

# Webinar

## Real Estate???s Pandemic Year

Date: March 31, 2021

00:00:04 --> 00:00:07: I'm Rachel mccleery. I'm senior vice president for you allies,  
 00:00:07 --> 00:00:12: building healthy places initiative and I'm pleased to welcome  
 you  
 00:00:12 --> 00:00:13: to this webinar.  
 00:00:13 --> 00:00:16: It's hard to believe, but almost exactly a year ago  
 00:00:16 --> 00:00:17: today,  
 00:00:17 --> 00:00:20: you will, I held its first coronavirus webinar dubs,  
 00:00:20 --> 00:00:24: confronting COVID-19, we thought to help you align  
 Members and  
 00:00:24 --> 00:00:26: others navigate the ongoing crisis.  
 00:00:26 --> 00:00:28: The world was shutting down.  
 00:00:28 --> 00:00:31: An real estate leaders were asking what they needed to  
 00:00:31 --> 00:00:34: do to help slow the spread of the virus and  
 00:00:34 --> 00:00:38: trying to understand the ongoing impacts on their businesses  
 and  
 00:00:38 --> 00:00:41: their cities. And today we are one year in many  
 00:00:41 --> 00:00:45: of us have been working remotely for over a year.  
 00:00:45 --> 00:00:48: We're navigating shuttered schools and daycares.  
 00:00:48 --> 00:00:52: We've donned masks, upgraded ventilation and filtration  
 systems in our  
 00:00:52 --> 00:00:53: buildings,  
 00:00:53 --> 00:00:55: offered rent concessions to tenants,  
 00:00:55 --> 00:00:58: and sought respite in the outdoors.  
 00:00:58 --> 00:00:59: And many people, like myself,  
 00:00:59 --> 00:01:03: have lost friends and family members and loved ones to  
 00:01:03 --> 00:01:04: this virus.  
 00:01:04 --> 00:01:06: In the summer of last year,  
 00:01:06 --> 00:01:11: protests for racial justice barked needed conversations about  
 systemic racism  
 00:01:11 --> 00:01:14: and about the role of the real estate industry and

00:01:14 --> 00:01:17: perpetuating systemic inequality and what needs to be done to

00:01:17 --> 00:01:20: move the country in the industry forward.

00:01:20 --> 00:01:22: So it's been a year of change,

00:01:22 --> 00:01:25: an upheaval today vaccines are on the horizon,

00:01:25 --> 00:01:27: an in arms, and in some cities life is almost

00:01:28 --> 00:01:28: back to normal.

00:01:28 --> 00:01:31: So this web and R is providing an opportunity for

00:01:32 --> 00:01:32: reflection,

00:01:32 --> 00:01:36: for thinking through the impacts of the past year on

00:01:36 --> 00:01:38: the industry and on communities.

00:01:38 --> 00:01:40: And where we are going from here.

00:01:40 --> 00:01:44: So welcome, we're glad you've joined us today and let's

00:01:44 --> 00:01:44: begin.

00:01:44 --> 00:01:48: Next slide. This webinar is organized by the Urban Land

00:01:48 --> 00:01:52: Institute Research you'll I as a research and education nonprofit

00:01:52 --> 00:01:55: dedicated to shaping the future of the built environment for

00:01:55 --> 00:01:58: transformative impact in communities worldwide.

00:01:58 --> 00:02:01: Long time you will, I members will note that we've

00:02:01 --> 00:02:04: changed our mission statement and for those of you who

00:02:04 --> 00:02:05: are new to you,

00:02:05 --> 00:02:07: well, I welcome we're glad you're here.

00:02:07 --> 00:02:10: The Web and R is being recorded and will share

00:02:10 --> 00:02:13: a recording with all participants and on our website.

00:02:13 --> 00:02:17: We're also planning and urban land article summarizing insights from

00:02:17 --> 00:02:18: the web and R.

00:02:18 --> 00:02:21: Please use the Q&A box rather than the chat for

00:02:21 --> 00:02:22: questions.

00:02:22 --> 00:02:25: You can also up vote questions in the Q&A that

00:02:25 --> 00:02:26: you like.

00:02:26 --> 00:02:30: Next, slide and please continue to introduce yourself using the

00:02:30 --> 00:02:31: chat function,

00:02:31 --> 00:02:35: so I manage the building healthy places initiative which is

00:02:35 --> 00:02:37: working to health and social equity.

00:02:37 --> 00:02:40: Mainstream considerations in real estate practice.

00:02:40 --> 00:02:45: We do this by cultivating champions for HealthEquity driving industry,

00:02:45 --> 00:02:50: change towards health and social equity and making communities healthier.

00:02:50 --> 00:02:53: And more equitable. Next slide.

00:02:53 --> 00:02:56: We hope you'll check out our three new reports hot  
00:02:56 --> 00:02:58: off the virtual presses,  
00:02:58 --> 00:03:01: the pandemic, and the public realm explores how cities are  
00:03:01 --> 00:03:05: adapting public spaces in an era of social distancing,  
00:03:05 --> 00:03:09: small vehicles, big impact highlights how developers and  
cities are  
00:03:09 --> 00:03:13: maximizing the benefits of micro mobility and change for  
good.  
00:03:13 --> 00:03:16: Summarizes a two year long partnership on Health with You  
00:03:16 --> 00:03:18: Alive District councils.  
00:03:18 --> 00:03:22: Next slide. And now I'm pleased to introduce our esteemed  
00:03:22 --> 00:03:23: moderator for today,  
00:03:23 --> 00:03:27: collete English Dixon. Colette is executive director of the  
Marshall  
00:03:27 --> 00:03:31: Bennett Institute of Real Estate at Roosevelt University in  
Chicago.  
00:03:31 --> 00:03:35: She has more than 30 years and investment management  
with  
00:03:35 --> 00:03:37: a focus on commercial real estate investing.  
00:03:37 --> 00:03:40: Her experience also includes property development,  
00:03:40 --> 00:03:44: an asset management prior to her current role at Roosevelt  
00:03:44 --> 00:03:44: University.  
00:03:44 --> 00:03:48: She was executive director for transactions at PGM Real  
Estate,  
00:03:48 --> 00:03:52: formerly known as PREI a business unit of Prudential  
Financial  
00:03:53 --> 00:03:57: and a Co leader of Peoria's National Investment dispositions  
program,  
00:03:57 --> 00:04:00: Colette. Please take it away.  
00:04:00 --> 00:04:03: Thanks Rachel, so happy to be here and so glad  
00:04:03 --> 00:04:05: to see so many people from you all.  
00:04:05 --> 00:04:09: I joining us for this very timely and interesting topic.  
00:04:09 --> 00:04:11: I want to take a second and just kind of  
00:04:11 --> 00:04:14: give you a little bit of the lay of the  
00:04:14 --> 00:04:17: land here first to introduce our speakers first.  
00:04:17 --> 00:04:21: Mary ledgin. Mary is is the senior managing director and  
00:04:21 --> 00:04:24: director of Global Investment Research for Heitmann.  
00:04:24 --> 00:04:26: She is a partner in the firm and holds a  
00:04:27 --> 00:04:28: seat on its investment,  
00:04:28 --> 00:04:31: valuation and Global Management committees.  
00:04:31 --> 00:04:34: Additionally, she was a global trustee of Vuelie.  
00:04:34 --> 00:04:38: She has chaired you, allies Chicago District Council.  
00:04:38 --> 00:04:41: She sits on the board of ULI Center for Sustainability  
00:04:41 --> 00:04:43: and Economic Performance,

00:04:43 --> 00:04:45: has served as chair of Priya,  
00:04:45 --> 00:04:50: President of the National Council of Real Estate Investment  
Fiduciaries  
00:04:50 --> 00:04:54: and as president of the Real Estate Research Institute.  
00:04:54 --> 00:04:56: Also, joining us today is Owen Thomas.  
00:04:56 --> 00:05:00: Owen is a chief executive officer of Boston Properties.  
00:05:00 --> 00:05:04: He is also a director of Lehman Brothers Holdings and  
00:05:04 --> 00:05:07: has served as its first chairman from 2012 until 2013  
00:05:07 --> 00:05:10: when he joined Boston Properties.  
00:05:10 --> 00:05:12: He is the global chairman of ULIA,  
00:05:12 --> 00:05:14: director of the UI Foundation,  
00:05:14 --> 00:05:18: a director of the Real Estate Roundtable and a member  
00:05:18 --> 00:05:21: of the Executive Board of Narrate and then also Catherine  
00:05:22 --> 00:05:25: Choisi who is associate professor of management.  
00:05:25 --> 00:05:29: Policy and community. Health and Epidemiology at the  
University of  
00:05:29 --> 00:05:31: Texas Health Science Center at Houston.  
00:05:31 --> 00:05:34: She holds appointments in the management,  
00:05:34 --> 00:05:36: policy and Community Health Department,  
00:05:36 --> 00:05:38: as well as the Epidemiology.  
00:05:38 --> 00:05:40: A word I could not pronounce before.  
00:05:40 --> 00:05:44: At last year, Human Genetics and Environmental Sciences  
Department at  
00:05:44 --> 00:05:45: the University.  
00:05:45 --> 00:05:48: She is a executive board member of the American Public  
00:05:48 --> 00:05:52: Health Association and active in the Public Health Practice  
community  
00:05:52 --> 00:05:53: in Houston.  
00:05:53 --> 00:05:55: Having served through both the H1N1 crisis.  
00:05:55 --> 00:05:59: And the Hurricane Katrina events so welcome to my  
esteemed  
00:05:59 --> 00:06:03: panelists and we're really looking forward to our conversation  
today  
00:06:03 --> 00:06:05: about where we are.  
00:06:05 --> 00:06:07: A year in after Cobett next slide.  
00:06:07 --> 00:06:11: Please Diana. So we're going to structure this conversation  
and  
00:06:11 --> 00:06:12: pretty much for parts.  
00:06:12 --> 00:06:14: Kind of. Where have we been?  
00:06:14 --> 00:06:16: And then, where are we now?  
00:06:16 --> 00:06:19: Which is a really good question because we are all  
00:06:19 --> 00:06:20: in the same place.  
00:06:20 --> 00:06:23: That's for certain. Where are we going?  
00:06:23 --> 00:06:26: And then we're going to look to have some dialogue

00:06:26 --> 00:06:26: and.

00:06:26 --> 00:06:29: Q&A At the end. The webinar is due to end

00:06:29 --> 00:06:30: at 2:15 eastern.

00:06:30 --> 00:06:34: I guess that's eleven that's 11:15 West Coast time.

00:06:34 --> 00:06:37: Hope that you can stay with us until the end.

00:06:37 --> 00:06:40: We're going to do some polling questions.

00:06:40 --> 00:06:43: We're going to have some word cloud formations,

00:06:43 --> 00:06:47: so we hope that you will stay active and engaged

00:06:47 --> 00:06:49: with us through this process.

00:06:49 --> 00:06:53: So let's start first. With our polling questions.

00:06:56 --> 00:06:59: Well, see where? Where are you located and what is

00:07:00 --> 00:07:01: your professional role?

00:07:01 --> 00:07:04: So just pick one and we're going to move on

00:07:04 --> 00:07:05: from there and then.

00:07:05 --> 00:07:08: We also want you to add in the chat.

00:07:08 --> 00:07:11: One word you think about when you reflect on the

00:07:11 --> 00:07:14: past year and we're going to create a word cloud

00:07:14 --> 00:07:16: from your responses.

00:07:16 --> 00:07:20: So put the single word in the chat and take

00:07:20 --> 00:07:24: a moment and please answer our polling questions.

00:07:24 --> 00:07:27: Thank you. So.

00:07:27 --> 00:07:28: Where have we been?

00:07:32 --> 00:07:34: I think we'll move on to the next slide where

00:07:34 --> 00:07:36: everybody fills in the blanks.

00:07:36 --> 00:07:37: I think Diana. That's OK.

00:07:39 --> 00:07:41: Oh, look at where we're going.

00:07:41 --> 00:07:42: We have a pretty good distribution.

00:07:45 --> 00:07:47: Don't have a lot of people from Midwest,

00:07:47 --> 00:07:48: so maybe Mary and I needed to Gen up a

00:07:48 --> 00:07:50: little more few more people to dial in it from

00:07:51 --> 00:07:51: the Midwest,

00:07:51 --> 00:07:54: but. Great representation around the country.

00:08:00 --> 00:08:02: It looks like we've got.

00:08:02 --> 00:08:08: Bout 16% developers 19% designers.

00:08:08 --> 00:08:10: 19% finance investor is 14%

00:08:10 --> 00:08:14: marketing and then a bunch of other roles as well.

00:08:14 --> 00:08:18: So well, looks like we have some great words for

00:08:18 --> 00:08:19: the word cloud too,

00:08:19 --> 00:08:22: so I'm looking forward to that.

00:08:22 --> 00:08:25: So thanks everybody for participating so.

00:08:25 --> 00:08:27: The past year.

00:08:27 --> 00:08:29: I know we don't want to.

00:08:29 --> 00:08:31: We really don't want to harp on this too much.

00:08:31 --> 00:08:34: Might think it is important to just kind of think

00:08:34 --> 00:08:37: about kind of what we've been through collectively and use

00:08:37 --> 00:08:39: that as the foundation for where we're going.

00:08:39 --> 00:08:41: So where have we been?

00:08:41 --> 00:08:44: Next next slide, please.

00:08:44 --> 00:08:45: One more.

00:08:47 --> 00:08:50: So think about a little bit more than a year

00:08:50 --> 00:08:53: ago as we were coming through the Holidays in 2019,

00:08:53 --> 00:08:56: it was all good. The economy seemed to be growing

00:08:56 --> 00:08:56: the industry,

00:08:56 --> 00:08:59: the real estate industry was doing very,

00:08:59 --> 00:09:02: very well. Most cities seeing a lot of good growth,

00:09:02 --> 00:09:05: a lot of leasing, a lot of transactions and then

00:09:05 --> 00:09:08: all of a sudden in January we started having this

00:09:08 --> 00:09:11: heightened awareness about a covid infection.

00:09:11 --> 00:09:14: In the first one was found in the United States.

00:09:14 --> 00:09:19: That continuing evolution and turmoil raised after January 2020,

00:09:19 --> 00:09:23: leading to this lockdown, which when we think about it,

00:09:23 --> 00:09:25: it's March 31st and in Chicago.

00:09:25 --> 00:09:27: That is exactly 375 days ago.

00:09:27 --> 00:09:30: It seems like forever, but it really wasn't.

00:09:30 --> 00:09:34: We really thought that this lockdown was two weeks long.

00:09:34 --> 00:09:38: Most people left their offices thinking we flatten the curve

00:09:39 --> 00:09:41: and we'd be back in the office by May.

00:09:41 --> 00:09:45: Well, not so much. We wound up pretty much going

00:09:45 --> 00:09:46: through it.

00:09:46 --> 00:09:50: What a total rocky summer of social upheaval and unrest

00:09:50 --> 00:09:54: result from a result of a lot of very negative

00:09:54 --> 00:09:57: interactions between citizens and policemen.

00:09:57 --> 00:10:01: We had a fall that was defined by the virus

00:10:01 --> 00:10:02: resurgence.

00:10:02 --> 00:10:05: Then we get into the election and we had a

00:10:05 --> 00:10:07: winner of drama.

00:10:07 --> 00:10:11: I mean, it was a true cascade of unimaginable events,

00:10:11 --> 00:10:16: one after the other. During the course of 2020.

00:10:16 --> 00:10:18: So where does that lead us?

00:10:18 --> 00:10:19: Where did that leave us?

00:10:19 --> 00:10:22: Next slide, please.

00:10:22 --> 00:10:25: It left us with skyrocketing unemployment,

00:10:25 --> 00:10:28: especially during the second quarter of 2020.

00:10:28 --> 00:10:33: A worldwide recession. Retail bankruptcies that continue to this day

00:10:33 --> 00:10:36: an increase of loans that had to go into special

00:10:36 --> 00:10:40: servicing and workouts just due to their inability to pay

00:10:40 --> 00:10:44: their mortgages. Our multi housing eviction moratoriums,

00:10:44 --> 00:10:49: which are continuing and have just most recently been extended

00:10:49 --> 00:10:49: by the CDC.

00:10:49 --> 00:10:53: We had GDP down 3 1/2 percent at the end

00:10:53 --> 00:10:54: of the year,

00:10:54 --> 00:10:57: but we had an S&P 500 that was up 16%.

00:10:57 --> 00:11:03: So interesting disconnect there. 29 million cases and more than

00:11:03 --> 00:11:10: 540,000 deaths in the United States and trillions in stimulus

00:11:10 --> 00:11:12: dollars and tax relief.

00:11:12 --> 00:11:17: So. When you think about where it left us,

00:11:17 --> 00:11:20: generally the question is what has it done for you.

00:11:20 --> 00:11:23: So another round of polling questions,

00:11:23 --> 00:11:26: right quick?

00:11:26 --> 00:11:28: How have you been working over the past year?

00:11:28 --> 00:11:31: And have you saw it for your buildings?

00:11:31 --> 00:11:33: Any of the new certifications?

00:11:33 --> 00:11:38: The new Wellness certifications? We're hearing a lot about those.

00:11:38 --> 00:11:41: There's branding showing up on buildings,

00:11:41 --> 00:11:45: noting that they are part of a Wellness program.

00:11:45 --> 00:11:48: Love to hear what's going on in your space,

00:11:48 --> 00:11:52: so please, please respond to those.

00:11:52 --> 00:11:53: So as we continue.

00:11:55 --> 00:11:59: Why to turn to Catherine and want to talk about

00:11:59 --> 00:12:04: kind of key takeaways from the health care side of

00:12:04 --> 00:12:07: what we have been through this year?

00:12:09 --> 00:12:11: Catherine, can we turn over to you?

00:12:11 --> 00:12:13: Yes.

00:12:13 --> 00:12:15: So it has been quite a year.

00:12:15 --> 00:12:18: If you remember a year ago we were talking about

00:12:18 --> 00:12:21: a novel virus we had never seen this particular type

00:12:22 --> 00:12:23: of coronavirus before,

00:12:23 --> 00:12:26: but we've learned a lot about it during the past

00:12:26 --> 00:12:27: year.

00:12:27 --> 00:12:30: We learned that we can prevent transmission of this virus

00:12:31 --> 00:12:33: with non pharmaceutical interventions,

00:12:33 --> 00:12:37: NPI masks, physical distancing, environmental sanitation.

00:12:37 --> 00:12:39: But we learned that fomites,  
00:12:39 --> 00:12:43: which are environmental services that can be contaminated.  
00:12:43 --> 00:12:47: With infectious agents are not as important in transmission  
as  
00:12:47 --> 00:12:48: we first thought,  
00:12:48 --> 00:12:52: so no need to sanitize your groceries when you bring  
00:12:52 --> 00:12:53: them home,  
00:12:53 --> 00:12:55: we learned that some people,  
00:12:55 --> 00:12:58: those who are older, those with comorbid conditions,  
00:12:58 --> 00:13:02: were more likely to have severe outcomes or die from  
00:13:02 --> 00:13:03: the virus.  
00:13:03 --> 00:13:05: We learned that about 40%  
00:13:05 --> 00:13:08: of people who are infected don't have symptoms.  
00:13:08 --> 00:13:11: That means it's makes it much harder to control the  
00:13:12 --> 00:13:12: virus.  
00:13:12 --> 00:13:14: If people don't know that.  
00:13:14 --> 00:13:19: They are infected. We're learning that the virus affects more  
00:13:19 --> 00:13:21: than just the lungs.  
00:13:21 --> 00:13:24: It seems to be able to affect most any air.  
00:13:24 --> 00:13:27: Any organ system in your body,  
00:13:27 --> 00:13:31: and because of that we're learning about what we call  
00:13:31 --> 00:13:33: long haulers.  
00:13:33 --> 00:13:37: Those people who recover from the acute infection but have  
00:13:37 --> 00:13:42: long term health effects from from the infection.  
00:13:42 --> 00:13:45: We have learned that there are social.  
00:13:45 --> 00:13:50: Effects that communities of color were disproportionately  
affected for a  
00:13:50 --> 00:13:52: number of reasons.  
00:13:52 --> 00:13:56: They were more likely to get infected because they were  
00:13:56 --> 00:14:00: more likely to have jobs where they were exposed less  
00:14:00 --> 00:14:04: likely to have health care and other barriers that were  
00:14:04 --> 00:14:08: there beforehand. This pandemic just really emphasized  
them.  
00:14:08 --> 00:14:13: We have seen a political division over simple things like  
00:14:13 --> 00:14:17: wearing a mask that we probably would not have predicted  
00:14:17 --> 00:14:18: ahead of time.  
00:14:18 --> 00:14:23: Children's education has been really disrupted and there's a  
lot  
00:14:23 --> 00:14:26: of an ongoing debate about which is worse,  
00:14:26 --> 00:14:30: the virus or what's happened to their education.  
00:14:30 --> 00:14:36: Unlike other respiratory infections where children are a major  
transmitter  
00:14:36 --> 00:14:37: of the disease,



00:14:37 --> 00:14:40: that does not seem to be the case with this.

00:14:40 --> 00:14:44: With this virus, we've seen a lot of mental health

00:14:44 --> 00:14:45: effects,

00:14:45 --> 00:14:49: both from economic circumstances, from loneliness from.

00:14:49 --> 00:14:53: Fear and these effects may last for decades.

00:14:53 --> 00:14:56: And then of course, the economic effects.

00:14:56 --> 00:15:00: So we have learned a lot during the past year,

00:15:00 --> 00:15:04: but we've also had worldwide 128 million cases,

00:15:04 --> 00:15:09: of which almost 3,000,000 have been in the United States.

00:15:09 --> 00:15:12: the United States has four point 4%

00:15:12 --> 00:15:16: of the US population, but we've had about 25%

00:15:16 --> 00:15:18: of the cases and 20%

00:15:18 --> 00:15:22: of the deaths. So we have not done a real

00:15:22 --> 00:15:26: good job about controlling the virus.

00:15:26 --> 00:15:28: So if you look back over this past year and

00:15:28 --> 00:15:31: the learnings from this experience for health care,

00:15:31 --> 00:15:34: what would be like your two key takeaways from that?

00:15:40 --> 00:15:44: That's hard to say again that that this is a

00:15:44 --> 00:15:45: a new virus,

00:15:45 --> 00:15:49: but we're going to see more of them in the

00:15:49 --> 00:15:50: future,

00:15:50 --> 00:15:52: and we need to be better.

00:15:52 --> 00:15:55: Ready to address iPad Pandemic.

00:15:55 --> 00:16:00: This virus is has a lot of features that make

00:16:00 --> 00:16:05: it likely to spread the fact that even though the

00:16:05 --> 00:16:06: the mortality rate.

00:16:06 --> 00:16:08: Is higher than with flu,

00:16:08 --> 00:16:12: it's still not smallpox where one out of three people

00:16:12 --> 00:16:13: die.

00:16:13 --> 00:16:15: What that means is that you can it.

00:16:15 --> 00:16:18: It facilitates transmission of the virus.

00:16:18 --> 00:16:23: Again, the fact that we have so many asymptomatic

infections

00:16:23 --> 00:16:26: also facilitates transmission of the virus.

00:16:26 --> 00:16:30: So this was in many senses a perfect pandemic.

00:16:30 --> 00:16:32: If you think about perfect,

00:16:32 --> 00:16:36: not as good, but perfect as had the characteristics to

00:16:36 --> 00:16:37: have major.

00:16:37 --> 00:16:41: Effects in many many different areas.

00:16:41 --> 00:16:45: Thanks, Catherine, really appreciate that.

00:16:45 --> 00:16:49: Now turning a bit too like global Capital and Mary

00:16:49 --> 00:16:49: Ledgin.

00:16:49 --> 00:16:54: So Mary, you know what is your takeaway on 2020?

00:16:54 --> 00:16:57: Thanks Colette, I'm at work through this slide a little

00:16:57 --> 00:17:00: bit and give you some of my thoughts.

00:17:00 --> 00:17:04: Collect captured it beautifully. The rapidity of the change we

00:17:04 --> 00:17:08: were expecting a an OK economic year late in the

00:17:08 --> 00:17:09: economic cycle.

00:17:09 --> 00:17:13: We were 12 years into an economic expansion in the

00:17:13 --> 00:17:13: US.

00:17:13 --> 00:17:18: I end. Overnight it changed with that coronavirus,

00:17:18 --> 00:17:22: pushing up the globe and the US with it into

00:17:22 --> 00:17:23: recession.

00:17:23 --> 00:17:25: With that came political change,

00:17:25 --> 00:17:29: the outcome affecting the US or the election effect in

00:17:29 --> 00:17:31: the US could well be meaningful.

00:17:31 --> 00:17:35: It it may well be that buds for coronavirus there

00:17:35 --> 00:17:38: would be a different administration in the White House,

00:17:38 --> 00:17:42: and that's going to ripple around the globe.

00:17:42 --> 00:17:45: There are still places for voting as to come and

00:17:45 --> 00:17:49: how well countries did in the handling initially of the

00:17:49 --> 00:17:52: pandemic as well as the rollout of vaccines is going

00:17:52 --> 00:17:56: to have political repercussions.

00:17:56 --> 00:18:00: We had a gigantic work from home experiment that broadly

00:18:00 --> 00:18:01: did well it,

00:18:01 --> 00:18:04: but it is fair to say it did better in

00:18:04 --> 00:18:09: places like the US and within those households within the

00:18:09 --> 00:18:13: US that had room for simultaneously virtual work.

00:18:13 --> 00:18:17: Virtual school, virtual medicine. It's much easier in a place

00:18:17 --> 00:18:21: where the home size is larger than it is.

00:18:21 --> 00:18:23: For instance in Hong Kong,

00:18:23 --> 00:18:27: which we're representing in the middle of the 2nd row.

00:18:27 --> 00:18:30: Where my colleagues in both our Hong Kong and our

00:18:30 --> 00:18:33: Tokyo office were back to work as soon as they

00:18:33 --> 00:18:34: could,

00:18:34 --> 00:18:38: because home sizes simply don't allow for everything.

00:18:38 --> 00:18:43: Another surprise has been how well countries learned

00:18:44 --> 00:18:45: lessons from

00:18:45 --> 00:18:49: past recessions.

00:18:49 --> 00:18:50: This recession is unlike any I have ever seen in

00:18:50 --> 00:18:52: its rapidity,

00:18:52 --> 00:18:56: its onset, what triggered it.

00:18:56 --> 00:19:00: But there are things we have learned from past sessions

00:18:56 --> 00:19:00: and those were on display Europe as an example was

00:19:00 --> 00:19:05: very concerned about not spending too much in the aftermath

00:19:05 --> 00:19:09: of what we call the global financial crisis of 2007

00:19:09 --> 00:19:10: through 2009.

00:19:10 --> 00:19:15: And that likely lessened the rate at which the European

00:19:15 --> 00:19:16: economies recovered.

00:19:16 --> 00:19:19: They've learned that lesson well,

00:19:19 --> 00:19:23: and they have been part of this global fiscal and

00:19:23 --> 00:19:29: monetary policy intended to limit the damage or the scarring

00:19:29 --> 00:19:31: economically of the pandemic.

00:19:31 --> 00:19:35: And then, finally, I'm going to talk about that picture

00:19:35 --> 00:19:36: in the bottom right,

00:19:36 --> 00:19:39: which is as a person that's focused on in part

00:19:39 --> 00:19:41: of my life on climate change,

00:19:41 --> 00:19:44: climate risk, an ESG. I was really concerned that the

00:19:44 --> 00:19:47: pandemic was going to SAP up all of our attention

00:19:47 --> 00:19:49: and push an existential crisis,

00:19:49 --> 00:19:54: one existential crisis, pushing another existential crisis that

the back

00:19:54 --> 00:19:55: pages of the newspaper,

00:19:55 --> 00:19:58: or however it is that you get your news.

00:19:58 --> 00:20:00: But of course that was not to be had,

00:20:00 --> 00:20:01: and so we had some.

00:20:01 --> 00:20:05: Awful intersections of pandemic as well as tragedies from the

00:20:06 --> 00:20:07: physical realm.

00:20:07 --> 00:20:10: Natural disasters that had caused people to have to band

00:20:10 --> 00:20:14: together under even more complicated circumstances.

00:20:14 --> 00:20:16: Given the pandemic asked.

00:20:19 --> 00:20:23: So Mary two key takeaways on the global capital side.

00:20:23 --> 00:20:26: From what we what? We've gone through in the last

00:20:26 --> 00:20:27: year.

00:20:27 --> 00:20:30: Well, the first is evident if we had a slide

00:20:30 --> 00:20:34: up that showed transaction activity globally and look at how

00:20:34 --> 00:20:36: transaction activities stopped.

00:20:36 --> 00:20:40: Basically in the second quarter as firms and individuals were

00:20:40 --> 00:20:44: trying to figure out how do you do due diligence?

00:20:44 --> 00:20:46: How do you select the new manager?

00:20:46 --> 00:20:49: How do you buy an asset when you can't visit

00:20:49 --> 00:20:49: it?

00:20:49 --> 00:20:52: So that caused, among other factors,

00:20:52 --> 00:20:54: that caused a basic stop.

00:20:54 --> 00:20:57: The transaction activity starting in April.

00:20:57 --> 00:21:02: What's amazing is how quickly we saw capital formation to  
 00:21:02 --> 00:21:06: begin to take advantage of what buyers now know is  
 00:21:06 --> 00:21:09: one of the single best points in the cycle to  
 00:21:09 --> 00:21:14: deploy capital. This isn't to say that they're deploying capital  
 00:21:14 --> 00:21:16: evenly across property types.  
 00:21:16 --> 00:21:21: There's some winners that are the recipients of capital.  
 00:21:21 --> 00:21:26: Think logistics or industrial. Think datacenters think self  
 storage and  
 00:21:26 --> 00:21:30: then their sectors where the question marks are out there  
 00:21:30 --> 00:21:33: and there hasn't been as much capital slow but the  
 00:21:33 --> 00:21:37: fourth quarter. I think by itself in the US was  
 00:21:37 --> 00:21:40: the single greatest fourth quarter ever.  
 00:21:40 --> 00:21:42: Maybe that was the month of December.  
 00:21:42 --> 00:21:45: Whatever it was. By contrast,  
 00:21:45 --> 00:21:49: in 2008 and 2009 transaction activity was down markedly for  
 00:21:49 --> 00:21:52: two years for the freeze to begin to.  
 00:21:52 --> 00:21:54: This go round it to quarters.  
 00:21:56 --> 00:22:00: An amazing recovery from the transaction side for sure.  
 00:22:00 --> 00:22:05: Thanks Mary. So in office properties CBD's Boston  
 properties.  
 00:22:05 --> 00:22:10: What are you? What are your key takeaways from what  
 00:22:10 --> 00:22:12: happened last year?  
 00:22:12 --> 00:22:13: Yeah.  
 00:22:13 --> 00:22:17: Well. You know, I think all of us that have  
 00:22:17 --> 00:22:20: been involved in investing for years have.  
 00:22:20 --> 00:22:22: And when we have our risk committees,  
 00:22:22 --> 00:22:26: we all pandemic is something that was always raised by  
 00:22:26 --> 00:22:27: risk managers and others.  
 00:22:27 --> 00:22:30: And I think those of us that hadn't experienced it  
 00:22:30 --> 00:22:34: maybe didn't appreciate the destructive power of what a  
 pandemic  
 00:22:34 --> 00:22:37: was all about and what the destructive power of it  
 00:22:37 --> 00:22:39: is. And so you know,  
 00:22:39 --> 00:22:42: that's a big learning from 2020 when you think about  
 00:22:42 --> 00:22:44: not only the important human loss,  
 00:22:44 --> 00:22:49: but the economic loss. And the income disparities that were  
 00:22:49 --> 00:22:54: laid bare and the outcries for more social and racial  
 00:22:54 --> 00:22:55: justice.  
 00:22:55 --> 00:22:57: And I think in the future there's going to be  
 00:22:57 --> 00:22:59: tremendous focus on Pandemic.  
 00:22:59 --> 00:23:01: And when we hear about a virus starting somewhere in  
 00:23:02 --> 00:23:03: some far off land,  
 00:23:03 --> 00:23:04: that's going to have a lot more.

00:23:04 --> 00:23:07: It's going to have a lot more impact on markets  
00:23:07 --> 00:23:08: going forward.  
00:23:08 --> 00:23:10: There's no question about it.  
00:23:10 --> 00:23:13: So that's one. And then Mary talked about this.  
00:23:13 --> 00:23:16: I think the ability for many parts of the economy  
00:23:16 --> 00:23:17: limit,  
00:23:17 --> 00:23:20: but not all. Many parts of the economy to operate  
00:23:20 --> 00:23:20: virtually.  
00:23:20 --> 00:23:23: I mean as frustrating as it has been.  
00:23:23 --> 00:23:26: You know, we've been able to report our numbers.  
00:23:26 --> 00:23:30: I hear, you know, we've been high able to hire  
00:23:30 --> 00:23:31: people.  
00:23:31 --> 00:23:33: Not great or perfect by any stretch,  
00:23:33 --> 00:23:35: but you can as one of our customers said,  
00:23:35 --> 00:23:38: you can do a lot of downhill work virtually.  
00:23:38 --> 00:23:41: It's harder to do uphill work virtually,  
00:23:41 --> 00:23:44: but it is happening and I think that's a that's  
00:23:44 --> 00:23:46: a surprise for a lot of people.  
00:23:46 --> 00:23:49: And then I think the last thing is the incredible  
00:23:49 --> 00:23:52: amount of liquid ITI that has been injected into the  
00:23:52 --> 00:23:56: system by the Treasury and the Federal Reserve System.  
00:23:56 --> 00:23:59: That is something that did not exist in the global  
00:23:59 --> 00:24:02: financial crisis and generally doesn't exist when we have a  
00:24:02 --> 00:24:03: recession,  
00:24:03 --> 00:24:06: and I think that's been very helpful for companies and  
00:24:06 --> 00:24:08: companies that were basically closed.  
00:24:08 --> 00:24:10: You know, in terms of their business,  
00:24:10 --> 00:24:13: were able to raise debt capital in March and April  
00:24:13 --> 00:24:16: of this year and to work themselves through this crisis.  
00:24:16 --> 00:24:17: And I think you know,  
00:24:17 --> 00:24:19: there's other impacts to it.  
00:24:19 --> 00:24:21: Look at the multiples that you see in the stock  
00:24:21 --> 00:24:22: market.  
00:24:22 --> 00:24:24: The whole emergence of Spacks.  
00:24:24 --> 00:24:27: Mary talked about the resurgence of investing in real estate,  
00:24:27 --> 00:24:29: and I think this. You know,  
00:24:29 --> 00:24:31: liquidity, binge if you will is going to have some  
00:24:31 --> 00:24:31: impact,  
00:24:31 --> 00:24:35: has and will continue to have impact on the real  
00:24:35 --> 00:24:36: estate markets.  
00:24:36 --> 00:24:37: Great, thanks a lot. Oh,  
00:24:37 --> 00:24:39: and we have the response.

00:24:39 --> 00:24:42: We have the responses from our first polling questions.

00:24:42 --> 00:24:43: Diana, you want to share those?

00:24:45 --> 00:24:47: So it looks like 46%

00:24:47 --> 00:24:51: of our attendees are working completely remotely like the Wezen

00:24:51 --> 00:24:51: office.

00:24:51 --> 00:24:54: I think many of us are having that question.

00:24:54 --> 00:24:58: We haven't seen our offices meaningfully since like March,

00:24:58 --> 00:25:01: but we do seem to have a few people.

00:25:01 --> 00:25:04: 28% of the people, or at least part time in

00:25:04 --> 00:25:04: the office.

00:25:04 --> 00:25:07: And I know we've spoken with Owen and he's been

00:25:08 --> 00:25:10: back in his office since July,

00:25:10 --> 00:25:13: which has been wild and then the second question around

00:25:13 --> 00:25:16: Covid related Wellness certifications.

00:25:16 --> 00:25:20: Clearly, most people either aren't doing it or don't think

00:25:20 --> 00:25:20: it applies,

00:25:20 --> 00:25:24: which is an interesting outcome because there has been a

00:25:24 --> 00:25:25: lot of discussion.

00:25:25 --> 00:25:28: I know on the property management sides about how to

00:25:28 --> 00:25:32: give tenants that comfort that everything is good to come

00:25:32 --> 00:25:32: back,

00:25:32 --> 00:25:36: and it's interesting to know that the adoption of Wellness

00:25:36 --> 00:25:39: certifications hasn't quite taken hold in the industry as a

00:25:39 --> 00:25:40: whole.

00:25:40 --> 00:25:43: So thank you very much for responding to those questions.

00:25:43 --> 00:25:47: Really do appreciate it. So we're going to actually now.

00:25:47 --> 00:25:49: That's enough talking about the past.

00:25:49 --> 00:25:50: We have to talk about kind of.

00:25:50 --> 00:25:52: Where are we? And where we going?

00:25:52 --> 00:25:54: Because at the end of the day,

00:25:54 --> 00:25:58: this is an industry that's always talking about the future

00:25:58 --> 00:26:01: and we need to think about kind of how the

00:26:01 --> 00:26:05: past has informed our present and will be informing our

00:26:05 --> 00:26:08: future. But first, a couple of polling questions.

00:26:10 --> 00:26:13: A question around office occupancies in your city.

00:26:13 --> 00:26:16: Actually, vacancies is probably the answer.

00:26:16 --> 00:26:20: Is office vacancies approximate? Hopefully your occupancy

00:26:20 --> 00:26:20: is more than

00:26:20 --> 00:26:20: 10%,

00:26:20 --> 00:26:23: so let's focus on vacancy here and also a note

00:26:23 --> 00:26:26: about what you think or how well you think your

00:26:26 --> 00:26:29: local community has been doing with managing that crisis,  
00:26:29 --> 00:26:32: including the current roll out on the vaccines.  
00:26:32 --> 00:26:35: So while you guys are answering those questions,  
00:26:35 --> 00:26:38: we're going to move on with our conversation and I'm  
00:26:38 --> 00:26:41: going to talk to I want marry you talk about  
00:26:41 --> 00:26:41: kind of.  
00:26:41 --> 00:26:44: What is going on in the present right now?  
00:26:44 --> 00:26:47: What are you seeing in the industry as we've now  
00:26:47 --> 00:26:49: turned the corner into 2021?  
00:26:49 --> 00:26:52: And I think now 1/4 and we're actually at the  
00:26:52 --> 00:26:55: end of the first quarter of this year.  
00:26:55 --> 00:26:57: There has been a lot to talk about.  
00:26:57 --> 00:27:01: So Mary. Collect and as I look at this chart,  
00:27:01 --> 00:27:04: which members of my team created six months ago,  
00:27:04 --> 00:27:08: I'm realizing it's time for me to update it because  
00:27:08 --> 00:27:11: there been some meaningful changes.  
00:27:11 --> 00:27:13: But go with me for a second.  
00:27:13 --> 00:27:17: We created this typology of the property types we invest  
00:27:17 --> 00:27:19: in and how were their fundamentals,  
00:27:19 --> 00:27:24: the supply and demand, particularly demand side affected by  
the  
00:27:24 --> 00:27:29: pandemic on the left are those four property types where.  
00:27:29 --> 00:27:33: Pandemic accelerated existing trends, the winners and that  
for the  
00:27:33 --> 00:27:38: upper 3 the industrial sector data centers and single family  
00:27:38 --> 00:27:39: rentals.  
00:27:39 --> 00:27:43: These were sectors that we're seeing really good tenant or  
00:27:43 --> 00:27:48: occupier demand fundamentals prior to the onset before we  
even  
00:27:48 --> 00:27:49: knew the name.  
00:27:49 --> 00:27:52: Covid industrial logistics. Wherever you are,  
00:27:52 --> 00:27:56: it was benefiting from our shift to online shopping.  
00:27:56 --> 00:28:00: Of course that accelerated during the pandemic.  
00:28:00 --> 00:28:04: Data centers, they've been immense beneficiaries of our shift  
to  
00:28:04 --> 00:28:08: a more digital world over the last decade or two.  
00:28:08 --> 00:28:12: Horse that intensified during the pandemic and then single  
family  
00:28:13 --> 00:28:13: rentals,  
00:28:13 --> 00:28:16: which have been around for a long time prior to  
00:28:17 --> 00:28:19: the global financial crisis.  
00:28:19 --> 00:28:21: This number sticks in my brain.  
00:28:21 --> 00:28:25: There were eleven million households in the United States

renting  
00:28:25 --> 00:28:27: a single family home,  
00:28:27 --> 00:28:29: so that's 15 years ago.  
00:28:31 --> 00:28:34: New thing, but what is new is the idea of  
00:28:34 --> 00:28:39: actually doing purpose built single family rentals houses with  
three  
00:28:39 --> 00:28:43: and four bedrooms in grade school districts and my firm  
00:28:43 --> 00:28:48: has been involved in in buying and building those kinds  
00:28:48 --> 00:28:51: of properties and then operating them digitally.  
00:28:51 --> 00:28:55: And we've seen a remarkable boost in demand as those  
00:28:55 --> 00:28:59: the quest for personal space was an element of the  
00:28:59 --> 00:29:03: of the dynamics over the last 12 months.  
00:29:03 --> 00:29:08: Another gal where the pandemic has accelerated the rate of  
00:29:08 --> 00:29:09: bankruptcy,  
00:29:09 --> 00:29:13: less visible in 2021 and was in 2020 when we  
00:29:13 --> 00:29:18: had remarkable numbers of of chain announcements of  
bankruptcy,  
00:29:18 --> 00:29:23: some of them liquidating, others of them meaningfully,  
00:29:23 --> 00:29:28: reducing their store count. What I would say though is  
00:29:28 --> 00:29:32: the news out of the retail sector is,  
00:29:32 --> 00:29:34: what would Monty Python say?  
00:29:34 --> 00:29:39: Not dead yet, right? What the pandemic demonstrated for  
some  
00:29:40 --> 00:29:40: retailers,  
00:29:40 --> 00:29:45: particularly those that operate in a on line on hand,  
00:29:45 --> 00:29:50: held an in person modes the omnichannel retailers.  
00:29:50 --> 00:29:55: They were the retailers that were best able to pivot  
00:29:55 --> 00:29:59: to meet the customer of the customer wanted to be  
00:29:59 --> 00:30:01: met during the pandemic,  
00:30:01 --> 00:30:04: so they were able like target to do to shift  
00:30:04 --> 00:30:07: from or to shift into buy online.  
00:30:07 --> 00:30:12: Pick up in store with that horrible acronym Focus which  
00:30:12 --> 00:30:13: was up last night.  
00:30:13 --> 00:30:18: Check something like 270% year over year for those people  
00:30:18 --> 00:30:22: for whom either delivery was too slow or they wanted  
00:30:22 --> 00:30:23: to see.  
00:30:23 --> 00:30:27: Something before it was it they took possession of it.  
00:30:27 --> 00:30:30: Retail will survive the pandemic,  
00:30:30 --> 00:30:35: particularly for those retailers that operate in multiple  
channels.  
00:30:35 --> 00:30:38: That being said, one of the outcomes of this is  
00:30:38 --> 00:30:41: going to be a lot of repurposing of the vacant  
00:30:42 --> 00:30:42: retail.



00:30:42 --> 00:30:46: That was the result of the pandemic moving into the  
00:30:46 --> 00:30:48: next column one column in from the left.  
00:30:48 --> 00:30:53: Their sectors where we saw initial meaningful impact and the  
00:30:53 --> 00:30:56: outlook for them is a little mixed student housing.  
00:30:56 --> 00:31:00: Who would have thought that in the spring when campus  
00:31:00 --> 00:31:01: is closed down,  
00:31:01 --> 00:31:05: center students home that the occupancy in the fall would  
00:31:05 --> 00:31:06: only be down up?  
00:31:06 --> 00:31:10: Point or two from the prior fall that was amazing  
00:31:10 --> 00:31:10: to us.  
00:31:10 --> 00:31:15: We underwrote our portfolio, made meaningful write downs in  
it  
00:31:15 --> 00:31:19: in the spring and we've been doing some writeups.  
00:31:19 --> 00:31:21: As for students, the some students,  
00:31:21 --> 00:31:25: the value of an in person education was underscored by  
00:31:25 --> 00:31:26: the pandemic.  
00:31:26 --> 00:31:30: Remind you. Many of them are back on campus in  
00:31:30 --> 00:31:31: hybrid mode.  
00:31:31 --> 00:31:34: Not going to classes necessarily full time,  
00:31:34 --> 00:31:36: but trying to glean some level.  
00:31:36 --> 00:31:39: Of the collegiate experience. By contrast,  
00:31:39 --> 00:31:42: senior housing is wearing 2 black eyes,  
00:31:42 --> 00:31:45: but you'd think that a sector that was set up  
00:31:45 --> 00:31:49: to care for the most fragile members of our population  
00:31:49 --> 00:31:51: would have done better.  
00:31:51 --> 00:31:54: There are some indigenous reasons for that.  
00:31:54 --> 00:31:58: Some some instances where they were not well served by  
00:31:58 --> 00:31:59: provision of PPE,  
00:31:59 --> 00:32:03: but it is a sector that had meaningful impacts.  
00:32:03 --> 00:32:06: It's a vacancy is now the highest on record since  
00:32:06 --> 00:32:07: the 1980s,  
00:32:07 --> 00:32:11: when record keeping began. That will come down,  
00:32:11 --> 00:32:13: because indeed the need is there,  
00:32:13 --> 00:32:17: but it's a sector where meaningful reform is necessary.  
00:32:17 --> 00:32:19: And then of course, hospitality.  
00:32:19 --> 00:32:23: This is a sector where we're seeing a rebound now,  
00:32:23 --> 00:32:25: rebound lead, not by business travel,  
00:32:25 --> 00:32:28: but instead by leisure travel,  
00:32:28 --> 00:32:30: as the pent up demand is great.  
00:32:30 --> 00:32:33: Moving to the right of 1 column,  
00:32:33 --> 00:32:36: these are sectors that had a hit in the spring  
00:32:36 --> 00:32:37: in the US,

00:32:37 --> 00:32:40: but little long term change apartments.

00:32:40 --> 00:32:46: One exception, their urban apartments are seeing meaningful declines in

00:32:46 --> 00:32:49: occupancy relative to this time last year.

00:32:49 --> 00:32:51: Pre pandemic, that's two dynamics.

00:32:51 --> 00:32:54: One is a lot of those tenants moved home with

00:32:54 --> 00:32:55: parents.

00:32:55 --> 00:32:58: They were immobile there, many of them young,

00:32:58 --> 00:33:01: so in a position where moving out of an apartment

00:33:01 --> 00:33:03: isn't as big a deal as it would be for

00:33:03 --> 00:33:03: me.

00:33:03 --> 00:33:06: And so for many of them it was a chance

00:33:06 --> 00:33:10: either to reduce their costs by doubling up with somebody.

00:33:10 --> 00:33:12: Get a free ride by moving home,

00:33:12 --> 00:33:15: or moving to where they'd always wanted to live.

00:33:15 --> 00:33:17: One of the members of my staff has spent a

00:33:17 --> 00:33:19: peripatetic year.

00:33:19 --> 00:33:20: He's in New Orleans now.

00:33:20 --> 00:33:22: Always wanted to live in New Orleans.

00:33:22 --> 00:33:24: Didn't want to do it permanently,

00:33:24 --> 00:33:26: but it's part of his roundabout way to make his

00:33:26 --> 00:33:27: way back to Chicago,

00:33:27 --> 00:33:30: where he'll be full time next week.

00:33:30 --> 00:33:33: I love storage. This is the stuff that got hit

00:33:33 --> 00:33:35: hard at the beginning of the recession.

00:33:35 --> 00:33:38: That's typical. And as is typical,

00:33:38 --> 00:33:40: but maybe a little accelerated.

00:33:40 --> 00:33:42: This time we saw a rebound in demand,

00:33:42 --> 00:33:47: both for businesses where there are businesses that are putting

00:33:47 --> 00:33:48: goods in storage.

00:33:48 --> 00:33:51: Maybe it's a business that closed one branch out of

00:33:51 --> 00:33:55: a 2 branch operation and put some stuff into storage

00:33:55 --> 00:33:59: and we're seeing the effects of those pandemic moves by

00:33:59 --> 00:34:03: households. Where some stuff went into storage while somebody is

00:34:03 --> 00:34:07: making their way around the country or living in their

00:34:07 --> 00:34:08: fantasy place.

00:34:08 --> 00:34:11: But we also have seen people take the contents of

00:34:11 --> 00:34:14: a second bedroom out and to create a Home Office,

00:34:14 --> 00:34:17: and that stuff is ended up in storage.

00:34:17 --> 00:34:20: So it's a sector that's had a really strong spring

00:34:20 --> 00:34:21: spring,

00:34:21 --> 00:34:25: summer and fall and then family medical office historically really

00:34:25 --> 00:34:29: stable sector because people get no matter what the economic

00:34:29 --> 00:34:30: cycle.

00:34:30 --> 00:34:32: And a lot of the demand for thing.

00:34:32 --> 00:34:35: Once Doctor is related to the aging of the US

00:34:35 --> 00:34:36: population,

00:34:36 --> 00:34:37: which is going to happen,

00:34:37 --> 00:34:40: whether there's a recession or not.

00:34:40 --> 00:34:43: What was a little weird in the spring was we

00:34:43 --> 00:34:46: had doctors that were deemed to be non essential who

00:34:46 --> 00:34:51: couldn't see their patients and therefore we had

00:34:51 --> 00:34:54: ophthalmologists requesting

00:34:54 --> 00:34:58: rent relief. We had dentists requesting rent relief,

00:34:58 --> 00:35:00: never experienced that in 20 years of medical office investment

00:35:00 --> 00:35:03: but by the summer that had gone away,

00:35:03 --> 00:35:07: I'm going to let Owen talk about the 4th category

00:35:07 --> 00:35:10: which is office where there's definitely been some implications of

00:35:10 --> 00:35:12: this great work from home experiment that he's really close to. , to turn it over to him.

00:35:12 --> 00:35:15: Great doing in the office world these days,

00:35:15 --> 00:35:18: yeah. So you know I'll divide I think we're going

00:35:18 --> 00:35:21: to talk about the future so I'm going to talk

00:35:21 --> 00:35:24: about the present and you know the truth is the

00:35:24 --> 00:35:27: everyone wants to call the ball on work from home

00:35:27 --> 00:35:31: and the impact on the office markets and the truth

00:35:31 --> 00:35:34: of it is right now you can't tell because all

00:35:34 --> 00:35:37: the cities where we operate were a coastal gateway company.

00:35:37 --> 00:35:41: None of them are open.

00:35:41 --> 00:35:43: I think the maximum capacity allowed in all the cities

00:35:43 --> 00:35:46: where we operate today is about 50%.

00:35:46 --> 00:35:49: So, so it's hard to determine most companies at this

00:35:49 --> 00:35:52: point they're starting to reopen their offices.

00:35:52 --> 00:35:55: You know, we heard last week,

00:35:55 --> 00:35:57: you know Microsoft Uber. Others are reopening their offices,

00:35:57 --> 00:36:01: but they haven't formed yet.

00:36:01 --> 00:36:03: Their return to Work Policy's.

00:36:03 --> 00:36:05: So it's just too early to tell exactly what's going

00:36:05 --> 00:36:08: to happen.

00:36:08 --> 00:36:09:

00:36:09 --> 00:36:11: But I have some views on that,  
00:36:11 --> 00:36:14: which I'll share for the future discussion.  
00:36:14 --> 00:36:17: The other things that I can tell you that are  
00:36:17 --> 00:36:17: going on now,  
00:36:17 --> 00:36:20: office tenants are paying their rent.  
00:36:20 --> 00:36:22: You know we've been collecting 99%  
00:36:22 --> 00:36:25: of office rents? Do you know over our fifty million  
00:36:25 --> 00:36:28: plus square foot portfolio over the last year?  
00:36:28 --> 00:36:31: So that's obviously very positive.  
00:36:31 --> 00:36:33: The impact on the our company has been more in  
00:36:33 --> 00:36:35: the variable income streams,  
00:36:35 --> 00:36:36: so it's been things like parking.  
00:36:36 --> 00:36:39: You know, if people aren't coming to the office,  
00:36:39 --> 00:36:42: they're not using parking, so that went down an our  
00:36:42 --> 00:36:45: many of our retail customers suffered through the pandemic  
and  
00:36:45 --> 00:36:46: we've made.  
00:36:46 --> 00:36:50: We've done lease amendments and and adjustments to try to  
00:36:50 --> 00:36:53: help them survive through this crisis so that we've had  
00:36:53 --> 00:36:57: some variable income streams that have impacted the  
company.  
00:36:57 --> 00:36:59: Leasing is not dead. We leased in 2020.  
00:36:59 --> 00:37:03: Sixty percent of the space that we normally would,  
00:37:03 --> 00:37:06: so our volumes were over 3,000,000 square feet for the  
00:37:06 --> 00:37:10: year and the weighted average lease term of those leases  
00:37:10 --> 00:37:11: was eight years.  
00:37:11 --> 00:37:14: So there's this narrative out there that you know the  
00:37:14 --> 00:37:16: leasing markets completely dead,  
00:37:16 --> 00:37:19: and everybody's doing short term renewals.  
00:37:19 --> 00:37:24: That's not completely true, and certainly not the experience  
we've  
00:37:24 --> 00:37:26: had in the company.  
00:37:26 --> 00:37:28: The other things that are going on this I talked  
00:37:28 --> 00:37:31: a little bit about the cities and the regulations.  
00:37:31 --> 00:37:34: This most recent stimulus package will be very helpful to  
00:37:34 --> 00:37:37: the budgets for the cities where we operate,  
00:37:37 --> 00:37:40: so there's been a lot of understandable concern about city  
00:37:40 --> 00:37:40: budget,  
00:37:40 --> 00:37:42: new taxes and things like that.  
00:37:42 --> 00:37:45: And again, going back to my prior theme about Liquid  
00:37:45 --> 00:37:45: ITI,  
00:37:45 --> 00:37:49: this new stimulus package, or it's going to be very  
00:37:49 --> 00:37:51: helpful to the cities where we operate.

00:37:51 --> 00:37:55: The other thing that's happening that's interesting is usually when

00:37:55 --> 00:37:56: you have a downturn,

00:37:56 --> 00:37:59: you have distress, you know their rents go down,

00:37:59 --> 00:38:02: rent slow down and owners are over leveraged and they

00:38:02 --> 00:38:05: have to sell things and there's distress,

00:38:05 --> 00:38:06: seeing very little if any,

00:38:06 --> 00:38:08: of that in the office world.

00:38:08 --> 00:38:12: There are actually many transactions that are occurring.

00:38:12 --> 00:38:16: It's generally with buildings that have long weighted average lease

00:38:16 --> 00:38:16: terms,

00:38:16 --> 00:38:19: and the cap rates that are being experienced are pre

00:38:19 --> 00:38:23: covid and the buyer is getting a discount because the

00:38:23 --> 00:38:25: financing costs are lower.

00:38:25 --> 00:38:27: If you have buildings that have a lot of roll

00:38:27 --> 00:38:27: over,

00:38:27 --> 00:38:30: there tends to be disagreements about where rents are an

00:38:31 --> 00:38:31: where lease up is,

00:38:31 --> 00:38:35: and so there's not that many transactions in that space.

00:38:35 --> 00:38:37: And given my comments about liquid ITI,

00:38:37 --> 00:38:40: the owners are able to refinance and hold on because

00:38:40 --> 00:38:42: they are confident about the future.

00:38:42 --> 00:38:44: So again, very limited distress,

00:38:44 --> 00:38:47: but we are seeing some transaction volume and then the

00:38:48 --> 00:38:50: other thing that's happening in our space is.

00:38:50 --> 00:38:54: I would say increasing activity in the life science sector

00:38:54 --> 00:38:57: so you know we're very active in Boston and San

00:38:57 --> 00:39:02: Francisco and have land and buildings that are attractive to

00:39:02 --> 00:39:05: life science customers, both lab and office.

00:39:05 --> 00:39:07: And that's been a very active area,

00:39:07 --> 00:39:11: and we've announced several new developments in the whole Life

00:39:12 --> 00:39:16: Science Lab field in the last couple of months because

00:39:16 --> 00:39:17: of that tenant demand.

00:39:17 --> 00:39:21: I would imagine that actually the outcome of the kovit

00:39:22 --> 00:39:22: experience.

00:39:22 --> 00:39:24: Let's just call it that.

00:39:24 --> 00:39:28: Let's call it experience. I don't wanna call it a

00:39:28 --> 00:39:29: disaster.

00:39:29 --> 00:39:32: Let's just say it's an experience.

00:39:32 --> 00:39:35: Has definitely set the stage for Bio Med,

00:39:35 --> 00:39:39: life Sciences, tendencies to find a need to expand.

00:39:39 --> 00:39:43: I mean the benefits of a robust bio Med industry

00:39:43 --> 00:39:48: has definitely been evidenced by the rapid delivery of a

00:39:48 --> 00:39:50: vaccine into a global platform.

00:39:50 --> 00:39:54: So I guess you would assume you would say that

00:39:54 --> 00:39:58: that is absolutely showing itself as being a path for

00:39:58 --> 00:39:58: growth.

00:39:58 --> 00:40:02: I would. I mean, I think all of the new

00:40:02 --> 00:40:03: science and.

00:40:03 --> 00:40:06: You know Catherine should probably comment on this,

00:40:06 --> 00:40:09: but I think the new science that's out there is.

00:40:09 --> 00:40:12: I mean, the life science sector was already quite active

00:40:12 --> 00:40:15: prior to covid an I think all of the new

00:40:15 --> 00:40:18: technologies and Sciences that are coming forward as part of

00:40:18 --> 00:40:23: the pandemic are increasing. This demand for lab space.

00:40:23 --> 00:40:27: Thanks so Catherine. Let's talk about kind of what is

00:40:27 --> 00:40:30: the present situation as far as you know,

00:40:30 --> 00:40:35: the Health Sciences and you know how we're operating right

00:40:35 --> 00:40:37: now in healthcare.

00:40:37 --> 00:40:41: Yeah well, the good news and we actually have quite

00:40:41 --> 00:40:42: a bit of it.

00:40:42 --> 00:40:46: There are seven vaccines around the world that have been

00:40:46 --> 00:40:49: approved for full use in the United States.

00:40:49 --> 00:40:55: We have three extremely efficacious vaccines under

00:40:55 --> 00:40:59: emergency use authorizations,

00:40:59 --> 00:41:04: and the goal is to get to herd immunity and

00:41:04 --> 00:41:07: this graph just shows you how different countries are doing.

00:41:07 --> 00:41:09: It is important to remember this is a pandemic.

00:41:09 --> 00:41:13: We could.

00:41:13 --> 00:41:18: Do a really good job vaccinating in the United States,

00:41:18 --> 00:41:20: but we still are concerned about importation of disease from

00:41:20 --> 00:41:25: of infection from other countries.

00:41:25 --> 00:41:26: And there are countries that may not start vaccinating for

00:41:26 --> 00:41:30: another two years.

00:41:30 --> 00:41:33: So you know, we have to be aware that we

00:41:33 --> 00:41:36: this is a global community.

00:41:36 --> 00:41:40: We had some good news just this morning that at

00:41:40 --> 00:41:44: least according to a press release from Pfizer,

00:41:44 --> 00:41:47: they're vaccine works really well in kids 12 to 16.

00:41:47 --> 00:41:49: Because if we're going to reach herd immunity,

00:41:49 --> 00:41:52: we need to get that 20%

00:41:52 --> 00:41:54: of the population. That's underage.

00:41:54 --> 00:41:54: 16 vaccinated, so you know,

00:41:54 --> 00:41:58: pending release of the actual data so that scientists can  
00:41:58 --> 00:42:01: look at it outside of the company.  
00:42:01 --> 00:42:04: This is this is potentially very good news.  
00:42:04 --> 00:42:07: We also had good news last week.  
00:42:07 --> 00:42:14: From CDC showing that people who had been vaccinated.  
00:42:14 --> 00:42:18: Did not appear to get infected because that has been  
00:42:18 --> 00:42:20: a concern that even.  
00:42:20 --> 00:42:23: I mean, it's great news for you if you don't  
00:42:23 --> 00:42:24: get sick.  
00:42:24 --> 00:42:29: If you're vaccinated, but could you have an asymptomatic  
infection  
00:42:29 --> 00:42:31: and transmit it to somebody else?  
00:42:31 --> 00:42:35: We but we still don't know how long immunity lasts.  
00:42:35 --> 00:42:39: Is it going to be necessary to have boosters every  
00:42:39 --> 00:42:39: year?  
00:42:39 --> 00:42:42: And then there are the variants,  
00:42:42 --> 00:42:45: and right now we're really in a race.  
00:42:45 --> 00:42:48: Between vaccinating people and the variance,  
00:42:48 --> 00:42:53: there are three that we are particularly concerned about in  
00:42:53 --> 00:42:54: the United States,  
00:42:54 --> 00:42:58: it's the B117 that was first seen in Great Britain,  
00:42:58 --> 00:43:01: and they, I guess the United Kingdom,  
00:43:01 --> 00:43:05: not necessarily Great Britain.  
00:43:05 --> 00:43:11: And this particular variant is not only more infectious,  
00:43:11 --> 00:43:15: but also appears to cause more serious symptoms.  
00:43:15 --> 00:43:20: It is not unexpected that we have variants.  
00:43:20 --> 00:43:25: Corona virus is a RNA virus which means that mutations  
00:43:25 --> 00:43:28: in the genome happen fairly quickly,  
00:43:28 --> 00:43:34: so this isn't unexpected, but we don't want the virus  
00:43:34 --> 00:43:36: to get ahead of us.  
00:43:36 --> 00:43:40: And so that's why you know there's a really big  
00:43:40 --> 00:43:42: push to vaccinate everybody.  
00:43:42 --> 00:43:47: The politicalization of immunization, where we see you know,  
00:43:47 --> 00:43:51: at first we were concerned that it was communities of  
00:43:51 --> 00:43:55: colors that have color that were vaccine hesitant.  
00:43:55 --> 00:43:58: Now it looks like it's GOP men are the ones  
00:43:58 --> 00:44:00: who are most hesitant,  
00:44:00 --> 00:44:04: and so that's that's a concern to reach herd immunity.  
00:44:04 --> 00:44:06: We have to get to about 85%  
00:44:06 --> 00:44:10: of the population immune. There are a lot of myths  
00:44:10 --> 00:44:14: out there on social media about the vaccine that is  
00:44:14 --> 00:44:17: leading to some of this vaccine hesitancy.

00:44:17 --> 00:44:21: But we also have barriers to vaccination the,

00:44:21 --> 00:44:24: you know, the vaccines been out for what,

00:44:24 --> 00:44:29: now, three months, and so that providers health Department's hospitals,

00:44:29 --> 00:44:34: community centers are getting better at reducing some of those

00:44:34 --> 00:44:35: barriers.

00:44:35 --> 00:44:39: But there they are still there and that is something

00:44:39 --> 00:44:40: we have to keep.

00:44:40 --> 00:44:44: In mind and then the issue of vaccine nationalism.

00:44:44 --> 00:44:48: This has come up in the United States where we

00:44:48 --> 00:44:53: have we expect to have enough vaccine to vaccinate everybody

00:44:53 --> 00:44:55: plus more vaccine,

00:44:55 --> 00:44:58: and the question is do we hold on to that

00:44:59 --> 00:45:02: in case a second or a booster doses do is

00:45:02 --> 00:45:04: needed in a year?

00:45:04 --> 00:45:07: Or do we give that to countries that are not

00:45:07 --> 00:45:12: vaccinating anybody and that's that's going to be in?

00:45:12 --> 00:45:14: Big issue because as I said,

00:45:14 --> 00:45:17: this is a global pandemic and you know,

00:45:17 --> 00:45:19: as we say in public health,

00:45:19 --> 00:45:22: there's no peeing section in the pool.

00:45:22 --> 00:45:24: We're all in it together,

00:45:24 --> 00:45:26: so a lot of good news out there.

00:45:26 --> 00:45:30: We never thought I never thought we would have a

00:45:30 --> 00:45:31: vaccine so quickly.

00:45:31 --> 00:45:35: We would have been happy with a vaccine that prevents

00:45:35 --> 00:45:36: that was 50%

00:45:36 --> 00:45:38: efficacious. Instead, these are 95.

00:45:38 --> 00:45:43: There's been talk about Johnson and Johnson not being as

00:45:43 --> 00:45:43: good.

00:45:43 --> 00:45:45: It's still a really good vaccine,

00:45:45 --> 00:45:49: and that's that really provides some hope going forward.

00:45:49 --> 00:45:52: We just have to get vaccine into arms.

00:45:52 --> 00:45:55: Oh, absolutely. I know in Chicago we're trying our best

00:45:55 --> 00:45:57: to get him into arms.

00:45:57 --> 00:46:00: It is definitely not as easy a process as you

00:46:00 --> 00:46:01: would like to think,

00:46:01 --> 00:46:04: but I do appreciate how far we have come,

00:46:04 --> 00:46:06: how quickly we have gotten there.

00:46:06 --> 00:46:08: So we're going to actually take a moment.

00:46:08 --> 00:46:12: We're going to look at the answers from our most



00:46:12 --> 00:46:13: recent polling questions,  
00:46:13 --> 00:46:15: so office vacancy in my city.  
00:46:15 --> 00:46:17: 11 to 30 percent. 60%  
00:46:17 --> 00:46:19: of you are in that true double digit.  
00:46:19 --> 00:46:23: Almost scary level of vacancies and hopefully we're going to  
00:46:23 --> 00:46:26: see some recovery if onz answer around leasing activity is  
00:46:26 --> 00:46:29: is seen in other markets and most people are saying  
00:46:29 --> 00:46:32: that their governments are kind of in the middle of  
00:46:32 --> 00:46:35: the pack in their their work around the virus and  
00:46:35 --> 00:46:37: the rolling out of the vaccine.  
00:46:37 --> 00:46:40: I'm not quite sure of middle of the pack means  
00:46:40 --> 00:46:41: they're doing OK,  
00:46:41 --> 00:46:43: but not great, or they could be doing a lot  
00:46:43 --> 00:46:44: worse.  
00:46:44 --> 00:46:46: But I'm OK with what they're doing.  
00:46:46 --> 00:46:48: Not quite sure what that is,  
00:46:48 --> 00:46:50: but one question has come up that was about the  
00:46:51 --> 00:46:51: variance.  
00:46:51 --> 00:46:54: And actually I think I'm going to ask part of  
00:46:54 --> 00:46:57: that question to oh it because the question is since  
00:46:57 --> 00:47:00: the variance seemed to be hitting young people.  
00:47:00 --> 00:47:04: More quickly or more aggressively than older people,  
00:47:04 --> 00:47:07: do you have any concern about?  
00:47:07 --> 00:47:10: How that may affect office occupancy of tenants to have  
00:47:11 --> 00:47:11: younger.  
00:47:11 --> 00:47:15: Populations. You know, as far as their comfort in coming  
00:47:15 --> 00:47:17: back to the office space.  
00:47:17 --> 00:47:18: Yeah, I I haven't focused.  
00:47:18 --> 00:47:22: I wouldn't say I would necessarily focused on the age  
00:47:22 --> 00:47:23: aspect,  
00:47:23 --> 00:47:26: but the week to get employers to do what they  
00:47:26 --> 00:47:27: want to do,  
00:47:27 --> 00:47:30: which is to reopen their offices and go back to  
00:47:30 --> 00:47:32: some form of in person work.  
00:47:32 --> 00:47:36: They have to conclude that the environment is safe.  
00:47:36 --> 00:47:38: An if you have the virus out there,  
00:47:38 --> 00:47:41: whether it's a new variant or an old variant,  
00:47:41 --> 00:47:42: or no matter what age,  
00:47:42 --> 00:47:45: if that you can get more readily infected by going  
00:47:45 --> 00:47:46: to the office.  
00:47:46 --> 00:47:49: I don't think employers are going to open so so  
00:47:49 --> 00:47:52: I do think getting the virus under control,

00:47:52 --> 00:47:56: getting people vaccinated is absolutely critical to a pathway to

00:47:56 --> 00:47:58: return to the office at this juncture.

00:47:58 --> 00:48:01: Well, I'm looking forward to getting back to the office,

00:48:01 --> 00:48:04: so I'm hoping the variants are things we can handle

00:48:04 --> 00:48:06: with the little tweaks to the vaccine.

00:48:06 --> 00:48:07: So just for the essence of time,

00:48:07 --> 00:48:11: we're going to talk about where we going.

00:48:11 --> 00:48:12: What's what's next? So we do?

00:48:12 --> 00:48:14: I mean there is this.

00:48:14 --> 00:48:16: You know we're walking into this.

00:48:16 --> 00:48:19: The rest of this year with some cautious optimism,

00:48:19 --> 00:48:23: right? We've got all these vaccines that have been distributed.

00:48:23 --> 00:48:26: We've got additional vaccines being pursued.

00:48:26 --> 00:48:30: We have restrictions being loosened for gathering social gatherings,

00:48:30 --> 00:48:33: business gatherings, people, just having a drink,

00:48:33 --> 00:48:36: or people going back to work pluses and minuses on

00:48:36 --> 00:48:40: those we do have the variance that Catherine mentioned that

00:48:40 --> 00:48:41: we're trying to.

00:48:41 --> 00:48:44: With probably an uneven global recovery,

00:48:44 --> 00:48:47: although Mary is saying there's some real strength that you

00:48:47 --> 00:48:47: know,

00:48:47 --> 00:48:52: countries are stepping into their recovery efforts more aggressively than

00:48:52 --> 00:48:54: they did during the Great Recession.

00:48:54 --> 00:48:58: And Fortunately it looks like the commercial real estate industry

00:48:58 --> 00:48:59: is set to rebound,

00:48:59 --> 00:49:01: which is wonderful.

00:49:01 --> 00:49:04: Pulling questions for Part 3 for audience.

00:49:07 --> 00:49:09: You predict that we will reach herd immunity by the

00:49:09 --> 00:49:10: end of this year.

00:49:10 --> 00:49:14: Yes or no. And your thoughts on the pandemic?

00:49:14 --> 00:49:16: Will it dramatically change growth patterns,

00:49:16 --> 00:49:18: not changing anything or, hey,

00:49:18 --> 00:49:21: you know, just like everything else when it's over,

00:49:21 --> 00:49:24: we're going to get back to the way it was.

00:49:24 --> 00:49:26: So please do that. And then in the chat,

00:49:26 --> 00:49:29: Please note the one word you think of when you

00:49:29 --> 00:49:31: look forward to the coming year.

00:49:31 --> 00:49:33: So not what you just experienced,

00:49:33 --> 00:49:36: but how you feel about going forward.

00:49:36 --> 00:49:38: So the polling questions please.

00:49:38 --> 00:49:39: And then a chat word.

00:49:39 --> 00:49:41: So oh, and let's talk about going forward.

00:49:46 --> 00:49:47: Where are we going to go?

00:49:47 --> 00:49:50: Our cities dead? Our cities gotta rebound,

00:49:50 --> 00:49:53: you know Chicago? I can still walk down most streets

00:49:53 --> 00:49:56: in the seat in the loop and cross against the

00:49:56 --> 00:49:58: light and not worry about getting hit by a car.

00:49:58 --> 00:50:02: I don't think that's a good thing.

00:50:02 --> 00:50:05: So what do you think is really the future for

00:50:05 --> 00:50:10: urban investment and office properties as we look at the

00:50:10 --> 00:50:10: 2022?

00:50:10 --> 00:50:14: Cities are not dead. They will come back urban.

00:50:14 --> 00:50:16: The urbanization trend will continue.

00:50:16 --> 00:50:20: It has survived pandemics, an other crises in the past,

00:50:20 --> 00:50:24: and it will survive this one.

00:50:24 --> 00:50:27: I think the headlines around the work from home in

00:50:27 --> 00:50:31: the office are very different from the conversations that we're

00:50:31 --> 00:50:34: having with decision makers and our customers,

00:50:34 --> 00:50:37: and frankly just individuals in our in our lives about

00:50:37 --> 00:50:40: their interest in returning to the office.

00:50:40 --> 00:50:42: You know, the first thing I would say is this

00:50:43 --> 00:50:46: is a very different recession because actually most of our

00:50:46 --> 00:50:49: customers are actually doing really well.

00:50:49 --> 00:50:52: You know they've added employees there most of the time.

00:50:52 --> 00:50:56: You have a recession. Companies business is harmed.

00:50:56 --> 00:50:57: They have to layoff people.

00:50:57 --> 00:51:00: They need less space and so the recovery is all

00:51:00 --> 00:51:02: about the economic recovery.

00:51:02 --> 00:51:05: This time actually, many of our customers have been hiring

00:51:05 --> 00:51:06: people.

00:51:06 --> 00:51:08: They've added people. So the whole?

00:51:08 --> 00:51:10: Is how are you going to use the office as

00:51:10 --> 00:51:11: opposed to,

00:51:11 --> 00:51:13: you know? Do you not have the people to go

00:51:13 --> 00:51:14: back to it?

00:51:14 --> 00:51:17: So that's a super interesting difference.

00:51:17 --> 00:51:21: Second thing is I am convinced based on my conversations,

00:51:21 --> 00:51:25: is that business leaders generally or I would say almost

00:51:25 --> 00:51:28: always want to go back to in person work.

00:51:28 --> 00:51:33: They think their companies are suffering in their

competitiveness from  
not being able to collaborate to be more inventive to  
onboard new employees.  
All of these things you know they're happening,  
but they're not happening in as constructive away and many  
of our you know in a lot of the companies  
that we serve in our.  
Buildings you know, this is the key to their success  
is collaboration amongst talented professionals to be creative  
on their  
solutions for their customers.  
So they want that. But the workers you know they've  
now experienced work from home and I think they want  
to go back as well,  
but they want a hybrid model so that's what I  
think the future is going to be.  
There will be more work from home post pandemic than  
pre pandemic,  
but it's going to be in a hybrid model and  
I think a lot of business leaders that I talked  
to.  
This is what they're worried about.  
They're less worried about, well,  
I save space. They're worried about.  
Look right now. I know what I need to do  
in terms of communicating with my teams.  
'cause everybody's virtual, but when we go hybrid,  
how's that going to work?  
If you're not in the office and you miss out  
on something,  
you know what's the? How is that going to work  
between those employees that are in the office and out  
of the office?  
And then you go down this whole discussion about?  
Well, if you're going to go to hybrid,  
can you save space and to do that you need  
to schedule everyone on when they can be out of  
the office.  
'cause if everybody is out on Friday,  
you're not going to save any space.  
And you were going to go to non fixed workstations.  
'cause that's what you would have to do to save

00:53:03 --> 00:53:03: space.

00:53:03 --> 00:53:08: Gensler did some interesting surveys on this and they employees

00:53:08 --> 00:53:09: that they

00:53:09 --> 00:53:11: serve aid from across the world.

00:53:11 --> 00:53:15: You know, they they. Definitely the majority definitely wanted a

00:53:15 --> 00:53:16: hybrid work model,

00:53:16 --> 00:53:18: but 90% wanted up their own desk and only two

00:53:18 --> 00:53:21: thirds 2/3 of them said they would not trade their

00:53:21 --> 00:53:24: own desk for a work from home benefit.

00:53:24 --> 00:53:26: So anyway, I thought that was an interesting fact.

00:53:26 --> 00:53:30: I do think there will be administrative jobs that companies

00:53:30 --> 00:53:32: may conclude that can be done more.

00:53:32 --> 00:53:34: You know, in other words,

00:53:34 --> 00:53:38: an individual doesn't necessarily need to collaborate so much with

00:53:38 --> 00:53:39: their colleagues.

00:53:39 --> 00:53:42: And so I think that is where work from home

00:53:42 --> 00:53:45: could have a bigger impact on office demand is for

00:53:45 --> 00:53:49: customers or buildings that are housing more administrative Staffs.

00:53:49 --> 00:53:52: I think that will have a bigger impact.

00:53:52 --> 00:53:56: The other thing that I would say about the future

00:53:56 --> 00:53:57: just to finish up here.

00:53:57 --> 00:54:00: You know, if I do think of companies are going

00:54:00 --> 00:54:04: to conclude that a secret an important part of their

00:54:04 --> 00:54:08: success is getting their employees back to the office and

00:54:08 --> 00:54:12: collaborating in person. And I do think as a property

00:54:12 --> 00:54:12: owner,

00:54:12 --> 00:54:16: it's our job to help serve those leaders and helping

00:54:16 --> 00:54:17: them do that.

00:54:17 --> 00:54:18: So how do we do it?

00:54:18 --> 00:54:19: Do that. First of all,

00:54:19 --> 00:54:23: health security. You talked about this earlier?

00:54:23 --> 00:54:26: You know we're getting most of our buildings fit well

00:54:26 --> 00:54:27: certified.

00:54:27 --> 00:54:30: I took my first business trip this week.

00:54:30 --> 00:54:33: The captain of the plane came out and explained to

00:54:33 --> 00:54:35: all of us how many air recharges we were experiencing

00:54:36 --> 00:54:36: during the flight,

00:54:36 --> 00:54:39: and all I could think to myself is this is

00:54:39 --> 00:54:39: going to be us.

00:54:39 --> 00:54:42: You know, as a landlord we're going to be doing  
 00:54:42 --> 00:54:43: this as well.  
 00:54:43 --> 00:54:45: 'cause I think the employees that are coming back in  
 00:54:45 --> 00:54:47: little business leaders,  
 00:54:47 --> 00:54:50: certainly in determining whether it's safe to come back are  
 00:54:50 --> 00:54:52: going to want to understand all those things.  
 00:54:52 --> 00:54:55: So we are, we have become more health security experts.  
 00:54:55 --> 00:54:57: We have a detailed health security plan.  
 00:54:57 --> 00:55:00: This is going to help us help our customers bring  
 00:55:00 --> 00:55:01: their employees back.  
 00:55:01 --> 00:55:03: I also think easier commutes.  
 00:55:03 --> 00:55:06: You know we're seeing more a much higher percentage of  
 00:55:06 --> 00:55:09: tour activity in Manhattan today is in Midtown.  
 00:55:09 --> 00:55:12: Then it was pre pandemic and I think that's because  
 00:55:12 --> 00:55:13: it's single.  
 00:55:13 --> 00:55:17: Stop commuting, you know, double stop commuting is more  
 00:55:17 --> 00:55:19: challenging  
 00:55:19 --> 00:55:22: and I think employers are saying look,  
 00:55:22 --> 00:55:24: I gotta have locations where it's just easier for more  
 00:55:24 --> 00:55:27: and more people to come to the office.  
 00:55:27 --> 00:55:27: And then when you get there it has to be  
 00:55:27 --> 00:55:29: Gray.  
 00:55:29 --> 00:55:32: You know it's gotta have great amenities.  
 00:55:32 --> 00:55:34: It's gotta be a good experience.  
 00:55:34 --> 00:55:36: Were all things that were important before,  
 00:55:36 --> 00:55:38: and I think employers are going to have to make  
 00:55:38 --> 00:55:41: it great inside their space.  
 00:55:41 --> 00:55:44: But we as a landlord need to participate in that  
 00:55:44 --> 00:55:47: in terms of the experience in the neighborhoods and the  
 00:55:47 --> 00:55:49: amenities that we provide to the customers in our buildings,  
 00:55:49 --> 00:55:52: so I think that's A and then the last thing  
 00:55:52 --> 00:55:54: I would say I just think there's an enormous pent  
 00:55:54 --> 00:55:56: up demand for social engagement.  
 00:55:56 --> 00:55:58: And by the way, there's huge resources that are pent  
 00:55:58 --> 00:56:00: up for this as well,  
 00:56:00 --> 00:56:04: because people haven't been spending money,  
 00:56:04 --> 00:56:08: and they've been getting. Stimulus checks from the  
 00:56:08 --> 00:56:10: government,  
 00:56:10 --> 00:56:12: and so I think you're going to see an enormous  
 00:56:12 --> 00:56:14: resurgence of restaurants,  
 00:56:14 --> 00:56:16: retail and in person engagement.  
 00:56:16 --> 00:56:18: You know, going into the fall,  
 00:56:18 --> 00:56:20: as as we reopen. Well,

00:56:16 --> 00:56:18: I'm looking forward to that myself.

00:56:18 --> 00:56:21: So just to keep this moving along.

00:56:21 --> 00:56:26: So Mary, Capital Markets, Capital Investment Global Fund flows going

00:56:26 --> 00:56:27: forward,

00:56:27 --> 00:56:30: thoughts? Well, first up, I'm with oh and that that

00:56:30 --> 00:56:32: cities are not dead.

00:56:32 --> 00:56:35: And that will be visible in where we see capital

00:56:36 --> 00:56:37: flows in 2021,

00:56:37 --> 00:56:39: because there are bargains to be had.

00:56:39 --> 00:56:43: As people have declared, the urban apartment is dead,

00:56:43 --> 00:56:47: the office is dead. There will be buying opportunities.

00:56:47 --> 00:56:49: Maybe it come out of that.

00:56:49 --> 00:56:53: And so I'm seeing global clients that are are engaged

00:56:53 --> 00:56:54: in that.

00:56:54 --> 00:56:59: However, global portfolios are dominated by the two property types

00:56:59 --> 00:57:03: that have been the hardest hit in this downturn.

00:57:03 --> 00:57:05: Maybe the two of the three hardest hit,

00:57:05 --> 00:57:09: so they're dominated by office and their dominated by retail,

00:57:09 --> 00:57:13: and they likely want to put some ballast into their

00:57:13 --> 00:57:14: portfolio,

00:57:14 --> 00:57:17: and so we're seeing a real interest in those sectors

00:57:17 --> 00:57:19: like a medical office,

00:57:19 --> 00:57:22: for example, where the there is no link between office

00:57:22 --> 00:57:27: tenant demand in medical office settings and the broader economy.

00:57:27 --> 00:57:30: So they want to have that ballast in their portfolio.

00:57:30 --> 00:57:34: They want to have some self storage in their portfolio.

00:57:34 --> 00:57:37: In order to be a counter against the next downturn,

00:57:37 --> 00:57:41: we should always be preparing for the next downturn and

00:57:41 --> 00:57:44: how we think about our portfolios.

00:57:44 --> 00:57:47: There are other investors that are.

00:57:47 --> 00:57:50: Non US investors that are learning the geography of the

00:57:50 --> 00:57:53: US again because for many of them,

00:57:53 --> 00:57:57: their historical approach has been the five or six saltwater

00:57:57 --> 00:57:57: markets.

00:57:57 --> 00:58:00: Maybe you put Chicago in that group.

00:58:00 --> 00:58:03: There also known as the Gateway Market and I'm with

00:58:03 --> 00:58:03: Owen.

00:58:03 --> 00:58:06: I think New York City is coming back but it's

00:58:06 --> 00:58:09: gonna take awhile and so in the Meanwhile,

00:58:09 --> 00:58:13: some of these investors are interested in going somewhere else

00:58:13 --> 00:58:16: and a lot of those somewhere else is our place

00:58:17 --> 00:58:18: is like a Raleigh Durham.

00:58:18 --> 00:58:21: They have done really well in this downturn.

00:58:21 --> 00:58:24: I think it's office rents are up year over year

00:58:24 --> 00:58:25: rather than down,

00:58:25 --> 00:58:27: which they are most every place.

00:58:27 --> 00:58:29: Be careful in these markets.

00:58:29 --> 00:58:31: They're not deep and there could be a lot of

00:58:31 --> 00:58:33: development there.

00:58:33 --> 00:58:35: Same with the apartment dynamics.

00:58:35 --> 00:58:38: The apartments that have done best in this downturn have

00:58:38 --> 00:58:40: been garden apartments,

00:58:40 --> 00:58:42: which are typically in suburban settings.

00:58:42 --> 00:58:45: Be careful, some of those suburbs are really NIMBY run

00:58:46 --> 00:58:49: and therefore part of the success has been because there

00:58:49 --> 00:58:51: hasn't been a lot of new supply.

00:58:51 --> 00:58:54: But some locations are prone to a lot of new

00:58:54 --> 00:58:55: apartment supply.

00:58:55 --> 00:58:59: So question to those that think that because a property

00:58:59 --> 00:59:03: in a specific location did well in the covid times,

00:59:03 --> 00:59:06: it's not necessarily going to predict how well it will

00:59:06 --> 00:59:10: be doing five years from now when supply has ramped

00:59:10 --> 00:59:13: up or two years from now when supply is ramped

00:59:13 --> 00:59:18: up because one of the dynamics observable in the capital

00:59:18 --> 00:59:20: market right now collect.

00:59:20 --> 00:59:24: Is all of these insights from past recessions are guiding

00:59:24 --> 00:59:28: decision making today that capital that says hey how about

00:59:28 --> 00:59:31: you develop early in an economic recovery.

00:59:31 --> 00:59:34: You'll be the first new product to deliver and that

00:59:34 --> 00:59:38: means we are not necessarily going to see a pause

00:59:38 --> 00:59:43: in development which has historically allowed markets to

00:59:43 --> 00:59:45: come back

00:59:43 --> 00:59:45: into balance. So in some sectors,

00:59:45 --> 00:59:49: like apartments, we could actually see really good demand

00:59:49 --> 00:59:50: being

00:59:49 --> 00:59:50: offset.

00:59:50 --> 00:59:51: Buy a lot of new supply.

00:59:55 --> 00:59:58: Thanks mate, really appreciate that and just to bring us

00:59:58 --> 01:00:00: home on kind of closing the loop on,

01:00:00 --> 01:00:03: you know where we going.

01:00:03 --> 01:00:06: Catherine, where are we going Healthwise?



01:00:08 --> 01:00:11: Well, my crystal ball is not totally infallible,  
01:00:11 --> 01:00:14: and as I said, we have a lot of good  
01:00:14 --> 01:00:14: news.  
01:00:14 --> 01:00:16: The vaccine is is really it.  
01:00:16 --> 01:00:20: But basically what happens is going to depend on human  
01:00:20 --> 01:00:21: behavior.  
01:00:21 --> 01:00:24: Are we going to still take precautions?  
01:00:24 --> 01:00:27: I also traveled this weekend and I am in Texas  
01:00:27 --> 01:00:31: where the mask mandate was lifted a couple of weeks  
01:00:31 --> 01:00:33: ago in the Houston airport.  
01:00:33 --> 01:00:35: I saw quite a few people,  
01:00:35 --> 01:00:37: even if they had a mask on it was below  
01:00:37 --> 01:00:39: their nose or their mouth.  
01:00:39 --> 01:00:43: I'm not. Quite sure why they think their chin is  
01:00:43 --> 01:00:45: spreading the virus,  
01:00:45 --> 01:00:49: but so it's it. You know we have seen states  
01:00:49 --> 01:00:54: opening up against public health advice in many situations,  
01:00:54 --> 01:00:57: and so that is a concern and as well as  
01:00:57 --> 01:01:01: the variance and it's it's just gonna be a race  
01:01:01 --> 01:01:04: to see what happens and are we going to see  
01:01:04 --> 01:01:08: more variance. We will see more variants.  
01:01:08 --> 01:01:11: Are they going to be variants of concern?  
01:01:11 --> 01:01:16: Is the question we're we're doing well on getting people  
01:01:16 --> 01:01:17: vaccinated?  
01:01:17 --> 01:01:21: But as I mentioned, the hesitancy is still out there.  
01:01:21 --> 01:01:23: We will be wearing masks for awhile,  
01:01:23 --> 01:01:30: but hopefully wearing masks while we're traveling to see  
01:01:30 --> 01:01:31: grandchildren  
01:01:31 --> 01:01:31: as I did.  
01:01:31 --> 01:01:37: And you know, being immune should open up our.  
01:01:37 --> 01:01:39: Put us at lower risk of doing some of the  
01:01:39 --> 01:01:41: things we want to do.  
01:01:41 --> 01:01:44: But we don't know how long immunity is going to  
01:01:44 --> 01:01:44: last,  
01:01:44 --> 01:01:47: so that's a question an in terms of schools.  
01:01:47 --> 01:01:51: We are hopeful that all of them will open in  
01:01:51 --> 01:01:53: the fall in person.  
01:01:53 --> 01:01:54: And but but in the end,  
01:01:54 --> 01:01:59: this virus will probably never disappear.  
01:01:59 --> 01:02:02: It's gonna be like flu that you know it is  
01:02:02 --> 01:02:07: in the population we we can't eradicate it for many  
01:02:07 --> 01:02:11: reasons and it's you know hopefully it will be like

01:02:11 --> 01:02:16: flu and we simply get vaccinated as often as necessary  
01:02:16 --> 01:02:18: to protect ourselves.  
01:02:18 --> 01:02:21: OK, with the annual flu vaccine and hopefully that will  
01:02:21 --> 01:02:24: come up with a great way to handle this one  
01:02:24 --> 01:02:27: as a regular part of kind of healthcare these days.  
01:02:27 --> 01:02:28: So a couple of things.  
01:02:28 --> 01:02:31: We got a couple of really good questions from the  
01:02:32 --> 01:02:35: audience which I'm going to throw out there as we  
01:02:35 --> 01:02:36: kind of round this out.  
01:02:36 --> 01:02:38: But first, while the poll results,  
01:02:38 --> 01:02:41: most people think we will reach herd immunity by the  
01:02:41 --> 01:02:42: end of this year,  
01:02:42 --> 01:02:46: so hopefully the 65% are saying yes are helping to  
01:02:46 --> 01:02:46: push the 85%  
01:02:46 --> 01:02:49: of the population we need to get vaccinated.  
01:02:49 --> 01:02:53: And most people 70% believe that the pandemic is not  
01:02:53 --> 01:02:57: changing things but accelerating trends that were already  
underway.  
01:02:57 --> 01:03:01: And many of those were trends that were talked about  
01:03:01 --> 01:03:05: both through Owen and Mary's comments around e-  
commerce and multi  
01:03:05 --> 01:03:06: channel retail.  
01:03:06 --> 01:03:08: And what's going on with office use.  
01:03:08 --> 01:03:12: So thank you very much for sharing your thoughts on  
01:03:12 --> 01:03:14: those two polling questions.  
01:03:14 --> 01:03:16: One question for the group to answer.  
01:03:16 --> 01:03:19: Anyone on the group, and I think especially this may  
01:03:19 --> 01:03:21: fall squarely into.  
01:03:21 --> 01:03:23: Your box Mary, but the question is,  
01:03:23 --> 01:03:26: can we leverage some of these recovery efforts to address  
01:03:26 --> 01:03:30: climate change and energy efficiency and diversity?  
01:03:30 --> 01:03:32: Equity and inclusion? While we're trying to,  
01:03:32 --> 01:03:34: you know, get rid of the Max,  
01:03:34 --> 01:03:36: get rid of the virus.  
01:03:36 --> 01:03:41: We certainly can, and that is visible in the infrastructure  
01:03:41 --> 01:03:45: bill that is getting prepared to be introduced into Congress.  
01:03:45 --> 01:03:48: The idea of a double bottom line,  
01:03:48 --> 01:03:51: right? We can put people to work in making our  
01:03:52 --> 01:03:55: communities less vulnerable to climate change,  
01:03:55 --> 01:03:58: particularly things like flooding or erosion.  
01:03:58 --> 01:04:03: How about we make our our homes more energy efficient,  
01:04:03 --> 01:04:06: reducing the amount of energy that's used to.

01:04:06 --> 01:04:09: Two up to heat and cool them and reducing carbon

01:04:09 --> 01:04:11: at the same time.

01:04:11 --> 01:04:14: So I I love the Biden ministrations focus on trying

01:04:14 --> 01:04:16: to achieve two goals at once.

01:04:16 --> 01:04:20: That gets really important to note that there are disparities

01:04:20 --> 01:04:23: in what what communities are more vulnerable,

01:04:23 --> 01:04:26: most vulnerable to climate change.

01:04:26 --> 01:04:29: And sadly, you have the wealthy in a position to

01:04:29 --> 01:04:33: get to higher ground quite literally as an industry.

01:04:33 --> 01:04:36: We need to figure out how do we make certain

01:04:36 --> 01:04:36: that.

01:04:36 --> 01:04:41: This kind of locational bias that has advantage some people.

01:04:41 --> 01:04:44: It does not persist in the era in which our

01:04:44 --> 01:04:45: eyes are open to this.

01:04:48 --> 01:04:48: Great.

01:04:54 --> 01:04:57: Sorry, I thought I thought I unmuted myself.

01:04:57 --> 01:05:00: I actually muted myself. I'm sorry about that and then

01:05:01 --> 01:05:03: I think one question is coming about.

01:05:03 --> 01:05:06: Are we seeing new trends and investment in public and

01:05:06 --> 01:05:10: government sector as a result of the redeployment of capital

01:05:10 --> 01:05:12: into different parts of the economy?

01:05:12 --> 01:05:16: Haven't seen. Haven't heard very much about trends and

01:05:16 --> 01:05:17: investing

01:05:17 --> 01:05:20: in public space,

01:05:20 --> 01:05:24: public government space, but maybe marry you.

01:05:24 --> 01:05:27: You're hearing something from other than infrastructure or

01:05:27 --> 01:05:27: ON is.

01:05:27 --> 01:05:30: To the extent that there is office space occupied by

01:05:30 --> 01:05:31: the GSA,

01:05:31 --> 01:05:32: I mean, is there a trend that we're seeing in

01:05:32 --> 01:05:33: that space,

01:05:33 --> 01:05:34: utility or investment interest?

01:05:34 --> 01:05:37: I'm not sure I would say there's been a pickup

01:05:37 --> 01:05:39: in GSA requirements.

01:05:39 --> 01:05:43: I mean, there definitely have been some cyber security

01:05:43 --> 01:05:46: requirements

01:05:46 --> 01:05:49: that have increased tenant demand from the private sector.

01:05:49 --> 01:05:53: For example, in the Washington DC area,

01:05:53 --> 01:05:56: which has been a benefit to the real estate market.

01:05:56 --> 01:06:00: But I do think I do think the stimulus plan

01:06:00 --> 01:06:01: that the Biden administration just pushed through is an

01:06:01 --> 01:06:01: investment

01:06:01 --> 01:06:01: in our cities.

01:06:01 --> 01:06:04: You know, some of that money has been geared towards  
 01:06:04 --> 01:06:05: city budgets,  
 01:06:05 --> 01:06:08: others been towards local infrastructure.  
 01:06:08 --> 01:06:10: So I do think that is an investment in in  
 01:06:10 --> 01:06:12: our cities and in real estate.  
 01:06:15 --> 01:06:19: And the public transit aspect of that should be emphasized  
 01:06:19 --> 01:06:20: as an L writer,  
 01:06:20 --> 01:06:22: I am I. I'm exhilarated to be back on it  
 01:06:22 --> 01:06:25: and encourage other people to come there,  
 01:06:25 --> 01:06:27: clean their safe. They're running,  
 01:06:27 --> 01:06:30: they're running trains that are as long as rush hour  
 01:06:30 --> 01:06:32: trains throughout the day,  
 01:06:32 --> 01:06:34: so I've had no trouble in my Mike.  
 01:06:34 --> 01:06:36: I'm on on the CTA in Chicago.  
 01:06:39 --> 01:06:42: So as we kind of bring this to a close,  
 01:06:42 --> 01:06:45: I think it may be one new question I'm trying  
 01:06:45 --> 01:06:47: to just make sure I have them.  
 01:06:47 --> 01:06:48: No, I think we got him.  
 01:06:48 --> 01:06:52: So before we close. We asked everybody to give us  
 01:06:52 --> 01:06:55: a word at the beginning to kind of explain kind  
 01:06:55 --> 01:06:59: of your thoughts around what happened last year and we  
 01:06:59 --> 01:07:02: create a word cloud of that Ann looking at the  
 01:07:02 --> 01:07:04: dominant words here.  
 01:07:04 --> 01:07:08: Fascinating resilience, challenging, unpredictable, stressful.  
 01:07:08 --> 01:07:10: Oh my goodness. Yes, pivoting,  
 01:07:10 --> 01:07:14: and I think it's amazing how quickly so many businesses  
 01:07:14 --> 01:07:17: and institutions pivoted when they need it to.  
 01:07:17 --> 01:07:20: A year ago. Change opportunities I think.  
 01:07:20 --> 01:07:23: You know the opportunities piece was a little hard to  
 01:07:23 --> 01:07:24: see at the beginning,  
 01:07:24 --> 01:07:26: but it's great that when you reflect back on it,  
 01:07:26 --> 01:07:30: you see that there are opportunities that have come out  
 01:07:30 --> 01:07:30: of that.  
 01:07:30 --> 01:07:34: Actable stressful, challenging time that we've all gone  
 01:07:34 --> 01:07:36: through.  
 01:07:36 --> 01:07:40: We'll call it the 2020 experience.  
 01:07:40 --> 01:07:41: So then what is the one word you think of  
 01:07:41 --> 01:07:43: looking forward?  
 01:07:43 --> 01:07:46: Optimism. I like how travel hit that button.  
 01:07:46 --> 01:07:50: Everybody is really looking forward to travel.  
 01:07:50 --> 01:07:53: I bet you that's personal travel and not business travel.  
 01:07:53 --> 01:07:55: But just thinking about a lot of other great words,

01:07:53 --> 01:07:56: but optimism and travel seem to be the strongest.  
 01:07:56 --> 01:07:58: I'm not seeing a lot around dumb.  
 01:07:58 --> 01:08:02: Getting together I see. Reinvention maybe we don't need to  
 01:08:02 --> 01:08:03: reinvent.  
 01:08:03 --> 01:08:05: We're just doing well how where we are,  
 01:08:05 --> 01:08:09: but great engagement. Thank you everybody for participating  
 in our  
 01:08:09 --> 01:08:10: word cloud construction,  
 01:08:10 --> 01:08:12: so to kind of tie a bow on this,  
 01:08:12 --> 01:08:14: Rachel wants to make sure that I am not overtime  
 01:08:14 --> 01:08:17: and I want to make sure I get everybody back  
 01:08:17 --> 01:08:18: to the rest of their day.  
 01:08:18 --> 01:08:21: I want to ask everybody on the panel a different  
 01:08:21 --> 01:08:23: question than the one I told you I was going  
 01:08:24 --> 01:08:26: to ask you rather than doing the Debbie Downer.  
 01:08:26 --> 01:08:30: One of you know what's been the thing that keeps  
 01:08:30 --> 01:08:30: you up.  
 01:08:30 --> 01:08:36: What's the thing that inspires you looking forward coming out  
 01:08:36 --> 01:08:37: of?  
 01:08:37 --> 01:08:40: This experience. Be it personal,  
 01:08:40 --> 01:08:43: professional, global, whatever that is.  
 01:08:43 --> 01:08:45: What is what is inspiring you.  
 01:08:45 --> 01:08:48: What is the inspiration?  
 01:08:48 --> 01:08:51: We want to keep in mind and a positive angle  
 01:08:51 --> 01:08:54: as we look to the other side of the tunnel,  
 01:08:54 --> 01:08:56: Catherine. When you start this off.  
 01:08:56 --> 01:09:01: Yeah, I think you mentioned at the start that you  
 01:09:01 --> 01:09:02: couldn't pronounce,  
 01:09:02 --> 01:09:06: maybe didn't know about Epidemiology a year ago.  
 01:09:06 --> 01:09:10: I think the increased focus on public health,  
 01:09:10 --> 01:09:15: which is not just infectious diseases but the health of  
 01:09:15 --> 01:09:19: a community will hopefully lead to better funding.  
 01:09:19 --> 01:09:22: It all comes down to money,  
 01:09:22 --> 01:09:27: doesn't it? An recognition of the importance of this area.  
 01:09:27 --> 01:09:32: So that's that's what I'm hoping for and I guess  
 01:09:32 --> 01:09:34: is inspiring me.  
 01:09:34 --> 01:09:37: Actually, Epidemiology was a word I actually understood it.  
 01:09:37 --> 01:09:39: It was just saying it the right.  
 01:09:39 --> 01:09:41: OK, you know, listening to Doctor Foul cheese say it  
 01:09:41 --> 01:09:41: enough.  
 01:09:41 --> 01:09:44: I really got the I got the weight combination of  
 01:09:44 --> 01:09:45: syllables going,

01:09:45 --> 01:09:46: so they did it perfectly,

01:09:46 --> 01:09:48: yes.

01:09:48 --> 01:09:50: I went with inspiring you looking forward.

01:09:50 --> 01:09:53: Well, I think I think you have to.

01:09:53 --> 01:09:55: You know, as an as a positive,

01:09:55 --> 01:09:57: optimistic person. I try to look at,

01:09:57 --> 01:10:00: you know what Silver Linings came out of this and

01:10:00 --> 01:10:00: what?

01:10:00 --> 01:10:04: How are we all going to be better going forward?

01:10:04 --> 01:10:05: And I do think you know.

01:10:05 --> 01:10:08: Firstly, I do think we're going to have a robust

01:10:08 --> 01:10:11: recovery for the reasons I mentioned.

01:10:11 --> 01:10:13: And you know, being involved in all that as a

01:10:14 --> 01:10:15: as a business person.

01:10:15 --> 01:10:17: I'm very much looking forward to.

01:10:17 --> 01:10:20: Second, I do think. A lot of the progress that's

01:10:20 --> 01:10:24: been made in the whole area of social and racial

01:10:24 --> 01:10:25: justice and diversity.

01:10:25 --> 01:10:29: I think that is a big positive for business generally,

01:10:29 --> 01:10:32: and I think that there's been major a major step

01:10:32 --> 01:10:32: forward.

01:10:32 --> 01:10:34: There's plenty more to do,

01:10:34 --> 01:10:36: but I think taking advantage.

01:10:36 --> 01:10:39: You know taking that to the next step is important.

01:10:39 --> 01:10:42: And then what Mary said about climate?

01:10:42 --> 01:10:45: I mean, I was really climates always been super important

01:10:45 --> 01:10:48: to me personally and also to Boston properties.

01:10:48 --> 01:10:52: And I was. Very nervous that the pandemic was going

01:10:52 --> 01:10:53: to get us off.

01:10:53 --> 01:10:55: That and I think look,

01:10:55 --> 01:10:59: I do think that the Biden administration's election was a

01:10:59 --> 01:11:00: big part of this shift,

01:11:00 --> 01:11:03: but you know, I do think you know when.

01:11:03 --> 01:11:06: I think now about the types of questions I get

01:11:06 --> 01:11:07: from shareholders.

01:11:07 --> 01:11:11: I mean we attend ESG conferences where that's really the

01:11:11 --> 01:11:12: focus.

01:11:12 --> 01:11:14: That's a big change and and you know,

01:11:14 --> 01:11:18: taking pushing again that forward in the future is going

01:11:18 --> 01:11:20: to be important.

01:11:20 --> 01:11:22: Thanks, I went so merry.

01:11:22 --> 01:11:24: When we get the last word kind of the last

01:11:24 --> 01:11:24: word,  
01:11:24 --> 01:11:26: so I don't know why I wrote down on a  
01:11:26 --> 01:11:28: note on one of my pages that I I wanted  
01:11:28 --> 01:11:30: to tell you all that I've been drinking out of  
01:11:30 --> 01:11:34: the good China over the last year.  
01:11:34 --> 01:11:36: Wraps together with this idea what?  
01:11:36 --> 01:11:38: What is a pandemic taught us.  
01:11:38 --> 01:11:39: The fleeting nature of life.  
01:11:39 --> 01:11:41: Live it the right way.  
01:11:41 --> 01:11:44: Live it with kindness. We have seen each others lives  
01:11:44 --> 01:11:45: on the screens.  
01:11:45 --> 01:11:48: Those of us that have been working remotely.  
01:11:48 --> 01:11:51: We've seen into our our colleagues homes.  
01:11:51 --> 01:11:53: We've seen their dogs, their kids or whatever.  
01:11:53 --> 01:11:57: I hope that there's something that carries over from that  
01:11:57 --> 01:11:58: intersection.  
01:11:58 --> 01:12:00: The human Ness of this experience.  
01:12:00 --> 01:12:03: So drink out of the good China 'cause life is  
01:12:03 --> 01:12:04: too short and.  
01:12:04 --> 01:12:07: And let's be better people.  
01:12:07 --> 01:12:11: Wonderful, so again many Many thanks to my panelists  
Catherine  
01:12:11 --> 01:12:11: Troisi,  
01:12:11 --> 01:12:15: Mary Ledgin, and Owen Thomas for joining me today on  
01:12:15 --> 01:12:16: our covid.  
01:12:16 --> 01:12:19: Where have we been and where are we going?  
01:12:19 --> 01:12:21: Seminar, thank you all for joining us.  
01:12:21 --> 01:12:24: Please take the good vibes from the room at the  
01:12:25 --> 01:12:27: Roaring 20s is at our doorstep.  
01:12:27 --> 01:12:29: Let's just make the best of it.  
01:12:29 --> 01:12:32: So thank you alive for hosting this and we look  
01:12:32 --> 01:12:36: forward to seeing everybody in Chicago in the fall.  
01:12:36 --> 01:12:38: So join us then. And in the meantime,  
01:12:38 --> 01:12:39: take care, be safe, be well.  
01:12:39 --> 01:12:41: Thanks everybody. Have a great afternoon.

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