

# Webinar

## Launch of 2021 Emerging Trends in Real Estate Europe

Date: November 05, 2020

00:00:05 --> 00:00:07: So are we live already.

00:00:17 --> 00:00:20: Hello, we are live already I guess.

00:00:20 --> 00:00:23: Welcome to this webinar.

00:00:23 --> 00:00:29: From Frankfurt today from wherever you attend.

00:00:31 --> 00:00:35: This is, I think, one of the most interested,

00:00:35 --> 00:00:40: interesting webinars. You will be able to attend because the

00:00:40 --> 00:00:44: ULI PwC study is not only one of the most

00:00:44 --> 00:00:47: interesting ones of our industry,

00:00:47 --> 00:00:49: but this one in particular.

00:00:49 --> 00:00:54: It was carried out during the summer and thus already

00:00:54 --> 00:00:58: contains the first lockdown experiences.

00:00:58 --> 00:01:03: So it should be probably the most up-to-date and relevant

00:01:03 --> 00:01:06: sentiment indicator in the industry,

00:01:06 --> 00:01:10: and in my opinion, maybe even beyond.

00:01:10 --> 00:01:14: I have been in the industry for many many years

00:01:14 --> 00:01:19: and was lucky enough to spend this Corona times in

00:01:19 --> 00:01:22: a gap year which I used to do what I

00:01:22 --> 00:01:28: really was inspired to do charity and found together with

00:01:28 --> 00:01:31: a friend tiny be tiny,

00:01:31 --> 00:01:35: is an art project which thinks about new ways of

00:01:35 --> 00:01:39: living and working in the future.

00:01:39 --> 00:01:43: So with that. I would like to introduce you.

00:01:43 --> 00:01:47: To our agenda for today.

00:01:47 --> 00:01:52: One is we start with the presentation of the studies.

00:01:52 --> 00:01:56: This will be presented to us by Lisette and Gareth.

00:01:56 --> 00:01:58: Lisette van Doorn.

00:01:58 --> 00:02:03: All know her chief Executive officer of ULI and Gareth

00:02:03 --> 00:02:07: Director of PwC UK followed by a panel discussion with

00:02:08 --> 00:02:10: a very interesting crowd.

00:02:10 --> 00:02:14: With that I would like to hand over to Lisette  
 00:02:14 --> 00:02:18: and to Gareth to give us 15 minutes heads up.  
 00:02:18 --> 00:02:21: Insights and key findings of the study.  
 00:02:26 --> 00:02:29: good afternoon everyone.  
 00:02:29 --> 00:02:31: I'm Gareth Lewis from PWC.  
 00:02:31 --> 00:02:34: real estate based here in the UK and I'm the  
 00:02:34 --> 00:02:38: PwC lead for the emerging trends in real estate survey  
 00:02:38 --> 00:02:40: for Europe and globally.  
 00:02:40 --> 00:02:42: And on behalf of PwC I'd like to add my  
 00:02:42 --> 00:02:46: personal thanks to Lisette and the ULI team for another  
 00:02:46 --> 00:02:49: successful collaboration to produce the report.  
 00:02:49 --> 00:02:53: There's been some changes and challenges in the process  
 but  
 00:02:53 --> 00:02:56: we got there and I also like to thank the  
 00:02:56 --> 00:02:56: author,  
 00:02:56 --> 00:03:00: team and. And all the participants in this survey and  
 00:03:00 --> 00:03:02: and the panelists here today.  
 00:03:02 --> 00:03:05: So this year's report emerging trends in real estate is  
 00:03:05 --> 00:03:07: entitled an uncertain impact,  
 00:03:07 --> 00:03:11: and it reflects the views of close to 1000 individuals  
 00:03:11 --> 00:03:15: who completed surveys were interviewed or took part in a  
 00:03:15 --> 00:03:17: roundtable meetings across Europe.  
 00:03:17 --> 00:03:21: As Barbara said, the interviews and surveys was conducted  
 between  
 00:03:21 --> 00:03:22: July and September,  
 00:03:22 --> 00:03:26: appeared when investment activity held up surprisingly well  
 and and  
 00:03:26 --> 00:03:27: there was,  
 00:03:27 --> 00:03:30: you could say is still a more positive view around  
 00:03:30 --> 00:03:32: potentially avoiding COVID-19 second wave,  
 00:03:32 --> 00:03:36: but with the current situation with continuing business,  
 00:03:36 --> 00:03:40: travel and travel restrictions, it's fair to say there's a  
 00:03:40 --> 00:03:43: cautious outlook for the coming year.  
 00:03:43 --> 00:03:45: The industry leaders we canvas for Emerging Trends Europe  
 00:03:45 --> 00:03:49: This year also acknowledged that we're experiencing two  
 shifts which  
 00:03:49 --> 00:03:51: are as one of our interviewees put it.  
 00:03:51 --> 00:03:55: Not on the same wavelength a cyclical downturn put along  
 00:03:55 --> 00:03:56: Surfside,  
 00:03:56 --> 00:03:58: a long term structural change to real estate,  
 00:03:58 --> 00:04:01: and many feel this is really shaking.  
 00:04:01 --> 00:04:04: Our long held views around the risk and return profile  
 00:04:04 --> 00:04:04: of real estate.

00:04:04 --> 00:04:07: If we could have the next next slide,  
00:04:07 --> 00:04:07: please.  
00:04:12 --> 00:04:14: So we tried to capture the mood for the 2021  
00:04:14 --> 00:04:16: in these five key themes.  
00:04:16 --> 00:04:20: First of all, business interruption and economic distress.  
00:04:20 --> 00:04:24: Secondly, operational impact and acceleration of the shift to real  
00:04:24 --> 00:04:26: estate as an operational asset class.  
00:04:26 --> 00:04:30: Thirdly, Pandemic picks the impact of the pandemic  
00:04:30 --> 00:04:34: pandemic on  
00:04:30 --> 00:04:34: return prospects for the property sectors for the city divisions.  
00:04:34 --> 00:04:38: The impact on city rankings and prospects for 2021 and  
00:04:38 --> 00:04:41: finally we spent quite a bit of time looking at.  
00:04:41 --> 00:04:45: Social climbing this the impact the role of impact investing  
00:04:45 --> 00:04:47: in the industry and more broadly,  
00:04:47 --> 00:04:50: ESG. But with the outcome of Brexit,  
00:04:50 --> 00:04:52: the US election and trade wars,  
00:04:52 --> 00:04:55: this is all added to the uncertainty in the market.  
00:04:55 --> 00:04:58: So hence the title for this year's report and little.  
00:04:58 --> 00:05:01: Despite from this uncertainty is predicted in 2021,  
00:05:01 --> 00:05:03: although there's a clear mood of caution.  
00:05:03 --> 00:05:06: We were also surprised that the positive outlook that many  
00:05:06 --> 00:05:08: held on a purely cyclical basis,  
00:05:08 --> 00:05:11: many drew reassurance from the pent up capital looking for  
00:05:12 --> 00:05:12: yield,  
00:05:12 --> 00:05:15: continued low interest rates. The absence of a late cycle  
00:05:15 --> 00:05:18: development boom and the consequences are of this or that  
00:05:18 --> 00:05:19: broadly.  
00:05:19 --> 00:05:23: European real estate supply and demand is seen to remain  
00:05:23 --> 00:05:26: broadly. In balance next slide please.  
00:05:30 --> 00:05:33: So first of all, business interrupted this year.  
00:05:33 --> 00:05:36: Survey shows a decline in business confidence for 2021 with  
00:05:36 --> 00:05:40: almost half of respondents expecting a fall in profits last  
00:05:40 --> 00:05:43: year when the industry was in late cycle mode.  
00:05:43 --> 00:05:47: 2/3 of survey respondents were bracing themselves for a  
00:05:47 --> 00:05:50: downturn.  
00:05:47 --> 00:05:50: Now, with the shock to the system from economic and  
00:05:50 --> 00:05:54: business continuity issues and a sharp recession in 2020,  
00:05:54 --> 00:05:59: twenty 90% of respondents are understandably concerned  
00:05:59 --> 00:05:59: about economic growth  
00:05:59 --> 00:05:59: in 2021.  
00:05:59 --> 00:06:03: 40% expect Global and European ethnic economic growth to  
get

00:06:03 --> 00:06:05: worse over the next five years.

00:06:05 --> 00:06:10: Return expectations have been scaled down over successive emerging trends,

00:06:10 --> 00:06:12: surveys and this year 46%

00:06:12 --> 00:06:16: of respondents are targeting lower returns compared to compared to

00:06:16 --> 00:06:20: last year and nearly 2/3 anticipate anticipate less than 10%

00:06:20 --> 00:06:22: risk adjusted returns in 2021.

00:06:22 --> 00:06:26: Overall industry leaders expect there to be less equity and

00:06:26 --> 00:06:28: debt available in 2021,

00:06:28 --> 00:06:31: but that's clearly coming from a very high base.

00:06:31 --> 00:06:34: Nearly half the respondents think that the amount of debt

00:06:34 --> 00:06:38: available for new investments and refinancing will fall this year

00:06:38 --> 00:06:40: compared to a fifth who expected a decrease this time

00:06:40 --> 00:06:43: last year. But on the positive side,

00:06:43 --> 00:06:46: strength of demand for real estate is such that more

00:06:46 --> 00:06:49: than half of survey respondents expect to be net buyers

00:06:49 --> 00:06:50: of real estate.

00:06:50 --> 00:06:54: In 2021, investment managers refer to capital raise pre tank

00:06:54 --> 00:06:56: pandemic that needs to be deployed.

00:06:56 --> 00:06:57: Next slide, please.

00:07:01 --> 00:07:04: So where is that equity coming from?

00:07:04 --> 00:07:06: I mentioned the pent up capital,

00:07:06 --> 00:07:09: but as we come to the end of the pipeline

00:07:09 --> 00:07:10: of pre-COVID-19 deals,

00:07:10 --> 00:07:12: what about the future deals pipeline?

00:07:12 --> 00:07:17: Well, normal ways of doing business continue to be disrupted.

00:07:17 --> 00:07:21: The physical limitations that COVID-19 imposes on business are influencing

00:07:21 --> 00:07:23: investor expectations,

00:07:23 --> 00:07:26: and it's looking likely that domestic investors will play a

00:07:26 --> 00:07:29: much greater role in Europe in 2021.

00:07:29 --> 00:07:33: European capital is the only source where more survey participants

00:07:33 --> 00:07:36: say there will be an increase in equity flows compared

00:07:36 --> 00:07:39: to with those that thought the same last year,

00:07:39 --> 00:07:41: and we certainly picked up a lot of caution over

00:07:41 --> 00:07:45: deal sourcing with travel restrictions and further lockdowns.

00:07:45 --> 00:07:49: Although the fast adoption of technologies has started to support

00:07:49 --> 00:07:50: due diligence,

00:07:50 --> 00:07:54: a big issue is the inability of overseas investors to

00:07:54 --> 00:07:57: visit a property in Europe before buying it.

00:07:57 --> 00:08:01: So for 2021 conditions look like their favour domestic buyers,

00:08:01 --> 00:08:05: managers of multi country footprints and larger property markets with

00:08:05 --> 00:08:08: sufficient critical mass to have teams on the ground.

00:08:08 --> 00:08:12: And I think also playing into this domestic focuses is

00:08:12 --> 00:08:16: the likelihood that many investors will see ample opportunities emerging

00:08:16 --> 00:08:20: in 2021 originating from their own domestic markets without

00:08:20 --> 00:08:23: having to venture overseas. Next slide.

00:08:26 --> 00:08:30: So that the second theme we've captured is around operational

00:08:30 --> 00:08:31: impact.

00:08:31 --> 00:08:31: Next slide, please.

00:08:36 --> 00:08:39: Like all industries, real Estates being subject to a huge

00:08:39 --> 00:08:41: upheaval as a result of the global pandemic and its

00:08:42 --> 00:08:43: economic repercussions,

00:08:43 --> 00:08:44: and if there is a common theme,

00:08:44 --> 00:08:48: it's that the crisis is an accelerator of existing trends

00:08:48 --> 00:08:52: in the way the industry approaches the investment and management

00:08:52 --> 00:08:52: of real estate.

00:08:52 --> 00:08:57: Survey respondents recognize that the pandemic is posing immediate challenges

00:08:57 --> 00:09:00: to the security of income from offices and retail,

00:09:00 --> 00:09:04: whilst also accelerating long term trends that are disrupting these

00:09:04 --> 00:09:06: two core sectors of real estate.

00:09:06 --> 00:09:09: Security of income is one of the big open questions

00:09:09 --> 00:09:11: to facing the industry.

00:09:11 --> 00:09:14: COVID-19 and the widespread problems around non payment of rent

00:09:14 --> 00:09:18: have encouraged increasing numbers investors to look beyond real Estates

00:09:18 --> 00:09:22: bond like credentials and to assess the underlying operational risk

00:09:22 --> 00:09:25: of occupiers. For many interviewees,

00:09:25 --> 00:09:28: COVID-19 is turbocharging the trend for real estate to be

00:09:28 --> 00:09:30: an operational asset class,

00:09:30 --> 00:09:32: and this can be seen reflected in that number of

00:09:32 --> 00:09:34: the response is shown in this chart,

00:09:34 --> 00:09:37: ranging from the future role of technology.

00:09:37 --> 00:09:41: In business operations, health and well being and the changing

00:09:41 --> 00:09:44: future relationship between landlord and tenant.

00:09:44 --> 00:09:45: Next slide, please.

00:09:49 --> 00:09:51: The third key theme we picked up is the impact

00:09:51 --> 00:09:55: on return prospects for the different property sectors you have

00:09:55 --> 00:09:56: the next slide please.

00:09:59 --> 00:10:02: This slide shows the emerging trends.

00:10:02 --> 00:10:06: Top ten sectors for overall return prospects for 2021.

00:10:06 --> 00:10:10: The flight to safety for many investors looks likely to

00:10:10 --> 00:10:13: involve investment into sectors related to technology.

00:10:13 --> 00:10:16: So the residential dominance of 2020 has been taken over

00:10:16 --> 00:10:17: by technology.

00:10:17 --> 00:10:20: The two leading property types in the sector rankings are

00:10:20 --> 00:10:22: logistics and data centers.

00:10:22 --> 00:10:26: Both will benefit from the increased pace of digitalization across

00:10:26 --> 00:10:26: Europe,

00:10:26 --> 00:10:30: which is seen as a positive trend reinforced by COVID-19.

00:10:30 --> 00:10:33: As in previous years, rental housing is scored well and

00:10:33 --> 00:10:37: interviewees talk about the resilience of its income during 2020,

00:10:37 --> 00:10:40: but with the caveat that it could come under pressure

00:10:40 --> 00:10:43: as economies continue to struggle and unemployment rises.

00:10:43 --> 00:10:46: But unlike previous years, not all of the sectors are

00:10:46 --> 00:10:46: in favor.

00:10:46 --> 00:10:49: Student housing is falling down the rankings,

00:10:49 --> 00:10:52: although many interviews believe this may be a temporary dip

00:10:52 --> 00:10:55: in sentiment and there's a similar debate existing around how

00:10:55 --> 00:10:59: quickly the current distress in hotels where occupancy fell to

00:10:59 --> 00:11:01: pretty much zero overnight. And remain subdued,

00:11:01 --> 00:11:04: can be reversed. Right now they are clearly out of

00:11:04 --> 00:11:04: favor,

00:11:04 --> 00:11:08: coming second from the bottom in the rankings.

00:11:08 --> 00:11:11: And the future work and how it affects the office

00:11:11 --> 00:11:11: sector.

00:11:11 --> 00:11:15: Arguably the biggest, most fascinating unknowns in real estate at

00:11:15 --> 00:11:16: the moment,

00:11:16 --> 00:11:19: and I'll pause there and hand over to Lisette who's

00:11:19 --> 00:11:23: going to discuss that and the remaining key themes.

00:11:23 --> 00:11:25: Thanks a lot Gareth,

00:11:25 --> 00:11:28: for the introduction. Really interesting.

00:11:28 --> 00:11:31: For those of you that don't know me,  
00:11:31 --> 00:11:34: I'm Lisette van Doorn and I'm the chief executive of  
00:11:34 --> 00:11:36: Urban Land Institute in Europe.  
00:11:36 --> 00:11:39: I also want to thank PwC and many of the  
00:11:39 --> 00:11:43: people who have participated to this year survey,  
00:11:43 --> 00:11:47: because ultimately this is based on your views and we're  
00:11:47 --> 00:11:48: so happy that yet again,  
00:11:48 --> 00:11:53: we've established another record with the number of  
respondents to  
00:11:53 --> 00:11:54: this years.  
00:11:54 --> 00:11:58: Survey and interviews with almost reaching 1000.  
00:11:58 --> 00:12:01: As Garrett already pointed out,  
00:12:01 --> 00:12:05: the future of offices has become the big unknown not  
00:12:05 --> 00:12:09: only affected by the cyclical downturn,  
00:12:09 --> 00:12:12: obviously, which results in a strong cost.  
00:12:12 --> 00:12:18: Focus of corporate occupiers, but far more important has  
become  
00:12:18 --> 00:12:19: the question.  
00:12:19 --> 00:12:22: How will the future of remote work look an?  
00:12:22 --> 00:12:27: We've seen two extremes coming through where one camp  
seems  
00:12:27 --> 00:12:30: to think that we don't need offices anymore in the  
00:12:30 --> 00:12:34: future and the other one thinks that no nothing will  
00:12:34 --> 00:12:37: change. To speak of it,  
00:12:37 --> 00:12:42: well, obviously we think the truth will lie somewhere in  
00:12:42 --> 00:12:43: the middle,  
00:12:43 --> 00:12:49: but for the moment it's still very unclear where exactly  
00:12:49 --> 00:12:52: that will that will end up.  
00:12:52 --> 00:12:55: And what we're seeing there is that is basically stalling  
00:12:55 --> 00:13:00: investment demand because first players want to see where  
that  
00:13:00 --> 00:13:00: ends up,  
00:13:00 --> 00:13:03: and with another lock down.  
00:13:03 --> 00:13:05: And just started across Europe,  
00:13:05 --> 00:13:09: that seems to take much longer going forward.  
00:13:09 --> 00:13:12: What we do know is that flexibility is the keyword  
00:13:12 --> 00:13:17: for all the stakeholders involved for employees who want to  
00:13:17 --> 00:13:21: have the flexibility to work at least some time from  
00:13:21 --> 00:13:26: home or another place. Very convenient for corporate  
occupiers who  
00:13:26 --> 00:13:27: may want a core.  
00:13:27 --> 00:13:34: Office headquarters to express corporate culture to retain  
and attract

00:13:34 --> 00:13:34: talent,

00:13:34 --> 00:13:39: and then a flexible shell may be around that,

00:13:39 --> 00:13:44: either based on coworking space or other spaces to respond

00:13:44 --> 00:13:45: to demand.

00:13:45 --> 00:13:50: There will be an increased focus on health and well

00:13:50 --> 00:13:55: being and the quality of space paradoxically has become far

00:13:55 --> 00:13:58: more important than before it seems.

00:13:58 --> 00:14:02: That because there is less time in the office,

00:14:02 --> 00:14:04: the time spent as the office has to be in

00:14:05 --> 00:14:05: a much hard,

00:14:05 --> 00:14:09: higher quality space. So what we don't know yet is

00:14:09 --> 00:14:13: whether the decline in demand will be balanced out by

00:14:13 --> 00:14:17: the increase in space per person there still so much

00:14:17 --> 00:14:21: factors pointing to maybe hired amount of space versus

00:14:21 --> 00:14:24: lowered

00:14:21 --> 00:14:24: amount of space that we don't know where this will

00:14:24 --> 00:14:25: end up.

00:14:25 --> 00:14:30: And also don't know what the impact on valuations and

00:14:30 --> 00:14:32: use our next slide please.

00:14:32 --> 00:14:36: And this brings us down to the preferences for the

00:14:36 --> 00:14:38: different cities across Europe.

00:14:38 --> 00:14:41: Next slide, please.

00:14:41 --> 00:14:45: And maybe not surprisingly, that was also a very strong

00:14:45 --> 00:14:48: risk of focus that we've seen there.

00:14:48 --> 00:14:52: As Gareth already shown in the in the sector preferences

00:14:52 --> 00:14:56: as well with the German cities as we also saw

00:14:56 --> 00:15:00: the years before taking the best positions almost in the

00:15:00 --> 00:15:04: top ten with all four German cities included in the

00:15:04 --> 00:15:05: top 10 Berlin,

00:15:05 --> 00:15:09: again at a steady number one position.

00:15:09 --> 00:15:12: And this is very much driven through the two by

00:15:12 --> 00:15:16: the low risk that Germany has had already over the

00:15:16 --> 00:15:21: last couple of years when investors started to prepare for

00:15:21 --> 00:15:25: a downturn, but also because Germany was felt to having

00:15:25 --> 00:15:28: been able to manage through the pandemic as one of

00:15:28 --> 00:15:32: the best in Europe over the over the past couple

00:15:32 --> 00:15:37: of months, and also where transactions were still seen

00:15:37 --> 00:15:39: happening.

00:15:37 --> 00:15:39: But what we've also seen is that.

00:15:39 --> 00:15:41: The biggest markets in Europe,

00:15:41 --> 00:15:45: the Mega Cities, London and Paris came out fairly well

00:15:45 --> 00:15:48: and that has been marked very much driven by a

00:15:48 --> 00:15:50: long term value perspective.



00:15:50 --> 00:15:54: London, mostly because of the the hits it already took,  
 00:15:54 --> 00:15:58: anticipating Brexit more or less, where the pricing levels for  
 00:15:59 --> 00:16:02: some of the other more interesting cities in Europe,  
 00:16:02 --> 00:16:07: have become very competitive, and then investors say  
 whatever might  
 00:16:07 --> 00:16:09: happen immediately post Brexit,  
 00:16:09 --> 00:16:13: we see. Definitely long-term value in London and Paris,  
 00:16:13 --> 00:16:17: similar to your last year set to profit from the  
 00:16:17 --> 00:16:21: Grand Paris project as well as the Olympics coming up  
 00:16:21 --> 00:16:21: in 2024.  
 00:16:21 --> 00:16:27: So big infrastructure investments where investors in real  
 estate think  
 00:16:27 --> 00:16:30: they can profit from and then we have 1/3 category  
 00:16:31 --> 00:16:33: or more smaller cities like Amsterdam,  
 00:16:33 --> 00:16:38: Vienna and Dublin just outside of the top 10.  
 00:16:38 --> 00:16:43: Who seem to profit more from being more accessible?  
 00:16:43 --> 00:16:48: Active transport and cities where the mix of sector prospects  
 00:16:48 --> 00:16:51: is seen as really positive,  
 00:16:51 --> 00:16:53: higher quality of life. Vienna,  
 00:16:53 --> 00:16:57: having managed through the crisis fairly well,  
 00:16:57 --> 00:17:01: And that is also playing out in the top 10  
 00:17:01 --> 00:17:02: next slide,  
 00:17:02 --> 00:17:03: please.  
 00:17:05 --> 00:17:08: Now we come to the last major theme and as  
 00:17:09 --> 00:17:13: many of you know that maybe are familiar with emerging  
 00:17:13 --> 00:17:16: trends every year in the 4th chapter we cover  
 00:17:16 --> 00:17:20: a special topic. And we had already decided on that  
 00:17:20 --> 00:17:25: topic being around impact investing and obviously that trend.  
 00:17:25 --> 00:17:29: Please go to the next slide please.  
 00:17:29 --> 00:17:34: That trend has been even further accelerated by COVID-19.  
 00:17:34 --> 00:17:39: This graph shows the social political issues in 2021,  
 00:17:39 --> 00:17:43: and what we've actually seen as people are concerned about  
 00:17:43 --> 00:17:47: many things far more than we've seen in previous years,  
 00:17:47 --> 00:17:49: with only a few jumping out.  
 00:17:49 --> 00:17:53: But among those is also an increased concern for inequality  
 00:17:53 --> 00:17:56: and affordability issues in particular.  
 00:17:56 --> 00:18:01: With social inequality having risen from 50%.  
 00:18:01 --> 00:18:06: And last year to a much higher percentage.  
 00:18:06 --> 00:18:10: This year, and I think it's important to say that  
 00:18:10 --> 00:18:16: COVID-19 has accelerated that focus on especially social  
 issues beyond  
 00:18:16 --> 00:18:19: environmental far more rapidly.

00:18:19 --> 00:18:24: Next slide, please. What is driving this focus on impact investing?

00:18:24 --> 00:18:25:

00:18:25 --> 00:18:29: And actually we see a couple of common trends across society,

00:18:29 --> 00:18:30:

00:18:30 --> 00:18:34: not necessarily linked to real estate with investors,

00:18:34 --> 00:18:38: and so consumers being far more socially aware.

00:18:38 --> 00:18:42: And far more focused on.

00:18:42 --> 00:18:46: A local living local buying and more much more strict about who they will buy from,

00:18:47 --> 00:18:49:

00:18:49 --> 00:18:52: what companies and which not.

00:18:52 --> 00:18:54: We see the same happening.

00:18:54 --> 00:18:58: Those consumers are employees at the same time,

00:18:58 --> 00:19:01: so with the. Ongoing war for talent.

00:19:01 --> 00:19:05: They choose the companies they want to work for and those that work for that need to have a social needs besides the financial purpose and those people also have pensions or building our pensions,

00:19:05 --> 00:19:09:

00:19:09 --> 00:19:13: and they're putting more pressure on the pension funds to also look at the social angle when they invest and that is something that has now also reached the real estate industry. Next slide, please.

00:19:13 --> 00:19:16:

00:19:16 --> 00:19:21: But then we asked how the real estate industry can make the greatest difference to impact investing the focus by by large seems to be still on the sustainability impact and the environmental impact the industry can make on the built environment.

00:19:21 --> 00:19:24:

00:19:24 --> 00:19:28: It's the real impact on social elements like designing places that take well being and mental health into account, or a greater focus. On delivering social infrastructure?

00:19:28 --> 00:19:33:

00:19:33 --> 00:19:37: Are there as well,

00:19:37 --> 00:19:42:

00:19:42 --> 00:19:46: but only about 1/3, while the reducing the environmental impact is still receiving 2/3.

00:19:46 --> 00:19:51:

00:19:51 --> 00:19:52:

00:19:52 --> 00:19:57: So what's going on there that's still the real focus on social impact seems to be more limited.

00:19:57 --> 00:20:01:

00:20:01 --> 00:20:06: Next slide, please. So how do we move forward?

00:20:06 --> 00:20:08:

00:20:08 --> 00:20:13: And this slide also clearly shows that a lot is still needed to attract more capital to impact investing, and it's a lot related to transparency definitions and data.

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00:20:40 --> 00:20:45:

00:20:45 --> 00:20:47:

00:20:47 --> 00:20:50: First of all, to better understand the risk return profile which majority thinks is important, better ability to measure impact.

00:20:50 --> 00:20:53: It's about data, it's about definitions.

00:20:53 --> 00:20:57: It's about metrics and also the the definitions also.

00:20:57 --> 00:21:02: Given by about half of the responses as being important,

00:21:02 --> 00:21:05: so there's still a lot of work to do,

00:21:05 --> 00:21:08: and the key question we asked was about.

00:21:08 --> 00:21:13: Is impact investing just about specific products or is it

00:21:14 --> 00:21:15: much more about?

00:21:15 --> 00:21:18: An integral approach to

00:21:18 --> 00:21:20: social impact.

00:21:20 --> 00:21:24: In an integral part of often of an investment strategy,

00:21:24 --> 00:21:26: everyone seems to agree on the latter,

00:21:26 --> 00:21:29: but for the moment we see a lot of focus

00:21:29 --> 00:21:31: on individual funds.

00:21:31 --> 00:21:35: And it it's interesting that there's an analogy with how

00:21:35 --> 00:21:40: we approach sustainability investing about 15/20 years ago

00:21:40 --> 00:21:42: when we

00:21:40 --> 00:21:42: started off with green fonts,

00:21:42 --> 00:21:46: which has now been become an integral part of any

00:21:46 --> 00:21:50: investment strategy and any investment in any asset.

00:21:50 --> 00:21:52: So this seems to be to trajectory.

00:21:52 --> 00:21:56: There's only a lot of work that still needed to

00:21:56 --> 00:21:57: be done.

00:21:57 --> 00:21:59: Thank you very much, Barbara.

00:22:02 --> 00:22:04: Oh here we go. Wow,

00:22:04 --> 00:22:09: that's more food for thought and we have asked for.

00:22:09 --> 00:22:12: I would say yeah so if I if I try

00:22:12 --> 00:22:17: before we jump into the into the panel discussion,

00:22:17 --> 00:22:21: yeah just to to get an impression of what you

00:22:21 --> 00:22:23: just have presented.

00:22:23 --> 00:22:28: And thank you so much for this deep inside here.

00:22:28 --> 00:22:32: Yeah then you you kind of feel like.

00:22:32 --> 00:22:35: So this is a big shift into something very big

00:22:36 --> 00:22:36: unknown.

00:22:36 --> 00:22:40: Yeah, and I think that's the perfect topic for our

00:22:40 --> 00:22:42: panel discussion,

00:22:42 --> 00:22:46: which I would like to introduce to you now,

00:22:46 --> 00:22:49: especially panelists we have with us.

00:22:49 --> 00:22:53: Anne Kavanagh CIO from PATRIZIA AG, and I think most

00:22:53 --> 00:22:56: of you know her very well since very long time

00:22:56 --> 00:23:00: in the industry and very deep into many things we

00:23:00 --> 00:23:01: have with

00:23:01 --> 00:23:04: us. Sara Lucas, CEO of Grosvenor.

00:23:04 --> 00:23:07: Welcome and we have with us.

00:23:07 --> 00:23:13: Jesper Bo Hansen, managing director at Catella corporate finance.

00:23:13 --> 00:23:18: I'm sure we will have lots of interesting thoughts and

00:23:18 --> 00:23:23: I would also ask all the attendees from wherever you

00:23:23 --> 00:23:27: attend to ask as many questions as you like.

00:23:27 --> 00:23:31: You have a chat function here and I will try

00:23:31 --> 00:23:34: to include as many questions as I can.

00:23:34 --> 00:23:36: And please don't be shy,

00:23:36 --> 00:23:40: yeah, that just enriches our panel discussion here.

00:23:40 --> 00:23:45: With that I would like to jump directly into the

00:23:45 --> 00:23:46: discussion.

00:23:46 --> 00:23:51: With all the uncertainty around.

00:23:51 --> 00:23:58: With all the uncertainty in the business environment you have

00:23:58 --> 00:24:04: seen already on some of these slides and you will

00:24:04 --> 00:24:08: see much more in the study as such,

00:24:08 --> 00:24:15: especially with one element which frightened me a bit because

00:24:16 --> 00:24:20: the business confidence shrank by 100%

00:24:20 --> 00:24:25: and the expectation about business profitability.

00:24:25 --> 00:24:29: Decreased even three times, so almost 44%

00:24:29 --> 00:24:35: of all the participants see a sharp decrease in business.

00:24:35 --> 00:24:40: With that, I would like to ask our panelists here

00:24:40 --> 00:24:44: to explain a little bit from their side of the

00:24:44 --> 00:24:50: business how they interpret this study in the context of

00:24:50 --> 00:24:54: the uncertainty and how do they themselves?

00:24:54 --> 00:24:56: How do you scope with that?

00:24:56 --> 00:25:01: In your companies with that and maybe I start with

00:25:01 --> 00:25:04: Sara here because I think you are in one of

00:25:04 --> 00:25:09: the sectors which have not been mentioned yet and

00:25:09 --> 00:25:13: that's retail. But nevertheless suffering a lot.

00:25:13 --> 00:25:18: Yes indeed. Now I'm not solely in retail. Fortunately,

00:25:18 --> 00:25:21: but we do have a large retail component.

00:25:21 --> 00:25:25: So yes, I mean, I think certainly the rejection of

00:25:25 --> 00:25:27: business confidences.

00:25:27 --> 00:25:30: Is absolutely normal and I would be probably more worried

00:25:30 --> 00:25:32: if it was the reverse because I think we have

00:25:32 --> 00:25:35: to be realistic about what we're entering and we all

00:25:35 --> 00:25:37: felt that we're entering a period that was going to

00:25:37 --> 00:25:39: be more difficult in any event,

00:25:39 --> 00:25:41: and that's just been exacerbated by covid,

00:25:41 --> 00:25:43: but I think it's important to look for

00:25:43 --> 00:25:44: opportunities.

00:25:44 --> 00:25:46: There are always opportunities when they were,  
00:25:46 --> 00:25:49: when they were downturns, and so they were going to  
00:25:49 --> 00:25:51: be constraints around the business that we can do.  
00:25:51 --> 00:25:53: They're going to be debt constraints,  
00:25:53 --> 00:25:56: and they're going to be as when the points highlighted  
00:25:56 --> 00:25:57: in the in the study.  
00:25:57 --> 00:26:00: The ability to actually source deals is going to be.  
00:26:00 --> 00:26:01: Is going to be an issue for many people,  
00:26:01 --> 00:26:03: but I do think we have a lot of strong  
00:26:03 --> 00:26:05: domestic markets with a lot of volume in them,  
00:26:05 --> 00:26:08: so there are still things to be done.  
00:26:08 --> 00:26:11: And if I can come onto you point about retail  
00:26:11 --> 00:26:12: and how we're dealing with this.  
00:26:12 --> 00:26:15: I do see the retail asset classes one where there  
00:26:15 --> 00:26:17: is quite a lot of opportunity.  
00:26:17 --> 00:26:18: We haven't talked about it so far,  
00:26:18 --> 00:26:22: but it's clearly the factor that's been repriced the hardest  
00:26:22 --> 00:26:24: because there's been repriced the hardest.  
00:26:24 --> 00:26:27: I think there are definite went out levels of capital  
00:26:27 --> 00:26:30: value in certain instances which allow us to do repositioning,  
00:26:30 --> 00:26:33: repurposing work that we wouldn't have been able to do  
00:26:33 --> 00:26:34: in the past,  
00:26:34 --> 00:26:37: now clearly getting to this stage has been very painful,  
00:26:37 --> 00:26:39: but but I think it's it's now time to sort  
00:26:39 --> 00:26:42: of look forward and see what we can do positively  
00:26:42 --> 00:26:42: with that.  
00:26:42 --> 00:26:46: Opportunity and another linking into the social value  
question.  
00:26:46 --> 00:26:50: At the end, I do think there is an opportunity  
00:26:50 --> 00:26:53: for retail to pay a big part in contributing to  
00:26:53 --> 00:26:56: the strengthening of communities.  
00:26:56 --> 00:26:59: Quite different from the U.S.?? think where a lot of  
00:26:59 --> 00:27:01: sensors are are out of town.  
00:27:01 --> 00:27:04: A lot of European centres are embedded in their local  
00:27:05 --> 00:27:06: cities and towns.  
00:27:06 --> 00:27:08: Lot of urban centres and they are.  
00:27:08 --> 00:27:11: They have the possibility to sort of open open up  
00:27:11 --> 00:27:14: really into the into the surroundings,  
00:27:14 --> 00:27:17: so turn their backs on the communities,  
00:27:17 --> 00:27:20: open out into them and and use partial reduction in  
00:27:20 --> 00:27:24: retail floor space where it's no longer viable or  
00:27:24 --> 00:27:27: wanted to create other uses that are that are.

00:27:27 --> 00:27:30: Providing different services to the community,  
00:27:30 --> 00:27:32: so I'll give you an example.  
00:27:32 --> 00:27:34: Just quick example. In Sweden we have a lot of  
00:27:34 --> 00:27:38: our Swedish shopping centers have are in communities  
where there's  
00:27:38 --> 00:27:40: a lot of growth in population and the local.  
00:27:40 --> 00:27:43: Authorities just cannot afford to provide the educational,  
00:27:43 --> 00:27:47: cultural, social health facilities that they need to service that  
00:27:47 --> 00:27:49: population going forward.  
00:27:49 --> 00:27:51: So there is a there is a public private partnership  
00:27:51 --> 00:27:54: there to do to bring in some of those uses  
00:27:54 --> 00:27:57: into the centers until tie them back in and strengthen  
00:27:57 --> 00:27:59: the communities. And I think it's a.  
00:27:59 --> 00:28:02: It's a win win situation in terms of providing investors  
00:28:02 --> 00:28:06: with a with a solid income for most institutional quality  
00:28:06 --> 00:28:06: tenant,  
00:28:06 --> 00:28:10: which is what everybody wants today and that underpinning  
then  
00:28:10 --> 00:28:13: the retail element which we focused on a smaller area.  
00:28:13 --> 00:28:15: Now it sounds quite simple.  
00:28:15 --> 00:28:17: Why was it like that is clearly not as simple  
00:28:17 --> 00:28:18: as that?  
00:28:18 --> 00:28:21: It's complicated there a lot of hurdles to get everybody  
00:28:21 --> 00:28:24: do feel I do feel there are things to be  
00:28:24 --> 00:28:24: done,  
00:28:24 --> 00:28:27: and perhaps this period of less frenetic activity will allow  
00:28:27 --> 00:28:30: us to focus on what we really need to do  
00:28:30 --> 00:28:31: with our buildings.  
00:28:31 --> 00:28:36: Our existing buildings to sort of create buildings of the  
00:28:36 --> 00:28:38: feature on the Re purposing.  
00:28:38 --> 00:28:42: We will definitely get back because I have questions on  
00:28:42 --> 00:28:43: that,  
00:28:43 --> 00:28:47: but you're mentioning of the Swedish retail malls I think  
00:28:47 --> 00:28:51: is the perfect bridge to move on to Jesper with.  
00:28:51 --> 00:28:55: I'm sure has the most insight on the Nordic markets  
00:28:55 --> 00:28:57: of all of us here.  
00:28:57 --> 00:28:58: So how do you expect?  
00:28:58 --> 00:29:02: Interpret this study for from your side.  
00:29:02 --> 00:29:07: And what would you see as the real impact coming  
00:29:07 --> 00:29:10: in the Nordic markets?  
00:29:10 --> 00:29:15: Well, thank you Barbara. Yes I I've been following this  
00:29:15 --> 00:29:20: Nordic market now since 30 years or 25 years and

00:29:20 --> 00:29:26: cause this very important survey from ULI has always been  
00:29:26 --> 00:29:31: very interesting and and once again thanks to ULI,  
00:29:31 --> 00:29:37: PwC and especially all the industry leaders giving this very  
00:29:37 --> 00:29:39: very good substance.  
00:29:39 --> 00:29:44: I think from a. From a business perspective,  
00:29:44 --> 00:29:48: I think we have always taken the view that ultimately  
00:29:48 --> 00:29:55: the real estate sector reflects the underlying underlying  
macro trends,  
00:29:55 --> 00:29:58: and I think clearly.  
00:29:58 --> 00:30:03: The theme of uncertainty is is totally natural and what  
00:30:03 --> 00:30:05: we saw from this survey that.  
00:30:05 --> 00:30:10: 90% of all people participating say we either very concerned  
00:30:10 --> 00:30:15: or concerned on the macro situation and this comes following  
00:30:15 --> 00:30:20: ten years of strong recovery from the financial crisis.  
00:30:20 --> 00:30:22: So we have seen growth.  
00:30:22 --> 00:30:25: We have seen healthy macro fundamentals,  
00:30:25 --> 00:30:31: especially across the Nordics. We have seen very strong  
markets,  
00:30:31 --> 00:30:33: so All in all.  
00:30:33 --> 00:30:38: Investors in the real estate sector being now increasingly  
concerned  
00:30:38 --> 00:30:42: on on the investment sentiment in real estate sector is  
00:30:42 --> 00:30:44: not a surprise.  
00:30:44 --> 00:30:46: If you look to the numbers,  
00:30:46 --> 00:30:50: we have less people concerned on the real estate sector  
00:30:50 --> 00:30:52: that we have on the other line,  
00:30:52 --> 00:30:55: macro fundamentals. So All in all,  
00:30:55 --> 00:30:59: I still believe there's a healthy focus and interest in  
00:30:59 --> 00:31:02: the industry and we clearly see a shift from short  
00:31:02 --> 00:31:04: term opportunistic investors.  
00:31:04 --> 00:31:07: Into more, more long-term megatrends,  
00:31:07 --> 00:31:12: investors, and I think. Everybody realises that now we will  
00:31:12 --> 00:31:14: be facing probably more,  
00:31:14 --> 00:31:19: tapping into the healthy solid trends more than than chasing  
00:31:19 --> 00:31:23: high did their IRA investment schemes.  
00:31:23 --> 00:31:27: So I think there's a healthy shift from short term  
00:31:27 --> 00:31:30: profit to more long term trends,  
00:31:30 --> 00:31:34: and I think looking at the Nordics I think,  
00:31:34 --> 00:31:38: which we've shown acquired high degree of sort of and  
00:31:39 --> 00:31:39: then.  
00:31:39 --> 00:31:43: Resilience I think we are having the benefit of mostly  
00:31:43 --> 00:31:47: truly rated economies across the Nordic.  
00:31:47 --> 00:31:51: So in general the governments has been very well equipped

00:31:52 --> 00:31:56: to deal with recession risk and and I think we've

00:31:56 --> 00:31:57: seen some of the.

00:31:57 --> 00:32:01: And I think they all been managing both financially,

00:32:01 --> 00:32:06: but also politically extremely well through the pandemic situation.

00:32:06 --> 00:32:10: So All in all, the Nordics has been probably a

00:32:10 --> 00:32:13: little bit safe haven for for many people and we

00:32:14 --> 00:32:18: still see everyday new long-term investors putting more and more

00:32:18 --> 00:32:22: attention to the Nordics. And I think shows that from

00:32:23 --> 00:32:26: a long term perspective we are here to stay.

00:32:26 --> 00:32:28: We had very busy markets.

00:32:28 --> 00:32:32: I think the Nordics has developed over the last 10

00:32:32 --> 00:32:36: years as sort of the fourth real estate investment market

00:32:36 --> 00:32:37: in Europe.

00:32:37 --> 00:32:40: We all know UK. We all know Germany had a

00:32:40 --> 00:32:44: lot of attention that later years and we also overseeing

00:32:44 --> 00:32:45: France,

00:32:45 --> 00:32:48: being sort of a very important market.

00:32:48 --> 00:32:51: But over the last 10 years I think the Nordics

00:32:51 --> 00:32:54: has established itself as a real market.

00:32:54 --> 00:32:58: We saw 45 billion euros of transaction in the Nordic

00:32:58 --> 00:32:59: markets last year.

00:32:59 --> 00:33:02: Record high and and I think even though we had

00:33:03 --> 00:33:06: a huge set back in investment volume in the future

00:33:06 --> 00:33:08: like everyone else,

00:33:08 --> 00:33:10: I was wishing it very strong.

00:33:10 --> 00:33:13: We rebound in in the market and that we see

00:33:13 --> 00:33:17: more and more long term and money coming to the

00:33:17 --> 00:33:17: market.

00:33:17 --> 00:33:20: But this shows also from my perspective,

00:33:20 --> 00:33:22: a little bit.

00:33:22 --> 00:33:25: How we all respond to the COVID-19 situation.

00:33:25 --> 00:33:28: I think we are very much focused on the more

00:33:28 --> 00:33:32: sort of geopolitical risk in a different in a different

00:33:32 --> 00:33:32: way,

00:33:32 --> 00:33:34: and I think the Nordics.

00:33:34 --> 00:33:38: It's All in all responds very well to the challenges

00:33:38 --> 00:33:40: of social responsibility.

00:33:40 --> 00:33:43: The whole sustainability issue, which is,

00:33:43 --> 00:33:45: as we will see from this survey.

00:33:45 --> 00:33:48: More less. The number one key issue and if we



00:33:48 --> 00:33:52: look to the Nordic and the structure we have,  
 00:33:52 --> 00:33:55: I think we we. We are not just like the  
 00:33:55 --> 00:33:58: very big cities and we are small to medium size  
 00:33:58 --> 00:34:00: cities we have.  
 00:34:00 --> 00:34:03: We have a lot of focus on quality living.  
 00:34:03 --> 00:34:08: We're not driven by these giant cities and urbanization  
 trends,  
 00:34:08 --> 00:34:11: so All in all, we probably a little bit ahead  
 00:34:11 --> 00:34:15: of the global make of trends of being sustainable,  
 00:34:15 --> 00:34:19: being green, being focused on quality of living.  
 00:34:19 --> 00:34:23: There's even a survey saying that the Danes are the  
 00:34:23 --> 00:34:26: most happy people in the world.  
 00:34:26 --> 00:34:27: I don't know whether that's true.  
 00:34:29 --> 00:34:31: So, so All in all,  
 00:34:31 --> 00:34:34: we're doing well, but we all concerned and we should  
 00:34:35 --> 00:34:35: be.  
 00:34:35 --> 00:34:37: Of course we should be.  
 00:34:37 --> 00:34:40: And All in all, I think also reflection from any  
 00:34:40 --> 00:34:43: global investors that we are safe.  
 00:34:43 --> 00:34:45: Haven as a flight to quality,  
 00:34:45 --> 00:34:49: but we probably all have to lower our expectation on  
 00:34:49 --> 00:34:53: in terms of returns coming from 10 years of of  
 00:34:53 --> 00:34:54: booming markets.  
 00:34:54 --> 00:34:56: Well, yes, thank you so much.  
 00:34:56 --> 00:34:59: It's a little bit like small is beautiful.  
 00:34:59 --> 00:35:00: So we're back to that.  
 00:35:03 --> 00:35:05: And on the other side,  
 00:35:05 --> 00:35:09: I think we have to thank you for your optimistic  
 00:35:09 --> 00:35:10: plans.  
 00:35:10 --> 00:35:15: Yeah in this situation, but you mentioned one very important  
 00:35:15 --> 00:35:19: aspect and that is that real estate is still.  
 00:35:19 --> 00:35:23: I think, one of the most popular if not currently  
 00:35:23 --> 00:35:27: the most popular asset class in the universe.  
 00:35:27 --> 00:35:30: So we are still at let's say,  
 00:35:30 --> 00:35:34: comfortable. Nice within our today's world.  
 00:35:34 --> 00:35:38: Yeah, and that leads me to an because I would  
 00:35:38 --> 00:35:41: also like to ask the same question to Ann about  
 00:35:41 --> 00:35:45: how how you scope with that because and you are  
 00:35:45 --> 00:35:50: working for a company who was definitely known for  
 extraordinary  
 00:35:50 --> 00:35:52: growth in the last year.  
 00:35:52 --> 00:35:54: So how do you digest that?  
 00:35:54 --> 00:35:58: And how do you see the future coming along?

00:35:58 --> 00:36:00: From your perspective.

00:36:00 --> 00:36:02: Yeah I I would say it.

00:36:02 --> 00:36:05: You know if I look at our house view and

00:36:05 --> 00:36:07: and the business discussion.

00:36:07 --> 00:36:10: So I mean I think that you know this study

00:36:10 --> 00:36:13: and the emerging trends mirrors.

00:36:13 --> 00:36:17: You know many of the themes that we've been discussing

00:36:17 --> 00:36:19: internally and I I was interested in,

00:36:19 --> 00:36:24: yes, was summary. It's the Nordics because suddenly you know

00:36:24 --> 00:36:28: our view is that COVID-19 will be a recession trigger

00:36:28 --> 00:36:32: is a trend accelerator and it's also a major paradigm

00:36:32 --> 00:36:35: shifter. And I think one of the things we see

00:36:35 --> 00:36:39: in terms of the recession is that some countries like

00:36:39 --> 00:36:40: Germany,

00:36:40 --> 00:36:44: the Nordics CEE we believe will bounce back faster than

00:36:44 --> 00:36:48: others which will experience so much deeper and a slower

00:36:48 --> 00:36:49: recovery.

00:36:49 --> 00:36:52: And, you know, I would include southern Europe,

00:36:52 --> 00:36:56: the UK and France all in that second bracket.

00:36:56 --> 00:36:59: So what we're seeing is a bit of a North

00:36:59 --> 00:37:01: South divide and I include,

00:37:01 --> 00:37:05: you know, the UK in in the Southern Divide and

00:37:05 --> 00:37:07: partly because of Brexit.

00:37:07 --> 00:37:10: So I think it you know what we're staying is

00:37:10 --> 00:37:11: is major shifts.

00:37:11 --> 00:37:15: I think what we're also seeing is a change in

00:37:15 --> 00:37:19: the investment cycle from late to a new cycle.

00:37:19 --> 00:37:23: Um, and you know, alongside the trend accelerators,

00:37:23 --> 00:37:26: the major shifts we're seeing,

00:37:26 --> 00:37:32: potentially in retail in officers which have always dominated investing.

00:37:32 --> 00:37:36: You know what we're seeing is a period of great

00:37:36 --> 00:37:36: change,

00:37:36 --> 00:37:40: and I think if you look at that from an

00:37:40 --> 00:37:42: investing perspective,

00:37:42 --> 00:37:48: great periods of great change always bring terrific opportunities or

00:37:48 --> 00:37:49: with risks.

00:37:49 --> 00:37:53: But if you look at the industry there wasn't that

00:37:53 --> 00:37:56: much development that took place.

00:37:56 --> 00:38:00: We haven't seen a lot of shifts in re Purposing

00:38:00 --> 00:38:02: real estate stock since the GFC.

00:38:02 --> 00:38:06: You know there was some development but not on a

00:38:06 --> 00:38:07: major major scale.

00:38:07 --> 00:38:11: And of course what we're now seeing is such paradigm

00:38:12 --> 00:38:15: shifts in occupational trends and habits,

00:38:15 --> 00:38:19: and the way people want to live to work to

00:38:19 --> 00:38:19: play.

00:38:19 --> 00:38:22: That the real estate industry,

00:38:22 --> 00:38:24: if it's to stay relevant,

00:38:24 --> 00:38:28: has to respond to those trends and to participate,

00:38:28 --> 00:38:32: and that will bring tremendous opportunities.

00:38:32 --> 00:38:34: And I think you know,

00:38:34 --> 00:38:38: we see a major major shift to some of the

00:38:38 --> 00:38:41: mega trends that will continue.

00:38:41 --> 00:38:45: You know we'll be there irrespective of COVID-19 you know

00:38:45 --> 00:38:49: we've been working through demographic changes,

00:38:49 --> 00:38:53: urbanization, the rise of tech and digital ESG.

00:38:53 --> 00:38:58: Much increasing importance. And if you look at a lot

00:38:58 --> 00:38:59: of those trends,

00:38:59 --> 00:39:04: they will continue, you know and be sustainable over the

00:39:04 --> 00:39:06: next 5/10 years.

00:39:06 --> 00:39:08: But I think you know what it what will be

00:39:08 --> 00:39:10: required is major changes.

00:39:10 --> 00:39:13: In re Purposing repositioning of assets.

00:39:13 --> 00:39:17: To meet the new occupational demands and what we are

00:39:17 --> 00:39:20: seeing in conjunction with that.

00:39:20 --> 00:39:24: As you said, is major major shifts in allocation to

00:39:24 --> 00:39:25: real assets.

00:39:25 --> 00:39:29: So you know, I don't see that there will be

00:39:29 --> 00:39:31: a shortage of equity.

00:39:31 --> 00:39:36: I'm in the market. We're seeing considerable shifts of capital

00:39:36 --> 00:39:38: into the real real asset sector.

00:39:38 --> 00:39:42: An and therefore I think in a it will be

00:39:42 --> 00:39:43: for the,

00:39:43 --> 00:39:45: for the.

00:39:45 --> 00:39:49: Teams in the business that have got the right skills

00:39:49 --> 00:39:52: and and you said I heard I think I heard

00:39:52 --> 00:39:56: Lisette or in the presentation also say that local skills

00:39:56 --> 00:39:59: will be really important. You know,

00:39:59 --> 00:40:03: having teams on the ground that are close to the

00:40:03 --> 00:40:07: markets that understand the markets and that can respond to

00:40:08 --> 00:40:11: trends quickly will also become important.

00:40:11 --> 00:40:16: As operations become much more key and the Inter connectivity

00:40:16 --> 00:40:17: has taken diggie.

00:40:17 --> 00:40:21: And I think what we will see is the operating

00:40:21 --> 00:40:26: platforms become much more important than they've been and brand

00:40:26 --> 00:40:31: will become super important as Occupiers will want to work

00:40:31 --> 00:40:32: with.

00:40:32 --> 00:40:37: Effectively, the landlord or the operator of choice and it

00:40:38 --> 00:40:40: will bring massive opportunities,

00:40:40 --> 00:40:43: but there will be risks too,

00:40:43 --> 00:40:48: so you you just mentioned the opportunities and the skill

00:40:48 --> 00:40:49: set needed.

00:40:49 --> 00:40:53: I think that leads. That's a perfect timing for a

00:40:53 --> 00:40:57: question we got from our attendees here,

00:40:57 --> 00:41:01: and the question was what advice would you give to

00:41:01 --> 00:41:03: a real estate graduate?

00:41:03 --> 00:41:07: That look forward to entering the stock market.

00:41:07 --> 00:41:10: It's a very smart question,

00:41:10 --> 00:41:13: so maybe let's start with Sara again.

00:41:13 --> 00:41:17: What would be your advice very briefly?

00:41:19 --> 00:41:23: Well, I think make sure you got good digital skills

00:41:23 --> 00:41:27: is probably coming back on the previous question I think

00:41:27 --> 00:41:28: I think.

00:41:28 --> 00:41:31: Perhaps perhaps enter the job market without the sort of

00:41:31 --> 00:41:33: usual structured view that we used to have with you.

00:41:33 --> 00:41:36: Either you know you're an investment surveyor,

00:41:36 --> 00:41:37: where you're you're an agent,

00:41:37 --> 00:41:40: or your value, and I think I think it's going

00:41:40 --> 00:41:41: to require different skills.

00:41:41 --> 00:41:44: That's going quite a lot more imagination and ability to

00:41:44 --> 00:41:46: look at things differently,

00:41:46 --> 00:41:48: so I think if I was entering the job market

00:41:48 --> 00:41:48: now,

00:41:48 --> 00:41:51: I'd be looking for companies who are really getting ahead

00:41:51 --> 00:41:53: of some of those new trends,

00:41:53 --> 00:41:55: because that's where the future is.

00:41:55 --> 00:41:57: So I'd be going for the the people who are

00:41:57 --> 00:41:58: out there in the front.

00:41:58 --> 00:42:01: Might even be tempted to look at some of the

00:42:01 --> 00:42:05: top tech companies and see it depends what you're

00:42:05 --> 00:42:05: interested

00:42:05 --> 00:42:05: in.

00:42:05 --> 00:42:09: Tech is because the combination of a public company and  
00:42:09 --> 00:42:10: a survey might be.  
00:42:10 --> 00:42:13: Might be an interesting choice,  
00:42:13 --> 00:42:15: but probably not. Go with the standards.  
00:42:15 --> 00:42:18: I think if I was entering the market today,  
00:42:18 --> 00:42:21: I think that's a very vice recommendation.  
00:42:21 --> 00:42:24: Yeah, to get some fresh ideas and fresh blood into  
00:42:24 --> 00:42:27: the industry to think beyond the normal.  
00:42:27 --> 00:42:30: The normal of our day-to-day business.  
00:42:30 --> 00:42:34: Well, yes, then let's move on to the next urgent  
00:42:34 --> 00:42:35: questions.  
00:42:35 --> 00:42:40: We talked already about. It's a paradigm shift,  
00:42:40 --> 00:42:43: but what? What does that mean really?  
00:42:43 --> 00:42:47: So my question popping up here when I see all  
00:42:47 --> 00:42:51: these outcomes of this study is we see a lot  
00:42:51 --> 00:42:54: of accelerators of existing trends.  
00:42:54 --> 00:42:57: But if we think long that yeah,  
00:42:57 --> 00:43:01: is there anything or any additional changes?  
00:43:01 --> 00:43:06: Which we will see due to COVID-19 and what what  
00:43:06 --> 00:43:11: are these kind of additional factors which are here to  
00:43:11 --> 00:43:12: stay now?  
00:43:12 --> 00:43:18: Jesper, may I just? Let you jump into this.  
00:43:18 --> 00:43:19: It's not an issue one,  
00:43:19 --> 00:43:22: but the maybe the fear factor.  
00:43:22 --> 00:43:24: I don't know what it is,  
00:43:24 --> 00:43:27: but I think there is a new dimension to risk  
00:43:27 --> 00:43:30: discussions and and I think the the word and and  
00:43:30 --> 00:43:32: the the highlight of this.  
00:43:32 --> 00:43:35: This emerging trend report is is,  
00:43:35 --> 00:43:39: as mentioned, uncertainty and I think there is a different  
00:43:39 --> 00:43:44: faction in the discussions that people are increasingly  
00:43:44 --> 00:43:47: their well being and even on their health,  
00:43:47 --> 00:43:50: which is something. For me properly,  
00:43:50 --> 00:43:53: totally knew. I mean can we travel?  
00:43:53 --> 00:43:56: When will the new pandemic be around and all that  
00:43:56 --> 00:43:56: stuff?  
00:43:56 --> 00:43:59: And I think we're all human beings and we all  
00:43:59 --> 00:44:02: know investments are driven by.  
00:44:02 --> 00:44:06: Investor sentiment, so maybe there is a fear factor which  
00:44:06 --> 00:44:07: are here to stay.  
00:44:07 --> 00:44:11: I don't know. I think we're back from a number

00:44:11 --> 00:44:14: of wars and and even in Europe we have seen  
00:44:14 --> 00:44:18: quite a lot of uncertainty previously.  
00:44:18 --> 00:44:21: But we have lived through now quite many years where  
00:44:22 --> 00:44:25: the personal well being has only gone one way and  
00:44:25 --> 00:44:26: that's up.  
00:44:26 --> 00:44:31: I think the overall demographic situation in Europe has  
improved.  
00:44:31 --> 00:44:35: We have. Come together as one Europe.  
00:44:35 --> 00:44:40: And but I think the COVID-19 had shown the fragile  
00:44:40 --> 00:44:46: situation and the need for staying together in these global.  
00:44:46 --> 00:44:51: Entities like The Who organisations and I think whenever  
there's  
00:44:52 --> 00:44:52: a crisis,  
00:44:52 --> 00:44:57: everybody seems to be turning to their own problems and  
00:44:57 --> 00:45:00: dealing with their local problems.  
00:45:00 --> 00:45:02: And we have a lot of.  
00:45:02 --> 00:45:04: I wouldn't mention the Trump word,  
00:45:04 --> 00:45:07: but there's a lot of uncertainty which goes way beyond  
00:45:07 --> 00:45:08: return of investment,  
00:45:08 --> 00:45:11: and I think it will also have an impact on  
00:45:11 --> 00:45:12: our industry.  
00:45:12 --> 00:45:15: I don't know how. I don't know where it will  
00:45:15 --> 00:45:15: end,  
00:45:15 --> 00:45:17: but in the short term perspective,  
00:45:17 --> 00:45:20: I think it's something that at least comes up in  
00:45:20 --> 00:45:22: quite many discussions.  
00:45:22 --> 00:45:25: Even when you talk investments.  
00:45:25 --> 00:45:27: Yeah.  
00:45:27 --> 00:45:29: Thank thank you for.  
00:45:29 --> 00:45:34: I, I think that you mentioned a few things and  
00:45:34 --> 00:45:38: the one word which we calls in my head is  
00:45:38 --> 00:45:39: fear.  
00:45:39 --> 00:45:42: Here was never a good advice,  
00:45:42 --> 00:45:46: so I think that's a big big danger for everyone.  
00:45:46 --> 00:45:50: And I learned in the past that you kind of  
00:45:50 --> 00:45:56: have different approaches how to scope with here one is  
00:45:56 --> 00:46:00: to try to be more rational and the other one  
00:46:00 --> 00:46:04: is to just talk with more people and people you  
00:46:04 --> 00:46:07: would normally not talk to.  
00:46:07 --> 00:46:11: So to share things. So maybe we start with another  
00:46:11 --> 00:46:13: really large trend.  
00:46:13 --> 00:46:16: We see one of the top trends we saw in  
00:46:16 --> 00:46:17: the study,

00:46:17 --> 00:46:21: which is indeed ESG or even still more focused,  
00:46:21 --> 00:46:24: which I found a bit that fits surprising for the  
00:46:25 --> 00:46:25: top trends.  
00:46:25 --> 00:46:29: It's still the environmental priorities,  
00:46:29 --> 00:46:32: so I would have hoped for more S so the  
00:46:32 --> 00:46:33: social aspect indeed,  
00:46:33 --> 00:46:37: as a top trend, but it is emerging that that  
00:46:37 --> 00:46:40: that for sure you can see it throughout.  
00:46:40 --> 00:46:44: The issues, but at the other another one is fast  
00:46:44 --> 00:46:50: track technology and I think fast tech technology is  
something  
00:46:50 --> 00:46:54: which server you just mentioned as an advice to the  
00:46:54 --> 00:46:56: new ones into the industry.  
00:46:56 --> 00:47:01: Yeah, so how? How do you see technology impacting our  
00:47:01 --> 00:47:03: business in the future?  
00:47:03 --> 00:47:07: Maybe from both sides? We have one element in the  
00:47:07 --> 00:47:09: buildings as such,  
00:47:09 --> 00:47:13: but we also have the impact of course on.  
00:47:13 --> 00:47:16: The the companies are such because with the remote  
working,  
00:47:16 --> 00:47:18: yeah we will see big shifts in how.  
00:47:18 --> 00:47:20: How do we work in the future?  
00:47:20 --> 00:47:22: So how? How do you see that Sara 'cause you  
00:47:22 --> 00:47:23: mentioned it?  
00:47:23 --> 00:47:25: The tech part first? Yes,  
00:47:25 --> 00:47:26: I think I will have my.  
00:47:26 --> 00:47:29: My first thought was around the was actually on the  
00:47:29 --> 00:47:32: not the operational business but the operation of our own  
00:47:32 --> 00:47:33: companies.  
00:47:33 --> 00:47:36: But that's clearly very important and technology has helped  
us  
00:47:36 --> 00:47:38: hugely in the last six to nine months.  
00:47:38 --> 00:47:42: I think it's probably worked better than all of us  
00:47:42 --> 00:47:44: thought it was going to.  
00:47:44 --> 00:47:46: And it will continue to change,  
00:47:46 --> 00:47:48: and there will probably be certain aspects of our or  
00:47:48 --> 00:47:51: what people do today that will will diminish over the  
00:47:51 --> 00:47:52: next few years.  
00:47:52 --> 00:47:55: They'll be certain elements of the of the more routine  
00:47:55 --> 00:47:57: work that will that will reduce,  
00:47:57 --> 00:48:00: but then that leaves space for more imaginative work and  
00:48:00 --> 00:48:03: and more creative solutions to to property going forward.  
00:48:03 --> 00:48:07: And I think one of the trends that was highlighted

00:48:07 --> 00:48:10: in the in the report is towards operational.

00:48:10 --> 00:48:13: More sort of operational model where they are the least

00:48:13 --> 00:48:18: standard lease structure than normal relationships that we've we've been

00:48:18 --> 00:48:21: with for so long between London tenant are are going

00:48:21 --> 00:48:24: to breakdown and we will go towards a more flexible

00:48:24 --> 00:48:28: arrangement with different types of remuneration and in order for

00:48:28 --> 00:48:31: that to happen there is a whole whole raft of

00:48:31 --> 00:48:34: of technological advances that we need around data gathering,

00:48:34 --> 00:48:37: so we know how to bill tenants for for rent

00:48:37 --> 00:48:39: if we're not on a standard lease contract.

00:48:39 --> 00:48:44: Around operating buildings around. Understanding the occupation requirements of tenants

00:48:44 --> 00:48:48: and them understanding their own operation requirements and adjusting buildings

00:48:48 --> 00:48:50: management to deal with that,

00:48:50 --> 00:48:53: many of those things are already already in place in

00:48:53 --> 00:48:54: an out there already,

00:48:54 --> 00:48:56: ready to go and sometimes being used.

00:48:56 --> 00:48:58: So I think if we look at business as a

00:48:58 --> 00:49:02: service rather than also publishes a service rather than just

00:49:02 --> 00:49:03: sort of real estate,

00:49:03 --> 00:49:06: then in order to provide that service we're going to

00:49:06 --> 00:49:08: need a lot of technological tools to help us do

00:49:08 --> 00:49:08: that.

00:49:08 --> 00:49:12: And we're not. I don't think that many property companies

00:49:12 --> 00:49:14: are very up to speed on those technological tools at

00:49:14 --> 00:49:15: the moment,

00:49:15 --> 00:49:17: so.

00:49:17 --> 00:49:20: It's something that we need to develop very quickly,

00:49:20 --> 00:49:23: because if we don't do it within the real estate

00:49:23 --> 00:49:23: industry,

00:49:23 --> 00:49:26: somebody outside it will do it for us in the

00:49:26 --> 00:49:28: same way they seen in other sectors.

00:49:28 --> 00:49:31: So I think it's important at all levels it as

00:49:31 --> 00:49:34: it is in virtually every area of our lives today

00:49:34 --> 00:49:34: digital.

00:49:34 --> 00:49:37: We're not going to escape it in real estate.

00:49:37 --> 00:49:38: It will have an impact.

00:49:38 --> 00:49:40: Yeah yeah, that for sure.

00:49:40 --> 00:49:43: Well, with that, let's spend the last 10 minutes of



00:49:43 --> 00:49:46: our panel discussion more hands on in the in the  
00:49:47 --> 00:49:47: sectors.  
00:49:47 --> 00:49:49: Under real estate as such,  
00:49:49 --> 00:49:53: we also have two questions coming from that with respect  
00:49:54 --> 00:49:55: to the data centers.  
00:49:55 --> 00:49:57: I will ask them in a minute,  
00:49:57 --> 00:50:01: but if we look into what Lisette and Gareth have  
00:50:01 --> 00:50:04: presented to us and in the study,  
00:50:04 --> 00:50:07: we have a table, we have many tables but one  
00:50:07 --> 00:50:11: years the sector prospects in 20 in 2021.  
00:50:11 --> 00:50:14: And if you look at that you will see that  
00:50:14 --> 00:50:19: somehow our real estate world is turned upside down.  
00:50:19 --> 00:50:22: It starts with the most favorite sectors.  
00:50:22 --> 00:50:27: As Lisette mentioned. data center logistics,  
00:50:27 --> 00:50:31: life science, then industrial healthcare,  
00:50:31 --> 00:50:35: private residential, affordable housing and so on.  
00:50:35 --> 00:50:40: And then on number 21 we have suburb offices and  
00:50:40 --> 00:50:42: 22 retail parks and so on.  
00:50:42 --> 00:50:45: So it's really our world upside down,  
00:50:45 --> 00:50:47: yeah?  
00:50:47 --> 00:50:52: How how into question associated to that I I would  
00:50:52 --> 00:50:54: put that on Anne.  
00:50:54 --> 00:50:56: Because you are a big player.  
00:50:56 --> 00:50:58: Also in offices of course,  
00:50:58 --> 00:51:02: but with this new shift in the in the trend,  
00:51:02 --> 00:51:06: you know the questions we have here is regarding data  
00:51:06 --> 00:51:06: center.  
00:51:06 --> 00:51:10: So what would you invest in data centers in that  
00:51:10 --> 00:51:10: case?  
00:51:10 --> 00:51:15: Is there a preference for very large hyperscale or other  
00:51:15 --> 00:51:16: smaller edge centers?  
00:51:16 --> 00:51:20: That's question number one and the other one is.  
00:51:23 --> 00:51:25: Let me see or they just disappeared,  
00:51:25 --> 00:51:27: so we'll start with that one.  
00:51:27 --> 00:51:30: Yeah, with that question on how do you see?  
00:51:30 --> 00:51:33: How do you see this upside down world in asset  
00:51:33 --> 00:51:37: in sectors basically in in real estate for the future?  
00:51:37 --> 00:51:42: Will you adjust your portfolio to that in the future?  
00:51:42 --> 00:51:44: Well, I I would say that you know,  
00:51:44 --> 00:51:47: I think there's a lot of adjustment taking place.  
00:51:47 --> 00:51:49: And I mean you know what we've seen is the  
00:51:49 --> 00:51:52: major major shift in the last few years.

00:51:52 --> 00:51:54: Two beds in sheds.

00:51:54 --> 00:51:57: We are heavily invested in both and,

00:51:57 --> 00:52:01: you know very very strongly invested in the living sector

00:52:01 --> 00:52:03: in its broadest sense.

00:52:03 --> 00:52:08: And and I mean that certainly has been extremely defensive

00:52:08 --> 00:52:10: throughout this crisis.

00:52:10 --> 00:52:15: And you know, we have really strong conviction about that

00:52:15 --> 00:52:16: sector going forward.

00:52:16 --> 00:52:21: An you know we're also heavily invested in the logistics

00:52:21 --> 00:52:21: sector.

00:52:21 --> 00:52:25: In my previous world, I have invested in datacenters.

00:52:25 --> 00:52:29: It's not a big part of our current portfolio,

00:52:29 --> 00:52:35: it's something that we're spending time researching and

analyzing.

00:52:35 --> 00:52:38: I think it is. That is one of the major

00:52:38 --> 00:52:41: trends we will see coming out of this crisis.

00:52:41 --> 00:52:45: They will undoubtedly be a great to shift towards investing

00:52:45 --> 00:52:46: in that sector,

00:52:46 --> 00:52:49: but I think one of the things I was interested

00:52:49 --> 00:52:52: to pick up on when we were talking about some

00:52:52 --> 00:52:53: of the major shifts.

00:52:53 --> 00:52:57: I think you know, one of the major shifts we're

00:52:57 --> 00:53:00: seeing and it comes out in the report also is

00:53:00 --> 00:53:04: a big shift about you know the lack of equality

00:53:04 --> 00:53:06: and in society Ann,

00:53:06 --> 00:53:10: and I think that's something that investors are very,

00:53:10 --> 00:53:13: very keen. You know to address and I think you

00:53:13 --> 00:53:16: know that will be a big part of the the

00:53:16 --> 00:53:19: S in the ESG and and you know if you

00:53:19 --> 00:53:23: look at some of the trends that are playing out

00:53:23 --> 00:53:24: in in the living sector,

00:53:24 --> 00:53:30: you know we've got 80,000,000 households that are

overburdened in

00:53:30 --> 00:53:32: Europe by housing costs.

00:53:32 --> 00:53:33: And so, you know,

00:53:33 --> 00:53:37: I think some of these things will really start to

00:53:37 --> 00:53:39: be addressed coming out of this crisis,

00:53:39 --> 00:53:44: because I think that there's a real requirement by investors

00:53:44 --> 00:53:46: to want to make an impact.

00:53:46 --> 00:53:49: And there are some real challenges and issues in society

00:53:49 --> 00:53:51: that need to be addressed,

00:53:51 --> 00:53:55: and I think that's what we're seeing playing out in

00:53:55 --> 00:53:56: some of the inner.

00:53:56 --> 00:54:00: Some of the politics and we've seen this rising inequality

00:54:00 --> 00:54:03: between the haves and the have nots.

00:54:03 --> 00:54:08: And it's been absolutely emphasized during this crisis and say,

00:54:08 --> 00:54:12: I, you know, I think that's a big trend that

00:54:12 --> 00:54:16: we will see changes in and more investment into making

00:54:17 --> 00:54:21: an impact and addressing the affordability issue in housing.

00:54:21 --> 00:54:25: And also social exclusion. You know,

00:54:25 --> 00:54:29: one of the some of the research that we've been

00:54:29 --> 00:54:33: doing is also 75 million households in in Europe.

00:54:33 --> 00:54:36: You know feeling socially isolated?

00:54:36 --> 00:54:43: You know, I think Community users and building sustainable communities

00:54:43 --> 00:54:47: in our portfolios is also going to be a really

00:54:47 --> 00:54:50: strong response to the crisis.

00:54:50 --> 00:54:53: So that that means that you see a lot of

00:54:53 --> 00:54:55: need to in the future.

00:54:55 --> 00:55:00: Do not only analyze the individual property as such,

00:55:00 --> 00:55:04: but also the integration within the environment and in the

00:55:04 --> 00:55:06: society in general,

00:55:06 --> 00:55:10: which would be up perfect in the future?

00:55:10 --> 00:55:16: Yeah, because that that gives huge opportunity everyone that would

00:55:16 --> 00:55:20: basically lead us back to a very well almost.

00:55:20 --> 00:55:24: Looking old-fashioned win win win situation.

00:55:24 --> 00:55:27: Yeah, at the end if it if it turns out

00:55:27 --> 00:55:28: that way,

00:55:28 --> 00:55:31: yeah, indeed, well, that's that's,

00:55:31 --> 00:55:37: and that's very inspiring. Thought about what what the challenges

00:55:37 --> 00:55:37: could,

00:55:37 --> 00:55:42: how the challenges could turn into something really good for

00:55:42 --> 00:55:46: the future and the the the big question mark I

00:55:46 --> 00:55:49: saw in this study about ESG in general.

00:55:49 --> 00:55:51: Is that a lot of our.

00:55:51 --> 00:55:56: Industry colleagues seem to still ask the questions.

00:55:56 --> 00:55:59: Does it really pay off if I just make it

00:55:59 --> 00:56:00: that bluntly?

00:56:00 --> 00:56:04: OK, so how? Maybe maybe I turn that question over

00:56:04 --> 00:56:05: to Jesper?

00:56:05 --> 00:56:08: Yeah yeah, how? How do you see that?

00:56:08 --> 00:56:13: Because you know the the Nordics have always been on

00:56:13 --> 00:56:17: the forefront of good society and being a good citizen?

00:56:17 --> 00:56:22: Yeah, So what? What could you tell from your experience

00:56:22 --> 00:56:24: to the rest of Europe?

00:56:24 --> 00:56:28: To overcome that hurdle that is really put off,

00:56:28 --> 00:56:29: yeah.

00:56:29 --> 00:56:33: Well, normally we we are in the RR driven environment,

00:56:33 --> 00:56:37: not in politics. But I fully share with Anne inequality,

00:56:37 --> 00:56:42: social responsibility and even the whole essence of ULI being

00:56:42 --> 00:56:46: the responsible use of land has climbed up in investor

00:56:46 --> 00:56:47: sentiment.

00:56:47 --> 00:56:51: It also climbed up in the political environment and we

00:56:51 --> 00:56:54: saw what happened in Berlin with the mayor and we

00:56:54 --> 00:56:58: saw what happened in in in many other markets.

00:56:58 --> 00:57:03: The risk of political interference in our industry has increased.

00:57:03 --> 00:57:06: We also saw it from this survey that attention to

00:57:06 --> 00:57:11: the interaction between the private sector in the public sector

00:57:11 --> 00:57:12: has increased,

00:57:12 --> 00:57:15: and I think it's a topic we need to take

00:57:15 --> 00:57:18: into consideration and I think it would have a huge

00:57:18 --> 00:57:21: impact in in in capital allocations,

00:57:21 --> 00:57:24: not only in terms of markets but also in terms

00:57:24 --> 00:57:26: of asset classes.

00:57:26 --> 00:57:28: So I think. We want to be responsible and I

00:57:29 --> 00:57:31: think in the longer run it will pay off to

00:57:31 --> 00:57:35: be in line with general trends even through avoid and

00:57:35 --> 00:57:39: prevent political political interference. I think the worst you can

00:57:39 --> 00:57:42: do if if you invest in real estate and suddenly

00:57:42 --> 00:57:46: the politicians decide that affordable housing needs to be in

00:57:46 --> 00:57:48: this way, shape and form,

00:57:48 --> 00:57:51: then we're back to machines that we don't want to

00:57:51 --> 00:57:53: interfere in our business.

00:57:53 --> 00:57:55: And that's a huge risk for the industry.

00:57:55 --> 00:57:57: So I think it will pay off.

00:57:57 --> 00:58:00: And I think it's top of mind for everyone who's

00:58:00 --> 00:58:04: allocating and investing in in the industry.

00:58:04 --> 00:58:06: Yeah.

00:58:06 --> 00:58:08: Getting involved with the message,

00:58:08 --> 00:58:09: right?

00:58:09 --> 00:58:12: Involved is also true for real estate,

00:58:12 --> 00:58:17: as such will, so we're all getting much more operational,

00:58:17 --> 00:58:19: not only in data centers,

00:58:19 --> 00:58:23: so that would be definitely one of the of the  
 00:58:23 --> 00:58:24: aspects here,  
 00:58:24 --> 00:58:27: but, but in all all sectors and we are nearing  
 00:58:27 --> 00:58:31: our end and we have some more questions here.  
 00:58:31 --> 00:58:34: One of the more hands on questions I see here  
 00:58:35 --> 00:58:35: is,  
 00:58:35 --> 00:58:39: do you think the yields in residential will go down?  
 00:58:39 --> 00:58:41: Maybe that's a question for you.  
 00:58:46 --> 00:58:48: Think that there's definitely pressure,  
 00:58:48 --> 00:58:52: that certainly there's pressure to find secure income,  
 00:58:52 --> 00:58:55: and there is very little secure income at the moment  
 00:58:55 --> 00:58:58: over one of the areas that I think everybody is  
 00:58:58 --> 00:58:59: sure will will be needed,  
 00:58:59 --> 00:59:03: and what is relatively little evolution in terms of people's  
 00:59:03 --> 00:59:04: needs is housing.  
 00:59:04 --> 00:59:06: So even if there is going to be a bit,  
 00:59:06 --> 00:59:08: there's going to be pressure.  
 00:59:08 --> 00:59:12: I think probably regulatory pressure on rents in some  
 countries  
 00:59:12 --> 00:59:13: quite likely.  
 00:59:13 --> 00:59:16: Even so, it's still going to provide a very strong.  
 00:59:16 --> 00:59:20: If low income, and so I think for that reason  
 00:59:20 --> 00:59:24: it is possible they are already very low,  
 00:59:24 --> 00:59:28: but I think it is possible they will go lower.  
 00:59:28 --> 00:59:33: Yes yeah, OK, well I think we're running out of  
 00:59:33 --> 00:59:33: time,  
 00:59:33 --> 00:59:37: so I would like to end this session with the  
 00:59:37 --> 00:59:39: the top trends,  
 00:59:39 --> 00:59:42: summary, ESG Fast tracking technology.  
 00:59:44 --> 00:59:48: A different world. How to approach property as such and  
 00:59:49 --> 00:59:52: upside down ranking of what we have seen before and  
 00:59:52 --> 00:59:57: one element which I would definitely like to share with  
 00:59:57 --> 01:00:00: you. One outcome of the study as a top trend  
 01:00:00 --> 01:00:04: is diversity matters and I think today we are a  
 01:00:04 --> 01:00:06: really great example for that.  
 01:00:06 --> 01:00:11: With only one guy on our panel no, two, sorry.  
 01:00:11 --> 01:00:14: Are you on the panel discussion, so that's that's also  
 01:00:14 --> 01:00:16: an upside down world now,  
 01:00:16 --> 01:00:17: right?  
 01:00:19 --> 01:00:22: Thank you, yeah, thank you all for this.  
 01:00:22 --> 01:00:26: Very intense and inspiring discussion.  
 01:00:26 --> 01:00:30: With that I would like to ask everyone attending to

01:00:31 --> 01:00:35: take just two minutes to fill in the survey so  
01:00:35 --> 01:00:39: that we know what we can improve and I would  
01:00:39 --> 01:00:44: also like to point your attention to the upcoming digital  
01:00:44 --> 01:00:46: program of ULI Europe.  
01:00:46 --> 01:00:49: There are two very interesting.  
01:00:49 --> 01:00:54: Webinar coming up. Also answering some more of the  
questions  
01:00:54 --> 01:00:57: I have seen and which we have now not been  
01:00:58 --> 01:00:59: able to answer.  
01:00:59 --> 01:01:03: I will try to answer some of these questions with  
01:01:03 --> 01:01:05: the help of my panelist,  
01:01:05 --> 01:01:09: colleagues inviting. If we have your you have your identity  
01:01:09 --> 01:01:13: then then we'll do that and otherwise thank you all  
01:01:13 --> 01:01:16: and I wish you a good remaining week.  
01:01:16 --> 01:01:19: Bye bye thank you thank you.

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