

# Webinar

## ULI NEXT Europe: What's NEXT in Urban Living?

Date: July 23, 2020

00:00:00 --> 00:00:03: I'm ready. Yep.

00:00:26 --> 00:00:29: Eva Martha will give us a sign when we when

00:00:29 --> 00:00:30: we get started.

00:00:35 --> 00:00:38: It started now we just have already started.

00:00:38 --> 00:00:45: It started, yeah. OK, excellent then then let's welcome everybody.

00:00:45 --> 00:00:50: Hello everybody and welcome to the second webinar powered by

00:00:50 --> 00:00:51: ULI Next Group.

00:00:51 --> 00:00:54: The topic of today's webinar.

00:00:54 --> 00:00:57: If we can go to the next page.

00:00:57 --> 00:01:01: More to please the topic of today's webinar is what's

00:01:02 --> 00:01:03: next in Urban Living,

00:01:03 --> 00:01:08: which is object. Many people are interested at the moment,

00:01:08 --> 00:01:13: in particular considering the. COVID-19 crisis one.

00:01:13 --> 00:01:17: The concept of space, urban density,

00:01:17 --> 00:01:24: community and convenience has been put under pressure.

00:01:24 --> 00:01:27: As for those who may or may not know me,

00:01:27 --> 00:01:31: my name is collina Premier Cova and I'm a chair

00:01:31 --> 00:01:32: of your lie in Europe.

00:01:32 --> 00:01:37: Next group and real estate development director at Patricia.

00:01:37 --> 00:01:41: I'm really delighted to be part of today's discussion as

00:01:41 --> 00:01:45: it's not only of interest for me personally,

00:01:45 --> 00:01:48: but for my team is currently we are running a

00:01:48 --> 00:01:53: couple of large scale inner city residential schemes across Europe,

00:01:53 --> 00:01:55: but it's also part of.

00:01:55 --> 00:01:59: A DNA of our company to Patricia Storage is 35

00:01:59 --> 00:02:04: years ago in the residential space in Germany and overtime

00:02:04 --> 00:02:09: we expanded our presence across Europe with office is now

00:02:09 --> 00:02:14: in 24 countries and managing 45 billion euros in assets  
00:02:14 --> 00:02:15: under management.

00:02:15 --> 00:02:20: Just a couple of thoughts why the topic of urban  
00:02:20 --> 00:02:24: living is also relevant for our company and a few  
00:02:24 --> 00:02:27: initiatives that we've been doing.

00:02:27 --> 00:02:29: Recently  
00:02:29 --> 00:02:33: so, uh, to help us structure our investment,  
00:02:33 --> 00:02:37: investments, thinking and to make informed decisions,  
00:02:37 --> 00:02:41: we have launched a Living Cities index which allows us  
00:02:41 --> 00:02:45: to track a performance of 120 cities in Europe and  
00:02:45 --> 00:02:50: rank them in terms of their attractiveness on a long  
00:02:50 --> 00:02:56: term. Looking at indicators such as economic and  
demographic performance  
00:02:56 --> 00:02:59: but also innovative capacity of the cities.

00:02:59 --> 00:03:07: Talent and technology and liquidity of liquidity of respective  
market.

00:03:07 --> 00:03:11: But that said, the the that's not only a point  
00:03:11 --> 00:03:16: which is only relevant for us internally is also something  
00:03:16 --> 00:03:19: that we see on the investor side.

00:03:19 --> 00:03:22: The Invest investors stand to look,  
00:03:22 --> 00:03:25: take Moran, cities view and the sector view,  
00:03:25 --> 00:03:30: and so last year we've launched upon European living cities  
00:03:30 --> 00:03:35: for font with targeting 1 billion of assets targeting 1  
00:03:35 --> 00:03:37: billion or yours.

00:03:37 --> 00:03:41: Of which 20% how is invested across sectors such as  
00:03:41 --> 00:03:42: student housing,  
00:03:42 --> 00:03:44: code, living and senior living.

00:03:44 --> 00:03:48: So for me today for would be interesting to hear  
00:03:48 --> 00:03:51: from the speakers and from the audience,  
00:03:51 --> 00:03:56: weather, weather as whether they see an opportunity for  
also,

00:03:56 --> 00:03:59: for for appan, European development,  
00:03:59 --> 00:04:02: living cities, strategy, as we all know,  
00:04:02 --> 00:04:06: the product is becoming really scars and the appetite of  
00:04:06 --> 00:04:07: investors.

00:04:07 --> 00:04:11: Is still still there and we are delightful if we  
00:04:11 --> 00:04:13: can go to the next slide,  
00:04:13 --> 00:04:16: Eva. Um?

00:04:16 --> 00:04:21: We are delighted we are delighted to have today with  
00:04:21 --> 00:04:26: us a truly global of a panel with speakers from  
00:04:26 --> 00:04:33: you as Asia and Europe representing various sectors from  
investors.

00:04:33 --> 00:04:37: Developers and operators in Student Housing Co.

00:04:37 --> 00:04:41: Living and senior living in a couple of minutes we

00:04:42 --> 00:04:46: will get to the introductions but just a couple of

00:04:46 --> 00:04:49: housekeeping rules before we get started,

00:04:49 --> 00:04:51: we.

00:04:51 --> 00:04:56: The audience will be muted throughout the whole session of

00:04:56 --> 00:04:57: this of Abner.

00:04:57 --> 00:05:00: But we kindly ask you to use the Q&A button

00:05:00 --> 00:05:04: function at the bottom of your screen of your screen

00:05:04 --> 00:05:07: to raise your questions and to engage with us the

00:05:07 --> 00:05:11: speakers and to make this event really interactive.

00:05:11 --> 00:05:15: There will be there will be a time at the

00:05:15 --> 00:05:18: adult in the last part of this webinar for when

00:05:18 --> 00:05:23: we will answer or try to answer all your questions.

00:05:23 --> 00:05:28: The webinar is is being recorded and recording will be

00:05:28 --> 00:05:31: available on the ULI Knowledge Finder.

00:05:31 --> 00:05:35: Uh. And so the value in art today is is

00:05:35 --> 00:05:40: really a result of a collaborative effort of various next

00:05:40 --> 00:05:45: groups in Europe and we are grateful for the contribution

00:05:45 --> 00:05:49: of Rob Mallow Co, chair of Fuel Line,

00:05:49 --> 00:05:51: Next UK Group, and Xiu Tian,

00:05:51 --> 00:05:55: founding member of Next Group in Portugal.

00:05:57 --> 00:06:00: To get to get started as we said,

00:06:00 --> 00:06:04: we would like to keep this describing our interactive and

00:06:04 --> 00:06:08: would like to do also here and learn the perspective

00:06:08 --> 00:06:11: of the audience on the on the topic of urban

00:06:11 --> 00:06:13: living. So we've we've have.

00:06:13 --> 00:06:16: We would like to do a quick call with you

00:06:16 --> 00:06:19: and we have prepared three questions.

00:06:19 --> 00:06:22: If we can get them on the screen.

00:06:22 --> 00:06:24: Excellent so question number one,

00:06:24 --> 00:06:27: do you anticipate the demand for.

00:06:27 --> 00:06:31: Urban living is likely to change within the next three

00:06:31 --> 00:06:34: to five years due to concerns about density.

00:06:34 --> 00:06:36: Post COVID-19.

00:06:36 --> 00:06:40: Answer number one increase decrease no changes.

00:06:40 --> 00:06:43: Please proceed with voting.

00:06:53 --> 00:06:56: OK.

00:06:56 --> 00:07:01: OK, it's interesting results, and I'm sure that the speakers

00:07:01 --> 00:07:05: will have thoughts to share and comment on this.

00:07:05 --> 00:07:10: OK, 56% of audience believes that the demand for urban

00:07:11 --> 00:07:16: living is likely to change and is likely to decrease.

00:07:16 --> 00:07:18: 33% no changes and 11%

00:07:18 --> 00:07:23: increase interesting results. OK, let's get to the next question.

00:07:31 --> 00:07:35: Question #2 in which sectors do expect to see the

00:07:35 --> 00:07:40: largest increase of investment capital allocation in the next three

00:07:41 --> 00:07:42: to five years?

00:07:42 --> 00:07:47: Traditional multifamily, built around the answer number B Student Housing

00:07:48 --> 00:07:48: Co.

00:07:48 --> 00:07:52: Living or senior living. Please proceed with voting.

00:08:01 --> 00:08:03: OK. Kiss

00:08:12 --> 00:08:16: K very interesting 0% in student housing.

00:08:16 --> 00:08:20: A slight slight expectation of increase in Co living.

00:08:20 --> 00:08:25: Senior living just one third and traditional multifamily is the

00:08:25 --> 00:08:28: largest increase of investment capital.

00:08:28 --> 00:08:31: OK, let's move to the next one.

00:08:31 --> 00:08:32: The third question.

00:08:38 --> 00:08:40: Can we get question? Yeah,

00:08:40 --> 00:08:43: thank you. So now we will be looking more on

00:08:43 --> 00:08:44: expansion also.

00:08:44 --> 00:08:48: Which is the greatest challenge for expansion of the alternative

00:08:48 --> 00:08:50: sectors in Europe?

00:08:50 --> 00:08:55: Regulatory constraints, lease structures, data transparency in terms of underwriting

00:08:55 --> 00:08:56: and pricing,

00:08:56 --> 00:08:59: the deals, lack of quality operators,

00:08:59 --> 00:09:04: availability of capital technology. Familiarity with the product.

00:09:04 --> 00:09:06: Please proceed with voting.

00:09:25 --> 00:09:27: OK.

00:09:27 --> 00:09:29: We can get the results up on the screen.

00:09:31 --> 00:09:36: Quite quite diverse. Diverse spread spread responses,

00:09:36 --> 00:09:40: regulatory constraints on planning and zoning laws seem to be

00:09:41 --> 00:09:42: an issue for expansion,

00:09:42 --> 00:09:45: or at least one of the challenges.

00:09:45 --> 00:09:50: Let's, let's hear the thoughts of speakers and comments in

00:09:50 --> 00:09:52: just in a couple of seconds.

00:09:52 --> 00:09:56: At this moment we would like to close to close

00:09:56 --> 00:09:59: the pool and I would like to hand over the

00:09:59 --> 00:10:01: panel to see UTAZU.

00:10:01 --> 00:10:04: Here, see you holds an urban of planning a degree

00:10:04 --> 00:10:08: and the real state degree from Cornell University.

00:10:08 --> 00:10:11: She has a lot of experience and being in Asia,

00:10:11 --> 00:10:15: she's been working there on a number of projects for

00:10:15 --> 00:10:19: Goldman Sachs and recently moved into Europe where she started

00:10:19 --> 00:10:22: her own real estate development firm qualities.

00:10:22 --> 00:10:26: So I'm sure you will be also willing to engage

00:10:26 --> 00:10:29: with the speakers and share her views and on the

00:10:29 --> 00:10:31: results of the poll.

00:10:31 --> 00:10:33: See you welcome. And please,

00:10:33 --> 00:10:36: the floor is yours is yours.

00:10:36 --> 00:10:40: Thank you galina. Thank you for the introduction,

00:10:40 --> 00:10:42: very interesting results from the poor.

00:10:42 --> 00:10:45: I think our speakers account not way to share some

00:10:45 --> 00:10:47: opinions on their results.

00:10:47 --> 00:10:51: I'll just do quickly around of introduction of our speakers

00:10:52 --> 00:10:54: are handed to Nigel first.

00:10:54 --> 00:10:57: Sure, thank you. So my name is Nigel Allsopp.

00:10:57 --> 00:11:00: I'm head of research at greystar for those unaware of

00:11:00 --> 00:11:05: Greystar where a global and rental housing platform with vertically

00:11:05 --> 00:11:09: integrated which means we're an investor and operator and the

00:11:09 --> 00:11:13: developer we've been going in the US since 90.

00:11:13 --> 00:11:17: Three opened our first European Office in London in 2013.

00:11:17 --> 00:11:21: An hour about 57,000 units in Europe and I'd like

00:11:21 --> 00:11:25: to thank you for having me on the discussion.

00:11:25 --> 00:11:30: Thank you, thank you and Jacob Child from common.

00:11:30 --> 00:11:33: Great, thank you. See you excited to be here and

00:11:33 --> 00:11:37: to share more about urban housing and what's coming next.

00:11:37 --> 00:11:39: My name is Jake shy.

00:11:39 --> 00:11:41: I've been I work with comment.

00:11:41 --> 00:11:44: I've been on the team for about four and a

00:11:44 --> 00:11:45: half years.

00:11:45 --> 00:11:48: Started when we were a small ten person company in

00:11:48 --> 00:11:52: early 2016 and I lead our expansion efforts outside the

00:11:52 --> 00:11:56: United States with a focus on Europe and Canada.

00:11:56 --> 00:11:59: Common is we launched as a Co living business in

00:11:59 --> 00:12:03: 2015 and we've developed an expertise in that space.

00:12:03 --> 00:12:07: And we have since grown and evolved to manage Co

00:12:07 --> 00:12:12: living units alongside conventional apartments and we have a number

00:12:12 --> 00:12:16: of brands were a platform business with a family of

00:12:16 --> 00:12:21: brands that focus on full stack management and were pureplay

00:12:21 --> 00:12:22: manager.

00:12:22 --> 00:12:27: We don't own any real estate venture bank business.

00:12:27 --> 00:12:30: To date we have about 3000 units open and another

00:12:31 --> 00:12:32: 15,000 under development,

00:12:32 --> 00:12:37: mostly in the US with some in Canada and in

00:12:37 --> 00:12:38: Europe.

00:12:38 --> 00:12:42: Thank you and Reggie from Hamlet and reduce base in

00:12:42 --> 00:12:42: Singapore.

00:12:42 --> 00:12:46: Thank you Sir. Yes, I am based in Singapore.

00:12:46 --> 00:12:47: My name is Rajiv ketchup.

00:12:47 --> 00:12:52: I'm CFO at Hamlet. I've been at the company for

00:12:52 --> 00:12:53: about a year now.

00:12:53 --> 00:12:57: And were responsible for finance strategy,

00:12:57 --> 00:13:01: investments and in legal.

00:13:01 --> 00:13:05: Hamlet is or used to be a coliving operator that's

00:13:05 --> 00:13:09: really morphed in the last year into a living in

00:13:09 --> 00:13:10: lifestyle platform.

00:13:10 --> 00:13:15: We have 7000 units across six countries which include

00:13:15 --> 00:13:21: Japan,

00:13:15 --> 00:13:21: Singapore, Hong Kong, Australia, Malaysia and Thailand.

00:13:21 --> 00:13:25: And we've essentially taken our Co living experience in our

00:13:26 --> 00:13:29: operator experience to build a community and a set of

00:13:29 --> 00:13:33: digital services around our user experience.

00:13:33 --> 00:13:36: So I'm happy to join the panel and offer the

00:13:36 --> 00:13:37: Asian experience.

00:13:37 --> 00:13:40: Although most of my career has been in the US

00:13:40 --> 00:13:43: but but definitely been a fun,

00:13:43 --> 00:13:46: fun time so far here and happy to talk a

00:13:46 --> 00:13:49: little bit more about that on the panel.

00:13:49 --> 00:13:53: Great, well thanks for the speakers are joining us today

00:13:53 --> 00:13:57: and we're talking about the residential sector on the living

00:13:57 --> 00:14:00: questions that we're trying to answer in the urban centers

00:14:00 --> 00:14:04: across the world today. And I think that the questions

00:14:04 --> 00:14:07: related to urban living is not a new question.

00:14:07 --> 00:14:09: We've been talking about it for a long time.

00:14:09 --> 00:14:13: Mainly the problems that we're facing in the city center

00:14:13 --> 00:14:16: is there are three three issues that we're trying to

00:14:16 --> 00:14:19: address with this alternative class of shared.

00:14:19 --> 00:14:21: Living in the Urban center,

00:14:21 --> 00:14:25: number one is the increasing affordability issue in the city

00:14:25 --> 00:14:26: center.

00:14:26 --> 00:14:29: A lot of people cannot afford to find.

00:14:29 --> 00:14:32: The optimal place to live or they're living in,  
 00:14:32 --> 00:14:36: especially in Asia and in a lot of other urban  
 00:14:36 --> 00:14:36: centers,  
 00:14:36 --> 00:14:40: it's very crowded and people cannot pay for a decent  
 00:14:40 --> 00:14:45: place to live when they first develop their professional lives.  
 00:14:45 --> 00:14:47: And the second problem is.  
 00:14:47 --> 00:14:51: Um is that there is also an increasing question in  
 00:14:51 --> 00:14:53: the mental health issue in urban center,  
 00:14:53 --> 00:14:56: so people are talking about social isolation.  
 00:14:56 --> 00:14:59: They don't know their neighbors nowadays,  
 00:14:59 --> 00:15:02: and it's hard to find a place to me and  
 00:15:02 --> 00:15:04: chat with people in their living,  
 00:15:04 --> 00:15:07: day-to-day living. And the third question is,  
 00:15:07 --> 00:15:09: there's a lack of product,  
 00:15:09 --> 00:15:13: lack of standardized product that offer people a hassle free  
 00:15:13 --> 00:15:16: solution when they first moved to a new location.  
 00:15:16 --> 00:15:18: So these are not new questions.  
 00:15:18 --> 00:15:21: But lately we are so zoomed in to those questions  
 00:15:21 --> 00:15:25: because we've been stuck at home and everybody is looking  
 00:15:25 --> 00:15:26: at what was my next move.  
 00:15:26 --> 00:15:29: What do I want for my living?  
 00:15:29 --> 00:15:33: So these are the questions we want to discuss today  
 00:15:33 --> 00:15:36: with the speakers and we want to look at the  
 00:15:36 --> 00:15:37: effect of the pandemics,  
 00:15:37 --> 00:15:41: but also more on the general trajectory of how the  
 00:15:41 --> 00:15:45: alternative living sector has changed the residential sector.  
 00:15:45 --> 00:15:48: So if the speakers can share with us some concrete  
 00:15:48 --> 00:15:50: data from the past five years,  
 00:15:50 --> 00:15:54: how shared living in city centres has changed the residential  
 00:15:54 --> 00:15:57: sector from the student housing perspective?  
 00:15:57 --> 00:16:00: From the coliving perspective and also how?  
 00:16:00 --> 00:16:04: You know our audience. Think the most likely in capital  
 00:16:04 --> 00:16:09: investment to increase in the IS in the traditional built  
 00:16:09 --> 00:16:13: around sector so we can touch upon on the traditional  
 00:16:13 --> 00:16:16: units as well. So if our speaker can offer some  
 00:16:16 --> 00:16:18: opinions on these issues.  
 00:16:18 --> 00:16:21: Sure, so happy they kick their one offset.  
 00:16:21 --> 00:16:24: I guess the two the three topics we need to  
 00:16:24 --> 00:16:26: cover their really affordability mental health or Wellness in  
 00:16:26 --> 00:16:31: work  
 00:16:31 --> 00:16:32: and convenience.  
 00:16:32 --> 00:16:36: I think that the first the affordability issue is fundamentally

00:16:36 --> 00:16:38: it's a matter of economics,  
00:16:38 --> 00:16:42: right? You've just got more people trying to fit onto  
00:16:42 --> 00:16:43: ever smaller plots of land.  
00:16:43 --> 00:16:46: And to me it seems the only way to really  
00:16:46 --> 00:16:49: address that challenge is with shared space.  
00:16:49 --> 00:16:51: So we know that whilst.  
00:16:51 --> 00:16:54: Everyone knows about the trends of urbanization,  
00:16:54 --> 00:16:57: population growth, but the run rates of those in most  
00:16:57 --> 00:17:00: countries are about about half a percent to one,  
00:17:00 --> 00:17:03: 1% depending where you are in Europe.  
00:17:03 --> 00:17:06: When you look at the growth of single person households  
00:17:06 --> 00:17:09: in Europe that actually accelerates to its around 3 to  
00:17:09 --> 00:17:10: 4%  
00:17:10 --> 00:17:11: in lots of other countries.  
00:17:11 --> 00:17:15: So more and more people are living alone.  
00:17:15 --> 00:17:18: Which itself is not the most efficient use of land,  
00:17:18 --> 00:17:21: and something which I think coliving addresses.  
00:17:21 --> 00:17:23: But it comes what comes with that.  
00:17:23 --> 00:17:26: I think a whole host of other problems.  
00:17:26 --> 00:17:29: So for example, on the mental health side of things,  
00:17:29 --> 00:17:32: something like 52% of lenders report report,  
00:17:32 --> 00:17:36: feeling alone and that numbers rising every single year and  
00:17:36 --> 00:17:39: have been studies to show I'm not health expert.  
00:17:39 --> 00:17:42: You'll probably find out as we go through this panel,  
00:17:42 --> 00:17:44: but being lonely in a city.  
00:17:44 --> 00:17:47: Over the long term can decrease your life by a  
00:17:47 --> 00:17:48: number of years.  
00:17:48 --> 00:17:51: In fact, it's thought to be equivalent to smoking 15  
00:17:51 --> 00:17:53: cigarettes a day throughout your life.  
00:17:53 --> 00:17:56: And if you're learning throughout your life,  
00:17:56 --> 00:17:58: so I think you know both Co living spaces,  
00:17:58 --> 00:18:02: multifamily, and student housing spaces where there's a kind  
of  
00:18:02 --> 00:18:05: managed community and I can talk more about that later  
00:18:05 --> 00:18:05: on.  
00:18:05 --> 00:18:09: They really addressed those concerns.  
00:18:09 --> 00:18:12: About Wellness and then on the convenience side for me  
00:18:12 --> 00:18:13: for our offering,  
00:18:13 --> 00:18:17: at least this is the biggest change from the the  
00:18:17 --> 00:18:18: existing product.  
00:18:18 --> 00:18:21: So you know, for many maybe Americans have come to  
00:18:21 --> 00:18:24: London to work on some comment.



00:18:24 --> 00:18:27: There probably found that you know they've gone from a  
00:18:27 --> 00:18:31: poor building purpose built in the US to maybe a  
00:18:31 --> 00:18:34: drafty conversion with no on site management.  
00:18:34 --> 00:18:36: For us. The real differentiator,  
00:18:36 --> 00:18:40: I think with the competition is the convenient side of  
00:18:40 --> 00:18:41: things.  
00:18:41 --> 00:18:44: The most interesting example I've seen of that is actually  
00:18:44 --> 00:18:44: went.  
00:18:44 --> 00:18:48: See one of our assets in called the Chelsea in  
00:18:48 --> 00:18:52: New York and they had this really interesting.  
00:18:52 --> 00:18:55: A service called Hello Alfred Identive other people on the  
00:18:55 --> 00:18:56: call have heard of this,  
00:18:56 --> 00:19:00: but I was kind of amazed by its base like  
00:19:00 --> 00:19:00: Imagine if.  
00:19:00 --> 00:19:06: You you had a Butler by Uber?  
00:19:06 --> 00:19:09: This service does is they can kind of take out  
00:19:09 --> 00:19:09: the trash.  
00:19:09 --> 00:19:13: Walk the dog through all these sorts of things which  
00:19:13 --> 00:19:16: really just there to make your life a lot more  
00:19:16 --> 00:19:16: convenient.  
00:19:16 --> 00:19:18: The interesting thing for us,  
00:19:18 --> 00:19:21: you know when I asked how much that costs,  
00:19:21 --> 00:19:22: I was told it's free,  
00:19:22 --> 00:19:26: but of course nothing's for free what it does for  
00:19:26 --> 00:19:29: us is it massively increases retention and then the last  
00:19:29 --> 00:19:30: thing I'll say.  
00:19:30 --> 00:19:33: One of the things we have in all of our  
00:19:33 --> 00:19:36: buildings is we have a Community manager and.  
00:19:36 --> 00:19:38: Is like the name would suggest the object there,  
00:19:38 --> 00:19:41: and they're incentivized to do so is to get people  
00:19:41 --> 00:19:42: to to know one another.  
00:19:42 --> 00:19:44: And so I think within someone moving in,  
00:19:44 --> 00:19:46: there's a target within 90 days of even if they  
00:19:46 --> 00:19:47: live alone,  
00:19:47 --> 00:19:49: that they have to have met so many other people  
00:19:49 --> 00:19:51: within their building at social events.  
00:19:51 --> 00:19:55: And that's really to alleviate this concern about loneliness  
00:19:55 --> 00:19:57: and  
00:19:55 --> 00:19:57: try and build communities and all of those things you  
00:19:57 --> 00:20:00: can't really do certain you came out of Europe in  
00:20:00 --> 00:20:03: traditional rental housing, you really need this.  
00:20:03 --> 00:20:07: This particular bill to rent type product and something that's

00:20:07 --> 00:20:10: unique managed very specifically by specialized operator.

00:20:15 --> 00:20:19: So I'll leave it there for someone else to chime

00:20:19 --> 00:20:19: in.

00:20:19 --> 00:20:23: Yeah, so so Greystar has been developing a lot of

00:20:23 --> 00:20:27: assets and it's a developer operator and an investor,

00:20:27 --> 00:20:32: right? And I think that recently you've already gone some

00:20:32 --> 00:20:36: data on how things are changing or not changing during

00:20:36 --> 00:20:38: the pandemics and how.

00:20:38 --> 00:20:42: How are things now with with your leasing in Europe

00:20:42 --> 00:20:42: over?

00:20:42 --> 00:20:46: OK, well I can't give too much away about that.

00:20:46 --> 00:20:50: I would measure, but it's it's surprising actually so.

00:20:50 --> 00:20:53: I think we can say is interesting stuff to cooperate

00:20:53 --> 00:20:56: this out from samples the last day or so is

00:20:56 --> 00:20:57: the what we can see.

00:20:57 --> 00:21:00: So first maybe to deal with this student housing so

00:21:00 --> 00:21:04: student housing was the one where I think people are

00:21:04 --> 00:21:05: most concerned over.

00:21:05 --> 00:21:08: Certainly when you look at the share price of names

00:21:08 --> 00:21:09: like Unite GCP,

00:21:09 --> 00:21:10: they were down like 40%

00:21:10 --> 00:21:13: in April. These are the student housing specialists,

00:21:13 --> 00:21:16: kind of in line with some of the retail names

00:21:16 --> 00:21:18: which was quite surprising.

00:21:18 --> 00:21:22: However, I think that kind of surprised to the upside

00:21:22 --> 00:21:23: where we are now.

00:21:23 --> 00:21:26: Is kind of on word like say we would like

00:21:26 --> 00:21:27: say 5 to 10%

00:21:27 --> 00:21:29: behind where we were last year,

00:21:29 --> 00:21:32: but with the same kind of rental rates.

00:21:32 --> 00:21:37: So student housing is obviously highly contingent on

00:21:37 --> 00:21:38: universities opening

00:21:38 --> 00:21:40: up in autumn,

00:21:40 --> 00:21:43: but that's kind of on track.

00:21:40 --> 00:21:43: It is very dependent of course on a guest two

00:21:44 --> 00:21:45: single factors.

00:21:45 --> 00:21:47: So whether or not people can travel,

00:21:47 --> 00:21:50: and that's down to.

00:21:50 --> 00:21:53: You know, travel restrictions, visa restrictions,

00:21:53 --> 00:21:56: and stuff like it's highly sensitive to that and some

00:21:56 --> 00:22:00: buildings are more sensitive to international students and

others.

00:22:00 --> 00:22:02: And the other thing, of course,  
 00:22:02 --> 00:22:04: is whether not the campus is open.  
 00:22:04 --> 00:22:07: But that, I think is is kind of on track,  
 00:22:07 --> 00:22:10: and I think that's going to surprise to the upside  
 00:22:10 --> 00:22:12: next year as we go through,  
 00:22:12 --> 00:22:14: you know, the the troughs of unemployment.  
 00:22:14 --> 00:22:18: And will people remember? I think that student housing is  
 00:22:18 --> 00:22:19: somewhat a cyclical,  
 00:22:19 --> 00:22:23: if not countercyclical on the multifamily side of things.  
 00:22:23 --> 00:22:26: There again, we're just slightly behind where we would have  
 00:22:26 --> 00:22:27: been last year.  
 00:22:27 --> 00:22:30: So on rent collections now for Q1 were about the  
 00:22:30 --> 00:22:32: mid call at the mid 90s.  
 00:22:32 --> 00:22:34: A lot of our buildings between 90-95%.  
 00:22:34 --> 00:22:37: Dish, which is marginally down on last year.  
 00:22:37 --> 00:22:40: Similarly, when you look at the Q2,  
 00:22:40 --> 00:22:44: rents are on track to hit about the same kind  
 00:22:44 --> 00:22:48: of levels I expect as unemployment peaks.  
 00:22:48 --> 00:22:50: You know that will increase,  
 00:22:50 --> 00:22:53: but you know, compare that with commercial real estate  
 where  
 00:22:53 --> 00:22:56: something like 1/5 of rents are still outstanding from the  
 00:22:56 --> 00:22:57: first quarter.  
 00:22:57 --> 00:22:59: So in a word operation it's it's.  
 00:22:59 --> 00:23:02: It's been pretty resilient through the pandemic.  
 00:23:02 --> 00:23:04: Yeah, thus far.  
 00:23:04 --> 00:23:07: So I'll come in Hamlet are both just that your  
 00:23:07 --> 00:23:11: operating brands and one is based in the US and  
 00:23:11 --> 00:23:14: the other one is based in Asia and Jake.  
 00:23:14 --> 00:23:17: I know you joined the company since 2016,  
 00:23:17 --> 00:23:19: but the company common starting in 2016.  
 00:23:19 --> 00:23:23: How are things changing the past four years?  
 00:23:23 --> 00:23:28: How's the Co living sector interrupting the regular residential  
 multifamily  
 00:23:28 --> 00:23:29: sector?  
 00:23:29 --> 00:23:31: Mainly in the US? Right,  
 00:23:31 --> 00:23:34: yeah, thank you. So I think you know touching on  
 00:23:34 --> 00:23:38: the 1st question that you asked and kind of weaving  
 00:23:38 --> 00:23:39: it into that.  
 00:23:39 --> 00:23:43: You talk about affordability and I think that that's been  
 00:23:43 --> 00:23:46: that's very much a global issue in most major cities  
 00:23:47 --> 00:23:48: I've seen around the world.  
 00:23:48 --> 00:23:52: Their incomes have not been rising as fast as rents

00:23:52 --> 00:23:53: have been rising,

00:23:53 --> 00:23:56: so the cost to live in cities has outpaced the

00:23:56 --> 00:23:59: amount that people can afford to pay.

00:23:59 --> 00:24:02: And so the idea of living with roommates.

00:24:02 --> 00:24:05: It has been a way for individuals to create a

00:24:05 --> 00:24:09: product for themselves that's more affordable and you know,

00:24:09 --> 00:24:13: common very much didn't invent the idea of living with

00:24:13 --> 00:24:13: roommates.

00:24:13 --> 00:24:17: Rather, our position in the housing market has been to

00:24:17 --> 00:24:22: institutionalized enhance the experience of that for both real estate

00:24:22 --> 00:24:23: developers and for renters,

00:24:23 --> 00:24:27: and that was really how we started was to help

00:24:27 --> 00:24:31: solve the affordability issue through enhanced shared living.

00:24:31 --> 00:24:36: And over the course of that.

00:24:36 --> 00:24:40: Process have really seen that there is an institutional and

00:24:40 --> 00:24:44: a renter appetite for this type of managed product within

00:24:44 --> 00:24:47: the US where I would say that it didn't exist

00:24:47 --> 00:24:50: in the same way before going back to 2016 the

00:24:50 --> 00:24:51: types of developers,

00:24:51 --> 00:24:55: the types of investors and lenders that we were working

00:24:55 --> 00:24:58: with were more family office type as opposed to the

00:24:58 --> 00:25:02: types of developers and investors that we're working with today

00:25:02 --> 00:25:05: which are large global institutions.

00:25:05 --> 00:25:06: And I think there's been a.

00:25:06 --> 00:25:12: Shift in institutional appetite from Class A more luxury multifamily

00:25:12 --> 00:25:14: towards an interest in affordability.

00:25:14 --> 00:25:17: And when I say affordability,

00:25:17 --> 00:25:21: I really mean like targeting the middle of the market

00:25:21 --> 00:25:25: as opposed to continuing to develop Class A multifamily and

00:25:25 --> 00:25:27: a locations in Tier 1 cities.

00:25:27 --> 00:25:32: You're seeing folks start to invest and build in cities

00:25:32 --> 00:25:35: that are more affordable to live in in the US

00:25:35 --> 00:25:36: like Nashville,

00:25:36 --> 00:25:39: Atlanta. Austin

00:25:39 --> 00:25:42: and so.

00:25:42 --> 00:25:45: Affordability is a crucial part of what we do and

00:25:45 --> 00:25:49: what we focus on is providing a top quality experience

00:25:49 --> 00:25:53: that's also affordable to the middle market that's done through

00:25:53 --> 00:25:57: sharing and more broadly, there's just been increased

00:25:57 --> 00:25:58: appetite on  
 00:25:58 --> 00:26:02: the demand side.  
 00:26:02 --> 00:26:04: You know where we're seeing about 20,000 plus leads a  
 00:26:04 --> 00:26:07: month to live in about.  
 00:26:07 --> 00:26:10: 2000 shared suites that we have open right now and  
 00:26:10 --> 00:26:14: so I think affordability is a huge challenge.  
 00:26:14 --> 00:26:15: That cities will continue to face before covid and continuing  
 00:26:15 --> 00:26:19: afterwards.  
 00:26:19 --> 00:26:20: It's all based on supply and demand like Nigel was  
 00:26:20 --> 00:26:23: saying.  
 00:26:23 --> 00:26:25: And so that's that's something that I think is of  
 00:26:25 --> 00:26:29: crucial importance to continue to focus on,  
 00:26:29 --> 00:26:30: especially during covid where people are spending a lot more  
 00:26:30 --> 00:26:33: time at home.  
 00:26:33 --> 00:26:34: So having a quality experience at home is important.  
 00:26:34 --> 00:26:39: We kind of pause there.  
 00:26:39 --> 00:26:43: Anan. Just emphasize that our focus has been on providing  
 00:26:43 --> 00:26:46: high quality experiences for people in the home that's also  
 00:26:46 --> 00:26:49: affordable through shared living.  
 00:26:49 --> 00:26:50: Yeah, and Rajeev and Asia I know that not only  
 00:26:50 --> 00:26:55: you know,  
 00:26:55 --> 00:26:57: you're now creating brand and you're providing high-quality  
 00:26:57 --> 00:27:00: shared living  
 00:27:00 --> 00:27:05: in very dense urban centers.  
 00:27:05 --> 00:27:08: And I also wanted to know a little bit more  
 00:27:08 --> 00:27:11: about how your resident members interact with each other  
 00:27:11 --> 00:27:16: and  
 00:27:16 --> 00:27:20: the kind of platform and opportunities,  
 00:27:20 --> 00:27:26: common areas that you design and provide for people,  
 00:27:26 --> 00:27:31: residents to have a more socially connected experience.  
 00:27:31 --> 00:27:34: Perfect yeah, you know we we operate in some of  
 00:27:34 --> 00:27:37: the most expensive countries for real estate standpoint per  
 00:27:37 --> 00:27:42: square  
 00:27:42 --> 00:27:46: foot.  
 00:27:46 --> 00:27:50: So from an affordability standpoint and and you know,  
 00:27:50 --> 00:27:52: creating you know klase experiences.  
 00:27:52 --> 00:27:56: That's sort of been the key tenants of of what  
 00:27:56 --> 00:27:59: would Hamlet was founded on in terms of Co living  
 and the experiences that we set from a social standpoint.  
 Hammer was built kind of like traditional Thatcher,  
 but has morphed into, you know,  
 a set of services in the set of community that  
 sort of builds around it and so you know pre

00:27:59 --> 00:28:03: covid a lot of emphasis was given to our common  
00:28:03 --> 00:28:08: spaces or common areas to make sure that they were.  
00:28:08 --> 00:28:10: That they were set up in a way that sort  
00:28:10 --> 00:28:14: of pushed collaboration and pushed social interactions and a  
lot  
00:28:14 --> 00:28:18: of our community events were centered within buildings for.  
00:28:18 --> 00:28:21: So, for example, we have 12 buildings in Singapore and  
00:28:21 --> 00:28:25: each one of them had their own building manager and  
00:28:25 --> 00:28:26: event managers post covid.  
00:28:26 --> 00:28:29: I think what's changed is the demand in terms of  
00:28:29 --> 00:28:33: how we utilize those spaces and so our members are  
00:28:33 --> 00:28:34: pushing for more.  
00:28:34 --> 00:28:38: You know, coworking type environments within our common  
spaces.  
00:28:38 --> 00:28:40: As opposed to, you know,  
00:28:40 --> 00:28:44: socialization so that they could really create a nice separation  
00:28:44 --> 00:28:46: between work and work and home.  
00:28:46 --> 00:28:49: And so we're starting to rethink a lot of our  
00:28:49 --> 00:28:53: experiences for our members according to what's sort of  
transpired  
00:28:53 --> 00:28:55: with Covid and in what you know,  
00:28:55 --> 00:28:59: the immediate short to medium term future will look like  
00:28:59 --> 00:29:00: from a community standpoint.  
00:29:00 --> 00:29:04: We've built a ton of digital tools that really help  
00:29:04 --> 00:29:08: members socialize and get to know their neighbors to sort  
00:29:08 --> 00:29:11: of help combat isolation within urban cities.  
00:29:11 --> 00:29:14: And it's especially more important now as you know you  
00:29:14 --> 00:29:18: have an exaggerated view on separation or in isolation  
throughout  
00:29:18 --> 00:29:19: the day,  
00:29:19 --> 00:29:22: making sure that your digitally connected to friends,  
00:29:22 --> 00:29:25: but also people who are physically in the same space  
00:29:25 --> 00:29:26: as you,  
00:29:26 --> 00:29:30: is incredibly important in something that we're we're driving  
through  
00:29:30 --> 00:29:33: our app and through a bunch of our services.  
00:29:35 --> 00:29:40: Yeah, so um, I wanted to understand because Greystar is  
00:29:40 --> 00:29:44: kind of three entities in one where you're the developer,  
00:29:44 --> 00:29:49: investor and operator were asked to call Living Brands  
Hamlet  
00:29:49 --> 00:29:51: and comment there.  
00:29:51 --> 00:29:54: Leading brands in operating Co living properties.  
00:29:54 --> 00:29:59: So Co living is it's an operational intensive asset class

00:29:59 --> 00:30:04: and it has certainly changed dynamic between investors developer,

00:30:04 --> 00:30:08: their own building owners. And operators I wanted to see

00:30:08 --> 00:30:12: each speaker's view on how this dynamic has changed.

00:30:12 --> 00:30:16: Also, Jake touched on. The institutional investor has also shifted

00:30:16 --> 00:30:19: interest from multifamily to Co.

00:30:19 --> 00:30:23: Living properties and also how you see going forward is

00:30:23 --> 00:30:28: a key to a successful partnership between all three very

00:30:28 --> 00:30:30: important parties in real estate.

00:30:30 --> 00:30:33: Sure, so maybe I'll start that one off.

00:30:33 --> 00:30:35: I think it goes without saying with it with any

00:30:35 --> 00:30:36: partnership.

00:30:36 --> 00:30:37: Well, actually, first, you know,

00:30:37 --> 00:30:40: we compare it with commercial real estate.

00:30:40 --> 00:30:42: The added, whereas before you may have just had,

00:30:42 --> 00:30:44: you know.

00:30:44 --> 00:30:48: The developer and investor may be a very light touch

00:30:48 --> 00:30:48: operator.

00:30:48 --> 00:30:51: That kind of clip the rent it once you move

00:30:51 --> 00:30:53: into the rental housing space.

00:30:53 --> 00:30:57: It's very different. I think you know the operations side

00:30:58 --> 00:31:01: of things is crucial to value creation.

00:31:01 --> 00:31:02: And So what that means,

00:31:02 --> 00:31:03: I think, is that you know,

00:31:03 --> 00:31:06: investors have to get more comfortable in their sort of

00:31:06 --> 00:31:09: when they do their due diligence processes,

00:31:09 --> 00:31:11: underwriting the capabilities of the operators,

00:31:11 --> 00:31:15: understanding their track records, understanding what really counts for driving

00:31:15 --> 00:31:16: performance,

00:31:16 --> 00:31:19: the operational level it goes without saying with all these

00:31:19 --> 00:31:22: things that people everyone needs to be aligned.

00:31:22 --> 00:31:24: So that doesn't mean just kind of commercially,

00:31:24 --> 00:31:27: but it also means in in terms of the product.

00:31:27 --> 00:31:29: So one of the benefits of working with some like

00:31:29 --> 00:31:31: Grey Star is vertically integrated.

00:31:31 --> 00:31:34: Is that the? You know that you may need different

00:31:34 --> 00:31:37: kind of capital for the development as to what you

00:31:37 --> 00:31:40: actually need for the standing investment.

00:31:40 --> 00:31:42: So you need to get those things aligned as it

00:31:42 --> 00:31:44: relates to the product as well.

00:31:44 --> 00:31:47: So the finished product and the service offering.

00:31:47 --> 00:31:50: So the operations they need to be quite aligned as

00:31:50 --> 00:31:53: well because you know something that I've found since I

00:31:53 --> 00:31:56: moved to Gray started over a year ago is how

00:31:56 --> 00:31:59: specific some of the building requirements are for us or

00:31:59 --> 00:32:02: level of service often a big thing about what we

00:32:02 --> 00:32:02: do.

00:32:02 --> 00:32:04: Is providing people with them in it?

00:32:04 --> 00:32:06: And that's a service thing,

00:32:06 --> 00:32:09: but that also requires space to be configured in a

00:32:09 --> 00:32:10: certain way,

00:32:10 --> 00:32:12: so it's not just a commercial agreement,

00:32:12 --> 00:32:15: the actual product itself needs to be aligned with the

00:32:15 --> 00:32:16: service offering,

00:32:16 --> 00:32:19: and then I think the last thing I would say

00:32:19 --> 00:32:21: is that you know you need to have between the

00:32:21 --> 00:32:25: three of you a shared vision about the platform you're

00:32:25 --> 00:32:28: trying to create, which so we had this with Golden

00:32:28 --> 00:32:30: welcome with the IQ platform.

00:32:30 --> 00:32:32: I think you need to have a shared vision of

00:32:32 --> 00:32:35: operations is something which creates value,

00:32:35 --> 00:32:37: not just. I think you know it can be seen

00:32:37 --> 00:32:40: by some fishing real estate investors perhaps is just in

00:32:40 --> 00:32:42: terms of risk and it's just payroll.

00:32:42 --> 00:32:45: It's just an aggravation, it's just operational risk,

00:32:45 --> 00:32:48: whereas if you look at it from a sale like

00:32:48 --> 00:32:49: Anekwe honest point,

00:32:49 --> 00:32:51: if you maybe how I look at it.

00:32:51 --> 00:32:54: I think you know you have to really describe some

00:32:54 --> 00:32:56: franchise value to the operations,

00:32:56 --> 00:32:59: something that makes the thing worth more than the sum

00:32:59 --> 00:33:00: of its parts.

00:33:00 --> 00:33:04: And that that for investors I think is again slightly

00:33:04 --> 00:33:04: different,

00:33:04 --> 00:33:07: because normally if you looked at portfolio you look at

00:33:07 --> 00:33:10: just the sum of all the red book valuations and

00:33:10 --> 00:33:13: if it was just a just a plain income producing

00:33:13 --> 00:33:16: commercial building, that might be a valid way of looking

00:33:16 --> 00:33:17: at things.

00:33:17 --> 00:33:19: But as it relates to rental housing,

00:33:19 --> 00:33:23: you really have to start attributing value to the operating

00:33:23 --> 00:33:24: platform as well.

00:33:24 --> 00:33:26: I think so really, except dummy alignment,



00:33:26 --> 00:33:30: shared vision and you know shared view of value.

00:33:30 --> 00:33:32: Yeah, I think both are dragon.

00:33:32 --> 00:33:37: Jacob would agree that the networking the network effect of

00:33:37 --> 00:33:41: Co living brand is really one of the most important

00:33:41 --> 00:33:45: negotiation power that the operation though branch pass in this

00:33:45 --> 00:33:49: in this trail and I wanted to hear your your

00:33:49 --> 00:33:54: view and how's how has it been working with developers

00:33:54 --> 00:33:57: and owners in it's in your expansion plan.

00:33:57 --> 00:34:01: And you. We also a question of Jake and if

00:34:01 --> 00:34:04: you can also tell us a bit how important is

00:34:04 --> 00:34:08: the proximity of operator in to the asset and to

00:34:08 --> 00:34:14: be close to the investor in terms of geographic presence.

00:34:14 --> 00:34:17: Great, so happy to tackle both of those and I

00:34:17 --> 00:34:20: want to just also clarify how the Co living world

00:34:20 --> 00:34:24: has evolved in the United States because I think it's

00:34:24 --> 00:34:27: been on a different trajectory than in Europe from a

00:34:27 --> 00:34:30: zoning and regulatory point of view where and also a

00:34:30 --> 00:34:34: user experience and how it's integrated in buildings,

00:34:34 --> 00:34:37: columning has evolved to be a really a unit type

00:34:37 --> 00:34:40: within the broader multifamily umbrella.

00:34:40 --> 00:34:42: Just like you have studios,

00:34:42 --> 00:34:44: one bedroom apartments, 2 bedroom apartments.

00:34:44 --> 00:34:48: You can also have micro units and Co living suites

00:34:48 --> 00:34:48: that.

00:34:48 --> 00:34:50: For us are typically shared suites,

00:34:50 --> 00:34:54: think it's helpful to define what the unit type could

00:34:54 --> 00:34:55: look like.

00:34:55 --> 00:34:58: You know we work with about 11 different unit types

00:34:58 --> 00:35:02: in general that we can implement depending on the zoning

00:35:02 --> 00:35:05: regulatory regulations as well as the.

00:35:05 --> 00:35:08: Preference of the developer and also take into account local

00:35:08 --> 00:35:11: demand and so Co living is very much a unit

00:35:11 --> 00:35:12: type within multifamily,

00:35:12 --> 00:35:15: and that's part of how common has evolved to manage

00:35:15 --> 00:35:19: multifamily properties that incorporate conventional units as well.

00:35:19 --> 00:35:22: Things like studios, one and two bedroom apartments.

00:35:22 --> 00:35:25: So I just wanted to make that distinction so when

00:35:25 --> 00:35:29: I was talking bout institutional capital going towards coliving it's

00:35:29 --> 00:35:33: also going towards traditional multi family in the US.

00:35:33 --> 00:35:36: Housing is a bright spot that seeing increased capital.

00:35:36 --> 00:35:40: Flow and coloring is a subset within that.

00:35:40 --> 00:35:45: Separately, I would say that operations are critically important for

00:35:45 --> 00:35:47: both coliving conventional apartments,

00:35:47 --> 00:35:51: student housing and that there was calm and had the

00:35:51 --> 00:35:55: opportunity to really put together a structure that was different

00:35:56 --> 00:36:00: than conventional operators that we'd seen in the market today.

00:36:00 --> 00:36:03: We did that by bringing in best in class kind

00:36:03 --> 00:36:07: of thought leaders from various different industries,

00:36:07 --> 00:36:10: both within real estate from the Grey Stars.

00:36:10 --> 00:36:15: Related top institutional management world and paired them up with

00:36:15 --> 00:36:18: folks from you know top technology companies,

00:36:18 --> 00:36:23: Facebook, Dropbox, etc. And we retooled how the operations of

00:36:23 --> 00:36:27: a property will work through a combination of centralized teams,

00:36:27 --> 00:36:32: an localized teams and with a high degree of specialization

00:36:32 --> 00:36:32: in roles.

00:36:32 --> 00:36:37: And I'll give you some specific examples that has allowed

00:36:37 --> 00:36:43: us to decrease operating expenses significantly and also increase building

00:36:43 --> 00:36:44: performance.

00:36:44 --> 00:36:48: So we have a centralized hub that we just launched

00:36:48 --> 00:36:49: in Atlanta,

00:36:49 --> 00:36:53: which will house our centralized team going forward and that

00:36:54 --> 00:36:57: will be for roles like member experience,

00:36:57 --> 00:37:02: customer success, inside sales and I'll show that share the

00:37:02 --> 00:37:06: side by side comparison and so with the typical manager

00:37:06 --> 00:37:11: you'll have a leasing specialist who's onsite who's responsible for

00:37:11 --> 00:37:15: marketing a property generating leads.

00:37:15 --> 00:37:18: Fielding leads as they come in scheduling tours,

00:37:18 --> 00:37:22: touring people through properties. Once they get there following up

00:37:22 --> 00:37:22: with them,

00:37:22 --> 00:37:25: signing leases, and working on renewals.

00:37:25 --> 00:37:28: And so anytime that that individual who's at the property

00:37:28 --> 00:37:30: is doing one of those tasks,

00:37:30 --> 00:37:33: it means that they can't do any of the other

00:37:33 --> 00:37:36: ones 'cause you can't do two things at once,

00:37:36 --> 00:37:39: and So what Commons done is we've broken that entire

00:37:39 --> 00:37:42: cycle apart on the leasing side and centralized what we  
00:37:42 --> 00:37:45: could and specialized where we could.  
00:37:45 --> 00:37:46: And we've used technology to.  
00:37:46 --> 00:37:50: Enhance efficiency so we have an inside sales team where  
00:37:50 --> 00:37:53: if you apply to live at comment on our website  
00:37:53 --> 00:37:55: and you're a qualified,  
00:37:55 --> 00:37:59: it's a qualified application. You know around the time that  
00:37:59 --> 00:38:01: you want to move and your income levels,  
00:38:01 --> 00:38:05: somebody will call you within 5 to 10 minutes and  
00:38:05 --> 00:38:09: that lead will get routed through an internal architecture that  
00:38:09 --> 00:38:13: we built and customized through Salesforce to land at an  
00:38:13 --> 00:38:16: inside sales reps. Kind of top of their funnel so  
00:38:16 --> 00:38:17: that they can.  
00:38:17 --> 00:38:21: Just sit there and call people all day so they're  
00:38:21 --> 00:38:22: calling you too.  
00:38:22 --> 00:38:25: Educate you on comments product and also schedule a tour  
00:38:25 --> 00:38:26: for you.  
00:38:26 --> 00:38:29: The leasing specialist who's on site in Commons model just  
00:38:29 --> 00:38:30: tours all day.  
00:38:30 --> 00:38:33: Their schedule is booked for them they show up.  
00:38:33 --> 00:38:35: They tore people through the building.  
00:38:35 --> 00:38:38: We have 1/3 function which is also centralized that the  
00:38:38 --> 00:38:42: leasing specialist and the leasing specialist will follow.  
00:38:42 --> 00:38:43: Or is a leasing admin.  
00:38:43 --> 00:38:46: The leasing admin will follow up with you after your  
00:38:46 --> 00:38:50: tour if you've expressed interest in actually signing a lease  
00:38:50 --> 00:38:52: and then they'll send you a digital lease.  
00:38:52 --> 00:38:54: If you do want to move forward and.  
00:38:54 --> 00:38:57: And execute that. They'll run the credit check.  
00:38:57 --> 00:38:59: They'll validate you as a potential applicant,  
00:38:59 --> 00:39:02: and then if you qualify from income from an income  
00:39:02 --> 00:39:04: perspective in credit perspective,  
00:39:04 --> 00:39:07: we'll send you a lease that you could sign within  
00:39:07 --> 00:39:08: a few minutes on line.  
00:39:08 --> 00:39:11: 'cause it's all digital. And then you know you'll move  
00:39:11 --> 00:39:14: in to the property and somebody on the Member experience  
00:39:14 --> 00:39:17: team will start to engage with you to ensure that  
00:39:17 --> 00:39:18: you're having you know, help.  
00:39:18 --> 00:39:21: Best ensure you're having a great experience,  
00:39:21 --> 00:39:24: and so that's one example of how we've restructured  
00:39:24 --> 00:39:27: operations.  
00:39:24 --> 00:39:27: In a way that I haven't quite seen other operators

00:39:27 --> 00:39:29: do it that is enhancing the experience in the perform

00:39:29 --> 00:39:32: the experience for the renters in the performance financially of

00:39:32 --> 00:39:36: the buildings and also the experience for the owners of

00:39:36 --> 00:39:39: the properties 'cause we take into account all of those

00:39:39 --> 00:39:39: things.

00:39:39 --> 00:39:43: And so, with respect to Galeana your question about how

00:39:43 --> 00:39:46: important is the proximity to the investor?

00:39:46 --> 00:39:50: This all ties into our strategy around how will roll

00:39:50 --> 00:39:54: out in other international markets and how we roll out

00:39:54 --> 00:39:58: across the cities that were coming to in the United

00:39:58 --> 00:40:00: States.

00:40:00 --> 00:40:04: We will set will set up a similar centralized hub

00:40:04 --> 00:40:04: in Europe.

00:40:04 --> 00:40:06: And that will be across serve.

00:40:06 --> 00:40:08: So we'll have two centralized hubs,

00:40:08 --> 00:40:10: one in Atlanta, one in Europe,

00:40:10 --> 00:40:13: in a place that we have not yet announced.

00:40:13 --> 00:40:17: An those will both cross serve all the properties between

00:40:17 --> 00:40:18: Europe and North America,

00:40:18 --> 00:40:20: and we will have, you know,

00:40:20 --> 00:40:24: a European headquarters that will also have some executive functions

00:40:24 --> 00:40:28: and a number of other functions that are necessary alongside

00:40:28 --> 00:40:29: the centralized teams.

00:40:29 --> 00:40:33: And it allows us to keep staffline at the property

00:40:33 --> 00:40:33: level.

00:40:33 --> 00:40:36: And also you know. So that's important,

00:40:36 --> 00:40:39: but I think you can't have a building and not

00:40:39 --> 00:40:41: have anybody who's on site.

00:40:41 --> 00:40:43: That's not what I'm what I'm suggesting,

00:40:43 --> 00:40:46: but I think we can limit that from cost and

00:40:46 --> 00:40:49: performance perspective in a way that enhances,

00:40:49 --> 00:40:53: enhances the market or in a hint enhances the entire

00:40:53 --> 00:40:55: experience for all stakeholders.

00:40:55 --> 00:40:58: And therefore you know we need less people close to

00:40:58 --> 00:40:59: the asset.

00:40:59 --> 00:41:03: The proximity of the asset to the investor is kind

00:41:03 --> 00:41:07: of more of an investor decision than an operator decision.

00:41:07 --> 00:41:10: And that's how we've been approaching and looking at the

00:41:10 --> 00:41:10: world.

00:41:13 --> 00:41:17: Yeah, and I see how that you're also a venture

00:41:17 --> 00:41:21: backed company and in terms of your venture investors,

00:41:21 --> 00:41:25: venture capital investors and measures in real estate,  
00:41:25 --> 00:41:29: the owners developer that you're interacting with.  
00:41:29 --> 00:41:34: How's the relationship partnership has been and and was  
you  
00:41:34 --> 00:41:35: think that?  
00:41:35 --> 00:41:38: You know it's a key to success that Hamlet has  
00:41:38 --> 00:41:40: been operating in Asia,  
00:41:40 --> 00:41:44: and your interaction with the land owners and and the  
00:41:44 --> 00:41:45: operational team.  
00:41:45 --> 00:41:50: Yep cool, yeah we are venture backed were primarily backed  
00:41:50 --> 00:41:52: by Sequoia Capital.  
00:41:52 --> 00:41:56: And you know when when Hamlet started in 2016 it  
00:41:56 --> 00:41:58: was primarily mom and pops,  
00:41:58 --> 00:42:02: renting, renting out their their apartments to us,  
00:42:02 --> 00:42:05: and it was leases, you know,  
00:42:05 --> 00:42:09: Fast forward to 2020 and we've actually not taken on  
00:42:09 --> 00:42:11: a single lease in 2020.  
00:42:11 --> 00:42:17: We've on boarded most of our stock through management  
contracts  
00:42:17 --> 00:42:19: or profit sharing mechanisms.  
00:42:19 --> 00:42:22: That sort of been a big innovation.  
00:42:22 --> 00:42:24: Or not really an innovation,  
00:42:24 --> 00:42:26: but a big shift in in the markets,  
00:42:26 --> 00:42:29: in in our part of the world where we're now  
00:42:29 --> 00:42:33: focused on essentially driving value from a take rate and  
00:42:33 --> 00:42:38: increasing our gross margin in our profitability within our  
business.  
00:42:38 --> 00:42:40: And then the same for profit.  
00:42:40 --> 00:42:43: Share all that's been done to affectively give the you  
00:42:43 --> 00:42:44: know,  
00:42:44 --> 00:42:48: share profits back to the landlord when things are working  
00:42:48 --> 00:42:51: in and and you know when this high volumes but  
00:42:51 --> 00:42:55: in D risking our platform from an occupancy standpoint so  
00:42:55 --> 00:42:58: we don't know. Unger have occupancy risk in the in  
00:42:58 --> 00:43:01: the business and so covid can happen and it won't  
00:43:01 --> 00:43:05: really drive too much of a material change or shift  
00:43:05 --> 00:43:09: in. In our business, our unit economics what we've found  
00:43:09 --> 00:43:12: through Covid from you know the beginning of this year  
00:43:12 --> 00:43:16: through now is that landlords are looking at more innovative  
00:43:16 --> 00:43:18: ways to market their property,  
00:43:18 --> 00:43:22: specifically in the service apartment asset class in the hotel  
00:43:23 --> 00:43:25: asset class where they're trying to,  
00:43:25 --> 00:43:29: you know, forsake yield for long term cash flow.

00:43:29 --> 00:43:32: So they don't mind less points on a per day

00:43:32 --> 00:43:35: average spend for longer term spend cycles,

00:43:35 --> 00:43:39: right? And so we're seeing a lot of properties come

00:43:39 --> 00:43:42: our way that used to be hotels who used to

00:43:42 --> 00:43:46: be serviced apartments that now want to be reconfigured to

00:43:46 --> 00:43:50: Co living or living in general.

00:43:50 --> 00:43:52: And what's really cool about those deals is,

00:43:52 --> 00:43:55: you know the landlord is willing to put in the

00:43:55 --> 00:43:58: yields the CapEx of the apartment in order to drive

00:43:58 --> 00:43:59: some of this change.

00:43:59 --> 00:44:02: And so that's been a massive shift in terms of

00:44:02 --> 00:44:06: our relationships with our landlords over over the last three

00:44:06 --> 00:44:07: or four years,

00:44:07 --> 00:44:09: but especially in the last six months.

00:44:12 --> 00:44:16: OK so I have one last question before I open

00:44:17 --> 00:44:20: the floor to the audience.

00:44:20 --> 00:44:23: We in the beginning of the poll.

00:44:23 --> 00:44:25: Our audience think that in the future,

00:44:25 --> 00:44:29: because of the pandemic, our our desire to live in

00:44:29 --> 00:44:33: urban center will decrease and I wanted to know from

00:44:33 --> 00:44:34: your experience,

00:44:34 --> 00:44:39: especially dealing with the design of the new spaces.

00:44:39 --> 00:44:43: Has it been any materialized changes that you are going

00:44:43 --> 00:44:47: to implement in your new projects to make sure that

00:44:47 --> 00:44:51: people feel more comfortable living in the city center offer

00:44:51 --> 00:44:54: more space? Is space to work from home and also

00:44:54 --> 00:44:58: space to outdoor space for people to feel less.

00:44:58 --> 00:45:03: You know, trapped when there when they they cannot leave

00:45:03 --> 00:45:05: their houses.

00:45:05 --> 00:45:07: Yes, it maybe I'll start with this piece of examples

00:45:07 --> 00:45:08: out.

00:45:08 --> 00:45:11: There were some questions there on sort of densification as

00:45:11 --> 00:45:11: well.

00:45:11 --> 00:45:13: I think like you know,

00:45:13 --> 00:45:15: I've read a lot of articles in the newspapers about

00:45:15 --> 00:45:18: this idea that we're going to move to the country,

00:45:18 --> 00:45:20: but the I think the problem we face,

00:45:20 --> 00:45:23: particularly Europe, is that you know as things stood as

00:45:23 --> 00:45:24: they were,

00:45:24 --> 00:45:27: there was a shortage of housing where everyone lived.

00:45:27 --> 00:45:28: At this point in time,

00:45:28 --> 00:45:31: there's certainly not the capacity for everyone to suddenly

move

00:45:32 --> 00:45:32: to the country.

00:45:32 --> 00:45:35: So I take the point that there is.

00:45:35 --> 00:45:38: Increasing demand to live, perhaps a little bit further out

00:45:38 --> 00:45:40: of town or perhaps in the suburbs.

00:45:40 --> 00:45:43: But I think that adjustment will happen in valuation.

00:45:43 --> 00:45:47: It won't actually change. I think where people live and

00:45:47 --> 00:45:47: you know,

00:45:47 --> 00:45:51: there's there's lots of other sort of interesting things from

00:45:51 --> 00:45:52: sort of history.

00:45:52 --> 00:45:55: I mean, this, this pandemic is certainly the the worst

00:45:55 --> 00:45:57: for a very long time,

00:45:57 --> 00:46:00: but you look at the you know the rapid urbanization

00:46:00 --> 00:46:01: of the United States,

00:46:01 --> 00:46:05: particularly NYC that came after the 191918 flu.

00:46:05 --> 00:46:08: And in some Italian city states they sort of densified

00:46:08 --> 00:46:10: like after after the playground.

00:46:10 --> 00:46:13: So I don't think that I wouldn't call it like

00:46:13 --> 00:46:14: the end of the city,

00:46:14 --> 00:46:16: but I think they just meant evaluation.

00:46:16 --> 00:46:19: I think that people are going to be more concerned

00:46:19 --> 00:46:20: now about.

00:46:20 --> 00:46:23: I mean I guess there are two things to really

00:46:23 --> 00:46:23: consider.

00:46:23 --> 00:46:26: Firstly is like the actual practical requirements.

00:46:26 --> 00:46:29: Now working from home. So for us,

00:46:29 --> 00:46:33: what that means is we're thinking more about.

00:46:33 --> 00:46:36: The we have standard furniture packs for a lot of

00:46:36 --> 00:46:39: our buildings and we're thinking now about or how can

00:46:39 --> 00:46:42: we change those furniture packs within the layouts that we

00:46:42 --> 00:46:46: have so that there's always you know adequate workspace

00:46:46 --> 00:46:49: within

00:46:46 --> 00:46:49: the apartment itself and then in the common areas like

00:46:49 --> 00:46:50: the residents.

00:46:50 --> 00:46:53: Lounge is how can we make those more friendly places

00:46:53 --> 00:46:56: to live the other thing to work sorry the other

00:46:56 --> 00:46:57: thing so for myself.

00:46:57 --> 00:47:00: I live in a large apartment building is I think

00:47:00 --> 00:47:03: when you're cooped up in your flat on sort of.

00:47:03 --> 00:47:05: Webinars an all day long you kind of want some

00:47:05 --> 00:47:09: outdoor space and certainly seen a lot more folks venture

00:47:09 --> 00:47:11: outside into the communal areas.

00:47:11 --> 00:47:13: But in order to have the confidence to do that  
 00:47:13 --> 00:47:16: so we have things like resident lounges,  
 00:47:16 --> 00:47:19: gyms, and stuff that you need to have much more  
 00:47:19 --> 00:47:21: like scene is having Hans cleaning.  
 00:47:21 --> 00:47:24: You need to have much more attention on those kinds  
 00:47:24 --> 00:47:26: of things and then as well some of the social  
 00:47:26 --> 00:47:28: activities that we always do.  
 00:47:28 --> 00:47:31: Our community managers run. Those are things are a  
 welcome  
 00:47:31 --> 00:47:34: relief to people that are sort of working.  
 00:47:34 --> 00:47:36: At home and during this pandemic,  
 00:47:36 --> 00:47:39: but again, we've had to rethink those a little.  
 00:47:39 --> 00:47:42: So in one nice example we've got is we used  
 00:47:42 --> 00:47:45: to do things like cinema nights and drinks and pizza  
 00:47:45 --> 00:47:47: nights and stuff like that.  
 00:47:47 --> 00:47:51: But now somebody developments. We have more outdoor  
 activities like  
 00:47:51 --> 00:47:55: nature walks at some of Arsenal buildings at the edge  
 00:47:55 --> 00:47:55: of London,  
 00:47:55 --> 00:47:58: even things like watercolor classes,  
 00:47:58 --> 00:48:01: things which you can, which can be done to build  
 00:48:01 --> 00:48:02: the community,  
 00:48:02 --> 00:48:04: but in a sort socially distance way,  
 00:48:04 --> 00:48:06: an environment that's. Hygiene it,  
 00:48:06 --> 00:48:08: but people are confident they can.  
 00:48:08 --> 00:48:12: They can cohabit with other people so there's a kind  
 00:48:12 --> 00:48:16: of headlines of how we thought about managing the  
 pandemic  
 00:48:16 --> 00:48:17: in the short term.  
 00:48:20 --> 00:48:23: Yeah, and I also know that the Co living brands  
 00:48:23 --> 00:48:26: are focusing on how to provide enough for a good  
 00:48:26 --> 00:48:29: living condition with very limited spaces,  
 00:48:29 --> 00:48:32: so I wanted to hear both of your opinion on  
 00:48:32 --> 00:48:36: how the design is changing in the future and housing  
 00:48:36 --> 00:48:39: requirements of your residence been changing.  
 00:48:39 --> 00:48:42: Yeah, so you know 4 first Singapore we.  
 00:48:42 --> 00:48:46: We don't have the luxury of the countryside it's it's  
 00:48:46 --> 00:48:49: kind of old City and the same could be said  
 00:48:49 --> 00:48:50: for Hong Kong in Tokyo.  
 00:48:50 --> 00:48:54: But for city cities where we are for example Sydney,  
 00:48:54 --> 00:48:58: where where there is a countryside we are taking starting  
 00:48:58 --> 00:49:01: to take that into account a little bit.  
 00:49:01 --> 00:49:04: Although I do think that you know the audiences is



00:49:04 --> 00:49:06: sort of a short term sentiment,  
00:49:06 --> 00:49:10: not necessarily a long term view.  
00:49:10 --> 00:49:12: In terms of what we're doing,  
00:49:12 --> 00:49:14: you know within our spaces we haven't.  
00:49:14 --> 00:49:16: We haven't been, you know,  
00:49:16 --> 00:49:20: we haven't gotten feedback yet that you know the spaces  
00:49:20 --> 00:49:23: are small or or or you know folks you know  
00:49:23 --> 00:49:24: folks need to.  
00:49:24 --> 00:49:26: You know need need more space.  
00:49:26 --> 00:49:29: All of a sudden they're living the exact same place,  
00:49:29 --> 00:49:33: but what we have been told as I highlighted earlier,  
00:49:33 --> 00:49:34: is.  
00:49:34 --> 00:49:37: If they're going to be spending most of their time  
00:49:37 --> 00:49:38: in the building,  
00:49:38 --> 00:49:41: they'd like to be able to separate the place that  
00:49:41 --> 00:49:44: they work from the place that they live without actually  
00:49:44 --> 00:49:44: living,  
00:49:44 --> 00:49:47: leaving the community, or leaving the building.  
00:49:47 --> 00:49:51: And so we're working to retool our common spaces to  
00:49:51 --> 00:49:54: allow for a lot more work in collaboration.  
00:49:54 --> 00:49:56: Bumping up Wi-Fi. Doing a bunch of other things too  
00:49:56 --> 00:49:59: to make sure that's a really good user experience while  
00:49:59 --> 00:50:02: staying safe and staying isolated for for the most part.  
00:50:02 --> 00:50:04: So that's something that we are actively working on.  
00:50:09 --> 00:50:11: Great, happy to jump in falling Rajeev.  
00:50:11 --> 00:50:14: So yeah I think just to echo what Riggi was  
00:50:14 --> 00:50:15: saying.  
00:50:15 --> 00:50:18: It's important to 1st consider what kind of data we're  
00:50:18 --> 00:50:19: getting today.  
00:50:19 --> 00:50:23: From the demand side in the United States where we  
00:50:23 --> 00:50:26: have properties open in about 9 different markets at the  
00:50:26 --> 00:50:30: moment and will be launching a couple others before the  
00:50:30 --> 00:50:33: end of the year and to date we haven't seen  
00:50:33 --> 00:50:36: a drop off at all in demand for either.  
00:50:36 --> 00:50:39: You know common managers like I was saying a bunch  
00:50:39 --> 00:50:39: of.  
00:50:39 --> 00:50:43: A number of different unit types ranging from micro units,  
00:50:43 --> 00:50:46: conventional apartments to shared suites,  
00:50:46 --> 00:50:48: and we haven't seen a drop off across any of  
00:50:48 --> 00:50:53: those unit typology's we've actually seen demand increase  
significantly for  
00:50:53 --> 00:50:55: units that are more affordable,

00:50:55 --> 00:50:59: as there's potentially more economic.

00:50:59 --> 00:51:03: The economic downturn is definitely hit number of different folks

00:51:03 --> 00:51:07: and pushed more people who were stretching for the top

00:51:07 --> 00:51:09: of the market into the middle of the market.

00:51:09 --> 00:51:13: The middle of the market was already underserved and just

00:51:13 --> 00:51:14: some data.

00:51:14 --> 00:51:16: As an example, in June of this year,

00:51:16 --> 00:51:19: we signed the largest number of leases we've ever signed

00:51:19 --> 00:51:22: in a month over 250 leases between,

00:51:22 --> 00:51:26: you know we're getting. Consistently over 20,000 leads a month

00:51:26 --> 00:51:27: to live in.

00:51:27 --> 00:51:30: You know, total portfolio about 3000 units that are mostly

00:51:30 --> 00:51:31: stabilized assets,

00:51:31 --> 00:51:35: so there's only a small handful of available units at

00:51:35 --> 00:51:36: any in any given month,

00:51:36 --> 00:51:39: so demand is well outstripping supply.

00:51:39 --> 00:51:42: That's increased from an average of about 15,000 a month

00:51:42 --> 00:51:43: in 2019,

00:51:43 --> 00:51:46: so demands wrapped. It ramped up the ability to sign

00:51:46 --> 00:51:46: leases,

00:51:46 --> 00:51:49: has ramped up that's across micro units,

00:51:49 --> 00:51:52: conventional apartments and shared suites.

00:51:52 --> 00:51:54: I think a big part of that has come down

00:51:54 --> 00:51:59: to the thoughtful design that has already been incorporated into

00:51:59 --> 00:51:59: the unit.

00:51:59 --> 00:52:03: We have an inhouse design and architecture team of about

00:52:03 --> 00:52:07: 20 to 30 different architects who have been working with

00:52:07 --> 00:52:10: us for a period of time with various different feedback

00:52:10 --> 00:52:14: loops incorporated between our operations and leasing team in our

00:52:15 --> 00:52:18: Member experience team back to the design team that we've

00:52:18 --> 00:52:22: rolled into set of brand standards to ensure that any

00:52:22 --> 00:52:26: development that gets built that Carmen is going to manage

00:52:26 --> 00:52:29: incorporates a great bridge between.

00:52:29 --> 00:52:33: Density and economics, as well as the member experience.

00:52:33 --> 00:52:37: What were what were we are incorporating going forward and

00:52:37 --> 00:52:40: where anything has changed is around,

00:52:40 --> 00:52:44: you know? Probably more of an emphasis on what we've

00:52:44 --> 00:52:48: been doing in the past and making it bigger with

00:52:48 --> 00:52:51: respect to community space outside of the units,  
 00:52:51 --> 00:52:55: we've always been of the mind that affordability is the  
 00:52:55 --> 00:52:59: best amenity and that people come to comment for the  
 00:52:59 --> 00:53:00: affordability,  
 00:53:00 --> 00:53:04: but they stay for the community and the convenience,  
 00:53:04 --> 00:53:06: and so emphasizing you know,  
 00:53:06 --> 00:53:10: Community spaces that are built for working at home is  
 00:53:10 --> 00:53:12: really important.  
 00:53:12 --> 00:53:13: We were already doing that,  
 00:53:13 --> 00:53:16: but now what if we have a choice between making  
 00:53:16 --> 00:53:20: the gym bigger or making the shared workspace bigger and  
 00:53:20 --> 00:53:24: we will perhaps consider more leaning towards shared  
 workspace and  
 00:53:24 --> 00:53:29: then designing with flexibility in mind is also important  
 because  
 00:53:29 --> 00:53:32: you know you want to be able to manipulate the  
 00:53:32 --> 00:53:36: space to serve multiple functions like a clubhouse lounge that  
 00:53:36 --> 00:53:39: you would feel comfortable having a dinner party in,  
 00:53:39 --> 00:53:42: but then also working in during the day and.  
 00:53:42 --> 00:53:44: With respect to like bigger picture,  
 00:53:44 --> 00:53:48: are we changing unit type apologies and seeing big changes  
 00:53:48 --> 00:53:51: and design for projects that are still under development two  
 00:53:51 --> 00:53:55: to four years away from being delivered haven't really seen  
 00:53:55 --> 00:53:58: that yet, and I think that you know not not  
 00:53:58 --> 00:54:02: in the States and not in the projects that I've  
 00:54:02 --> 00:54:03: been involved in.  
 00:54:03 --> 00:54:07: Not, you know. I think folks are still assuming that  
 00:54:07 --> 00:54:08: we are going to.  
 00:54:08 --> 00:54:11: Move past Covid from a building design perspective,  
 00:54:11 --> 00:54:15: you know, at least in the residential projects that I've  
 00:54:15 --> 00:54:15: seen,  
 00:54:15 --> 00:54:19: have not yet seen like big sweeping change to account  
 00:54:19 --> 00:54:22: for something that exists today that I think we're all  
 00:54:22 --> 00:54:25: hoping will not be a part of our story for  
 00:54:25 --> 00:54:27: so much longer. Yeah, Jake guys,  
 00:54:27 --> 00:54:32: very interesting perspective. We've all talked just about the  
 inner  
 00:54:32 --> 00:54:34: the spaces and how they're gonna change in,  
 00:54:34 --> 00:54:37: uh, from inside out and the design.  
 00:54:37 --> 00:54:39: We just got a question from the audience.  
 00:54:39 --> 00:54:42: Asking the panel of what is the ideal location for  
 00:54:42 --> 00:54:43: was in the city.  
 00:54:43 --> 00:54:46: Doesn't need to be a city center Ridge.

00:54:46 --> 00:54:48: If you're you're you are in the city.

00:54:48 --> 00:54:50: You said you most of your properties are in the

00:54:50 --> 00:54:51: city.

00:54:51 --> 00:54:54: How do you choose your locations?

00:54:54 --> 00:54:57: I will choose our locations based off the data of

00:54:57 --> 00:55:00: leads that we're getting on a monthly basis.

00:55:00 --> 00:55:03: So similar to common, we get about 1516 thousand leads

00:55:03 --> 00:55:06: a month and there for various locations,

00:55:06 --> 00:55:09: some of which you know we have quite a bit

00:55:09 --> 00:55:10: of which we don't have,

00:55:10 --> 00:55:14: which is actually help us pivot into this living platform.

00:55:14 --> 00:55:18: But that's essentially how we start to build data around

00:55:18 --> 00:55:19: around our locations.

00:55:19 --> 00:55:22: I'd say it was very easy to start with the

00:55:22 --> 00:55:23: city center,

00:55:23 --> 00:55:27: but as as. Folks are looking for more affordable housing

00:55:27 --> 00:55:31: and we're not changing our typographies on on the unit

00:55:31 --> 00:55:31: types.

00:55:31 --> 00:55:36: You know, location helps bring affordability into into greater

00:55:36 --> 00:55:38: emphasis

00:55:38 --> 00:55:41: and and perspective,

00:55:41 --> 00:55:43: and so we're not necessarily relegated to the city.

00:55:43 --> 00:55:48: So in Singapore, for example,

00:55:48 --> 00:55:49: you've got the central business district where the majority of

00:55:49 --> 00:55:53: our locations are based,

00:55:53 --> 00:55:57: but we're starting to move out of that into,

00:55:57 --> 00:56:01: you know, more affordable. Locations that are 1015 twenty

00:56:01 --> 00:56:03: 30

00:56:03 --> 00:56:08: kilometers away from are from the sense from the center

00:56:08 --> 00:56:12: but offer the exact same experience.

00:56:12 --> 00:56:12: The exact same community and the exact same service.

00:56:12 --> 00:56:15: Yeah, we've seen a few questions from the audience to

00:56:15 --> 00:56:20: Rob,

00:56:20 --> 00:56:21: can you? We should move this to Q&A.

00:56:21 --> 00:56:24: Thanks gives you. Yeah, I think too since we're limited

00:56:24 --> 00:56:28: on time,

00:56:28 --> 00:56:33: I'm going to just skip around with the questions.

00:56:33 --> 00:56:34: The first one is how many works.

00:56:34 --> 00:56:38: And the questions in the poll we had the attendees

00:56:38 --> 00:56:42: respond.

00:56:42 --> 00:56:44: That was about 20 people.

00:56:44 --> 00:56:46: Next we have a question of regulation.

00:56:42 --> 00:56:48: In Europe, is a different zoning and regulations that vary  
00:56:48 --> 00:56:51: from country to country.  
00:56:51 --> 00:56:53: Could be a problem. Is it just a matter of  
00:56:53 --> 00:56:57: time till the market absorbs the co living concept?  
00:56:59 --> 00:57:02: Yeah, panelists could address that.  
00:57:02 --> 00:57:03: I could take that. I mean,  
00:57:03 --> 00:57:07: I've been spending spent about the last 18 months really  
00:57:07 --> 00:57:11: focused on European expansion for comment and was  
00:57:11 --> 00:57:14: actually going  
00:57:14 --> 00:57:18: to move to London in March of 2020 to launch  
00:57:18 --> 00:57:21: our European headquarters there. And so I've seen  
00:57:21 --> 00:57:25: regulations in  
00:57:25 --> 00:57:28: a number of different markets and it is one of  
00:57:28 --> 00:57:31: the biggest differences between Europe and America is how  
00:57:31 --> 00:57:34: the  
00:57:34 --> 00:57:38: regulatory environment has evolved in the US,  
00:57:38 --> 00:57:38: Carmen has projects and pipeline coming online in 20.  
00:57:38 --> 00:57:38: Over 20 cities, not one of those cities,  
00:57:38 --> 00:57:38: has specific regulation for Co living like I was saying  
00:57:38 --> 00:57:38: before,  
00:57:38 --> 00:57:41: Coliving hat is very much a unit type within the  
00:57:41 --> 00:57:43: multifamily umbrella,  
00:57:43 --> 00:57:46: both from a zoning and regulations standpoint,  
00:57:46 --> 00:57:49: and from a like unit fundamental standpoint,  
00:57:49 --> 00:57:52: and so that's been the case in the United States.  
00:57:52 --> 00:57:54: What you've seen in Europe,  
00:57:54 --> 00:57:57: and I think this speaks to the launch of some  
00:57:57 --> 00:58:01: of the 1st and largest coliving schemes in Europe you  
00:58:01 --> 00:58:01: had.  
00:58:01 --> 00:58:05: You had a product type that lean towards a micro  
00:58:05 --> 00:58:06: unit,  
00:58:06 --> 00:58:11: something very small compared to a conventional apartment  
00:58:11 --> 00:58:13: that was  
00:58:13 --> 00:58:19: also leased on a nightly basis,  
00:58:19 --> 00:58:22: and so that looks quite different fundamentally from  
00:58:22 --> 00:58:26: multifamily unit,  
00:58:26 --> 00:58:30: and so it seems like that was that's my impression  
00:58:30 --> 00:58:34: of part of why Co living in Europe has evolved  
00:58:34 --> 00:58:37: to require special zoning and a special use class for  
00:58:37 --> 00:58:40: that type of that. Product type within the Coliving umbrella  
00:58:40 --> 00:58:44: and I do think that it is one of the  
00:58:44 --> 00:58:44: challenges of Co living expanding across Europe,  
00:58:44 --> 00:58:44: but it's something that we've started to see some real

00:58:44 --> 00:58:46: progress in movement on,  
 00:58:46 --> 00:58:50: particularly in London where official I haven't yet seen official  
 00:58:50 --> 00:58:53: planning guidance or not guidance,  
 00:58:53 --> 00:58:57: but official planning policy for Co living there is guidance  
 00:58:57 --> 00:58:57: available,  
 00:58:57 --> 00:59:02: but different boroughs have started to approve housing  
 schemes.  
 00:59:02 --> 00:59:05: For Co living as opposed to like say,  
 00:59:05 --> 00:59:08: a sweet generous type zoning class and I think that  
 00:59:08 --> 00:59:11: that's something that's going to continue,  
 00:59:11 --> 00:59:15: you know. And then other markets in Europe are certainly  
 00:59:15 --> 00:59:17: interested in building for Co living,  
 00:59:17 --> 00:59:20: and I've seen a number of schemes that have been  
 00:59:20 --> 00:59:24: approved as well across a number of different countries.  
 00:59:24 --> 00:59:26: So it's starting. It's an issue,  
 00:59:26 --> 00:59:30: but I think it's getting better.  
 00:59:30 --> 00:59:33: Thank you Jake. One more quick question.  
 00:59:33 --> 00:59:35: We can try to grab.  
 00:59:35 --> 00:59:39: Are there any opportunities that you see in either specifically  
 00:59:39 --> 00:59:44: hotel conversion or possibly the purchase properties under  
 replacement costs  
 00:59:44 --> 00:59:47: so you see out there in the market?  
 00:59:50 --> 00:59:53: Certainly, so it is something that I know aren't or  
 00:59:53 --> 00:59:57: design team have looked at and hotels are certainly that  
 00:59:57 --> 00:59:58: it there's there's.  
 00:59:58 --> 01:00:01: It's feasible. It's saying saying we looked at you would  
 01:00:01 --> 01:00:05: think that I'm think further down the line there might  
 01:00:05 --> 01:00:08: be some distressed opportunities where you can get it kind  
 01:00:08 --> 01:00:12: of below replacement cost. So that's something we've we've  
 looked  
 01:00:12 --> 01:00:13: at in passing.  
 01:00:13 --> 01:00:17: There haven't been any opportunities have come forward as  
 yet,  
 01:00:17 --> 01:00:19: but maybe that's a matter of time.  
 01:00:19 --> 01:00:23: Um and I mean I saw wonder myself actually like  
 01:00:23 --> 01:00:28: just I was cycling around central London yesterday.  
 01:00:28 --> 01:00:31: Whether we start looking at commercial real estate as well,  
 01:00:31 --> 01:00:34: I know that.  
 01:00:34 --> 01:00:37: Example like in the US Brookfield for one who certainly  
 01:00:37 --> 01:00:41: looked at converting retail so shopping centers to residential,  
 01:00:41 --> 01:00:43: which sounds pretty crazy now,  
 01:00:43 --> 01:00:46: but I think if you said to people in Brooklyn  
 01:00:46 --> 01:00:49: or New York 3040 years ago that we be converting

01:00:49 --> 01:00:52: warehouses into multi million pound apartments,  
01:00:52 --> 01:00:56: they think we're equally crazy then I think there's the  
01:00:56 --> 01:00:59: whole you know this really goes to the heart of  
01:00:59 --> 01:01:01: what the UI is is about.  
01:01:01 --> 01:01:03: This whole pandemic really throws into question,  
01:01:03 --> 01:01:06: I think like the best and highest use of urban  
01:01:06 --> 01:01:06: land,  
01:01:06 --> 01:01:08: and I think so in answer the question,  
01:01:08 --> 01:01:10: yes, we looked at hotel,  
01:01:10 --> 01:01:14: but I think there's other sectors to look at as  
01:01:14 --> 01:01:15: well.  
01:01:15 --> 01:01:18: Yeah, from a from a hundreds standpoint.  
01:01:18 --> 01:01:22: Um, you know our. We're almost exclusively looking at hotel  
01:01:22 --> 01:01:23: conversions,  
01:01:23 --> 01:01:27: service Department conversions, and even commercial car  
car park spaces  
01:01:28 --> 01:01:31: that are now being reutilized as well as other commercial  
01:01:32 --> 01:01:32: spaces.  
01:01:32 --> 01:01:36: And so there's quite a bit of reproach repurposing that  
01:01:36 --> 01:01:39: could be done to drive efficiency in terms of real  
01:01:39 --> 01:01:43: estate while keeping pricing low in central air.  
01:01:43 --> 01:01:46: So there's quite a bit of that activity.  
01:01:46 --> 01:01:46: At least in Asia.  
01:01:49 --> 01:01:53: Thank you, thanks, both of you considering the time.  
01:01:53 --> 01:01:55: I think we have to wrap things up.  
01:01:55 --> 01:01:59: I want to 1st thank our speakers for providing their  
01:01:59 --> 01:02:05: insights today and really it's residential is an interesting  
sector  
01:02:05 --> 01:02:08: which will see how it progress is going forward.  
01:02:08 --> 01:02:12: Secondly they keep an eye out to everybody.  
01:02:12 --> 01:02:15: Keep an eye out for future next programs.  
01:02:15 --> 01:02:19: In September there's gonna be a technology.  
01:02:19 --> 01:02:22: Next program coming up. The date hasn't been set yet,  
01:02:22 --> 01:02:25: but it should be set shortly.  
01:02:25 --> 01:02:30: Thanks everyone, have a great have a great day and  
01:02:30 --> 01:02:31: be safe.  
01:02:31 --> 01:02:33: Thanks very much. Thank you,  
01:02:33 --> 01:02:35: thank you. Take care.

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