselves and our communities want us to
00:16:26 --> 00:16:27: to achieve.
00:16:27 --> 00:16:29: So it's about low carbon mobility.
00:16:29 --> 00:16:32: It's about being more efficient in terms of our energy
00:16:32 --> 00:16:35: consumption and the systems we use to manage it.
00:16:36 --> 00:16:40: It's about when you're in the design, building and
construction
00:16:41 --> 00:16:46: phase, retrofitting, repurposing because we know also in the
industry
00:16:46 --> 00:16:49: it's a big part of making sure that we reduce
00:16:49 --> 00:16:53: the, the carbon footprint and the carbon impact on the
00:16:53 --> 00:16:56: on our world and our, our industry.
00:16:56 --> 00:17:00: It's about also, but not specifically in first about green
00:17:00 --> 00:17:03: spaces, which had come up in the past as the
00:17:03 --> 00:17:07: number one sustainability advancement, but it's now stealing
the equation.
00:17:08 --> 00:17:10: But now after all the other and all the above,
00:17:11 --> 00:17:11: but only 10%.
00:17:12 --> 00:17:16: So I'm putting the half full and half empty glass
00:17:16 --> 00:17:17: here as well.
00:17:17 --> 00:17:21: Only 10% of stakeholders have said GBDS as we see
00:17:21 --> 00:17:24: them, as we understand them as much as we can
00:17:24 --> 00:17:29: understand the progress that they want and need to make
00:17:29 --> 00:17:32: in terms of tackling addressing climate trees.
00:17:32 --> 00:17:35: Only 10% of them do that efficiently.
00:17:35 --> 00:17:38: So I think that's worth discussing.
00:17:38 --> 00:17:43: I want to finish with encouraging you, Kirsty, on the
00:17:43 --> 00:17:44: next slide, please.
00:17:44 --> 00:17:48: Thank you very much to of course, challenges come back

00:17:48 --> 00:17:52: to us to Uli again, thanks very much to to

00:17:52 --> 00:17:56: them for being great, great partners in this joint venture.

00:17:57 --> 00:17:59: To us to look at the report, not not immediately

00:17:59 --> 00:18:02: because I want you to listen to the panel, but

00:18:02 --> 00:18:06: I think it's fascinating to also have this discussion, this

00:18:06 --> 00:18:07: conversation going around.

00:18:08 --> 00:18:11: And Lizette, I'm happy to hand over back to you.

00:18:11 --> 00:18:12: Thank you.

00:18:14 --> 00:18:17: Thank you so much, Mark, for the for the presentation.

00:18:17 --> 00:18:20: As many of you have maybe grasped, there's a lot

00:18:20 --> 00:18:21: in the report.

00:18:21 --> 00:18:23: So I would encourage each of you to read it.

00:18:24 --> 00:18:27: And for those that are then still interested to learn

00:18:27 --> 00:18:30: more, we will also soon publish an even more detailed

00:18:30 --> 00:18:33: report with a lot of those case studies that Mark

00:18:33 --> 00:18:34: already mentioned.

00:18:35 --> 00:18:39: And now I'm very pleased to introduce the panel.

00:18:40 --> 00:18:44: First of all, Amy Price, she's Co President for Bento

00:18:44 --> 00:18:47: Prenuk, based in San Francisco, United States.

00:18:48 --> 00:18:52: Nikolas Weining, global Head of Corporate Real Estate

00:18:52 --> 00:18:54: Management at

00:18:54 --> 00:18:57: ING, based in the Netherlands.

00:18:57 --> 00:19:03: Eli Gamberg, design principle for Corn.

00:19:03 --> 00:19:04: Peterson Fox Associates, based in the UK and spreading

00:19:04 --> 00:19:09: around,

00:19:09 --> 00:19:13: I would say.

00:19:13 --> 00:19:16: And last but certainly not least, Tom Harris, President for

00:19:16 --> 00:19:20: Times Square Alliance New York, based in the United States.

00:19:20 --> 00:19:23: Thanks all for joining.

00:19:23 --> 00:19:26: Well, that was a lot to digest, I think in

00:19:26 --> 00:19:30: the in the report and the presentation.

00:19:30 --> 00:19:33: So maybe to kick off, I would like to ask

00:19:33 --> 00:19:37: each of you to reflect on Mark's presentation and maybe

00:19:37 --> 00:19:40: if you've had a chance to look through the report.

00:19:40 --> 00:19:44: And maybe before I hand over to the first of

00:19:44 --> 00:19:46: one of you, also encourage the audience that if you

00:19:46 --> 00:19:49: have any questions, we have AQ and a function that

00:19:49 --> 00:19:50: you can see at the bottom.

00:19:50 --> 00:19:51: Feel free to put in your question and I will

00:19:51 --> 00:19:54: pick them up along the way.

00:19:54 --> 00:19:56: And we don't get a chance to answer your question

00:19:56 --> 00:19:59: during the next say, 40 minutes.

00:19:57 --> 00:20:00: We will follow up after the the webinar.

00:20:00 --> 00:20:02: So please send in your questions.

00:20:03 --> 00:20:06: Amy, can I start with you to reflect on what

00:20:06 --> 00:20:10: you just heard and of course from your experience?

00:20:11 --> 00:20:14: You may sure thank you and I appreciate the opportunity

00:20:14 --> 00:20:15: to be here.

00:20:15 --> 00:20:16: Hello everyone.

00:20:17 --> 00:20:20: I think my perspective on this panel is coming from

00:20:20 --> 00:20:22: the investors mindset.

00:20:22 --> 00:20:24: So I'm going to try to bring that lens to

00:20:24 --> 00:20:27: this conversation and let others bring their perspective.

00:20:27 --> 00:20:30: So as I, you know, thought about this topic and,

00:20:30 --> 00:20:33: and had an opportunity to look some at the report,

00:20:33 --> 00:20:36: I think this is really, really critical to kind of

00:20:36 --> 00:20:39: put yourself into this mindset and way of thinking as

00:20:39 --> 00:20:40: an investor in real estate.

00:20:41 --> 00:20:43: At the end of the day, one of the major,

00:20:43 --> 00:20:46: you know, primary things we're looking to do is to

00:20:47 --> 00:20:50: look forward and to try to predict how and where

00:20:50 --> 00:20:52: people are going to want to live, work and play

00:20:53 --> 00:20:55: over the next, call it 10 years.

00:20:55 --> 00:20:58: And that's fundamentally what drives, you know, our, our conviction

00:20:58 --> 00:20:59: as an investor.

00:20:59 --> 00:21:04: So this idea of thinking about this transformation of business

00:21:04 --> 00:21:08: districts to more kind of socially connected hubs, to think

00:21:08 --> 00:21:12: about real estate as a physical space that is containing

00:21:12 --> 00:21:16: the activity and that's part of these business districts or,

00:21:16 --> 00:21:20: you know, social districts is really important.

00:21:21 --> 00:21:23: And so, you know, specifically in the report, there's a

00:21:23 --> 00:21:25: few things that jump out at me that I think

00:21:25 --> 00:21:26: are interesting.

00:21:26 --> 00:21:30: Number one, this idea of this widening disparity of have

00:21:30 --> 00:21:31: and have nots.

00:21:31 --> 00:21:33: So we have been talking about this and seeing this

00:21:33 --> 00:21:35: in the office sector specifically.

00:21:35 --> 00:21:37: I think you can extrapolate from there.

00:21:37 --> 00:21:40: And we're seeing this as a point of distinction between

00:21:40 --> 00:21:44: major cities or global business districts as they're being called.

00:21:45 --> 00:21:48: And so again, this idea of the bookends widening to

00:21:48 --> 00:21:52: be, you know, viable and, and actually, you know, thriving

00:21:52 --> 00:21:56: on the one end and absolutely obsolete on the other

00:21:56 --> 00:21:58: end is really important.

00:21:59 --> 00:22:01: And it goes to kind of identifying what does it

00:22:01 --> 00:22:04: mean to be, you know, at the at the positive

00:22:04 --> 00:22:07: end of that spectrum, You have to be well located,

00:22:07 --> 00:22:10: well amenitized, almost experimentized, if that's a word.

00:22:12 --> 00:22:16: And and you know, on the commodity side, right, there's,

00:22:16 --> 00:22:17: there's a struggle.

00:22:17 --> 00:22:20: So what I would say though, as an investor, you

00:22:21 --> 00:22:24: have to look deeper than just these macro markets and

00:22:24 --> 00:22:27: themes because even within take New York City as an

00:22:27 --> 00:22:30: example, and I will let Tom be the expert there.

00:22:31 --> 00:22:33: But I can tell you having known real estate and

00:22:33 --> 00:22:34: on both Park Ave.

00:22:34 --> 00:22:35: and 3rd Ave.

00:22:35 --> 00:22:37: it's two blocks apart, but it's a radical difference in

00:22:38 --> 00:22:40: terms of the value of that real estate and the

00:22:40 --> 00:22:42: ability to kind of engage and attract tenants.

00:22:42 --> 00:22:46: So I do think as an investor, it's very much

00:22:46 --> 00:22:49: a micro market and micro location that matters.

00:22:50 --> 00:22:53: Another thing I just want to highlight is, you know,

00:22:53 --> 00:22:55: I the, the report and Mark spoke to this idea

00:22:55 --> 00:22:56: of Fair value.

00:22:56 --> 00:22:58: I think really what that means is affordability.

00:22:59 --> 00:23:02: So I think the the challenge here is that while

00:23:02 --> 00:23:06: there's this desire to have these vibrant, more engaged, you

00:23:06 --> 00:23:10: know, experiences for our tenants, for employers, for

00:23:10 --> 00:23:11: residents, it's

00:23:11 --> 00:23:14: really hard.

00:23:14 --> 00:23:18: And I don't think we've yet created or understood what

00:23:18 --> 00:23:18: the real economic value proposition is and how we actually

00:23:18 --> 00:23:18: achieve that.

00:23:19 --> 00:23:21: So again, take New York as an example.

00:23:21 --> 00:23:24: You know, we've seen the people of New York a

00:23:24 --> 00:23:27: lot, very much a socialist next mayor for the city,

00:23:27 --> 00:23:31: very much focused on this challenge of affordability.

00:23:32 --> 00:23:34: And I think that is kind of really takes us

00:23:35 --> 00:23:38: to as an investor thinking about again, how do we

00:23:38 --> 00:23:42: look forward and predict where where affordability will be

00:23:42 --> 00:23:43: relatively

00:23:43 --> 00:23:46: better addressed.

00:23:46 --> 00:23:50: And part of that is looking at the alignment and

00:23:50 --> 00:23:50: the partnership between a public sector in the government

00:23:50 --> 00:23:51: and
 00:23:52 --> 00:23:55: the private sector.
 00:23:55 --> 00:23:59: And the challenge there, particularly putting it on AUS
 00:23:59 --> 00:24:02: perspective
 00:24:02 --> 00:24:04: is often our investment period is longer than the duration
 00:24:04 --> 00:24:07: of a, you know, a particular term for a governor,
 00:24:07 --> 00:24:10: for a mayor, even for a president.
 00:24:10 --> 00:24:13: So you're really trying to look at thematically, where are
 00:24:13 --> 00:24:15: the where are the cities that we can invest in
 00:24:15 --> 00:24:17: that have enough of a trajectory.
 00:24:17 --> 00:24:19: You know, EU of conviction over the long term is
 00:24:19 --> 00:24:21: to the to the, to the path there.
 00:24:21 --> 00:24:22: So that's something we spent a lot of time, you
 00:24:22 --> 00:24:24: know, focused on as well and comes through in the
 00:24:24 --> 00:24:27: report.
 00:24:27 --> 00:24:29: So with that, I'm going to actually stop talking.
 00:24:29 --> 00:24:31: And I know we're going to get into this, but
 00:24:31 --> 00:24:33: I'll let someone else share their views.
 00:24:33 --> 00:24:37: Thanks, Amy.
 00:24:37 --> 00:24:41: That's a really nice starting point.
 00:24:41 --> 00:24:45: Tom, can I hand over to you what Mark presented
 00:24:45 --> 00:24:49: was mainly high level trends, but the report also includes
 00:24:49 --> 00:24:52: the ranking of those 30 business districts that we surveyed
 00:24:52 --> 00:24:53: and assessed and New York actually came out at the
 00:24:53 --> 00:24:55: one, top number one and two position.
 00:24:55 --> 00:24:58: So you must be very pleased.
 00:24:58 --> 00:25:00: Can you share also your wider observations from the report
 00:25:00 --> 00:25:01: and Mark's presentation?
 00:25:01 --> 00:25:04: Sure.
 00:25:04 --> 00:25:05: So we're we're certainly pleased with the direction that we're
 00:25:05 --> 00:25:10: going in.
 00:25:10 --> 00:25:15: We do have challenges and I think the report honed
 00:25:15 --> 00:25:19: in on some of those, those challenges, the geopolitical and
 00:25:19 --> 00:25:23: then just this, this desire to, to, to stay away
 00:25:23 --> 00:25:27: from the central business districts into.
 00:25:27 --> 00:25:30: So our solution, I guess, and, and, and, and I
 00:25:30 --> 00:25:33: guess stepping back, the thing that resonated most with me
 00:25:33 --> 00:25:34: was the quote at the end about clinging to the
 00:25:34 --> 00:25:36: status quo.
 00:25:36 --> 00:25:37: And if you're not growing as a district, you're starting
 00:25:37 --> 00:25:40: to die.
 00:25:40 --> 00:25:40: So that's something that we focus on a lot in

00:25:40 --> 00:25:41: Times Square.

00:25:41 --> 00:25:45: The Times Square area has has gone through ups and

00:25:45 --> 00:25:47: downs throughout history.

00:25:48 --> 00:25:51: You don't have to look more than 35 years ago

00:25:51 --> 00:25:54: to see Times Square as the red light district in

00:25:54 --> 00:25:54: the city.

00:25:55 --> 00:25:58: It was the place where every young kid in New

00:25:58 --> 00:26:01: York got their face, the first fake ID.

00:26:01 --> 00:26:05: And now it's, it's sort of dignified, if, if you

00:26:05 --> 00:26:09: will, where that public private partnership that Amy was

00:26:09 --> 00:26:13: talking

00:26:14 --> 00:26:18: about allowed the rebirth and regeneration of, of Times

00:26:18 --> 00:26:18: Square.

00:26:19 --> 00:26:23: And we're now at a, a, a change, change point

00:26:23 --> 00:26:28: again.

00:26:28 --> 00:26:32: We see businesses that came to Times Square for incentives

00:26:32 --> 00:26:32: leaving Times Square, not because they're leaving Times

00:26:33 --> 00:26:37: Square, but

00:26:37 --> 00:26:41: they're going to that next incentive that is given to

00:26:42 --> 00:26:45: them.

00:26:46 --> 00:26:46: We've seen the office space change lawyers 30 years ago

00:26:46 --> 00:26:48: probably had a secretary and a paralegal and now they

00:26:48 --> 00:26:52: do most of the work themselves and and they share

00:26:53 --> 00:26:57: paralegal.

00:26:57 --> 00:26:59: So they need less space.

00:27:00 --> 00:27:03: So we saw a great flight from Times Square from

00:27:03 --> 00:27:06: some of these higher priced jobs to to that that

00:27:06 --> 00:27:07: next shiny penny.

00:27:08 --> 00:27:10: What we see is the future and what we're trying

00:27:11 --> 00:27:14: to position ourselves for is a live work and play

00:27:14 --> 00:27:19: community.

00:27:19 --> 00:27:21: We have the the work and we have the play

00:27:21 --> 00:27:25: where the cultural district in New York City with with

00:27:25 --> 00:27:29: 40 Broadway theaters and a lot of live entertainment here.

00:27:29 --> 00:27:34: We have a lot of great office space.

00:27:34 --> 00:27:38: But what sort of was missing was that that that

00:27:38 --> 00:27:42: live component where people can, can, can, can, can live.

00:27:42 --> 00:27:45: And, and we saw during the pandemic that places with

00:27:45 --> 00:27:48: that live work play environment recovered better.

00:27:48 --> 00:27:50: So we're looking to the future of adaptive reuse, converting

00:27:50 --> 00:27:50: some office buildings to residential.

00:27:50 --> 00:27:50: We're seeing that South of us and West of us

00:27:50 --> 00:27:50: and actually on 42nd St.

00:27:50 --> 00:27:52: which is the heart of Times Square, there are two

00:27:53 --> 00:27:56: buildings that are going to convert to residential.

00:27:56 --> 00:28:01: We think that's going to position ourselves for for future

00:28:01 --> 00:28:02: turmoil.

00:28:02 --> 00:28:05: I guess in, in, in the economy as a Business

00:28:05 --> 00:28:09: Improvement District, we try to create the best experience possible.

00:28:09 --> 00:28:12: So the four pillars for us are clean, safe, improved,

00:28:12 --> 00:28:13: promote.

00:28:13 --> 00:28:16: And we think if we create a great experience, we

00:28:16 --> 00:28:18: have a a fantastic location.

00:28:19 --> 00:28:22: We're central to commuting from the outer boroughs of New

00:28:22 --> 00:28:26: York City and almost every, every train station goes through

00:28:26 --> 00:28:27: Times Square.

00:28:28 --> 00:28:31: So if we can create a great experience, people will

00:28:31 --> 00:28:32: want to be here.

00:28:32 --> 00:28:36: And we're seeing from some residential conversions that people want

00:28:36 --> 00:28:37: to live here.

00:28:37 --> 00:28:40: So that will sort of complete the live work and

00:28:40 --> 00:28:43: play dynamic that we think is the future of a

00:28:43 --> 00:28:46: thriving central business district.

00:28:48 --> 00:28:53: Thank you, Tom Nicholas, as a major employer and occupier,

00:28:53 --> 00:28:58: what is your view on the report and March presentation?

00:28:59 --> 00:29:00: Thanks, Lizette.

00:29:01 --> 00:29:06: Yeah, So I recognize a lot of things from occupier

00:29:06 --> 00:29:07: point of view.

00:29:08 --> 00:29:11: As a as a global bank, we have basically two

00:29:11 --> 00:29:12: types of real estate.

00:29:13 --> 00:29:18: The majority as our overall global footprint is around 1,000,000

00:29:18 --> 00:29:22: square meters, 10 million square feet of which 80% is

00:29:22 --> 00:29:23: office space.

00:29:23 --> 00:29:28: So it's mostly about work, but we also still have

00:29:28 --> 00:29:33: some shops, some retail around 200,000 square meters at the

00:29:33 --> 00:29:34: moment.

00:29:34 --> 00:29:39: And just some some larger perspective on what happened over

00:29:39 --> 00:29:42: the last couple of years.

00:29:42 --> 00:29:45: Also, Lisette, you alluded to that, that the world has

00:29:45 --> 00:29:49: changed quite dramatically since, well ten years ago.

00:29:49 --> 00:29:54: And of course, the biggest change for our use of
00:29:54 --> 00:29:57: of real estate has been digitization.
00:29:58 --> 00:30:01: So first of all, that has already started a long
00:30:01 --> 00:30:03: time ago in our branch footprint.
00:30:03 --> 00:30:08: So seven years ago, we still had 2000 branches across
00:30:08 --> 00:30:13: several countries in Europe and now we're down to less
00:30:13 --> 00:30:14: than 500.
00:30:14 --> 00:30:16: So that's a 75% reduction.
00:30:16 --> 00:30:21: And that's all because we have a digital first strategy
00:30:21 --> 00:30:24: in how we interact with our customers.
00:30:25 --> 00:30:28: And that also has a reflection I think a little
00:30:28 --> 00:30:30: bit to where we are in, in cities.
00:30:30 --> 00:30:33: So we want to be, so we have fewer locations
00:30:33 --> 00:30:37: in fewer cities, but we want to be in, in
00:30:37 --> 00:30:40: good locations, in accessible locations.
00:30:40 --> 00:30:44: But what we do in those branches is also different
00:30:44 --> 00:30:46: from 10 years ago or 20 years ago, right.
00:30:46 --> 00:30:50: So we don't have cash counters anymore or tellers.
00:30:50 --> 00:30:52: It's all about advice.
00:30:52 --> 00:30:57: So a lot of the things that basically you see
00:30:57 --> 00:31:00: a little bit 2 two ways in that.
00:31:00 --> 00:31:04: So one on the one hand, especially for the for
00:31:04 --> 00:31:09: the highest segment, private banking, you see that we're
00:31:09 --> 00:31:13: opening
00:31:13 --> 00:31:17: new branches like the one we've we're basically now sitting
00:31:17 --> 00:31:19: out in the centre of or that's being built in
00:31:19 --> 00:31:23: the centre of Madrid.
00:31:23 --> 00:31:27: It's a big new private banking outside right in the
00:31:27 --> 00:31:31: middle of the main square or on the main square.
00:31:31 --> 00:31:33: And it's there for visibility and also for, you know,
00:31:33 --> 00:31:35: giving advice to customers.
00:31:35 --> 00:31:40: So that is the CBD of retail, so to say.
00:31:40 --> 00:31:45: But on the other hand, you also see those traditional
00:31:45 --> 00:31:50: branches that are either digitized, so are disappearing or
00:31:50 --> 00:31:54: they're
00:31:54 --> 00:31:58: moving more to locations which can be even a little
00:31:58 --> 00:32:00: bit outside of the of the of the Main Street.
00:32:00 --> 00:32:03: Because basically people come there for an appointment to
00:32:03 --> 00:32:05: have,
00:32:05 --> 00:32:06: you know, to sit down with their advisor and it
00:32:06 --> 00:32:08: can be even in an office typist location.
00:32:08 --> 00:32:10: So that is a little bit of what we see
00:32:10 --> 00:32:12: on the branch side.

00:32:06 --> 00:32:10: And overall that number is still declining, although not as rapid as we had seen it in the past.

00:32:10 --> 00:32:12: On the office side, we've seen something similar.

00:32:13 --> 00:32:16: Obviously with the remote work.

00:32:17 --> 00:32:19: We've downsized our portfolio by 3040% more or less and now we're seeing a stabilization.

00:32:24 --> 00:32:26: There's still a little bit in the pipeline, but overall,

00:32:28 --> 00:32:31: all the plans that we are currently making are for around the same number of square meters that that we currently have.

00:32:31 --> 00:32:34: And where are we then looking at?

00:32:34 --> 00:32:37: I think we already have a long tradition of not being in the core, core CBD for our retail sites, even for our global headquarters in Amsterdam.

00:32:37 --> 00:32:38: We're in kind of a Tier 2 location, a little bit on the fringe of the of the city of the capital, but still not in the in the most expensive location, but also bank, it's a little bit of a different story.

00:32:39 --> 00:32:42: There we are.

00:32:43 --> 00:32:46: And so on the on the front page of the EY report, we saw Bryant Park and actually one of the three buildings that you see there right next to Bank of America.

00:32:46 --> 00:32:49: That's the building we're in.

00:32:49 --> 00:32:52: So, so we want to be for also bank.

00:32:52 --> 00:32:54: That's where we want to be same, same thing for London and senior poor and and the likes.

00:32:54 --> 00:32:56: But for retail, which is the majority of our of our banking operation, we're a little bit in the fringe and for example, good nice example there is I think what we are doing in in Frankfurt.

00:32:56 --> 00:32:59: So we everything comes together there.

00:32:59 --> 00:33:02: So I'd like to give that example.

00:33:02 --> 00:33:03: So we're currently at 40,000 square meters on the fringe of the CBD at walking distance of the hard button of the main central station.

00:33:03 --> 00:33:04: It's a nice location, but it's a bit of a stand alone office location, a little bit traditional.

00:33:04 --> 00:33:07: And where we are moving to is we signed this year to the half and Parkway deal, which is on the other side of the city.

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00:34:00 --> 00:34:03:

00:34:03 --> 00:34:05:

00:34:07 --> 00:34:09: And it's, it's a mixed area.

00:34:09 --> 00:34:13: So it has all those components of it's a hotel

00:34:13 --> 00:34:14: area, residential.

00:34:15 --> 00:34:18: The complex itself is 65,000 square meters.

00:34:18 --> 00:34:19: We're going to rent 32.

00:34:19 --> 00:34:22: So we're going to downsize a little bit compared to

00:34:23 --> 00:34:26: where we are today because of hybrid working and and

00:34:26 --> 00:34:30: that makes and that upcoming area is very important for

00:34:30 --> 00:34:30: us.

00:34:30 --> 00:34:33: So it, it, it, it really kind of we, we

00:34:33 --> 00:34:36: jumped over the CBD, you could say.

00:34:36 --> 00:34:38: So we're moving to the other side of the CBD.

00:34:39 --> 00:34:41: We're going to be in from a proximity point of

00:34:42 --> 00:34:44: view, an accessibility point of view, it's going to be

00:34:45 --> 00:34:45: comparable.

00:34:45 --> 00:34:48: We do the commuter analysis, very important.

00:34:48 --> 00:34:51: Of course, I think the extra commuting time for employees

00:34:51 --> 00:34:53: is less than a minute.

00:34:53 --> 00:34:58: So that's acceptable and the livelihood of the area is

00:34:58 --> 00:34:59: very important.

00:34:59 --> 00:35:03: Upcoming price level is important and I haven't mentioned it,

00:35:03 --> 00:35:04: but it's top of the list.

00:35:04 --> 00:35:08: It's all John, almost a hygiene factory is sustainability.

00:35:08 --> 00:35:11: So it's going to be a full net 0 building

00:35:11 --> 00:35:15: and you know ready for the next 20 years for

00:35:15 --> 00:35:15: us or so.

00:35:17 --> 00:35:22: So I think that that's kind of that's the strategy

00:35:22 --> 00:35:27: that we are pursuing throughout the portfolio.

00:35:27 --> 00:35:30: Of course it's case by case, it depends on what

00:35:30 --> 00:35:33: the availability is of buildings.

00:35:34 --> 00:35:37: But overall this is a little bit where we position

00:35:37 --> 00:35:37: ourselves.

00:35:37 --> 00:35:41: And definitely I think the CBD itself deserves its still

00:35:41 --> 00:35:45: owns its, its position in there, but we prefer to

00:35:45 --> 00:35:48: be especially for a retail sites a little bit on

00:35:49 --> 00:35:50: the edge of it.

00:35:50 --> 00:35:52: So we have the best of both worlds.

00:35:53 --> 00:35:57: Thank you, Nicholas, That's extremely useful to learn about

00:35:57 --> 00:35:59: Ellie

00:35:57 --> 00:35:59: from a designer perspective.

00:36:00 --> 00:36:03: How have you seen the presentation and the report?

00:36:04 --> 00:36:07: Yeah, well, it's actually kind of a perfect segue from

00:36:07 --> 00:36:08: what Nicola was talking about.

00:36:09 --> 00:36:11: And as Lisette mentioned, I'll provide a bit of a

00:36:11 --> 00:36:15: design perspective, but also as a native New Yorker working

00:36:15 --> 00:36:18: in London who started this call sitting in Bangalore and

00:36:18 --> 00:36:20: is now taking the rest of this call sitting in

00:36:20 --> 00:36:23: Mumbai, I'll try to get a little bit of a

00:36:23 --> 00:36:24: global perspective.

00:36:24 --> 00:36:26: And I think that there is sort of two general

00:36:26 --> 00:36:29: things that the report covers that might be broadly relevant.

00:36:29 --> 00:36:32: I think 1 is that when we talk about global

00:36:32 --> 00:36:35: CBDS, it's worth dividing them into really kind of three

00:36:35 --> 00:36:38: groups, one of the CBDS that continue to evolve.

00:36:38 --> 00:36:41: So they're clearly established and they're continuing to kind

00:36:41 --> 00:36:42: of

00:36:42 --> 00:36:45: grow and change.

00:36:45 --> 00:36:48: And obvious ones that have been mentioned on this call

00:36:48 --> 00:36:51: are ones like New York, London, Paris, you know,

00:36:51 --> 00:36:52: established

00:36:52 --> 00:36:55: CBDS in Hong Kong, you know, Shanghai's Pushi and

00:36:55 --> 00:36:57: Pudong

00:36:57 --> 00:36:59: districts and so on.

00:37:00 --> 00:37:02: Then there are growing CBDS.

00:37:02 --> 00:37:05: So CBDS that are clear and exist, but are really

00:37:05 --> 00:37:08: kind of multiplying in kind of size and scale.

00:37:08 --> 00:37:12: And you see that in United States in cities like

00:37:12 --> 00:37:15: Miami or Salt Lake or Austin, TX and Europe and

00:37:15 --> 00:37:17: places like Lisbon or Athens, parts of Milan.

00:37:17 --> 00:37:20: I see that in China and places like Shenzhen, Guangzhou

00:37:20 --> 00:37:23: and others.

00:37:23 --> 00:37:26: And obviously in places like Dubai that are, that are

00:37:26 --> 00:37:29: benefiting a little bit from the exodus from the UK

00:37:29 --> 00:37:30: and others.

00:37:30 --> 00:37:33: And then of course, there's CBDS in their beginning stages.

00:37:33 --> 00:37:36: So places like Bangalore where they're absolutely kind of,

00:37:36 --> 00:37:39: you

00:37:39 --> 00:37:42: know, beginning or Mumbai where the kind of amount of

00:37:42 --> 00:37:45: growth is so exponential versus like what's there that

00:37:45 --> 00:37:48: effectively

00:37:48 --> 00:37:51: they're starting from scratch.

00:37:51 --> 00:37:54: I think there's different challenges and opportunities in, in

00:37:54 --> 00:37:57: these

00:37:57 --> 00:38:00: three different groups of CBDS.

00:38:00 --> 00:38:03: But what's interesting and I think the report kind of

00:38:03 --> 00:38:06: highlights is that there is a certain kind of common

00:37:42 --> 00:37:45: theme from the kind of nature of the space of

00:37:45 --> 00:37:46: the CBD to all of these.

00:37:46 --> 00:37:48: And I would say that there's sort of four key

00:37:48 --> 00:37:50: themes that maybe could inform the conversation.

00:37:51 --> 00:37:52: The 1st is that the CBD is evolving.

00:37:52 --> 00:37:55: I think of several, you know, Amy highlighted it, Tom

00:37:55 --> 00:37:58: highlighted it, Nicholas highlighted it again, I'm sure many others

00:37:58 --> 00:37:58: will come up with it.

00:37:59 --> 00:38:02: But it's this evolution of the CBD central business district

00:38:02 --> 00:38:05: to the CSD or the Central Social District, which is

00:38:05 --> 00:38:07: the idea that the, it's not just a place that

00:38:07 --> 00:38:10: has office space and amenities to support the office space,

00:38:10 --> 00:38:13: but it's about bringing people together.

00:38:13 --> 00:38:14: And in order to bring people together, you have to

00:38:14 --> 00:38:15: have other things.

00:38:15 --> 00:38:20: Clearly restaurants and retail and fun, but also theatre, art,

00:38:20 --> 00:38:23: museums, culture, great and spaces.

00:38:23 --> 00:38:26: And then as, as has been highlighted, proximity or inclusion

00:38:26 --> 00:38:27: of residential and other things.

00:38:28 --> 00:38:31: So that leads to the second thing, which is that

00:38:31 --> 00:38:34: all of these CBDS, whether they're new, evolving or growing

00:38:34 --> 00:38:36: are also evolving to be more diverse.

00:38:36 --> 00:38:39: So the traditional CBD of the past, which was, you

00:38:39 --> 00:38:42: know, primarily, you know, kind of core commercial office and

00:38:42 --> 00:38:45: again, support space and really evolving to have robust set

00:38:45 --> 00:38:49: of residences, obviously hospitality, event spaces and other things.

00:38:49 --> 00:38:52: Another thing that you're seeing is this question of kind

00:38:52 --> 00:38:55: of reinvestment and you're seeing it we observe in our

00:38:55 --> 00:38:56: work in two ways.

00:38:56 --> 00:38:59: 1 is a reinvestment in the public realm and the

00:38:59 --> 00:39:00: kind of civic sphere.

00:39:01 --> 00:39:04: So whether that's through alliances like Tom's at Times Square

00:39:04 --> 00:39:09: alliance, larger kind of entities that operate as alliances like,

00:39:09 --> 00:39:11: you know, Paris La de Fonce or Canary Wharf or

00:39:12 --> 00:39:15: developers like Lujaj Wei in in Shanghai and others, you

00:39:15 --> 00:39:19: see a kind of consistent reinvestment in creating more public

00:39:19 --> 00:39:21: space, pedestrianizing the streets.

00:39:21 --> 00:39:23: You're seeing, you know, New York announcing that 5th Ave.

00:39:23 --> 00:39:27: is going to become pedestrianized, Oxford St.

00:39:27 --> 00:39:30: in London, the great axis down the middle of of

00:39:30 --> 00:39:33: Paris allow the Francis being turned into a park.

00:39:33 --> 00:39:36: So these reinvestments in the kind of public realm and

00:39:36 --> 00:39:38: the public sphere in the civic space.

00:39:38 --> 00:39:40: And you also see a continued reinvestment in buildings.

00:39:40 --> 00:39:42: And so even buildings were only built.

00:39:42 --> 00:39:44: And I thought it was very interesting that Nicholas said

00:39:44 --> 00:39:47: 20 years, even buildings that have only been built 20

00:39:47 --> 00:39:49: years ago, 21 years ago, like 8 Canada Square, which

00:39:49 --> 00:39:52: is the former headquarters of HSBC are already being reinvested

00:39:53 --> 00:39:54: in to maintain relevancy.

00:39:54 --> 00:39:57: So this continued reinvestment is happening again surprisingly in all

00:39:57 --> 00:40:00: three types of business districts, even new ones are very

00:40:00 --> 00:40:03: quickly flipping over buildings that are only a decade or

00:40:03 --> 00:40:06: two old kind of new uses and last, which is

00:40:06 --> 00:40:08: maybe highlighted by the kind of ecosystem of the of

00:40:09 --> 00:40:10: the CBDS that the report highlights.

00:40:11 --> 00:40:15: Is the way that even though nations may be retreating

00:40:15 --> 00:40:19: from globalism and obviously the political sphere right now has

00:40:19 --> 00:40:23: the business districts and the companies within them are not.

00:40:24 --> 00:40:27: And so more than ever in any of these conversations,

00:40:27 --> 00:40:30: you know, people are seamlessly kind of comparing, you know,

00:40:30 --> 00:40:33: the the parkification of a of an old highway in

00:40:33 --> 00:40:36: Seoul as a river to what's happening in in downtown

00:40:36 --> 00:40:39: Los Angeles to what's happening in in Paris and elsewhere.

00:40:40 --> 00:40:42: So wherever the nation state is going, the sort of

00:40:42 --> 00:40:46: cities that have these kinds of CBDS are definitely remaining

00:40:46 --> 00:40:50: kind of home of global citizens, global entities, global companies

00:40:50 --> 00:40:51: and global collaboration.

00:40:52 --> 00:40:52: Thanks.

00:40:55 --> 00:40:56: So there was a lot to cover.

00:40:57 --> 00:40:59: I want to pick up on a few things that

00:40:59 --> 00:41:02: some of you have already alluded to and maybe somewhere

00:41:02 --> 00:41:05: that we haven't touched on so much already that came

00:41:05 --> 00:41:06: out of the report.

00:41:06 --> 00:41:10: And one around was around technology and innovation.

00:41:10 --> 00:41:15: You've all almost mentioned the experience, the amenities, etcetera.

00:41:16 --> 00:41:19: But also we see business more the needs beside the

00:41:19 --> 00:41:23: social aspect, stressing much more the innovation aspect.

00:41:23 --> 00:41:29: And it's not just an only about corporate headquarters anymore,

00:41:29 --> 00:41:34: but also about facilitating maybe academia, startups, etcetera.

00:41:35 --> 00:41:36: Who wants to comment on that?

00:41:36 --> 00:41:41: Maybe Nicholas, starting with you, for a corporate like ING,

00:41:42 --> 00:41:45: how much, how important is it for you to also

00:41:45 --> 00:41:50: be around that innovation culture and, and and have that?

00:41:51 --> 00:41:56: Which, yeah, it's interesting because it's it, it brings a

00:41:56 --> 00:42:00: smile to my face because we used to have a

00:42:00 --> 00:42:05: couple of years ago, I think five years ago, Rolf

00:42:05 --> 00:42:10: Hammers, our CEO, moved to become the CEO of UBS,

00:42:10 --> 00:42:13: which he by now also have left.

00:42:13 --> 00:42:17: But he was very much on top of this topic,

00:42:18 --> 00:42:18: right?

00:42:18 --> 00:42:22: So this was really one of his key strategies that

00:42:22 --> 00:42:25: he wanted to be surrounded by these yeah, startups and

00:42:26 --> 00:42:30: tech companies who would bring innovation to our company.

00:42:30 --> 00:42:34: So that had quite some physical impact to our footprint

00:42:34 --> 00:42:36: as well starting in Amsterdam.

00:42:36 --> 00:42:42: So we had several buildings dedicated or partly dedicated for

00:42:42 --> 00:42:45: for those external companies.

00:42:47 --> 00:42:50: And yeah, it it was a it was a big

00:42:50 --> 00:42:52: program were high expectations.

00:42:52 --> 00:42:56: But before it really took off, Corona hit and then

00:42:56 --> 00:42:58: after one year or so, he left.

00:42:58 --> 00:43:02: And then kind of that whole model was was yeah,

00:43:03 --> 00:43:07: I don't want to say abandoned, but at least we

00:43:07 --> 00:43:11: took the space as ING ourselves and and and and

00:43:11 --> 00:43:16: we we're not actively, we are sometimes sub leasing or

00:43:16 --> 00:43:22: Co locating in in multi tenant buildings with other companies

00:43:22 --> 00:43:26: that that you could say are in that biosphere.

00:43:26 --> 00:43:30: But but it's not it's not deliberate like it's it's

00:43:30 --> 00:43:33: more internal than it used to be.

00:43:34 --> 00:43:36: I do want to say that if you're in.

00:43:37 --> 00:43:40: So we're still building this campus, for example, in

00:43:40 --> 00:43:43: Amsterdam.

00:43:40 --> 00:43:43: And what we see is that it attracts certain well,

00:43:43 --> 00:43:47: other first of all, other banks and other large corporates.

00:43:48 --> 00:43:52: So really the whole area is being lifted, which is

00:43:52 --> 00:43:56: great because it brings life into, into the area, but

00:43:56 --> 00:44:00: it, I think it will also bring talent, right?

00:44:00 --> 00:44:02: And, and it's for us, it's then easier to attract
00:44:02 --> 00:44:03: that talent.
00:44:03 --> 00:44:07: And 3040% of our talent is it now anyway, right?
00:44:07 --> 00:44:12: So in that respect, it's not just tech start-ups, but
00:44:12 --> 00:44:17: it's also other large corporates and other companies that we
00:44:17 --> 00:44:19: exchange the workforce with.
00:44:19 --> 00:44:21: So I want to put it make it a little
00:44:21 --> 00:44:25: bit bigger than just focusing on the on the smaller
00:44:25 --> 00:44:28: tech companies, which we used to do a little bit,
00:44:28 --> 00:44:30: but we've now broadened it.
00:44:30 --> 00:44:33: And by the way, these collaborations also exists outside of
00:44:33 --> 00:44:37: this physical space and we have plenty of collaborations with
00:44:37 --> 00:44:40: universities and start and tech companies all around.
00:44:40 --> 00:44:44: So and that physical presence can be important, but it's
00:44:44 --> 00:44:46: not the most important I would say.
00:44:48 --> 00:44:50: Thank you anyone else who wants to comment on that.
00:44:53 --> 00:44:56: Hey, I would just add the technology has made things
00:44:56 --> 00:44:57: a lot more efficient for us.
00:44:58 --> 00:45:01: 10 years ago we probably would have all flown to
00:45:01 --> 00:45:04: a Convention Center for this and now we're able to
00:45:04 --> 00:45:06: do it very efficiently in between meetings.
00:45:07 --> 00:45:10: It's allowed us to, I, I think it makes me
00:45:10 --> 00:45:14: a better client, a better manager, especially when dealing
00:45:14 --> 00:45:15: with
00:45:15 --> 00:45:18: professionals.
00:45:15 --> 00:45:18: I can I'm able to do Google searches and and
00:45:19 --> 00:45:23: be a better client for an attorney and and and
00:45:23 --> 00:45:26: and and have have ideas of solutions.
00:45:27 --> 00:45:29: We data.
00:45:30 --> 00:45:34: Most of our decisions are driven by data and the
00:45:34 --> 00:45:39: the technology allows data to become readily available to
00:45:39 --> 00:45:43: make
00:45:39 --> 00:45:43: better decisions, to have better outcomes.
00:45:43 --> 00:45:46: So I think that it's, it's, it really has been
00:45:46 --> 00:45:50: an asset for us and something that we lean into
00:45:50 --> 00:45:51: every day.
00:45:53 --> 00:45:56: I'll just add 11 quick thing was that I just
00:45:56 --> 00:45:59: I do think that if you look forward, the idea
00:45:59 --> 00:46:03: of technology innovation actually favors these more robust
00:46:03 --> 00:46:08: business and
00:46:03 --> 00:46:08: social districts because this is where the collaborative jobs
00:46:08 --> 00:46:09: are.
00:46:08 --> 00:46:09: It's where the experience is.

00:46:09 --> 00:46:12: And I think technology helps to elevate and enable those
00:46:12 --> 00:46:16: professionals and those tenants and those residents, you know, a
00:46:16 --> 00:46:17: different way.
00:46:17 --> 00:46:20: And if you compare those to the 30 cities that
00:46:20 --> 00:46:23: aren't on this list, you know, and the places that
00:46:23 --> 00:46:25: have been supported more by, you know, kind of back
00:46:25 --> 00:46:29: office functions, etcetera, I think those jobs get impacted first.
00:46:29 --> 00:46:33: And so I actually think the disparity even widens between
00:46:33 --> 00:46:36: the robust experience of what we're talking about today in
00:46:36 --> 00:46:40: these global business districts and kind of cities that have
00:46:40 --> 00:46:43: been built more around, you know, again, more support.
00:46:43 --> 00:46:45: So for example, Ellie, you I think your, your breakdown
00:46:46 --> 00:46:49: earlier was really interesting, but you know, a question about
00:46:49 --> 00:46:51: a market like a Salt Lake City or some of
00:46:51 --> 00:46:53: these, what have they been driven by?
00:46:53 --> 00:46:54: What will they be driven by?
00:46:54 --> 00:46:57: You know, I think looking forward, technology is one of
00:46:57 --> 00:47:01: the key differentiators about, you know, how particularly
00:47:01 --> 00:47:05: some of those more emerging or growing cities will either, you know,
00:47:05 --> 00:47:07: make that leap forward or won't.
00:47:08 --> 00:47:12: And I think it's interesting because it functions just touching
00:47:12 --> 00:47:14: on what what you were saying in in two ways.
00:47:14 --> 00:47:16: I think in the ability to kind of do more
00:47:16 --> 00:47:19: and digitize more and be able to especially with AI
00:47:19 --> 00:47:22: to kind of automate more back office functions or research
00:47:22 --> 00:47:22: or other things.
00:47:22 --> 00:47:26: And you know, as was highlighted in the preparing this
00:47:26 --> 00:47:30: report, the human aspect of meeting each other, listening to
00:47:30 --> 00:47:36: each other, developing consensus, advocating actually
00:47:36 --> 00:47:38: becomes even more important.
00:47:38 --> 00:47:40: And so even though we're doing this meeting by Zoom,
00:47:40 --> 00:47:42: you know, if anything were to come out of this,
00:47:42 --> 00:47:42: the kind of follow up in person has become ever
00:47:42 --> 00:47:45: more important.
00:47:45 --> 00:47:46: And the likely location that that's going to happen is
00:47:46 --> 00:47:50: is going to be a CBD somewhere.
00:47:50 --> 00:47:53: Technology is also kind of enabling, I think new relevancy.
00:47:53 --> 00:47:57: And so a lot of the, the that are growing
00:47:57 --> 00:48:01: are the ones that are leveraging that motively, whether that's
00:48:01 --> 00:48:02: in, in, you know, fintech, whether that's in other kinds
00:48:01 --> 00:48:02: of technology.

00:48:02 --> 00:48:04: So, you know, in the US, examples of Austin and

00:48:04 --> 00:48:07: Salt Lake, the, you know, Mideast examples of Dubai and,

00:48:07 --> 00:48:09: and elsewhere are all places where there's a kind of

00:48:10 --> 00:48:13: investment in, in digitizing and allowing them to become service

00:48:13 --> 00:48:15: Centers for a broader, A broader section of the area.

00:48:16 --> 00:48:18: Which means they just have to become that much more

00:48:18 --> 00:48:19: attractive to the the people who can choose to be

00:48:19 --> 00:48:20: anywhere else.

00:48:20 --> 00:48:22: Which kind of circles back to the to the quality

00:48:22 --> 00:48:24: of life aspects that that you highlighted was that.

00:48:26 --> 00:48:26: Thank you.

00:48:27 --> 00:48:30: I will also wanted to pick up on the sort

00:48:30 --> 00:48:35: of retrofit you and you talked about evolving business districts

00:48:35 --> 00:48:38: and you talked about sort of the business case also

00:48:39 --> 00:48:42: for more the humanities and such a but how easy

00:48:42 --> 00:48:46: is it to retrofit and even maybe more the question

00:48:46 --> 00:48:50: to repurpose Tom, you talked about adding more residential to

00:48:50 --> 00:48:52: the business district.

00:48:53 --> 00:48:58: I think on paper, often the there's the, the business

00:48:58 --> 00:49:02: case is a no brainer to retrofit and reuse, but

00:49:02 --> 00:49:05: in practice it's a lot more difficult.

00:49:06 --> 00:49:10: Anyone who wants to comment, is it more knock down

00:49:10 --> 00:49:11: start again?

00:49:12 --> 00:49:16: How easy is that reuse that's we all aim for?

00:49:20 --> 00:49:24: Well, maybe I'll chime in and architectural before handing it

00:49:24 --> 00:49:25: over to others.

00:49:26 --> 00:49:29: We're seeing ever more transformations and not just in in

00:49:29 --> 00:49:33: older business centers like London, Paris in New York, but

00:49:33 --> 00:49:34: elsewhere.

00:49:36 --> 00:49:39: I think that it is possible to convert office buildings

00:49:39 --> 00:49:42: in particular to other uses, whether that's other kinds of

00:49:42 --> 00:49:46: office mixed-use buildings like office, hotel or even residential.

00:49:47 --> 00:49:50: I think the impediments normally are a couple of things.

00:49:51 --> 00:49:54: One is just an impediment really a finance and operations,

00:49:54 --> 00:49:57: which is that most people who know how to finance

00:49:57 --> 00:50:00: and own and operate office buildings are not necessarily the

00:50:00 --> 00:50:02: same people who do it for residential.

00:50:02 --> 00:50:05: And so you're, you're asking people to sort of step

00:50:05 --> 00:50:07: out of a financial comfort zone.

00:50:07 --> 00:50:09: And that's one of the biggest challenges we get with
00:50:09 --> 00:50:11: mixed-use is people are trying to, I mean, and, and
00:50:11 --> 00:50:13: we see this even as the architect, they're trying to
00:50:13 --> 00:50:16: pull finance from different streams, each of which are trying
00:50:16 --> 00:50:18: to figure out where they are, you know, relative to
00:50:18 --> 00:50:20: the others in it, in the building that mixes use.
00:50:21 --> 00:50:22: Another thing is, is political.
00:50:22 --> 00:50:26: On the one hand, I think that everybody acknowledges that
00:50:26 --> 00:50:30: a more vibrant, more mixed-use neighborhood is desirable,
But in
00:50:30 --> 00:50:33: many places there are logistical issues.
00:50:33 --> 00:50:36: So there's the perception that a loss of office space
00:50:36 --> 00:50:38: is equated to a loss of jobs or that there's
00:50:38 --> 00:50:41: a loss of tax revenue or benefits to to, you
00:50:41 --> 00:50:44: know, organizations that run that run these CB DS.
00:50:45 --> 00:50:48: So I think that the technical opportunities and and technical
00:50:48 --> 00:50:51: need to reinvest in these buildings and also in the
00:50:52 --> 00:50:54: kind of public realm in the spaces around them.
00:50:54 --> 00:50:57: I think it's, I think it's clear, I think there's
00:50:57 --> 00:50:58: a general trend toward doing it.
00:50:58 --> 00:51:01: And I think the reason that you're, you're seeing it
00:51:02 --> 00:51:04: kind of start in, in big drips and drops rather
00:51:05 --> 00:51:07: than a kind of flood are those issues of of
00:51:07 --> 00:51:12: kind of development expertise, finance and kind of
governmental advocacy.
00:51:15 --> 00:51:15: Thanks Audie.
00:51:16 --> 00:51:18: Who else wants to comment?
00:51:20 --> 00:51:20: Amy.
00:51:20 --> 00:51:24: From a developer investor perspective, how easy is?
00:51:24 --> 00:51:26: Your well, I would simplify.
00:51:26 --> 00:51:30: So when I, I hear words like reinvestment, repurpose, I
00:51:30 --> 00:51:34: think CapEx investment, how do I get my money back?
00:51:34 --> 00:51:37: And so to Ellie's point, I mean, it is hard
00:51:37 --> 00:51:40: to, you know, you kind of you believe the story,
00:51:40 --> 00:51:43: but it's really hard to underwrite and it's hard to
00:51:43 --> 00:51:44: make the math work.
00:51:44 --> 00:51:48: And that goes to then this partnership that I really
00:51:48 --> 00:51:51: believe is fundamentally necessary with government.
00:51:51 --> 00:51:54: And again, Tom touched on this with incentives.
00:51:54 --> 00:51:57: I've gotten to understand a bit better what the New
00:51:57 --> 00:52:00: York City Economic Development Council is trying to do.
00:52:00 --> 00:52:02: I think that is Al mean, Tom, you'd know better.

00:52:02 --> 00:52:05: But I think that's really been important for New York
00:52:05 --> 00:52:08: because as I understand it, you know, it's really been
00:52:08 --> 00:52:11: a viable kind of part of the the system through
00:52:11 --> 00:52:15: different mayors, right through different administrations.
00:52:15 --> 00:52:18: And it's allowed, you know, a, a really strong focus
00:52:18 --> 00:52:21: in New York on economic development and ways to partner
00:52:21 --> 00:52:22: with the private sector.
00:52:23 --> 00:52:26: So I think it is hard as an investor to
00:52:26 --> 00:52:28: look at it simply as a spreadsheet.
00:52:29 --> 00:52:30: I actually disagree that it's a no brainer.
00:52:30 --> 00:52:32: I think that's actually the hard part.
00:52:32 --> 00:52:35: So it is really about where do I think and
00:52:35 --> 00:52:38: have conviction that there is the sentiment.
00:52:38 --> 00:52:40: And again, I'm using New York as the example cuz
00:52:41 --> 00:52:43: I'm looking at Tom and it's an obvious one and
00:52:43 --> 00:52:44: it's the top market.
00:52:45 --> 00:52:47: But I think that's a lot of the reason why
00:52:47 --> 00:52:48: I think New York's been very successful.
00:52:48 --> 00:52:50: And the last thing I'd say is I really wish
00:52:50 --> 00:52:54: cities would spend more time collaborating and talking about
what
00:52:54 --> 00:52:56: works and what doesn't work and best practices.
00:52:56 --> 00:52:59: Because I really feel that that that doesn't happen in
00:52:59 --> 00:53:01: a, you know, in a material way.
00:53:01 --> 00:53:03: And I, and I, I think it would certainly help
00:53:03 --> 00:53:05: from the investment perspective.
00:53:07 --> 00:53:07: Thanks, Harry.
00:53:08 --> 00:53:11: Yeah, if I could just add Times Square is the
00:53:11 --> 00:53:14: Times Square that it is today because of public private
00:53:14 --> 00:53:18: partnership in in the 80s where the state got together
00:53:18 --> 00:53:19: through eminent domain.
00:53:19 --> 00:53:24: They they seized properties, they gave developers incentives
to build
00:53:24 --> 00:53:24: buildings.
00:53:25 --> 00:53:28: So, so that was the solution in the 80s to
00:53:28 --> 00:53:29: the to the challenge.
00:53:29 --> 00:53:32: I think the challenge we face today is we have
00:53:32 --> 00:53:36: too many, too much office space and not enough residential
00:53:36 --> 00:53:37: space.
00:53:37 --> 00:53:41: So it really is killing two birds with one stone.
00:53:41 --> 00:53:44: But it's it's a matter of to Amy's point, taking
00:53:44 --> 00:53:45: the longer view.

00:53:46 --> 00:53:48: If you're just looking at a five year return on
00:53:48 --> 00:53:49: investment, it probably isn't worth it.
00:53:49 --> 00:53:52: But if you're looking over 30 years, that's when the
00:53:52 --> 00:53:55: math might make more sense or it seems to have
00:53:55 --> 00:53:58: made more sense to some of the developers.
00:53:58 --> 00:54:02: The building that EY was in in Times Square is
00:54:02 --> 00:54:06: being converted to to residential buildings 1400.
00:54:07 --> 00:54:09: So that's where you get into again more of the
00:54:09 --> 00:54:10: public private partnership.
00:54:11 --> 00:54:13: You have to do away with some of the land
00:54:13 --> 00:54:18: use impediments that would would stifle some of this
conversion.
00:54:18 --> 00:54:22: You need some of the incentives and you need those
00:54:22 --> 00:54:24: folks to have that long term view.
00:54:24 --> 00:54:29: So we're sort of excited about what Times Square's gonna
00:54:29 --> 00:54:33: look like in in 10 years, moving towards that live
00:54:33 --> 00:54:37: work play environment that that that really will allow us
00:54:37 --> 00:54:41: to to be relevant and to be competitive for the
00:54:41 --> 00:54:42: next 30 years.
00:54:44 --> 00:54:45: Thanks, Dom.
00:54:45 --> 00:54:48: Before we, we have only four minutes left, but I
00:54:48 --> 00:54:51: just want to get touch on sustainability as well.
00:54:51 --> 00:54:53: Nicholas, you say it's a hygiene factor.
00:54:53 --> 00:54:54: It just needs to be there.
00:54:56 --> 00:54:59: What we've seen in the report that only 10% believes
00:54:59 --> 00:55:02: that sort of business districts are on the right track,
00:55:03 --> 00:55:03: sort of.
00:55:04 --> 00:55:05: Is this another impediment?
00:55:05 --> 00:55:09: Is this another one that makes it hard in practice?
00:55:11 --> 00:55:14: Amy, from an investment point?
00:55:14 --> 00:55:17: Well, and from AUS perspective, So what I would say
00:55:17 --> 00:55:20: I when I think of about the big umbrella thing
00:55:20 --> 00:55:23: of climate number one, I think I've seen, you know,
00:55:23 --> 00:55:25: it is aligned with that final quote.
00:55:25 --> 00:55:28: It's the like you either future proof it or you're
00:55:28 --> 00:55:28: dead right.
00:55:29 --> 00:55:32: I believe that I think the direction is very clear,
00:55:32 --> 00:55:34: but I think the pace is uncertain.
00:55:35 --> 00:55:38: I think it is very differentiated and I do not
00:55:38 --> 00:55:40: think it's a straight line.
00:55:40 --> 00:55:43: I think it is driven by public sentiment and tenant
00:55:43 --> 00:55:44: demand.

00:55:44 --> 00:55:47: So one thing I think here also just to convey

00:55:47 --> 00:55:50: very quickly in Europe, I think why Europe has done

00:55:50 --> 00:55:52: better is it is very top down driven.

00:55:52 --> 00:55:55: You know generally speaking the US we have no top

00:55:55 --> 00:55:56: down driven approach.

00:55:57 --> 00:56:00: So it's city by city and in some ways administration

00:56:00 --> 00:56:01: by administration.

00:56:01 --> 00:56:05: So it's very hard, you know, but again, I think,

00:56:05 --> 00:56:08: I think the, the, the vision is there.

00:56:08 --> 00:56:10: So what I come back to is as from an

00:56:10 --> 00:56:13: investment perspective, it really has to be driven by tenant

00:56:13 --> 00:56:14: demand.

00:56:14 --> 00:56:18: And where, again, this goes to these, you know, what

00:56:18 --> 00:56:22: we're talking about, of the talent and the experience and

00:56:22 --> 00:56:27: the importance, you know, of sustainability to urban cores

00:56:27 --> 00:56:31: and

00:56:27 --> 00:56:31: to employers who are going to be, you know, major

00:56:31 --> 00:56:33: occupants of, of these cities.

00:56:33 --> 00:56:36: And, and I do think they're going to end up

00:56:36 --> 00:56:39: evolving more quickly and more radically.

00:56:39 --> 00:56:41: But again, it goes back to the same concept of

00:56:41 --> 00:56:43: public private partnership, right?

00:56:43 --> 00:56:47: It is about power grids, upgrades, incentives.

00:56:47 --> 00:56:53: So you know, again, as an investor it's important, but

00:56:53 --> 00:56:58: it's hard to, it's hard to invest into in certain

00:56:58 --> 00:56:59: areas.

00:56:59 --> 00:57:01: It's a lot easier in other markets and cities.

00:57:01 --> 00:57:04: And again, it takes a very long term view, you

00:57:04 --> 00:57:07: know, again particularly in the, I'll just say particularly in

00:57:07 --> 00:57:09: the United States right now.

00:57:11 --> 00:57:15: And just adding to that quickly, what what we see

00:57:15 --> 00:57:18: I think in New York, at least from my perspective,

00:57:19 --> 00:57:22: is costly mandate after costly mandate by the the city

00:57:23 --> 00:57:27: with with apparent disregard for what the private sector has

00:57:27 --> 00:57:28: already done.

00:57:28 --> 00:57:31: We have a, a, a, one of our newer buildings

00:57:31 --> 00:57:35: has a cogeneration plant in the, the basement and it's

00:57:35 --> 00:57:37: trending towards carbon neutral.

00:57:37 --> 00:57:41: It's, it's fueled by natural gas and in New York

00:57:41 --> 00:57:44: they're looking to do away with natural gas.

00:57:44 --> 00:57:48: So I think having more incentives, looking at the industry

00:57:48 --> 00:57:51: and then I, I, in our sign industry, we always

00:57:51 --> 00:57:55: get questions about the signs and all the electricity that
00:57:55 --> 00:57:56: they use.

00:57:56 --> 00:57:59: No one has a greater incentive to use as little
00:57:59 --> 00:58:04: electricity as possible as our sign owners and because the
00:58:04 --> 00:58:08: more they spend on electricity, the less of a profit
00:58:08 --> 00:58:09: they they make.

00:58:09 --> 00:58:12: So I think there needs to be more of a
00:58:12 --> 00:58:18: coordination and working together with the legislators, the
policy makers

00:58:18 --> 00:58:22: and the developers in the private sector that really have
00:58:22 --> 00:58:27: their own reasons, however pure they are, for reducing their
00:58:27 --> 00:58:30: their electrical or their their power needs.

00:58:32 --> 00:58:34: OK, And now we go to the last question.

00:58:34 --> 00:58:37: The quote has already been mentioned a few times.

00:58:37 --> 00:58:40: Business districts that don't change or that clinging to the
00:58:40 --> 00:58:41: status quo isn't an option.

00:58:41 --> 00:58:46: If you could choose just one focus area, one priority
00:58:46 --> 00:58:50: that needs attention, what would you recommend?

00:58:51 --> 00:58:53: Nicolas, can I start with you?

00:58:58 --> 00:58:59: We have a good question.

00:58:59 --> 00:59:04: I think still sustainability because it's ESG, because it's, it
00:59:05 --> 00:59:07: really varies market by market.

00:59:07 --> 00:59:13: As also indicated before that in some, in some locations,
00:59:13 --> 00:59:15: it's just there.

00:59:15 --> 00:59:17: It's a standard for every new building.

00:59:17 --> 00:59:20: Even existing buildings are being upgraded as we speak, but
00:59:20 --> 00:59:23: in a lot of other locations it's just not.

00:59:23 --> 00:59:25: So the supply is really kind of still behind the
00:59:25 --> 00:59:26: demands.

00:59:26 --> 00:59:27: Sustainability.

00:59:27 --> 00:59:28: Very good, Ellie.

00:59:30 --> 00:59:31: We need to be short.

00:59:31 --> 00:59:33: We're already running out of time.

00:59:33 --> 00:59:35: I think, I think it would be an investment in
00:59:35 --> 00:59:37: kind of public realm and I would call it the
00:59:37 --> 00:59:39: software, the activation of the public spaces.

00:59:40 --> 00:59:41: Perfect, Tom.

00:59:42 --> 00:59:46: Mindset You have to realize that tomorrow is not going
00:59:46 --> 00:59:49: to be what today is and no one wants to
00:59:49 --> 00:59:52: go back to 2008 when we used black bears.

00:59:53 --> 00:59:55: Thank you, Amy.

00:59:56 --> 00:59:58: And just to take what hasn't been said, I'm going

00:59:58 --> 01:00:01: to say talent because I think talent is actually the
 01:00:01 --> 01:00:02: engine.
 01:00:02 --> 01:00:03: It's mobile, it has a choice.
 01:00:03 --> 01:00:06: So you have to attract and figure out talent.
 01:00:07 --> 01:00:09: Perfect Mark.
 01:00:10 --> 01:00:14: I'd add 2 verbs to the three verb motto that
 01:00:14 --> 01:00:16: we often mentioned today.
 01:00:16 --> 01:00:17: Work, leave and play.
 01:00:18 --> 01:00:20: I'd add learn and create.
 01:00:20 --> 01:00:23: I think the full picture is work, leave and play,
 01:00:23 --> 01:00:25: learn and create.
 01:00:26 --> 01:00:26: Perfect.
 01:00:27 --> 01:00:28: Thanks so much everyone.
 01:00:29 --> 01:00:31: A lot hasn't been said so I would recommend everyone
 01:00:32 --> 01:00:34: to read the report because there's even far more in
 01:00:34 --> 01:00:34: it.
 01:00:35 --> 01:00:37: This was very interesting.
 01:00:37 --> 01:00:40: Thanks all for your contribution, I hope you found it
 01:00:40 --> 01:00:41: useful.
 01:00:41 --> 01:00:45: I want to point everyone again to the report and
 01:00:45 --> 01:00:49: if anything comes up please e-mail us any questions.
 01:00:49 --> 01:00:50: Just pointing.
 01:00:50 --> 01:00:56: Also, everyone's attention to the Europe Conference that will
 01:00:56 --> 01:01:00: happen
 01:01:00 --> 01:01:02: in Berlin early June next year, but we will discuss
 01:01:02 --> 01:01:04: more of these topics.
 01:01:04 --> 01:01:08: So hope you can all join us.
 01:01:08 --> 01:01:11: And there's also a survey as we're very interested to
 01:01:11 --> 01:01:13: hear what everyone thought about the webinar so we can
 01:01:13 --> 01:01:16: do things better next time.
 01:01:16 --> 01:01:19: And probably that's being on time, I recognize that.
 01:01:19 --> 01:01:20: But there was so much to share that I appreciate
 01:01:21 --> 01:01:23: for those staying.
 01:01:23 --> 01:01:26: Thanks again for participating.
 01:01:26 --> 01:01:28: Thanks again for listening in and hope to see you
 01:01:28 --> 01:01:31: soon again at another UI event.
 01:01:31 --> 01:01:31: Thanks everyone, have a nice day.
 01:01:33 --> 01:01:33: Bye.
 01:01:33 --> 01:01:33: Do.

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