

Podcast Episode

Season 1, Episode 3: Benjamin Cha, Chief Executive of Grosvenor Group Asia

Pacific

From the Voices of ULI

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00:00:04 --> 00:00:08: Hi, I'm Scott Dunn and welcome to the first season
00:00:08 --> 00:00:10: of Voices of ULIA podcast.
00:00:10 --> 00:00:12: Brought to you by the Urban Land Institute,
00:00:12 --> 00:00:18: Asia Pacific. In conversation with thought leaders and industry experts,
00:00:18 --> 00:00:21: I'll be asking them to reflect personally on their career
00:00:21 --> 00:00:22: journeys,
00:00:22 --> 00:00:25: particularly on the actions that they've made that have had
00:00:26 --> 00:00:30: significant impact on land use and development today and what
00:00:30 --> 00:00:34: their vision holds for the future of our communities that
00:00:34 --> 00:00:38: we live in. In today's episode,
00:00:38 --> 00:00:40: we'll be talking to Benjamin Shaw,
00:00:40 --> 00:00:44: who is the CEO of Grosvenor Asia Pacific.
00:00:44 --> 00:00:47: Ben, welcome to voices of you all.
00:00:47 --> 00:00:50: I I wanted to start a little bit with your
00:00:50 --> 00:00:51: early days.
00:00:51 --> 00:00:53: Where was it that you grew up and what were
00:00:54 --> 00:00:55: some of those influences
00:00:55 --> 00:00:58: that you had early in your career that really helped
00:00:58 --> 00:01:01: you think about urbanization and real estate development.
00:01:03 --> 00:01:05: To be here with you Scott.
00:01:05 --> 00:01:09: I grew up in the United States and Hong Kong
00:01:09 --> 00:01:14: so very much a bicultural childhood bicultural actually hold my
00:01:14 --> 00:01:18: whole life in terms of early influences urbanization,
00:01:18 --> 00:01:21: I'd probably point to two things.
00:01:21 --> 00:01:23: One is just a lot of travel,

00:01:23 --> 00:01:26: seeing different cities, different places,
00:01:26 --> 00:01:30: especially both in the US and elsewhere,
00:01:30 --> 00:01:33: but in particular in Asia when I started.
00:01:33 --> 00:01:36: As a fresh grad in the Jordan grass and management
00:01:36 --> 00:01:37: training program,
00:01:37 --> 00:01:42: and I was crowded with with another empty from Hongkong
00:01:42 --> 00:01:43: Land,
00:01:43 --> 00:01:46: I was I was counted to Mandarin Hotel group and
00:01:46 --> 00:01:49: he was quoted to Hongkong Land and we were sent
00:01:49 --> 00:01:52: to go live and work in in Beijing.
00:01:52 --> 00:01:55: Towards sort of some of the things that you learned
00:01:55 --> 00:01:57: from the maths and program.
00:01:58 --> 00:02:01: So we were. We were doing a lot of feasibility
00:02:01 --> 00:02:02: studies,
00:02:02 --> 00:02:03: a lot of site inspection.
00:02:03 --> 00:02:07: We were learning about the laws at the time around
00:02:07 --> 00:02:09: ownership and development,
00:02:09 --> 00:02:11: and you know those are the early days in terms
00:02:11 --> 00:02:13: of property development in China.
00:02:13 --> 00:02:15: So we've learned a lot about the markets,
00:02:15 --> 00:02:19: learn a lot about how an international firm which has
00:02:19 --> 00:02:23: you know which has had and had this still does
00:02:23 --> 00:02:25: have interests all over the world.
00:02:25 --> 00:02:28: But in particular in different parts of Asia would look
00:02:28 --> 00:02:28: at.
00:02:28 --> 00:02:32: Markets like China, which at the time were were very
00:02:32 --> 00:02:36: young and and and only just starting to modernize.
00:02:36 --> 00:02:38: Urbanize see new office towers,
00:02:38 --> 00:02:43: new hotels, different typologies in terms of the built
00:02:43 --> 00:02:46: environment,
00:02:46 --> 00:02:47: start to see you know the beginnings of of some
00:02:47 --> 00:02:50: pretty significant,
00:02:50 --> 00:02:55: but what would ultimately be pretty significant population
00:02:55 --> 00:02:58: growth,
00:02:58 --> 00:03:01: infrastructure growth, transportation connectivity, etc.
00:03:01 --> 00:03:05: You're in China, kind of as this first wave of
00:03:05 --> 00:03:10: transformation was starting to happen.
00:03:10 --> 00:03:11: Where you had this amazing amount of requirement just to
00:03:11 --> 00:03:13: house people to create employment centers to build things at
00:03:13 --> 00:03:13: that time?
00:03:13 --> 00:03:17: What were some of the projects that you were working
00:03:17 --> 00:03:17: on?
00:03:17 --> 00:03:17: Yep, so I worked on a couple of number of

00:03:17 --> 00:03:18: different projects.

00:03:18 --> 00:03:23: But in Shanghai in particular Mandarin at the time was

00:03:23 --> 00:03:28: looking at joint venturing with Portman Group on what was

00:03:28 --> 00:03:31: one of the first generation of mixed use.

00:03:31 --> 00:03:33: You know hotel, residential, office,

00:03:33 --> 00:03:36: retail, mixed use projects. Obviously Nanjing Road so you know

00:03:36 --> 00:03:38: it's obviously still standing today.

00:03:38 --> 00:03:40: Back then that was first generation.

00:03:40 --> 00:03:43: We were looking at at getting involved in that project

00:03:43 --> 00:03:47: when they were rebranding the hotel and also looking at

00:03:47 --> 00:03:49: other projects with Department Group.

00:03:49 --> 00:03:54: Projects in Shanghai. Similar projects that didn't come to fruition

00:03:54 --> 00:03:58: or were acquisitions in Beijing and then similar formats usually

00:03:59 --> 00:04:02: smaller scale in other cities in mainland China.

00:04:02 --> 00:04:05: So you know good exposure to as you were referring

00:04:05 --> 00:04:06: to earlier.

00:04:06 --> 00:04:08: Kind of first generation mixed use projects.

00:04:08 --> 00:04:12: First generation mixed use developments.

00:04:12 --> 00:04:16: Multicomponent residential hotel office retail projects.

00:04:16 --> 00:04:20: The first Plaza 66 came up during that generation.

00:04:20 --> 00:04:23: Shouldn't ND would come up a few years later,

00:04:23 --> 00:04:25: but also of that vintage?

00:04:25 --> 00:04:28: How much was it important that the long term plan

00:04:28 --> 00:04:29: for that neighborhood?

00:04:29 --> 00:04:33: That district played a role in terms of your decisions

00:04:33 --> 00:04:35: on moving forward?

00:04:35 --> 00:04:39: Good question. I don't think the vocabulary back then was

00:04:39 --> 00:04:43: necessarily what it is today in terms of planning.

00:04:43 --> 00:04:49: But platters still had similar ideas and concepts in terms

00:04:49 --> 00:04:50: of,

00:04:50 --> 00:04:53: you know, a project and whether it be an office

00:04:53 --> 00:04:55: tower or shopping mall or whatever.

00:04:55 --> 00:04:58: The concepts we don't, so you know back then,

00:04:58 --> 00:05:00: the language wasn't really what it was today.

00:05:00 --> 00:05:03: But people still cared about hey,

00:05:03 --> 00:05:05: this needs to connect with the rest of the city,

00:05:05 --> 00:05:09: the street, the transportation. I think perhaps there was less

00:05:09 --> 00:05:13: sensitivity to it because developers didn't necessarily think that way.

00:05:13 --> 00:05:18: Again in mainland China, certainly you know shouldn't ND

was
00:05:18 --> 00:05:22: one of the first where was very pedestrian oriented,
00:05:22 --> 00:05:25: very street facing, open air and many,
00:05:25 --> 00:05:26: many places. Most of the places,
00:05:26 --> 00:05:29: at least in the very initial phases of development that
00:05:29 --> 00:05:30: was back then.
00:05:30 --> 00:05:33: That was a completely different approach that wasn't a
project
00:05:33 --> 00:05:34: that we were directly involved with,
00:05:34 --> 00:05:38: but seeing it seeing it come to life was was
00:05:38 --> 00:05:40: was exceptional.
00:05:40 --> 00:05:41: And you know back then it was in today.
00:05:41 --> 00:05:43: You know, still very much a.
00:05:43 --> 00:05:48: A groundbreaking project. We, as Grosvenor we have the
pleasure
00:05:48 --> 00:05:50: of partnering with Sean in Nanjing.
00:05:50 --> 00:05:52: They they take a lot of the same approach to
00:05:52 --> 00:05:55: different projects around may not trying to have done so
00:05:55 --> 00:05:56: for a long,
00:05:56 --> 00:05:58: long time. But you know,
00:05:58 --> 00:06:00: examples of where plating had a role to play.
00:06:00 --> 00:06:04: I think we're. Where parents kind of everywhere we went
00:06:04 --> 00:06:05: it would,
00:06:05 --> 00:06:08: you know, private sector developers didn't always
necessarily think beyond
00:06:08 --> 00:06:09: the building boundary.
00:06:10 --> 00:06:14: I found it fascinating during that that time period where
00:06:14 --> 00:06:18: you'd have these single developments or a project like
shanked,
00:06:18 --> 00:06:22: NDR, Jinji Lake, or you know these kind of milestone
00:06:22 --> 00:06:27: projects that someone took a little bit of an adventurous
00:06:27 --> 00:06:28: approach,
00:06:28 --> 00:06:32: often adopted a very international idea brought in.
00:06:32 --> 00:06:35: Usually people from from around the world to help in
00:06:35 --> 00:06:38: terms of executing on these projects.
00:06:38 --> 00:06:41: Then they would come off exceptionally well and all of
00:06:41 --> 00:06:44: a sudden it became this kind of gold standard to
00:06:44 --> 00:06:47: then repeat 'cause you had hundreds of cities kind of
00:06:47 --> 00:06:50: going through the same sort of transformation also.
00:06:50 --> 00:06:54: And everybody wanted attendees, everybody wanted Jinji
Lake and I
00:06:54 --> 00:06:57: guess I speak about that in terms of trying to
00:06:57 --> 00:07:00: deal with the quality of these projects as they get

00:07:00 --> 00:07:02: replicated in multiple cities.

00:07:03 --> 00:07:05: Yeah, no, you're absolutely right.

00:07:05 --> 00:07:07: D bowl. You know very much tried to take a

00:07:07 --> 00:07:09: cookie cutter approach.

00:07:09 --> 00:07:13: Uhm, I think along the way as I think you're

00:07:13 --> 00:07:18: suggesting some of the authenticity or the sensitivity too.

00:07:18 --> 00:07:21: This surrounding environment. May have gotten lost.

00:07:21 --> 00:07:24: Uhm? But I think, yeah,

00:07:24 --> 00:07:27: I mean the the positive way to look at it

00:07:27 --> 00:07:30: is that people saw that a certain formula or certain

00:07:30 --> 00:07:34: approach to quality and sensitivity to their surrounding environment worked

00:07:34 --> 00:07:36: and try to do it elsewhere.

00:07:36 --> 00:07:38: I think the negatives are obviously I think is you're

00:07:38 --> 00:07:39: alluding to,

00:07:39 --> 00:07:42: you know just transplanting something that worked in one place

00:07:42 --> 00:07:45: to another city with a different historical,

00:07:45 --> 00:07:50: architectural, built environment context. Didn't,

00:07:50 --> 00:07:53: you know, wasn't a guarantee of success and also.

00:07:53 --> 00:07:55: It's kind of a little bit of a Disneyland approach,

00:07:55 --> 00:07:57: which you kind of build the same thing no matter

00:07:57 --> 00:07:58: where you are in the world,

00:07:58 --> 00:08:00: and that that has a lot of limitations.

00:08:01 --> 00:08:05: You know? Discovery Bay, I think is an incredible example.

00:08:05 --> 00:08:08: Early on I I lived in Discovery Bay for a

00:08:08 --> 00:08:09: couple years,

00:08:09 --> 00:08:12: so I kind of understand the nuances in terms of

00:08:12 --> 00:08:15: lower carbon pedestrianization no cars.

00:08:15 --> 00:08:19: So maybe what was special about that kind of development

00:08:19 --> 00:08:20: model?

00:08:20 --> 00:08:22: And how did you take some of those parts and

00:08:22 --> 00:08:24: then be able to expand that?

00:08:24 --> 00:08:26: There's other types of projects,

00:08:26 --> 00:08:29: yeah, I mean, I had had the privilege and pleasure

00:08:29 --> 00:08:31: of working on a number of projects with in Discovery

00:08:31 --> 00:08:32: Bay and it was.

00:08:32 --> 00:08:34: It was always hugely exciting,

00:08:34 --> 00:08:39: but also a real eye opener in terms of the

00:08:39 --> 00:08:44: challenges of mixed use at a very large scale.

00:08:44 --> 00:08:49: And the complexity of having to deliver a service amenity

00:08:49 --> 00:08:55: product in in a very large scale residential environment and

00:08:55 --> 00:08:59: all of the in particularly infrastructure,
00:08:59 --> 00:09:05: transportation, ferries, buses. You know the restrictions on private car
00:09:05 --> 00:09:06: ownership,
00:09:06 --> 00:09:08: golf carts, getting people in.
00:09:08 --> 00:09:12: It was a real eye opener and and and a
00:09:12 --> 00:09:14: real wake up call.
00:09:14 --> 00:09:18: In many ways, on the less glamorous kind of nitty
00:09:18 --> 00:09:21: gritty of how do you actually deliver quality in a
00:09:21 --> 00:09:24: in in that format in in a large scale,
00:09:24 --> 00:09:27: mixed use format. In particular,
00:09:27 --> 00:09:29: I think mixed use that has it.
00:09:29 --> 00:09:34: It's very heavy in terms of residential and also in
00:09:34 --> 00:09:35: terms of you know,
00:09:35 --> 00:09:37: how do you deliver that financially?
00:09:39 --> 00:09:40: You know very, very challenging,
00:09:40 --> 00:09:43: but you have to run and build the infrastructure.
00:09:43 --> 00:09:46: And also have the cash flow,
00:09:46 --> 00:09:50: which doesn't necessarily generate a lot of cash flow sometimes
00:09:50 --> 00:09:52: is is is loss making and then be able to
00:09:52 --> 00:09:55: continue to build a place that sort of Discovery Bay
00:09:55 --> 00:09:59: encapsulated. So residential development for strata sale,
00:09:59 --> 00:10:04: selling residential units by phase was a way to generate
00:10:04 --> 00:10:09: cash flow to continue to build infrastructure in a normal
00:10:09 --> 00:10:10: urban environment.
00:10:10 --> 00:10:14: The infrastructure is usually delivered by the government.
00:10:14 --> 00:10:15: Transportation is run by, you know,
00:10:15 --> 00:10:19: the subway company MTR. In the case of Hong Kong.
00:10:19 --> 00:10:24: Uhm, but having it be such large scale and it
00:10:24 --> 00:10:26: was just it was.
00:10:26 --> 00:10:28: It was a phenomenal privilege and opportunity.
00:10:28 --> 00:10:30: But also it was it was.
00:10:30 --> 00:10:34: It was a real eye opener in terms of complexity.
00:10:34 --> 00:10:39: Uhm, you know that the district councillor Discovery Bay became
00:10:39 --> 00:10:43: very anti development which gummed up a lot of the
00:10:43 --> 00:10:47: work of HK are in terms of delivering certain things
00:10:47 --> 00:10:51: to residents transportation always complex,
00:10:51 --> 00:10:53: phasing always complex. So
00:10:53 --> 00:10:54: I was going to ask you about
00:10:54 --> 00:10:56: a boat West Cologne actually.
00:10:56 --> 00:10:58: I mean maybe could you could talk a little bit

00:10:58 --> 00:10:58: about your role.

00:10:58 --> 00:11:01: I know that the museum is opening up.

00:11:01 --> 00:11:05: In November, I mean that must be incredibly proud moment

00:11:05 --> 00:11:07: for you in terms of that actually happening.

00:11:07 --> 00:11:10: 'cause West Kelowna as a district as being you know,

00:11:10 --> 00:11:14: talked about planned for quite some time now,

00:11:14 --> 00:11:17: so maybe talk a little bit about your role and

00:11:17 --> 00:11:19: how it's progressing now.

00:11:19 --> 00:11:22: So I sit on the board of both the West

00:11:22 --> 00:11:24: Kowloon Cultural District,

00:11:24 --> 00:11:26: so it's the main governing body for the entire district.

00:11:26 --> 00:11:28: And then I also sit on the board of the

00:11:28 --> 00:11:29: M Plus Museum,

00:11:29 --> 00:11:32: which is obviously it's specific to the M Plus.

00:11:32 --> 00:11:34: Museum which which will open in November.

00:11:34 --> 00:11:36: So just to be clear,

00:11:36 --> 00:11:42: the ICC and the office tower there is the shopping

00:11:42 --> 00:11:42: mall.

00:11:42 --> 00:11:46: The airport from airport station Mgr,

00:11:46 --> 00:11:51: but that that's outside of the West Kowloon Cultural District

00:11:51 --> 00:11:52: is adjacent to it.

00:11:52 --> 00:11:54: And the high speed rails also adjacent to but not

00:11:54 --> 00:11:56: part of West common cultural districts.

00:11:56 --> 00:12:01: So they're not sort of within the best Kowloon Cultural

00:12:01 --> 00:12:02: District mandate,

00:12:02 --> 00:12:06: but they are absolutely important in terms of.

00:12:06 --> 00:12:11: The district connecting with. Close the high speed rail which

00:12:11 --> 00:12:16: connects with with Shenzhen and Guangzhou and mainland

00:12:16 --> 00:12:19: China,

00:12:16 --> 00:12:19: but also in terms of ICC.

00:12:19 --> 00:12:22: And just where you know less colon is on the

00:12:22 --> 00:12:22: waterfront,

00:12:22 --> 00:12:24: its face is the harbor.

00:12:24 --> 00:12:27: It's a 40 hectare district.

00:12:27 --> 00:12:32: And it it connect that I see the high speed

00:12:32 --> 00:12:32: rail,

00:12:32 --> 00:12:36: the street access to even you know.

00:12:36 --> 00:12:38: Eventually Canton Rd, for example.

00:12:38 --> 00:12:42: This is how this district connects with the rest of

00:12:42 --> 00:12:46: this part of the Calvin Peninsula and the population and

00:12:46 --> 00:12:49: the life of the rest of Hong Kong.

00:12:49 --> 00:12:50: Yes, it's taken a long,

00:12:50 --> 00:12:53: long time. It has been delayed multiple times,
 00:12:53 --> 00:12:56: and it's been, and it will continue to be a
 00:12:56 --> 00:12:58: very very super long term project.
 00:12:58 --> 00:13:01: And I think anything of the scale by nature will
 00:13:01 --> 00:13:02: be long term.
 00:13:02 --> 00:13:06: Part of it though, does have to do with the
 00:13:06 --> 00:13:13: ambition and also the original Norman Foster designed the
 master
 00:13:13 --> 00:13:13: plan,
 00:13:13 --> 00:13:16: the MLP for the project,
 00:13:16 --> 00:13:18: and what the district this is a little bit,
 00:13:18 --> 00:13:20: but this is definitely not a little bit.
 00:13:20 --> 00:13:22: This is definitely before my time,
 00:13:22 --> 00:13:26: the commitment of the district in terms of key design
 00:13:26 --> 00:13:27: decisions.
 00:13:27 --> 00:13:31: So just give you. To actually just give you one
 00:13:31 --> 00:13:35: design decision which is ambitious,
 00:13:35 --> 00:13:39: transformative, but also has has created a lot of delays,
 00:13:39 --> 00:13:44: the Norman foster plan called for making the district primarily
 00:13:44 --> 00:13:45: pedestrian,
 00:13:45 --> 00:13:49: so that one principle immediately moved,
 00:13:49 --> 00:13:52: all roads, carpark, vehicular access,
 00:13:52 --> 00:13:54: with the exception of fire access,
 00:13:54 --> 00:13:59: Eva Underground moved everything. Underground,
 00:13:59 --> 00:14:02: right? So and Scott, you'll notice much better than I
 00:14:02 --> 00:14:03: do,
 00:14:03 --> 00:14:08: right? You do that on Harbourfront land on Harbourfront
 landfill
 00:14:08 --> 00:14:13: in your construction times is going to be much longer.
 00:14:13 --> 00:14:20: The geotechnical, the physical infrastructure that you have to
 develop
 00:14:20 --> 00:14:24: in order to support that as a design principle is
 00:14:24 --> 00:14:30: enormous and keep in mind you have multiple existing
 subway
 00:14:30 --> 00:14:34: lines crisscrossing the basement, so if they build around that
 00:14:34 --> 00:14:37: stuff but in terms of what that will do in
 00:14:37 --> 00:14:41: terms of place making in in making a district which
 00:14:41 --> 00:14:44: is pedestrian friendly primarily pedestrian?
 00:14:44 --> 00:14:48: Early again, but there there is on grade vacul access.
 00:14:49 --> 00:14:52: There will be electric minibuses.
 00:14:52 --> 00:14:54: There's no mono rail or anything like that.
 00:14:54 --> 00:14:57: And then of course there's the VA emergency and fire
 00:14:57 --> 00:14:58: access,

00:14:58 --> 00:15:00: but otherwise it's going to be.
 00:15:00 --> 00:15:01: It's going to be pedestrian,
 00:15:01 --> 00:15:03: completely pedestrian oriented
 00:15:03 --> 00:15:06: so you think the cost benefit was is going to
 00:15:06 --> 00:15:07: be worth it then.
 00:15:07 --> 00:15:10: Well, I think as a as a gift to Hong
 00:15:10 --> 00:15:12: Kong as a project for Hong Kong,
 00:15:12 --> 00:15:14: the outcome will be phenomenal.
 00:15:14 --> 00:15:17: It has been painful, will continue to be painful in
 00:15:17 --> 00:15:20: terms of delivering this project in terms of costs.
 00:15:20 --> 00:15:23: I don't. I'm not sure a private sector developer would
 00:15:23 --> 00:15:26: have the appetite or the private sector developer,
 00:15:26 --> 00:15:32: shareholders, owners and financial ability to kind of withstand
 or
 00:15:33 --> 00:15:38: commit to something like this would really pass any.
 00:15:38 --> 00:15:40: For most boards, but from a from a city from
 00:15:40 --> 00:15:42: Hong Kong point of view from a city point of
 00:15:42 --> 00:15:42: view,
 00:15:42 --> 00:15:44: from a built environment point of view,
 00:15:44 --> 00:15:48: I think it's a hugely powerful commitment and decision.
 00:15:48 --> 00:15:49: We
 00:15:49 --> 00:15:52: talked about the model of development and that that initial
 00:15:52 --> 00:15:55: village center and that idea of bringing people together I
 00:15:55 --> 00:15:58: guess gets into the also an idea in terms of
 00:15:58 --> 00:16:00: some of these earlier developments about the,
 00:16:01 --> 00:16:04: you know, the neighborhood revitalization.
 00:16:04 --> 00:16:06: And how do you attract people in those kind of
 00:16:07 --> 00:16:07: places?
 00:16:07 --> 00:16:08: We talked a little bit.
 00:16:08 --> 00:16:12: Washington D and you know more of the the adaptive
 00:16:12 --> 00:16:13: reuse.
 00:16:13 --> 00:16:15: Some of the arts and culture and how you use
 00:16:15 --> 00:16:17: culture to draw people together.
 00:16:17 --> 00:16:20: And I think this is something that you know in
 00:16:20 --> 00:16:24: your current role was grown or that's a component to
 00:16:24 --> 00:16:24: it.
 00:16:24 --> 00:16:27: And maybe if you can talk a little bit about
 00:16:27 --> 00:16:28: how your role is,
 00:16:28 --> 00:16:31: is CEO now and and how you think about our
 00:16:31 --> 00:16:34: culture and community within the work that you do?
 00:16:34 --> 00:16:39: Sure, so it's it's very near and dear to.
 00:16:39 --> 00:16:44: Grosvenor, to to take a holistic approach.

00:16:44 --> 00:16:47: To all the projects that we do across the globe,
00:16:47 --> 00:16:50: this has a lot to do with kind of our
00:16:50 --> 00:16:53: company DNA and history in terms of.
00:16:53 --> 00:16:54: The West End of London,
00:16:54 --> 00:17:00: Mayfair, Belgravia, in particular. So the sensitivity,
00:17:00 --> 00:17:05: the level of commitment. The experience the track record the
00:17:05 --> 00:17:06: you know.
00:17:06 --> 00:17:11: Working with a very wide range of tenants or partners
00:17:11 --> 00:17:14: of the local council.
00:17:14 --> 00:17:18: Uh, that's very much part of the Grosvenor DNA.
00:17:18 --> 00:17:21: We take that approach, even if it's a single building.
00:17:21 --> 00:17:26: We recently started investing into Ginza in Tokyo,
00:17:26 --> 00:17:28: so that was three and a half years ago.
00:17:28 --> 00:17:30: We now have two investments.
00:17:30 --> 00:17:34: We're looking at a third in this part of Tokyo,
00:17:34 --> 00:17:37: and the approach is is very much is very similar.
00:17:37 --> 00:17:39: We want to know where we're investing.
00:17:39 --> 00:17:40: We want to know what's going on.
00:17:40 --> 00:17:44: We want our assets or investments to be sensitive to.
00:17:44 --> 00:17:48: Streetscape, the neighborhood, DJ's and buildings.
00:17:48 --> 00:17:52: Buildings across the street. We want to know what's
00:17:52 --> 00:17:53: happening
00:17:52 --> 00:17:53: in terms of.
00:17:53 --> 00:17:58: The demographic. Other owners, the local population.
00:17:58 --> 00:18:00: What NGOs are active? What does the needs of that
00:18:01 --> 00:18:02: community or does it needs?
00:18:02 --> 00:18:05: Or are there any groups in particular that that might
00:18:05 --> 00:18:08: be recipients of some of our philanthropic giving?
00:18:08 --> 00:18:10: So so we take a holistic approach,
00:18:10 --> 00:18:13: going back to your question about arts and culture.
00:18:13 --> 00:18:14: You know, in in Mayfair,
00:18:14 --> 00:18:17: we have a lot of arts and culture,
00:18:17 --> 00:18:20: whether it's private sector, whether it's institutional,
00:18:20 --> 00:18:22: I've involved in Hong Kong,
00:18:22 --> 00:18:25: obviously in a number of.
00:18:25 --> 00:18:28: Projects that are mostly so quasi government.
00:18:28 --> 00:18:31: Well I guess one of them is Jockey Club not
00:18:31 --> 00:18:33: government which are adaptive.
00:18:33 --> 00:18:38: Reuse formats where traditional building background in
00:18:38 --> 00:18:42: particular.
00:18:38 --> 00:18:42: So that's mean these types of projects are there a
00:18:42 --> 00:18:43: lot of fun,
00:18:43 --> 00:18:45: but certainly without. You know,

00:18:45 --> 00:18:48: with this hunk of drug club uncle government,

00:18:48 --> 00:18:51: without government support, that you know the business case in

00:18:51 --> 00:18:54: terms of private sector development is is usually quite challenging.

00:18:55 --> 00:18:58: Something I wanted to talk about in terms of cycles

00:18:58 --> 00:19:02: of the market and being able to smooth out some

00:19:02 --> 00:19:03: of those cycles.

00:19:03 --> 00:19:05: So a lot of the cycles you know,

00:19:05 --> 00:19:08: pressured from from financial markets in terms of how it

00:19:08 --> 00:19:09: goes up and down,

00:19:09 --> 00:19:12: and you can see against the backdrop of what's happening

00:19:12 --> 00:19:15: in China right now where they haven't had this kind

00:19:15 --> 00:19:15: of real.

00:19:15 --> 00:19:17: Pressure on a development cycle.

00:19:17 --> 00:19:20: If you look at London and how it's transformed over

00:19:21 --> 00:19:23: time and then you compare it to kind of what

00:19:23 --> 00:19:27: we started with in terms of the transformation of a

00:19:27 --> 00:19:29: lot of the Asian cities and how they've grown very

00:19:29 --> 00:19:32: quickly and they're starting to go through these cycles now,

00:19:32 --> 00:19:36: so maybe he talked a little bit about that experience

00:19:36 --> 00:19:39: in terms of what Grosvenor is being through as a

00:19:39 --> 00:19:40: company,

00:19:40 --> 00:19:44: the commitment to be having a long term view.

00:19:44 --> 00:19:50: Quality and commitment to thinking holistically about an asset building

00:19:50 --> 00:19:50: project.

00:19:50 --> 00:19:53: I think these you know,

00:19:53 --> 00:19:57: and I would extend this a thinking about neighborhood and

00:19:57 --> 00:19:59: community and thinking holistically,

00:19:59 --> 00:20:03: I would. I would put environmental sensitivity into that category

00:20:03 --> 00:20:05: into that bucket if you will.

00:20:05 --> 00:20:08: These things exactly, everything we're talking about is very much

00:20:08 --> 00:20:09: part of the legacy.

00:20:09 --> 00:20:11: The history of the DNA,

00:20:11 --> 00:20:15: the philosophy, and the culture of Grosvenor after.

00:20:15 --> 00:20:17: 300 plus years and you know,

00:20:17 --> 00:20:20: I think we we take great pride in that it

00:20:20 --> 00:20:23: permeates everything we do across the globe.

00:20:23 --> 00:20:27: I'm pretty safe. It's saying that what's happened in China

00:20:27 --> 00:20:28: in one generation,

00:20:28 --> 00:20:30: and you know, in the past 30 years,
00:20:30 --> 00:20:33: in terms of built environment has been historic.
00:20:33 --> 00:20:37: So what you've seen is in a very short span
00:20:37 --> 00:20:38: of time,
00:20:38 --> 00:20:42: the creation of a huge middle class and the creation
00:20:42 --> 00:20:42: of.
00:20:42 --> 00:20:48: The building, literally the building of you know dozens of
00:20:48 --> 00:20:52: amazing huge significant cities of scale you over,
00:20:52 --> 00:20:58: over 100, a hundred new centers of significant population.
00:20:58 --> 00:20:59: You know China is urbanized.
00:20:59 --> 00:21:02: You have mega cities. You have smaller cities,
00:21:02 --> 00:21:05: are quote unquote smaller cities or cities of like a
00:21:05 --> 00:21:07: million million and a half people.
00:21:07 --> 00:21:09: But that's like same population in San Francisco.
00:21:09 --> 00:21:12: Now obviously you add up Silicon Valley and Oakland,
00:21:12 --> 00:21:13: East Bay, and so on it.
00:21:13 --> 00:21:16: Obviously gets much bigger, but.
00:21:16 --> 00:21:18: So it's been absolutely historic.
00:21:18 --> 00:21:23: I think what's interesting about that pace of urbanization is.
00:21:23 --> 00:21:26: Where to next and and we're trying to figure this
00:21:26 --> 00:21:26: out as Grosvenor,
00:21:26 --> 00:21:29: we are continuing to invest in mainland China.
00:21:29 --> 00:21:33: We've we are focusing on the Greater Bay Area.
00:21:33 --> 00:21:34: In addition to Hong Kong,
00:21:34 --> 00:21:38: we are focusing on the Wired magazine River Delta region.
00:21:38 --> 00:21:42: We've invested twice in the past.
00:21:42 --> 00:21:45: 2 1/2 years. Three years in that drink.
00:21:45 --> 00:21:48: We're actively looking at projects in Shanghai.
00:21:48 --> 00:21:51: We'd love to do something in Guangzhou or Shenzhen or
00:21:51 --> 00:21:53: elsewhere in the Greater Bay.
00:21:53 --> 00:21:57: Uhm, we also recognize that urbanization and some of the
00:21:57 --> 00:22:03: old formats mixed use office developments or mixed use
00:22:03 --> 00:22:08: components,
00:22:03 --> 00:22:08: mixed use developments. Residential office hotel this
00:22:08 --> 00:22:14: typology because of
00:22:08 --> 00:22:14: technology because of lifestyle patterns work patterns
00:22:14 --> 00:22:18: because of e-commerce.
00:22:14 --> 00:22:18: They are also changing, So what format is of the
00:22:18 --> 00:22:20: future for the future?
00:22:20 --> 00:22:23: What what will happen to buildings that were built in
00:22:23 --> 00:22:24: the last generation,
00:22:24 --> 00:22:26: whether they're relevant or as strong?
00:22:26 --> 00:22:30: Are they prepared environmentally? For you know,

00:22:30 --> 00:22:32: for warming, for, for the,
 00:22:32 --> 00:22:35: for the future. These are these are all part of
 00:22:35 --> 00:22:38: the moving parts were certainly trying to figure it out
 00:22:38 --> 00:22:40: and price continued to invest and develop.
 00:22:40 --> 00:22:41: And
 00:22:41 --> 00:22:42: I guess that's where
 00:22:42 --> 00:22:45: I think there will be a lot more adaptive reuse.
 00:22:45 --> 00:22:49: Like you said, in terms of some of these older
 00:22:49 --> 00:22:52: Gray buildings and then to your point earlier on adding
 00:22:53 --> 00:22:56: value that it seems to me that the cities that
 00:22:56 --> 00:22:59: are investing and you could see this in the last
 00:22:59 --> 00:23:02: five or six years that are investing more in the
 00:23:02 --> 00:23:05: environmental aspects of the city and the cities that are
 00:23:05 --> 00:23:09: getting that mixed right and allowing for that bitter bigger
 00:23:09 --> 00:23:10: fabric.
 00:23:10 --> 00:23:15: And I ideally attract better quality developers into those cities.
 00:23:15 --> 00:23:18: To be able to participate in that building out of
 00:23:18 --> 00:23:20: this next evolution of river form,
 00:23:20 --> 00:23:23: absolutely, I would agree with that wholeheartedly.
 00:23:23 --> 00:23:25: I mean, there's a shift going on in China right
 00:23:25 --> 00:23:28: now with the development community and on balance sheets
 and
 00:23:28 --> 00:23:29: those kind of things.
 00:23:29 --> 00:23:32: But ultimately people will survive.
 00:23:32 --> 00:23:33: They'll come out of it,
 00:23:33 --> 00:23:38: and there will be a continued their strong fundamentals in
 00:23:38 --> 00:23:41: terms of the growth of middle Class A flight to
 00:23:41 --> 00:23:42: quality,
 00:23:42 --> 00:23:44: improvement of the urban environment.
 00:23:44 --> 00:23:46: So in all of that.
 00:23:46 --> 00:23:48: There is a lot of competition between us.
 00:23:48 --> 00:23:50: Yes, you know all of these cities,
 00:23:50 --> 00:23:53: so is there certain things that would help in terms
 00:23:53 --> 00:23:56: of what cities could do to attract developers?
 00:23:56 --> 00:23:57: Know? Certainly I think. Well,
 00:23:57 --> 00:23:59: I think first of all I'd say a lot of
 00:23:59 --> 00:24:01: the city governments are doing a lot of the right
 00:24:01 --> 00:24:01: thing,
 00:24:01 --> 00:24:04: so they're making their cities greener.
 00:24:04 --> 00:24:09: They're making their cities more livable for local populations.
 00:24:09 --> 00:24:11: Infrastructure build I think speaks for itself.
 00:24:11 --> 00:24:15: If you look at the connectivity between cities as well

00:24:15 --> 00:24:19: as connectivity and transport infrastructure within cities,
00:24:19 --> 00:24:21: I think both are impressive.
00:24:21 --> 00:24:25: I think we would love to see local governments continue
00:24:25 --> 00:24:26: to do that.
00:24:26 --> 00:24:30: We would we would like to see local governments to
00:24:30 --> 00:24:35: continue to make cities less car dependent to continue to
00:24:35 --> 00:24:36: make cities greener,
00:24:36 --> 00:24:42: decarbonize. But I think the commitment from the central
government
00:24:42 --> 00:24:45: and local governments is is pretty strong.
00:24:45 --> 00:24:48: We'd love to see, I think in certain cities a
00:24:48 --> 00:24:51: little bit more control in terms of office supply,
00:24:51 --> 00:24:56: a lot of cities are oversupplied in terms of office.
00:24:56 --> 00:24:57: That's probably a little bit at the margin.
00:24:57 --> 00:25:01: UM, but, uh, I think we're we're very positive in
00:25:01 --> 00:25:02: terms of what?
00:25:02 --> 00:25:05: You know what, what, what local governments are doing.
00:25:05 --> 00:25:06: We just encourage them to do you know,
00:25:06 --> 00:25:08: to do more? Keep pushing the envelope.
00:25:09 --> 00:25:11: So voices of Vuelie
00:25:12 --> 00:25:16: ties in with the mission for Urban Land Institute,
00:25:16 --> 00:25:19: which is really around shape the future of the built
00:25:19 --> 00:25:22: environment for transformative impact in communities
worldwide.
00:25:22 --> 00:25:25: Ben, what does this statement mean to you?
00:25:26 --> 00:25:29: Uhm, it it means a ton to me.
00:25:29 --> 00:25:31: I think it's it. It means the world to me.
00:25:31 --> 00:25:32: It's a it's a powerful mandate.
00:25:32 --> 00:25:36: It's a relevant mandate and it's an exciting mandate.
00:25:36 --> 00:25:39: So cities are where it's happening.
00:25:39 --> 00:25:41: I don't think that'll change.
00:25:41 --> 00:25:45: I think Asia is a place that has a ton
00:25:45 --> 00:25:46: of activity,
00:25:46 --> 00:25:48: but there's a ton of exciting,
00:25:48 --> 00:25:52: interesting things that are happening everywhere in the world
outside
00:25:52 --> 00:25:53: of Asia,
00:25:53 --> 00:25:55: in Asia, North America, Europe.
00:25:55 --> 00:25:57: Elsewhere, I think the line mission is.
00:25:57 --> 00:26:00: Is is compelling? Again, it's it's powerful,
00:26:00 --> 00:26:03: it's relevant, it's exciting and fun.
00:26:04 --> 00:26:09: Yeah, I think the integrated disciplined nature of ULI is
00:26:09 --> 00:26:09: quite

00:26:09 --> 00:26:11: compelling in terms of being able to bring a lot
00:26:11 --> 00:26:12: of different
00:26:12 --> 00:26:16: stakeholders to help to solve some of the complex
challenges
00:26:16 --> 00:26:19: that we're facing in our communities.
00:26:19 --> 00:26:22: And it's being explosive the way
00:26:22 --> 00:26:25: in which the cities have transformed over the last 20
00:26:25 --> 00:26:27: years as being incredible.
00:26:27 --> 00:26:30: And I think over the next 20 years to see
00:26:30 --> 00:26:32: what will happen is we're incredible
00:26:32 --> 00:26:35: place to participate in that.
00:26:35 --> 00:26:35: Yeah,
00:26:35 --> 00:26:37: totally agree. Absolutely great. So
00:26:37 --> 00:26:39: Ben thank you
00:26:39 --> 00:26:40: very much for joining us.
00:26:40 --> 00:26:41: So I'm voices of your life today.
00:26:41 --> 00:26:42: It was a great discussion.
00:26:42 --> 00:26:45: We covered many parts of Asia and it'll be incredibly
00:26:45 --> 00:26:48: exciting to see where we go from here.
00:26:48 --> 00:26:50: Thank you Scott. It's been a pleasure,
00:26:50 --> 00:26:50: a real pleasure.
00:26:53 --> 00:26:56: Thank you Ben for joining us on this episode of
00:26:56 --> 00:27:00: Voices of Uli and thank you everyone for listening.
00:27:00 --> 00:27:03: You're probably listening to this podcast at the ULI Asia
00:27:03 --> 00:27:08: Pacific Reimagine and I hope you're enjoying this unique
interactive
00:27:08 --> 00:27:12: event and find inspiration in reimagining conventional ideas
about our
00:27:12 --> 00:27:15: city's business and the life in the ever changing world
00:27:15 --> 00:27:16: of real estate.
00:27:20 --> 00:27:21: In the next episode will be
00:27:21 --> 00:27:27: interviewing Hiromori son, who's the director and executive
Vice president
00:27:27 --> 00:27:31: of Maury Building and the chair of you like Japan.

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