

Webinar

Future of Work

Date: October 29, 2020

00:00:05 --> 00:00:09: Good afternoon everyone. Welcome to today's webinar,
 00:00:09 --> 00:00:14: which is a collaboration between EY and ULI.
 00:00:14 --> 00:00:18: We are very excited that we do this webinar today
 00:00:18 --> 00:00:21: Because it marks the launch of a piece of work.
 00:00:21 --> 00:00:25: ULI and EY have been working on over the past
 00:00:25 --> 00:00:26: couple of months.
 00:00:26 --> 00:00:28: It's about the future of work,
 00:00:28 --> 00:00:32: a global real estate, players POV.
 00:00:32 --> 00:00:37: It's a topic that's been heavily debated at the moment
 00:00:37 --> 00:00:41: in metric with very varying opinions on whether we ever
 00:00:41 --> 00:00:43: need offices again.
 00:00:43 --> 00:00:48: Whether after COVID-19 anything will have changed and
 00:00:48 --> 00:00:53: what the ultimate impact will be of the current pandemic on the
 00:00:53 --> 00:00:55: way we work where we work.
 00:00:55 --> 00:00:59: How we work. So I'm very pleased that you are
 00:00:59 --> 00:01:01: all joining us today.
 00:01:01 --> 00:01:04: To listen to this webinar.
 00:01:04 --> 00:01:07: Before we start, I have a few practical things.
 00:01:07 --> 00:01:09: If you encounter any technical issues,
 00:01:09 --> 00:01:13: please use the chat and the team is there to
 00:01:13 --> 00:01:13: help you.
 00:01:13 --> 00:01:17: If you if you want to ask a question which
 00:01:17 --> 00:01:20: I would then encourage everyone to do,
 00:01:20 --> 00:01:24: you can use the Q&A button and type your question.
 00:01:24 --> 00:01:28: I will pick those up as the moderator during during
 00:01:28 --> 00:01:32: the conversation and also after the presentation.
 00:01:32 --> 00:01:34: For those of you that don't know me,
 00:01:34 --> 00:01:39: I'm Lisette van Doorn and I am the CEO of

00:01:39 --> 00:01:44: ULI Europe and I will moderate today's webinar.
00:01:44 --> 00:01:47: So without further ado, let's get started.
00:01:47 --> 00:01:51: We will first start with a brief presentation of the
00:01:51 --> 00:01:53: report that EY and ULI
00:01:53 --> 00:01:56: I have been working on together.
00:01:56 --> 00:02:00: Their presentation will be done by Vincent Raufast he's
00:02:00 --> 00:02:02: partner EY Consulting,
00:02:02 --> 00:02:07: investment, location and attractiveness. And after the
00:02:07 --> 00:02:10: presentation there will
00:02:10 --> 00:02:13: be the opportunity for some questions.
00:02:13 --> 00:02:15: So if you have some related to the presentation,
00:02:15 --> 00:02:19: please put them in the Q&A.
00:02:19 --> 00:02:21: Francois will you start?
00:02:21 --> 00:02:23: Yes, so thank you very much.
00:02:23 --> 00:02:27: He said so good morning,
00:02:27 --> 00:02:31: good afternoon and maybe good evening to everyone.
00:02:31 --> 00:02:33: So when we decided to run this global survey back
00:02:33 --> 00:02:37: in in July of this year,
00:02:37 --> 00:02:41: there had been already quite a number of report analysis
00:02:41 --> 00:02:43: and studies around the new ways of working and its
00:02:43 --> 00:02:46: impact on our businesses.
00:02:46 --> 00:02:51: And you know, global footprints and so on.
00:02:51 --> 00:02:54: But you know all these reports and studies were quite.
00:02:54 --> 00:02:58: Using different methodologies and and,
00:02:58 --> 00:03:00: you know, providing very different kind of results and were
00:03:00 --> 00:03:04: quite country focused as well.
00:03:04 --> 00:03:08: So the COVID-19 pandemic and the new ways of working
00:03:08 --> 00:03:11: that I've been accelerated with this global pandemic.
00:03:11 --> 00:03:14: Being so global, we really felt the need for a
00:03:14 --> 00:03:17: global survey because in our opinion,
00:03:17 --> 00:03:21: this is the the only way for us to detect,
00:03:21 --> 00:03:24: validate, anticipate, you know mega trends.
00:03:24 --> 00:03:28: Out of these, the future of work and new ways
00:03:28 --> 00:03:29: of working and to measure the impact of the future
00:03:29 --> 00:03:31: of work on,
00:03:31 --> 00:03:37: you know our business models on,
00:03:37 --> 00:03:38: you know, cooperate global footprints and and real estate
00:03:38 --> 00:03:42: cooperate
00:03:42 --> 00:03:46: strategies.
00:03:46 --> 00:03:47: So maybe before we move to a selection of key
00:03:47 --> 00:03:48: takeaways that we have selected here for for this webcast
00:03:48 --> 00:03:49: today,

00:03:47 --> 00:03:50: let me just have a very quick word about the
00:03:50 --> 00:03:53: methodology that we've used.
00:03:53 --> 00:03:55: So next slide please, you will see.
00:03:55 --> 00:03:59: So as I said, it's it's designed to be a
00:03:59 --> 00:04:00: global survey,
00:04:00 --> 00:04:05: so for that we have interviewed exactly 555 respondents from
00:04:05 --> 00:04:09: the real estate communities or real estate investors.
00:04:09 --> 00:04:12: estate developers, real estate consulting firms,
00:04:12 --> 00:04:15: urban architects, urban planners and architects,
00:04:15 --> 00:04:19: and so on. And we've interviewed them across the three
00:04:19 --> 00:04:20: main regions.
00:04:20 --> 00:04:22: So you have the Americas.
00:04:22 --> 00:04:23: You have EMEA, a region,
00:04:23 --> 00:04:26: and Asia Pacific, and they've been asked to.
00:04:26 --> 00:04:30: The survey itself has been conducted through an online
survey
00:04:30 --> 00:04:34: over August and September and what we've asked them is
00:04:34 --> 00:04:37: to provide their insights as we estate professionals,
00:04:37 --> 00:04:39: but also to deliver there.
00:04:39 --> 00:04:45: Insights around there? You know clients needs and
expectations and
00:04:45 --> 00:04:49: how these will transform over the next few years.
00:04:49 --> 00:04:53: So now I'm going to take you through some key
00:04:53 --> 00:04:56: takeaways and if we can go to the to the
00:04:57 --> 00:04:57: next slide,
00:04:57 --> 00:05:01: the very first question that we had to to ask
00:05:01 --> 00:05:05: ourselves and to ask are you know our sample of
00:05:05 --> 00:05:10: respondents was around what the future of work.
00:05:10 --> 00:05:12: Looks like really you know what?
00:05:12 --> 00:05:14: What it is that we're talking about.
00:05:14 --> 00:05:18: So they told us that it's it's gotta be more
00:05:18 --> 00:05:18: remote,
00:05:18 --> 00:05:22: more digital is going to be based on more on-demand
00:05:22 --> 00:05:25: type of services and it's going to be more self
00:05:25 --> 00:05:26: employed.
00:05:26 --> 00:05:28: So I think here you know it's not.
00:05:28 --> 00:05:31: It's not you know, breaking news.
00:05:31 --> 00:05:34: It's not, you know, big surprise for any of us.
00:05:34 --> 00:05:38: But what's actually? I think very interesting is to see
00:05:38 --> 00:05:40: how widely shared.
00:05:40 --> 00:05:44: These four characteristic of what makes future of work,
00:05:44 --> 00:05:47: are you know, a among the sample of respondents that

00:05:47 --> 00:05:49: we have interviewed,
00:05:49 --> 00:05:52: and so if you take the example of the remote
00:05:52 --> 00:05:53: work,
00:05:53 --> 00:05:56: we have 96% of them that tell us that is
00:05:56 --> 00:05:59: going to be more remote when it comes to digital.
00:05:59 --> 00:06:03: You know the fact that remote work with future of
00:06:03 --> 00:06:06: work will involve more artificial intelligence,
00:06:06 --> 00:06:10: business automation, digital skills, it's 85%
00:06:10 --> 00:06:13: of them so. You know it's quite a massive trend
00:06:13 --> 00:06:18: that we're seeing here from our global sample of
respondents.
00:06:18 --> 00:06:20: So now we know that you know,
00:06:20 --> 00:06:23: especially when we look at remote work.
00:06:23 --> 00:06:27: We know that it's not going to be everybody working
00:06:27 --> 00:06:31: remotely all the time for all kind of activities.
00:06:31 --> 00:06:36: So pre covid, we have our respondents telling us that
00:06:36 --> 00:06:37: approximately 20%
00:06:37 --> 00:06:40: of employees were working remotely 20%
00:06:40 --> 00:06:44: of their time, three to five years from now.
00:06:44 --> 00:06:47: It's expected that there will be more than 60%
00:06:47 --> 00:06:52: of employees. Who will be offered remote work
arrangements for
00:06:52 --> 00:06:53: more than 40%
00:06:53 --> 00:06:55: of their time? So it's quite,
00:06:55 --> 00:06:58: you know, it's quite a big change that we need
00:06:58 --> 00:07:01: to anticipate altogether and in terms of the activities,
00:07:01 --> 00:07:04: so of course it's not going to be.
00:07:04 --> 00:07:08: You know, all the activities that would be performed remotely
00:07:08 --> 00:07:11: and they're telling us that the execution type of work
00:07:11 --> 00:07:14: is the one which is more likely to be performed
00:07:14 --> 00:07:18: remotely, whereas all these strategic management activities,
00:07:18 --> 00:07:22: the creative thinking. You know the business,
00:07:22 --> 00:07:26: development and so on will always require some form of,
00:07:26 --> 00:07:29: you know, physical interaction to be productive.
00:07:29 --> 00:07:32: So these strategic activities, management,
00:07:32 --> 00:07:36: creativity and business development are more likely to
remain on
00:07:36 --> 00:07:37: site in office.
00:07:37 --> 00:07:39: But as we will see later,
00:07:39 --> 00:07:42: this office will be quite different from what it is
00:07:42 --> 00:07:43: today,
00:07:43 --> 00:07:45: so we've all experienced you know,
00:07:45 --> 00:07:49: the beauty of the pros and cons of the future

00:07:49 --> 00:07:49: of work.

00:07:49 --> 00:07:51: Over the past few months.

00:07:51 --> 00:07:54: And we all know that you know there are,

00:07:54 --> 00:07:56: you know opportunities and challenges around that.

00:07:56 --> 00:07:59: We've interviewed our respondents about that.

00:07:59 --> 00:08:01: So if we move to the next slide,

00:08:01 --> 00:08:02: please.

00:08:02 --> 00:08:06: Yes, here you see what are the opportunities and challenges

00:08:06 --> 00:08:10: according to this sample of global sample of respondents in

00:08:10 --> 00:08:13: terms of opportunities there will be,

00:08:13 --> 00:08:17: you know, improvements. Probably depending how this is

00:08:17 --> 00:08:19: implemented.

00:08:17 --> 00:08:19: But improvement in terms of agility,

00:08:19 --> 00:08:24: flexibility in work, flexible, more flexible office footprint an let's

00:08:24 --> 00:08:27: say in general better working environment.

00:08:27 --> 00:08:31: However there will be challenges too in terms of cost

00:08:31 --> 00:08:35: and especially it cost because of the IT infrastructure.

00:08:35 --> 00:08:39: Had also probably a more strategic challenge around a risk

00:08:39 --> 00:08:42: for loss of corporate culture,

00:08:42 --> 00:08:46: depending how the future of work is being implemented and

00:08:46 --> 00:08:49: even a less effective talent management.

00:08:49 --> 00:08:53: So altogether these challenges can result,

00:08:53 --> 00:08:56: you know into a loss of productivity,

00:08:56 --> 00:09:00: which is of course a big problem for all businesses.

00:09:00 --> 00:09:04: So and you know, actually these key findings are leading

00:09:04 --> 00:09:05: us to.

00:09:05 --> 00:09:08: The next key takeaway. So if we go to the

00:09:08 --> 00:09:09: next slide,

00:09:09 --> 00:09:12: which is to me very interesting,

00:09:12 --> 00:09:14: but also a great paradox,

00:09:14 --> 00:09:17: which is that the more remote work,

00:09:17 --> 00:09:21: or the more the remote work progresses and expands,

00:09:21 --> 00:09:26: the more real estate becomes critical and we have 93%

00:09:26 --> 00:09:30: of the sample who are telling us that the office

00:09:30 --> 00:09:34: the workplace is important to attract and retain talent,

00:09:34 --> 00:09:36: and we even have 61%

00:09:36 --> 00:09:40: of them. Well, telling us that it's also very important

00:09:40 --> 00:09:43: for us to create a strong corporate culture,

00:09:43 --> 00:09:44: which will be, you know,

00:09:44 --> 00:09:48: so decisive for the years to come by implementing the

00:09:48 --> 00:09:49: future of work.

00:09:49 --> 00:09:52: So now you know. Having said that,

00:09:52 --> 00:09:55: we've tried to to look at what the future of
00:09:55 --> 00:09:59: office or the Office of the Future could look like.
00:09:59 --> 00:10:02: So if we move to the next slide.
00:10:02 --> 00:10:06: You're going to see here that two main takeaways,
00:10:06 --> 00:10:11: number one, the the real estate quantity will go down
00:10:11 --> 00:10:14: and #2 the real estate quality will go up so
00:10:15 --> 00:10:16: quantity will go down.
00:10:16 --> 00:10:21: So it means that the square meters or square feet
00:10:21 --> 00:10:21: will be,
00:10:21 --> 00:10:26: you know will decrease in terms of needs from corporate
00:10:26 --> 00:10:27: users.
00:10:27 --> 00:10:31: 53% of the sample is telling us that this is
00:10:31 --> 00:10:32: their expectation.
00:10:32 --> 00:10:34: There is even a 25%
00:10:34 --> 00:10:39: out of these 53% who is expecting this decrease in
00:10:39 --> 00:10:43: square meters square feet by more than 20%
00:10:43 --> 00:10:46: in terms of the quality going up,
00:10:46 --> 00:10:50: they expect the workplace to be more khela made the
00:10:50 --> 00:10:54: expect more flexible real estate footprints.
00:10:54 --> 00:10:58: Flexible lease lease contracts and so on.
00:10:58 --> 00:11:03: They expect also more technology you know to equipped.
00:11:03 --> 00:11:08: Our buildings they expect healthcare building amenities more
space for
00:11:08 --> 00:11:10: collaboration and meetings,
00:11:10 --> 00:11:14: and also they expect companies to be looking for or
00:11:14 --> 00:11:19: to collocate their activities next to like minded companies.
00:11:19 --> 00:11:22: So these two trends, the quantity going down,
00:11:22 --> 00:11:27: but the quality going up are kind of competing together
00:11:27 --> 00:11:30: until we find you know the right business model to
00:11:31 --> 00:11:34: make the future of work actually work so.
00:11:34 --> 00:11:36: Maybe we can go to the next slide,
00:11:36 --> 00:11:41: which is about some other key and interesting findings
around
00:11:41 --> 00:11:43: the impact of the future of work on.
00:11:43 --> 00:11:47: You know what we call ESG so environmental and social
00:11:47 --> 00:11:48: governance.
00:11:48 --> 00:11:52: So for the environmental impact we can see that there
00:11:52 --> 00:11:55: will be positive impact in terms of,
00:11:55 --> 00:11:57: you know, the home of his commuting,
00:11:57 --> 00:12:01: which is expected to decrease quite significantly.
00:12:01 --> 00:12:06: International business travel, which. Which will decrease as
well.
00:12:06 --> 00:12:09: But there will also be some challenges here because the

00:12:09 --> 00:12:14: right infrastructure which is required to support the development of

00:12:14 --> 00:12:17: future work will be much more important and will be

00:12:17 --> 00:12:21: developing fast. So that's a challenge also for the environment

00:12:21 --> 00:12:24: in terms of the social impact depending how it is

00:12:25 --> 00:12:25: implemented.

00:12:25 --> 00:12:28: But if it's properly implemented,

00:12:28 --> 00:12:32: the quality of life you know the agility flexibility in

00:12:33 --> 00:12:33: work.

00:12:33 --> 00:12:37: The quality of the working environment might well improve as

00:12:38 --> 00:12:40: a result of the future of work,

00:12:40 --> 00:12:43: but future of work also means there will be a

00:12:43 --> 00:12:48: blurring of boundaries between professional life and personal life,

00:12:48 --> 00:12:50: which you know can result in,

00:12:50 --> 00:12:53: you know deterioration of productivity,

00:12:53 --> 00:12:57: but also in terms of that might affect the housing

00:12:57 --> 00:12:58: offering itself,

00:12:58 --> 00:13:01: because as you may be experienced,

00:13:01 --> 00:13:04: or you know, some colleagues have experienced.

00:13:04 --> 00:13:07: The housing is not always well equipped for,

00:13:07 --> 00:13:12: you know, to provide a suitable suitable workplace and and

00:13:12 --> 00:13:13: and then it has an impact.

00:13:13 --> 00:13:18: Also on productivity and happiness at work I'd say.

00:13:18 --> 00:13:20: So if we move to the next one,

00:13:20 --> 00:13:23: which is our final, you know conclusion on that,

00:13:23 --> 00:13:26: we wanted to, we have a strong opinion about what

00:13:26 --> 00:13:27: will be,

00:13:27 --> 00:13:30: you know, the drivers of the new real estate models

00:13:30 --> 00:13:34: which will emerge from the implementation of future of work.

00:13:34 --> 00:13:39: And we believe these drivers are quite different depending on

00:13:39 --> 00:13:41: the time scale that we're looking at.

00:13:41 --> 00:13:45: And short term, we expect the main driver to be

00:13:45 --> 00:13:48: and remain cost optimization,

00:13:48 --> 00:13:51: which will translate into you know,

00:13:51 --> 00:13:56: less frequent user space. People and companies looking to move

00:13:56 --> 00:14:00: out of towns and city centers to lower cost areas

00:14:00 --> 00:14:01: or nice you know,

00:14:01 --> 00:14:04: environments to to live your life.

00:14:04 --> 00:14:09: If you are real estate decisions and ultimately.

00:14:09 --> 00:14:11: A strong investment demand. However,

00:14:11 --> 00:14:14: we do believe that in the long term,
00:14:14 --> 00:14:18: what might well happen is that what we call the
00:14:18 --> 00:14:22: HR value of real estate will increase and we create
00:14:22 --> 00:14:26: a different type of environment where there will be more,
00:14:26 --> 00:14:30: you know, collaborative space, more space for employee,
00:14:30 --> 00:14:34: the quality of real estate itself will increase,
00:14:34 --> 00:14:38: and that might well result into a urban renaissance as
00:14:38 --> 00:14:39: we call it.
00:14:39 --> 00:14:42: Where city centers you know,
00:14:42 --> 00:14:46: well connected city centers that can provide a an attractive
00:14:46 --> 00:14:47: leave,
00:14:47 --> 00:14:51: work and play environment will be coming back and will
00:14:51 --> 00:14:52: be you know,
00:14:52 --> 00:14:57: most desired by corporate users so as to really leverage
00:14:57 --> 00:15:00: the HR value of real estate attract,
00:15:00 --> 00:15:04: retain their talent. So I'm going to stop here.
00:15:04 --> 00:15:08: I'm happy to take you know a few questions before
00:15:08 --> 00:15:10: we move to the panel discussion.
00:15:10 --> 00:15:14: And thank you very much for your attention.
00:15:14 --> 00:15:15: Thanks a lot Vincent,
00:15:15 --> 00:15:19: that's really interesting and actually we have a couple of
00:15:19 --> 00:15:19: questions.
00:15:19 --> 00:15:22: One is an interesting one that we also debated a
00:15:22 --> 00:15:26: lot when we analyze the results and that's all about
00:15:26 --> 00:15:27: the regional differences.
00:15:27 --> 00:15:31: Someone is asking wonder about the regional differences in
00:15:31 --> 00:15:33: response
00:15:31 --> 00:15:33: to associates to needing less space.
00:15:33 --> 00:15:37: The challenges I'm hearing, officers are fully occupied in Asia
00:15:37 --> 00:15:40: with limited interesting in working from home.
00:15:40 --> 00:15:45: Because housing doesn't lend itself to working from home
00:15:45 --> 00:15:47: space.
00:15:45 --> 00:15:47: And and the other one.
00:15:47 --> 00:15:50: I'll just throw them out and then you can answer
00:15:50 --> 00:15:53: the questions in one go is very interesting.
00:15:53 --> 00:15:56: Figures on the reason to go back to the office
00:15:56 --> 00:15:58: and work from home?
00:15:58 --> 00:16:02: Did you see any significant difference by tenant sectors or
00:16:02 --> 00:16:05: type of company large versus?
00:16:05 --> 00:16:07: Corporate versus smaller and then someone asked,
00:16:07 --> 00:16:11: is asking about whether the slides will be made available
00:16:11 --> 00:16:12: after the webinar.
00:16:12 --> 00:16:16: Yes, both the slides as well as the report will

00:16:16 --> 00:16:19: be available on your allies Knowledge Finder.

00:16:19 --> 00:16:23: Yes, so all very good questions indeed.

00:16:23 --> 00:16:26: So we've looked at what you know,

00:16:26 --> 00:16:31: some cultural bias based on the sample of respondents that we have here.

00:16:31 --> 00:16:32: To be honest, there are a few differences by region,

00:16:32 --> 00:16:37: but it's not so significant.

00:16:37 --> 00:16:39: I would say the few differences that we that we

00:16:39 --> 00:16:44: found are rather in Europe,

00:16:44 --> 00:16:46: where the trends the. The trends that we're seeing are

00:16:46 --> 00:16:51: a bit more intense than what we would see in

00:16:51 --> 00:16:54: other regions.

00:16:54 --> 00:16:55: And that's you know, probably because of the culture,

00:16:55 --> 00:16:59: but also because for most of the European countries with

00:16:59 --> 00:17:04: already experienced full lockdown situation,

00:17:04 --> 00:17:07: then a full almost full you know come back to

00:17:07 --> 00:17:11: to the office in many of the of the European

00:17:11 --> 00:17:14: countries.

00:17:14 --> 00:17:15: So I would say that we think that there are

00:17:15 --> 00:17:18: fewer cultural differences,

00:17:18 --> 00:17:20: probably to be early, you know to really be able

00:17:20 --> 00:17:24: to analyze these.

00:17:24 --> 00:17:26: Cultural or regional differences from our statistics,

00:17:26 --> 00:17:29: at least in terms of sectors,

00:17:29 --> 00:17:31: I would do the same.

00:17:31 --> 00:17:32: You know, conclusion? We've looked at that and we didn't

00:17:32 --> 00:17:36: find any significant gap from one sector to another,

00:17:36 --> 00:17:39: but I would be very.

00:17:39 --> 00:17:41: I think these two questions are still,

00:17:41 --> 00:17:43: you know, very valid to be honest with you at

00:17:43 --> 00:17:46: the beginning in our and there is a section about

00:17:46 --> 00:17:49: cultural differences highlighting.

00:17:49 --> 00:17:51: You know the few cultural differences and regional

00:17:51 --> 00:17:56: differences in

00:17:56 --> 00:17:57: the full report.

00:17:57 --> 00:18:00: But we didn't select them as a key takeaway because

00:18:00 --> 00:18:03: it's not so big for two now for today,

00:18:03 --> 00:18:06: but there is no doubt that the question is very

00:18:06 --> 00:18:09: valid and I'm very curious to see how this will

00:18:09 --> 00:18:10: play out.

00:18:09 --> 00:18:10: You know, in the coming months or years where when

00:18:10 --> 00:18:13: we get more experienced with,

00:18:13 --> 00:18:15:

00:18:15 --> 00:18:18: you know the development of the future of work.
00:18:20 --> 00:18:23: Thanks for a few more questions have come in.
00:18:23 --> 00:18:26: I'll do one more round and then we'll move on
00:18:26 --> 00:18:28: to the next part of the of the session.
00:18:28 --> 00:18:31: Someone is saying or younger teams are very happy.
00:18:31 --> 00:18:35: Unhappy working from home. Are we sure that it's increased
00:18:35 --> 00:18:39: working from home is not skewed by the sample being
00:18:39 --> 00:18:42: asked a question and someone else is asking.
00:18:42 --> 00:18:44: Again, I think you touched on that,
00:18:44 --> 00:18:47: but maybe you can repeat because I saw a couple
00:18:47 --> 00:18:48: of people joining later.
00:18:48 --> 00:18:52: Could you go into who was surveyed?
00:18:52 --> 00:18:58: OK, so about younger generations being unhappy working
from home.
00:18:58 --> 00:19:02: That's very interesting because so we we saw in as
00:19:02 --> 00:19:06: one of the key results that we're going to shift
00:19:06 --> 00:19:09: from a world pre covid where we had 20%
00:19:09 --> 00:19:14: of employees working 20% of their time remotely right and
00:19:14 --> 00:19:18: will move to a situation where we have 60%
00:19:18 --> 00:19:20: of employees working at least 40%
00:19:20 --> 00:19:23: of their time and we've heard.
00:19:23 --> 00:19:26: In many webcast we've had feedbacks,
00:19:26 --> 00:19:29: you know from our clients and so on,
00:19:29 --> 00:19:33: telling us that you know up to two days a
00:19:33 --> 00:19:34: week remotely.
00:19:34 --> 00:19:38: Employees are, you know, very happy and you have a
00:19:38 --> 00:19:38: productive.
00:19:38 --> 00:19:41: Your productivity increases and so on.
00:19:41 --> 00:19:44: And more than two days a week your productivity starts
00:19:44 --> 00:19:45: to decrease.
00:19:45 --> 00:19:48: So I think it's really a matter of how you
00:19:48 --> 00:19:49: implement that.
00:19:49 --> 00:19:52: It's a matter of, you know how you can respond
00:19:52 --> 00:19:56: to the expectations of different generations so as to make
00:19:56 --> 00:19:57: them happy and productive.
00:19:57 --> 00:20:00: So it's not. You know it's not good or bad,
00:20:00 --> 00:20:03: it's a future of work is not good or bad
00:20:03 --> 00:20:03: really.
00:20:03 --> 00:20:05: Depends how you make that
00:20:05 --> 00:20:09: happen and in terms of the sample of respondents,
00:20:09 --> 00:20:14: so very quickly we have interviewed exactly 555 people from
00:20:14 --> 00:20:16: the real estate world.

00:20:16 --> 00:20:21: So real estate investors, developers wasted consulting firms,
00:20:21 --> 00:20:24: urban planners, architects and so on.
00:20:24 --> 00:20:29: And we have interviewed then across the three regions,
00:20:29 --> 00:20:31: Americas, EMEA and Asia Pacific,
00:20:31 --> 00:20:35: and we've asked them to provide their insight.
00:20:35 --> 00:20:38: As real estate players, so that's why it's called.
00:20:38 --> 00:20:41: You know real estate point of view.
00:20:41 --> 00:20:44: But also we asked them to provide their insights in
00:20:44 --> 00:20:47: terms of their client needs right there.
00:20:47 --> 00:20:49: You know what would be their clients,
00:20:49 --> 00:20:55: the real estate, corporate users needs and expectations and
how
00:20:55 --> 00:20:58: they will transform over the next few years.
00:20:58 --> 00:21:02: Thank you so there are actually many more questions
coming
00:21:02 --> 00:21:02: in,
00:21:02 --> 00:21:06: so maybe you could look through also asking about different
00:21:06 --> 00:21:09: elements that were or were not considered.
00:21:09 --> 00:21:12: Maybe you can answer a couple by just typing the
00:21:12 --> 00:21:15: question 'cause I would really like to move on.
00:21:15 --> 00:21:17: Thanks a lot. It's been so informative.
00:21:17 --> 00:21:19: Thanks a lot for your contribution.
00:21:19 --> 00:21:22: Thank you very much for attention.
00:21:22 --> 00:21:26: Thank you, we're moving now to the second part of
00:21:26 --> 00:21:29: the of the session and I'm very pleased to be
00:21:29 --> 00:21:30: joined today by a.
00:21:30 --> 00:21:34: and industry players.
00:21:34 --> 00:21:39: First of all I would like to introduce Kathryn Harrison,
00:21:39 --> 00:21:43: Thomas. She's global business partner for Deutsche Bank
AG based
00:21:43 --> 00:21:44: in London.
00:21:44 --> 00:21:48: Lee Polisano, Founding Partner and CEO, PLP Architecture
00:21:48 --> 00:21:53: also based in London. Peter Ballon, Global Head of Real
00:21:53 --> 00:21:56: Estate,??CPPIB??based in Toronto,
00:21:56 --> 00:21:57: Canada.
00:21:57 --> 00:22:00: And then last but not least,
00:22:00 --> 00:22:03: David story partner and Amy EIA,
00:22:08 --> 00:22:13: Also based in London can I ask all of you
00:22:13 --> 00:22:16: to switch on your videos?
00:22:16 --> 00:22:19: And it would be great to get started there.
00:22:19 --> 00:22:23: Actually a couple of questions that I think will come
00:22:23 --> 00:22:26: back later in the discussion as well.
00:22:26 --> 00:22:30: Very interesting ones. Obviously around the demands and

the impact
00:22:30 --> 00:22:31: on rents and yields.
00:22:31 --> 00:22:33: But let us first start.
00:22:33 --> 00:22:37: I would like to ask each of you too.
00:22:40 --> 00:22:44: Very good each of you to briefly introduce yourself a
00:22:44 --> 00:22:48: bit more in detail and maybe consider a couple of
00:22:48 --> 00:22:54: the following general questions just to kick off the
conversation.
00:22:54 --> 00:22:57: What's your your or your own teams or your overall
00:22:57 --> 00:23:01: corporate experience being over the past months?
00:23:01 --> 00:23:03: Working from home since the outbreak,
00:23:03 --> 00:23:07: and what I would be interested in is whether those
00:23:07 --> 00:23:12: views have changed overtime and where the different
generations think
00:23:12 --> 00:23:15: differently about the experience and how,
00:23:15 --> 00:23:20: maybe the. The dip endemic so far is impacted your
00:23:20 --> 00:23:22: portfolio of assets,
00:23:22 --> 00:23:27: workplace demands, client amounts. And of course,
00:23:27 --> 00:23:31: we're very interested in hearing your general feedback on
their
00:23:31 --> 00:23:32: report.
00:23:32 --> 00:23:34: Catherine, can I start with you,
00:23:34 --> 00:23:38: please? Sure, welcome everybody. My name is Kathryn
Harrison Thomas.
00:23:38 --> 00:23:42: I'm the global business partner for real estate and services
00:23:42 --> 00:23:43: at Deutsche.
00:23:43 --> 00:23:45: I cover pretty much our entire portfolio,
00:23:45 --> 00:23:48: except Germany, Spain, Italy and Belgium,
00:23:48 --> 00:23:52: and that's our private banking and covered by my colleague.
00:23:52 --> 00:23:54: I think like many organisations,
00:23:54 --> 00:23:58: we've been actively involved in learning from this recent
giant.
00:23:58 --> 00:24:01: Working from home kind of pilot,
00:24:01 --> 00:24:05: I think we're maybe an interesting client in that we've
00:24:05 --> 00:24:09: got very particular needs as being an investment bank.
00:24:09 --> 00:24:13: We have the regulator lens.
00:24:13 --> 00:24:17: And and supervisory requirements that we've also had to
kind
00:24:17 --> 00:24:20: of work through as we sent sort of.
00:24:20 --> 00:24:22: Basically, I think in the end,
00:24:22 --> 00:24:24: at one point we had 92%
00:24:24 --> 00:24:27: of our workforce working from home at the height of
00:24:27 --> 00:24:28: the pandemic.

00:24:28 --> 00:24:30: I would say a few things.
00:24:30 --> 00:24:33: Maybe on our experience I think 1.
00:24:33 --> 00:24:35: We've been through, I guess,
00:24:35 --> 00:24:36: a bit of a wave on this.
00:24:36 --> 00:24:39: You know, initially huge relief that all of the IT
00:24:39 --> 00:24:42: held up and that we were able to service their
00:24:42 --> 00:24:43: clients right?
00:24:43 --> 00:24:46: Because obviously the last thing the world needed at that
00:24:46 --> 00:24:49: point was a large bank like us not able to
00:24:49 --> 00:24:50: service clients,
00:24:50 --> 00:24:53: not, you know, not enabling companies for to manage their
00:24:53 --> 00:24:54: pensions payrolls,
00:24:54 --> 00:24:58: not insuring capital in the market for businesses to continue
00:24:58 --> 00:24:58: operating.
00:24:58 --> 00:24:59: And so we took a,
00:24:59 --> 00:25:01: you know, huge responsibility there,
00:25:01 --> 00:25:05: along with many others in the industry to ensure that
00:25:05 --> 00:25:06: that was secure.
00:25:06 --> 00:25:08: I'm, I think then we got into a surprise mode
00:25:09 --> 00:25:12: where we were just surprised how well it was going
00:25:12 --> 00:25:15: and that we really didn't see any productivity drop.
00:25:15 --> 00:25:18: We really had no issues or fat finger payments or
00:25:18 --> 00:25:21: any of those things that we might have been concerned
00:25:21 --> 00:25:22: about with.
00:25:22 --> 00:25:24: You know, such a dispersed,
00:25:24 --> 00:25:27: you know working environment.
00:25:27 --> 00:25:31: And I think that's largely now turned to almost curiosity
00:25:31 --> 00:25:36: where we're really being quite introspective and thinking
00:25:36 --> 00:25:38: about.
00:25:36 --> 00:25:38: What is the right way forward for us?
00:25:38 --> 00:25:41: I think one thing we have decided is it's not
00:25:41 --> 00:25:45: this we we definitely don't agree as some companies have
00:25:45 --> 00:25:47: come out and said that you know we will allow
00:25:47 --> 00:25:51: all of our staff you know subject to regulatory requirements
00:25:51 --> 00:25:52: to work from home.
00:25:52 --> 00:25:55: I don't. I don't think that works for us is
00:25:55 --> 00:25:55: a bank,
00:25:55 --> 00:25:58: but I think we've also made the decision that we
00:25:58 --> 00:26:01: don't really want to go back to the way it
00:26:01 --> 00:26:02: was before covid.
00:26:02 --> 00:26:05: And so we're in that process now of asking ourselves
00:26:06 --> 00:26:07: lots of questions.

00:26:07 --> 00:26:09: We have engaged our staff in two surveys.
00:26:09 --> 00:26:12: Now at the entire sort of 100,000 plus workforce,
00:26:12 --> 00:26:16: including our sort of full-time contractors and things like that
00:26:16 --> 00:26:20: 'cause we want to understand the broadest possible view an
00:26:20 --> 00:26:22: it's been really interesting,
00:26:22 --> 00:26:24: I think at the start 78 or percent of people
00:26:25 --> 00:26:28: said that they didn't really want to work from home
00:26:28 --> 00:26:28: very often,
00:26:28 --> 00:26:31: and now we've got almost the reverse of that,
00:26:31 --> 00:26:35: with 78% of staff saying they'd really like to work
00:26:35 --> 00:26:37: from home one or two days a week.
00:26:37 --> 00:26:40: We didn't we then see quite a big drop-off actually
00:26:40 --> 00:26:41: beyond that one to two days,
00:26:41 --> 00:26:44: and so I guess you know from the report that
00:26:44 --> 00:26:46: was presented this morning,
00:26:46 --> 00:26:49: we really relate to the statistics that were provided around
00:26:49 --> 00:26:49: that.
00:26:49 --> 00:26:51: I would say one last thing,
00:26:51 --> 00:26:52: and then I'll hand over,
00:26:52 --> 00:26:54: you know, I think you can't look at this,
00:26:54 --> 00:26:57: and certainly we're not looking at this in the in
00:26:57 --> 00:26:58: isolation,
00:26:58 --> 00:27:01: and I think there were two other key topics that
00:27:01 --> 00:27:02: you guys brought up,
00:27:02 --> 00:27:04: and I think they're really critical.
00:27:04 --> 00:27:06: The first is.
00:27:06 --> 00:27:08: You know what is the future of work and the
00:27:08 --> 00:27:12: impact of digitalization on work and people and what they
00:27:12 --> 00:27:13: will provide in in the future.
00:27:13 --> 00:27:17: And really, when you combine that with generational change
and
00:27:17 --> 00:27:20: recognizing that in the next few years you know we'll
00:27:20 --> 00:27:23: have five to six generations in the workplace,
00:27:23 --> 00:27:27: ensuring that that's inclusive and that the working practices
we
00:27:27 --> 00:27:30: put forward are inclusive are going to be really critical.
00:27:30 --> 00:27:33: So I thought the report was absolutely fascinating.
00:27:33 --> 00:27:36: And yeah, looking forward to the discussion.
00:27:38 --> 00:27:41: Came together and that's been really helpful.
00:27:41 --> 00:27:43: Peter, can I turn to you?
00:27:43 --> 00:27:46: How was the experience been for you and your colleagues?
00:27:46 --> 00:27:49: And also as a big investor in offices around the
00:27:49 --> 00:27:50: globe?

00:27:50 --> 00:27:54: How's that been? Surely that then hello everyone,
00:27:54 --> 00:27:56: very happy to be here.
00:27:56 --> 00:27:58: This is one of the benefits of covid.
00:27:58 --> 00:28:00: They're very few of them,
00:28:00 --> 00:28:04: but to participate in these conferences and I didn't have
00:28:04 --> 00:28:07: to fly anywhere was very nice and convenient,
00:28:07 --> 00:28:09: and it's great to see so much interest.
00:28:09 --> 00:28:13: Almost 400 people attending, so I think that's great,
00:28:13 --> 00:28:17: and I think it speaks to the relevance of this
00:28:17 --> 00:28:19: topic as a real estate investor.
00:28:19 --> 00:28:22: I think this is one of the biggest question marks
00:28:22 --> 00:28:25: that has come out of covid and so it's all
00:28:25 --> 00:28:27: so relevant to us and clearly to the people who
00:28:27 --> 00:28:32: have called in only talk briefly about our corporate experience
00:28:32 --> 00:28:33: because I think.
00:28:33 --> 00:28:36: From my perspective, you know we're not as a big
00:28:36 --> 00:28:37: user of office space.
00:28:37 --> 00:28:41: We might be representative, but I must say I pay
00:28:41 --> 00:28:44: more attention to what the big users are using them,
00:28:44 --> 00:28:46: and we have 2000 employees.
00:28:46 --> 00:28:49: I'm very focused on what is relevant for the big
00:28:49 --> 00:28:50: corporate users.
00:28:50 --> 00:28:53: The tenants that are in the buildings that we own
00:28:53 --> 00:28:54: or want to own,
00:28:54 --> 00:28:56: and that's really what matters.
00:28:56 --> 00:28:59: But I'll just say very briefly,
00:28:59 --> 00:29:02: I'd say it's probably similar to what a lot of
00:29:02 --> 00:29:04: others are saying everyone is.
00:29:04 --> 00:29:06: Surprised how productive this has been.
00:29:06 --> 00:29:08: We would have guessed it.
00:29:08 --> 00:29:09: We've been able to, you know,
00:29:09 --> 00:29:12: I'd say be as productive as we were pre,
00:29:12 --> 00:29:14: which is code which is a bit scary.
00:29:14 --> 00:29:16: I don't know how that works,
00:29:16 --> 00:29:19: but I actually think we'll be diminishing overtime.
00:29:19 --> 00:29:22: But we do have a joint venture model where we
00:29:22 --> 00:29:25: are very reliant on our local partners so we don't
00:29:25 --> 00:29:26: have to be everywhere.
00:29:26 --> 00:29:29: We have a model that we can leverage off of
00:29:29 --> 00:29:30: our partners,
00:29:30 --> 00:29:34: but that will change overtime because we need new partners
00:29:34 --> 00:29:34: and.

00:29:34 --> 00:29:37: You know to build a relationship you can't do that
00:29:37 --> 00:29:38: over zoom forever,
00:29:38 --> 00:29:41: so I actually don't think this is sustainable,
00:29:41 --> 00:29:44: but our productivity has been excellent,
00:29:44 --> 00:29:47: which is a surprise, but I think others have experienced
00:29:47 --> 00:29:49: the same in terms of enjoyment.
00:29:49 --> 00:29:53: You know it's very hard to separate between work from
00:29:53 --> 00:29:55: home and covid.
00:29:55 --> 00:29:56: The fact of the matter is,
00:29:56 --> 00:29:59: I don't think anyone's having fun these days,
00:29:59 --> 00:30:01: and so might be fun to be home,
00:30:01 --> 00:30:02: but if there's nowhere to go,
00:30:02 --> 00:30:04: then what's the point? So,
00:30:04 --> 00:30:07: you know, you know, that's one of those things you
00:30:07 --> 00:30:07: know.
00:30:07 --> 00:30:11: Stress levels are high everywhere and CPP is no difference.
00:30:11 --> 00:30:12: We're very conscious of that.
00:30:12 --> 00:30:15: This is being very stressful for everybody,
00:30:15 --> 00:30:18: and I think we all know the various reasons everyone
00:30:18 --> 00:30:21: has their own unique experiences were very empathetic to
that,
00:30:21 --> 00:30:24: as are all of our peers and colleagues and all
00:30:24 --> 00:30:25: that.
00:30:25 --> 00:30:26: I don't think it's. Unique,
00:30:26 --> 00:30:29: but we're aware of the high stress levels were trying
00:30:29 --> 00:30:30: to manage that.
00:30:30 --> 00:30:32: It's again, it's, you know,
00:30:32 --> 00:30:33: this is a pandemic. There isn't.
00:30:33 --> 00:30:35: There's nothing good about it,
00:30:35 --> 00:30:38: and it's stressful.
00:30:38 --> 00:30:40: In terms of and, I know there's other speakers.
00:30:40 --> 00:30:42: I'll try to be brief.
00:30:42 --> 00:30:44: You know, I'm trying to absorb as many of these
00:30:44 --> 00:30:46: reports as possible.
00:30:46 --> 00:30:48: 'cause I, as I alluded to before this is really
00:30:48 --> 00:30:50: question number one in my mind.
00:30:50 --> 00:30:53: I think they report this is really excellent.
00:30:53 --> 00:30:55: It's it's really one of the best I've read,
00:30:55 --> 00:30:56: and if you know me,
00:30:56 --> 00:30:59: I wouldn't just say that because I'm here.
00:30:59 --> 00:31:02: I actually think it's it's an excellent report.
00:31:02 --> 00:31:05: Having said that, and not to suggest an excellent report.

00:31:05 --> 00:31:07: I don't think we know the answer there.

00:31:07 --> 00:31:09: No one knows the answer just yet.

00:31:11 --> 00:31:14: The truth of the matter is we're making these decisions

00:31:14 --> 00:31:17: in a unrealistic environment and not knowing how we're all

00:31:17 --> 00:31:20: going to react once things return to normal.

00:31:20 --> 00:31:23: For sure, everyone would like to take their Fridays off

00:31:23 --> 00:31:24: and work from home,

00:31:24 --> 00:31:27: and things like that. But does this mean that it's

00:31:27 --> 00:31:28: the right thing for the companies?

00:31:30 --> 00:31:32: Is this the right thing for people in general?

00:31:32 --> 00:31:35: Do they really want it on a sustainable basis?

00:31:35 --> 00:31:37: Yes, Fridays for sure. Maybe the odd Monday is a

00:31:37 --> 00:31:38: four days a week.

00:31:38 --> 00:31:40: I don't think people know yet.

00:31:40 --> 00:31:42: We don't know the impact on Covid.

00:31:42 --> 00:31:44: I think some of us I've noticed a lot of

00:31:44 --> 00:31:47: the questions I see that everyone who's writing in kind

00:31:47 --> 00:31:50: of gets the issues is different for different people.

00:31:50 --> 00:31:53: And at the even the corporate users.

00:31:53 --> 00:31:54: So me as an investor,

00:31:54 --> 00:31:55: I don't have the answer.

00:31:55 --> 00:31:58: I would suggest even the big corporate users.

00:31:58 --> 00:32:01: They don't have the answer because we all know that

00:32:01 --> 00:32:04: we're competing for talent and at the end of the

00:32:04 --> 00:32:07: day it's the talent that will ultimately make the decision

00:32:07 --> 00:32:10: if there. If they have a choice and I don't

00:32:10 --> 00:32:11: think that's known,

00:32:11 --> 00:32:13: I think one of the participants are sorry.

00:32:13 --> 00:32:16: One of the I guess participants put in the question

00:32:16 --> 00:32:19: that you know some of the surveys and on not

00:32:19 --> 00:32:20: suggesting this one is.

00:32:20 --> 00:32:23: You know it could be biased because you're typically surveys

00:32:23 --> 00:32:26: are getting responded to by more senior people,

00:32:26 --> 00:32:27: whether it's male or female,

00:32:27 --> 00:32:30: perhaps males or maybe even more.

00:32:30 --> 00:32:33: Less impacted and whatnot may not be representative,

00:32:33 --> 00:32:36: but certainly my guess is allowed.

00:32:36 --> 00:32:39: The surveys were reading do not reflect the views of

00:32:39 --> 00:32:40: the younger people,

00:32:40 --> 00:32:43: which are typically the people we want,

00:32:43 --> 00:32:46: and if they're not as valuable today in five to

00:32:46 --> 00:32:46: 10 years,

00:32:46 --> 00:32:50: they will be valuable and they will probably make the
00:32:50 --> 00:32:51: decision what they want.
00:32:51 --> 00:32:54: Do they want to be working out at their farm
00:32:54 --> 00:32:55: or in the countryside?
00:32:55 --> 00:32:57: They want cool urban centers.
00:32:57 --> 00:33:00: I wouldn't best bet against urban centers and but.
00:33:00 --> 00:33:02: You know that you know that's all,
00:33:02 --> 00:33:04: and I recognize this report actually,
00:33:04 --> 00:33:05: said urban centers will thrive.
00:33:05 --> 00:33:08: There are many reports that are saying the opposite.
00:33:08 --> 00:33:10: That's more of a US centric perspective,
00:33:10 --> 00:33:11: but we can't ignore that anyways.
00:33:11 --> 00:33:13: I can keep talking and fill right to the end,
00:33:13 --> 00:33:16: so I'm just gonna stop right now.
00:33:16 --> 00:33:21: Thanks, Peter, you've already thrown so many different
points out
00:33:21 --> 00:33:23: which we can come back later.
00:33:23 --> 00:33:27: I think it's a great segue how you ended to
00:33:27 --> 00:33:28: David.
00:33:28 --> 00:33:30: Being active in people advisory services,
00:33:30 --> 00:33:32: any views on the talent?
00:33:32 --> 00:33:33: What is your view generally?
00:33:33 --> 00:33:35: Thanks for that and just to echo,
00:33:35 --> 00:33:38: you know, peers comments and I think this is going
00:33:38 --> 00:33:40: to be a great discussion.
00:33:40 --> 00:33:43: It's a good survey. You managed to put together a
00:33:43 --> 00:33:44: very diverse panel,
00:33:44 --> 00:33:46: which is great. We're all going to come at this
00:33:46 --> 00:33:50: from different viewpoints and we are learning 'cause it's a
00:33:50 --> 00:33:52: very live topic at the moment.
00:33:52 --> 00:33:53: So I'm coming at this.
00:33:53 --> 00:33:54: I suppose wearing two hats.
00:33:54 --> 00:33:57: One is that I'm leading the project within EY in
00:33:57 --> 00:33:58: the United Kingdom,
00:33:58 --> 00:34:01: at any rate. To really look at our future work
00:34:01 --> 00:34:04: strategy and vision in terms of how we're going to
00:34:04 --> 00:34:05: go forward.
00:34:05 --> 00:34:08: So on one level, I've got the internal role on
00:34:08 --> 00:34:08: another level.
00:34:08 --> 00:34:12: I'm leading our efforts from an external perspective in terms
00:34:12 --> 00:34:15: of supporting clients with their decision making process,
00:34:15 --> 00:34:18: and I've probably been engaging with 30 to 40 very

00:34:18 --> 00:34:22: large organisations consistently over the last six months.
00:34:22 --> 00:34:24: Dealing with these issues. So I think I've got a
00:34:24 --> 00:34:26: fair sense of where they're going,
00:34:26 --> 00:34:29: so I'm going to stick my answer in terms of
00:34:29 --> 00:34:31: our experience.
00:34:31 --> 00:34:33: Much like others caption described,
00:34:33 --> 00:34:35: we managed to flip 275 thousand people.
00:34:35 --> 00:34:37: You know 95% from work pretty seamlessly.
00:34:37 --> 00:34:40: We were lucky in some ways because we made a
00:34:40 --> 00:34:41: very extensive,
00:34:41 --> 00:34:45: hardly investments the other, for particularly our global
business center
00:34:45 --> 00:34:47: of over 80,000 people in India.
00:34:47 --> 00:34:50: Many of the GBS centers in India didn't have laptops
00:34:50 --> 00:34:52: available for their staff and they suffered.
00:34:52 --> 00:34:55: We got away with that and we also rolled out
00:34:55 --> 00:34:57: teams literally two months beforehand,
00:34:57 --> 00:35:00: so we had the software solution ready as well so.
00:35:00 --> 00:35:03: That helped a lot, but it wasn't the only thing.
00:35:03 --> 00:35:06: I think the that there has been a lot of
00:35:06 --> 00:35:10: innovation in terms of redesigning processes from a virtual
perspective,
00:35:10 --> 00:35:13: whether it's recruitment on hand or the entire way in
00:35:13 --> 00:35:16: which we deliver services declines from how we pitch.
00:35:16 --> 00:35:19: You know, all the way up through to delivery,
00:35:19 --> 00:35:22: which is has been fantastic.
00:35:22 --> 00:35:26: And we've also made substantial investment in remote
enablement in
00:35:26 --> 00:35:27: mental Wellness,
00:35:27 --> 00:35:30: where we invested heavily and in team cohesion,
00:35:30 --> 00:35:31: all of which have helped.
00:35:31 --> 00:35:33: So we're at that point.
00:35:33 --> 00:35:36: I'm on the project thinking about we now know it's
00:35:36 --> 00:35:37: possible.
00:35:37 --> 00:35:40: The key question is what is preferable going forward?
00:35:40 --> 00:35:43: And as Peter said, we are operating in a very
00:35:43 --> 00:35:45: artificial environment,
00:35:45 --> 00:35:48: both in terms of the covid bias that goes with
00:35:48 --> 00:35:50: things but also very importantly,
00:35:50 --> 00:35:54: the reason why this. Experiment is worked is because
everybody
00:35:54 --> 00:35:56: was forced to do it at the same time,
00:35:56 --> 00:35:59: it would be incredibly difficult for anyone organization to try

00:35:59 --> 00:36:02: this at scale without the other organizations around it,
00:36:02 --> 00:36:04: its ecosystem, clients, providers, etc.
00:36:04 --> 00:36:06: Doing the same thing. Now,
00:36:06 --> 00:36:09: one level, the longer the abnormal loss and we operate
00:36:09 --> 00:36:09: this way,
00:36:09 --> 00:36:11: the better the habits are formed.
00:36:11 --> 00:36:13: The bigger the momentum for change,
00:36:13 --> 00:36:16: but it is artificial and the complexities only really going
00:36:16 --> 00:36:19: to kick in when cancer in her organization do something
00:36:19 --> 00:36:21: different from my organization.
00:36:21 --> 00:36:23: And yet we have to work together.
00:36:23 --> 00:36:25: And that's you know when it's going to start to
00:36:26 --> 00:36:28: become a lot more complex as we go forward,
00:36:28 --> 00:36:29: but very similar to us,
00:36:29 --> 00:36:32: I think our clients have written the initial disruption,
00:36:32 --> 00:36:34: have gotten used to it,
00:36:34 --> 00:36:36: are working on things, and they are now looking to
00:36:37 --> 00:36:37: the future.
00:36:37 --> 00:36:40: What Catherine talked about, the curiosity,
00:36:40 --> 00:36:43: peaceful, tried pretty much every single one has set up
00:36:43 --> 00:36:46: task forces to look at the future work particularly harbored.
00:36:46 --> 00:36:49: Those task forces are LED either by the CHRO or
00:36:49 --> 00:36:49: the Co,
00:36:49 --> 00:36:51: or a very often by the CEO,
00:36:51 --> 00:36:54: so they are. They are led by the top leaders
00:36:54 --> 00:36:55: in the organization.
00:36:55 --> 00:36:58: All of them intend to make major changes.
00:36:58 --> 00:37:01: I don't think it's any question that there will be
00:37:01 --> 00:37:02: a major shift,
00:37:02 --> 00:37:05: so you know where the pendulum swings back remains to
00:37:05 --> 00:37:05: be seen,
00:37:05 --> 00:37:08: but anybody thinking it's it's gonna go all the way
00:37:08 --> 00:37:11: back is very optimistic there will be changes in work
00:37:11 --> 00:37:13: modes in office design and in
00:37:13 --> 00:37:15: real estate footprint without question.
00:37:15 --> 00:37:18: Almost all of those task forces to already have a
00:37:18 --> 00:37:21: penciled in real estate footprint cut that they are testing
00:37:21 --> 00:37:23: out from a hypothesis perspective,
00:37:23 --> 00:37:25: and the numbers are bigger than the 20%
00:37:25 --> 00:37:29: in the survey. So we can talk about that.
00:37:29 --> 00:37:31: The second thing though, is that you know Peter talked
00:37:31 --> 00:37:32: about this as well.

00:37:32 --> 00:37:34: Is that all of them I think are starting to
00:37:34 --> 00:37:35: pause a little bit.
00:37:35 --> 00:37:38: And realize this is a longer term approach is required
00:37:38 --> 00:37:41: unless that under release timing pressure they want to make
00:37:41 --> 00:37:43: a decision now around the building.
00:37:43 --> 00:37:45: I don't think many people are going to act very
00:37:45 --> 00:37:48: quickly and the reason for that is a the abnormal
00:37:48 --> 00:37:51: ads abnormality of the situation is continuing for much longer
00:37:51 --> 00:37:54: than most scenarios now. Kind of spring next year where
00:37:54 --> 00:37:54: you could.
00:37:54 --> 00:37:56: You could see a new normal.
00:37:56 --> 00:37:59: Or is I think there were some people optimistic that
00:37:59 --> 00:38:02: it would already have happened so that slowing people
00:38:02 --> 00:38:05: down.
00:38:05 --> 00:38:05: You can't test hard work arrangements until you've got
00:38:05 --> 00:38:06: people
00:38:06 --> 00:38:09: both on premise and remote,
00:38:06 --> 00:38:09: and at the moment in many countries they all remote
00:38:09 --> 00:38:09: right,
00:38:09 --> 00:38:10: so that makes it different,
00:38:10 --> 00:38:12: difficult. And the third thing is,
00:38:12 --> 00:38:14: I think they're realizing the complexity of it,
00:38:14 --> 00:38:16: so they slowing down. I have a lot of clients
00:38:16 --> 00:38:19: who saying things along the lines of we no longer
00:38:19 --> 00:38:20: competing to get in the newspaper.
00:38:20 --> 00:38:23: This is 1 where you don't want necessarily want to
00:38:23 --> 00:38:24: come first in making your decisions.
00:38:24 --> 00:38:27: You want to see how it goes and learn from
00:38:27 --> 00:38:28: others.
00:38:28 --> 00:38:30: If I had to give at least some up quickly
00:38:30 --> 00:38:31: on on the kind of key questions,
00:38:31 --> 00:38:34: they're all asking, right? It would be the following ones.
00:38:34 --> 00:38:37: How do they align in the future while navigating potential
00:38:38 --> 00:38:38: leadership?
00:38:38 --> 00:38:41: Bias? Because we're we're all experts on this,
00:38:41 --> 00:38:42: 'cause we're all working from home,
00:38:42 --> 00:38:46: right? And many suspect their leaders are going to be
00:38:46 --> 00:38:48: the biggest obstacle to change.
00:38:48 --> 00:38:52: How do you calculate the remote viability of Adderall level
00:38:52 --> 00:38:53: or job family level?
00:38:53 --> 00:38:55: Because from a label or perspective,
00:38:55 --> 00:38:58: many are concerned about the logic of employees
segmentation.

00:38:58 --> 00:39:01: What happens when you say to an employee wants X
00:39:01 --> 00:39:02: but they can only have?
00:39:02 --> 00:39:05: Why? When someone else is getting X,
00:39:05 --> 00:39:07: how do you justify that and the justification has to
00:39:08 --> 00:39:11: be scientific and it's gotta be rolling activity based what
00:39:11 --> 00:39:14: he's productive collocation because being in the office for a
00:39:14 --> 00:39:16: few days is a ridiculous statement and I think people
00:39:16 --> 00:39:19: have found that out as people came back to the
00:39:19 --> 00:39:22: office with social distancing that if if you're not coming
00:39:22 --> 00:39:24: back for a purpose, and in fact if you spending
00:39:24 --> 00:39:27: all your time doing what we're doing now on teams
00:39:27 --> 00:39:27: or zoom,
00:39:27 --> 00:39:29: you may as well be doing it at home,
00:39:29 --> 00:39:31: which is why so many people went back home when
00:39:31 --> 00:39:32: when offices opened up.
00:39:32 --> 00:39:34: So what are you going in for?
00:39:34 --> 00:39:35: Who you going in with?
00:39:35 --> 00:39:37: Who you working with him?
00:39:37 --> 00:39:39: What are you doing that's going to be the key
00:39:39 --> 00:39:41: question in terms of productive collocation,
00:39:41 --> 00:39:42: and there I must say,
00:39:42 --> 00:39:44: I think that some of the report findings on the
00:39:44 --> 00:39:47: understood between execution on one side which could be
remote
00:39:47 --> 00:39:50: versus strategic and business being in the office.
00:39:50 --> 00:39:52: I think I wanted to take some of those going
00:39:52 --> 00:39:52: forward.
00:39:52 --> 00:39:55: Obviously there's a big implications for real estate footprints,
00:39:55 --> 00:39:59: floor space design technology, everybody's talking about
culture,
00:39:59 --> 00:40:02: everybody's talking about inclusion, everybody's talking
about social capital.
00:40:02 --> 00:40:04: Everybody's talking about mental Wellness.
00:40:04 --> 00:40:06: Those are the key people issues.
00:40:06 --> 00:40:11: The tradeoff between employer, employee choice and
planning certainty.
00:40:11 --> 00:40:13: More choice. You give people a hard,
00:40:13 --> 00:40:15: it is to plan from real estate onwards and how
00:40:16 --> 00:40:19: you plan around real estate and optimization of it.
00:40:19 --> 00:40:22: Key questions there also the tradeoffs between an access to
00:40:23 --> 00:40:24: a global talent pool.
00:40:24 --> 00:40:26: Yippee, but then on the other hand,
00:40:26 --> 00:40:28: lots of risks from a text commercial cyber side in

00:40:28 --> 00:40:29: terms of distance,
00:40:29 --> 00:40:33: remote work, so that's another one people are struggling with
00:40:33 --> 00:40:36: and having to confront it very quickly because there are
00:40:36 --> 00:40:38: lots and lots of people knocking on HR doors at
00:40:38 --> 00:40:40: the moment saying if this is going to carry on,
00:40:40 --> 00:40:43: would you mind if I go work from Tuscany,
00:40:43 --> 00:40:46: but there are lots of implications for their decision and
00:40:46 --> 00:40:50: people want to policy and tax response in that regard.
00:40:50 --> 00:40:53: Concerns around how you prevent talent in equity and
rewarding
00:40:53 --> 00:40:56: equity going forward and Rd is going to become a
00:40:56 --> 00:40:59: bigger and bigger issue as we go forward as different
00:40:59 --> 00:41:03: packages and work modes are thought about.
00:41:03 --> 00:41:06: Technology capacity to run this to default out and then
00:41:06 --> 00:41:07: that demand uncertainty.
00:41:07 --> 00:41:10: So for example, in my project we are spending time
00:41:10 --> 00:41:13: with clients asking them the question how are you going
00:41:13 --> 00:41:16: to relate to service providers going forward?
00:41:16 --> 00:41:18: Traditionally, we've come onto your premises to work with
you.
00:41:18 --> 00:41:20: Are you still going to have space to do that?
00:41:20 --> 00:41:22: Are we going to be forced to change or if
00:41:22 --> 00:41:23: we decide to change,
00:41:23 --> 00:41:25: is that going to be good for you etc etc.
00:41:25 --> 00:41:26: Once you get into that,
00:41:26 --> 00:41:28: mutuality of demand, then it gets more difficult.
00:41:28 --> 00:41:30: I'll pause there again, I could go on all day
00:41:30 --> 00:41:31: as well.
00:41:31 --> 00:41:35: It's a fascinating subject, and hopefully that throws up some
00:41:35 --> 00:41:36: things we can debate.
00:41:36 --> 00:41:40: Thanks a lot David. This was really.
00:41:40 --> 00:41:44: Hi Ed Italian Ann Lee coming out at an I
00:41:44 --> 00:41:46: think you also wear two hats.
00:41:46 --> 00:41:50: Know as a as an employer with the team and
00:41:51 --> 00:41:54: as an architect advising clients on.
00:41:54 --> 00:41:58: The future office. I will probably come out of this
00:41:59 --> 00:42:02: at a very different point of view.
00:42:02 --> 00:42:04: And I'll tell you a little bit about our own
00:42:04 --> 00:42:05: experiences,
00:42:05 --> 00:42:07: what our clients doing. But I for me,
00:42:07 --> 00:42:11: I'll contextualize this. In in in a very simple way.
00:42:11 --> 00:42:15: We're here because we're all involved in real estate and
00:42:16 --> 00:42:19: real estate has a role in what we now know

00:42:19 --> 00:42:22: to be the two most fragile elements in our human
00:42:22 --> 00:42:27: lives on the environment, the relationship between us in the
00:42:27 --> 00:42:29: environment created the pandemic,
00:42:29 --> 00:42:33: and to the inability of local communities to step in
00:42:33 --> 00:42:38: and fill a vacuum that central governments failed to do.
00:42:38 --> 00:42:41: Which is why we now have an extended period of
00:42:41 --> 00:42:42: time.
00:42:42 --> 00:42:45: A large spread of the pandemic and maybe those two
00:42:46 --> 00:42:49: things we could come back to in the context of
00:42:49 --> 00:42:53: real estate and maybe investigate in the context of the
00:42:53 --> 00:42:57: report and where where we should be thinking about about
00:42:57 --> 00:42:58: the future,
00:42:58 --> 00:43:01: but generally with my other hat as a.
00:43:01 --> 00:43:04: We we sort of measure productivity in a very,
00:43:04 --> 00:43:09: very different way. We don't measure productivity as such.
00:43:09 --> 00:43:14: We measure creativity, creativity and innovation and.
00:43:14 --> 00:43:17: We reopened our studio five months ago and to make
00:43:17 --> 00:43:19: a Long story short,
00:43:19 --> 00:43:22: on any given day now we have at least 100
00:43:22 --> 00:43:23: people in the studio.
00:43:23 --> 00:43:27: I'm not sure that many of our colleagues are doing
00:43:27 --> 00:43:27: that,
00:43:27 --> 00:43:31: but. The range of things that we do.
00:43:31 --> 00:43:36: From buildings to consumer products and other things means
that
00:43:36 --> 00:43:39: we need to be together for a period of time
00:43:39 --> 00:43:41: and we need to exchange ideas.
00:43:41 --> 00:43:45: We need to use our prototyping facilities.
00:43:45 --> 00:43:48: We have a big physical content too to what we
00:43:48 --> 00:43:48: do,
00:43:48 --> 00:43:52: so we found that it was important to be together
00:43:52 --> 00:43:56: and we started thinking we must always be here.
00:43:56 --> 00:43:59: And we're a little bit more relaxed about that out
00:43:59 --> 00:44:03: of both necessity and out of realizing that when we
00:44:03 --> 00:44:05: were all outside of the studio,
00:44:05 --> 00:44:09: we actually were very, very productive.
00:44:09 --> 00:44:12: So we have a balance of sort of two or
00:44:12 --> 00:44:12: three days,
00:44:12 --> 00:44:16: three days within the studio in two days at home,
00:44:16 --> 00:44:17: for each of our teams.
00:44:17 --> 00:44:19: But we did find that.
00:44:19 --> 00:44:24: We need the time together at all generations to talk

00:44:24 --> 00:44:28: and to mentor people and to talk to our clients.
00:44:28 --> 00:44:32: There is a the one interesting point that was raised
00:44:32 --> 00:44:33: about context.
00:44:33 --> 00:44:37: I mean there is a contextual divide within our work
00:44:37 --> 00:44:42: between our Asian clients who largely never left the office
00:44:42 --> 00:44:46: and who are now suffering from zoom fatigue from,
00:44:46 --> 00:44:49: you know, from all of the discussions and the need
00:44:49 --> 00:44:52: to make decisions around very big,
00:44:52 --> 00:44:55: big things 'cause we're dealing with,
00:44:55 --> 00:44:59: you know some projects with 25 year life spans that
00:44:59 --> 00:45:00: need to be decided.
00:45:00 --> 00:45:05: Quickly, some parts of it need to be decided quickly
00:45:05 --> 00:45:07: and our European clients,
00:45:07 --> 00:45:11: particularly our clients, more locally who.
00:45:11 --> 00:45:15: We don't. We don't sort of feel that way.
00:45:15 --> 00:45:18: I will tell you that I'm designing of the building
00:45:18 --> 00:45:20: site on the corporate side.
00:45:20 --> 00:45:24: None of our corporate clients and they include a number
00:45:24 --> 00:45:28: of tech companies have changed their overall requirements
for space.
00:45:28 --> 00:45:32: They've changed the narrative and we're looking at a
different
00:45:32 --> 00:45:35: narrative for how the spaces is can be used,
00:45:35 --> 00:45:39: and that's largely a result of a learning factor that's
00:45:39 --> 00:45:42: taken place while people have been locked down,
00:45:42 --> 00:45:45: so I think that's a good thing because it's leading
00:45:45 --> 00:45:47: to more variety more interest,
00:45:47 --> 00:45:51: more uses within the real estate than maybe they anticipated
00:45:51 --> 00:45:52: before,
00:45:52 --> 00:45:56: such as Community uses educational facilities and spare
capacity.
00:45:56 --> 00:45:58: So I like to think in that regard,
00:45:58 --> 00:46:02: the. Big discussion around the net to gross being the
00:46:02 --> 00:46:06: main factor driving real estate decisions in the past.
00:46:06 --> 00:46:09: Covid has killed the net to gross and now it
00:46:09 --> 00:46:10: is about quality.
00:46:10 --> 00:46:14: It is about spatial variety and for me that we
00:46:14 --> 00:46:17: see that as adding value now.
00:46:17 --> 00:46:21: The office is dead. We don't believe that the city
00:46:21 --> 00:46:22: is dead.
00:46:22 --> 00:46:26: I think that's largely been a discussion in the UK
00:46:26 --> 00:46:29: and in the United States,
00:46:29 --> 00:46:33: and again. Our Asian clients and the people were doing

00:46:33 --> 00:46:37: big urban things for don't share the view that the
00:46:38 --> 00:46:41: western media does that the city is dead.
00:46:41 --> 00:46:44: And I think it all comes back again to this
00:46:44 --> 00:46:47: notion of how we use this time to build strong
00:46:47 --> 00:46:51: communities and which real estate has a very,
00:46:51 --> 00:46:54: very big role in and how we use this time
00:46:54 --> 00:46:59: to reevaluate our relationship between ourselves and our
environment,
00:46:59 --> 00:47:02: which again, real estate has a big problem.
00:47:02 --> 00:47:05: The report hits a lot of these points.
00:47:05 --> 00:47:07: I think the big one for me is quality is
00:47:08 --> 00:47:09: on everyone's agenda.
00:47:09 --> 00:47:13: And, well, maybe. Office uses coming the need for office
00:47:13 --> 00:47:17: space is coming down and quality is rising.
00:47:17 --> 00:47:19: The quantum take to achieve their quality.
00:47:19 --> 00:47:22: You may in the end not have a diminished quantum
00:47:22 --> 00:47:22: of of space.
00:47:22 --> 00:47:25: You just may have different kinds of space.
00:47:25 --> 00:47:27: Junk is interesting things to look at.
00:47:29 --> 00:47:34: Thanks, Lee. I think Catherine this is a nice bridge
00:47:34 --> 00:47:35: back to you.
00:47:35 --> 00:47:39: Is that what how Deutsche Bank is looking at it
00:47:39 --> 00:47:43: at the moment in terms of quality and quantity?
00:47:43 --> 00:47:46: Yeah, so I think there's a few things I think,
00:47:46 --> 00:47:49: like any, I think banks will come with it slightly
00:47:49 --> 00:47:50: differently,
00:47:50 --> 00:47:52: probably from many other sectors.
00:47:52 --> 00:47:54: We tend to focus a lot on costs,
00:47:54 --> 00:47:57: obviously, and I don't think it's you know a state
00:47:57 --> 00:48:00: secret that Deutsche Bank's on a on a huge you
00:48:00 --> 00:48:00: know,
00:48:00 --> 00:48:02: crusade to reduce its cost base.
00:48:02 --> 00:48:05: But I agree with the statement around quality and I
00:48:05 --> 00:48:09: agree with the statement around purpose and we are really
00:48:09 --> 00:48:11: looking at you know what is going to be the
00:48:11 --> 00:48:14: main purpose of the office going forward.
00:48:14 --> 00:48:17: I would venture to offer a few thoughts on that,
00:48:17 --> 00:48:21: you know. Firstly, I think you know maintaining corporate
culture
00:48:21 --> 00:48:24: and brand Association for employees is really critical.
00:48:24 --> 00:48:27: When you when you don't really know who you work
00:48:27 --> 00:48:27: for,

00:48:27 --> 00:48:30: what what your work is contributing to and why you're
00:48:30 --> 00:48:31: there.
00:48:31 --> 00:48:33: Absolutely your productivity goes down.
00:48:33 --> 00:48:37: Your Association to the company goes down in your loyalty
00:48:37 --> 00:48:39: to the company goes down and so I think you
00:48:39 --> 00:48:40: know,
00:48:40 --> 00:48:42: whilst the office isn't the culture of a company,
00:48:42 --> 00:48:45: it definitely is a framework.
00:48:45 --> 00:48:48: That provides that security and identity that people can come
00:48:49 --> 00:48:49: in.
00:48:49 --> 00:48:52: They collaborate, they work with each other and they really
00:48:52 --> 00:48:55: do identify with what the the companies about.
00:48:55 --> 00:48:56: So I I, you know,
00:48:56 --> 00:49:00: I would absolutely echo. I really don't see I don't
00:49:00 --> 00:49:01: understand actually,
00:49:01 --> 00:49:03: the narrative of the office is dead.
00:49:03 --> 00:49:06: I think I think that slightly neurotic.
00:49:06 --> 00:49:09: I would say that the office is really going to
00:49:09 --> 00:49:10: be alive and well,
00:49:10 --> 00:49:12: and playing a really important part.
00:49:12 --> 00:49:15: It may be that we have less of it for
00:49:15 --> 00:49:16: sure.
00:49:16 --> 00:49:19: We will fund a lot of our investments back into
00:49:19 --> 00:49:22: our portfolio through reducing our footprint,
00:49:22 --> 00:49:25: right? You know, rent is the largest part of any
00:49:25 --> 00:49:26: real estate.
00:49:26 --> 00:49:28: Kind of cost base, and so you know,
00:49:28 --> 00:49:31: the less you consume, the more you've got to invest
00:49:31 --> 00:49:35: in it and an and make it a fantastically inclusive
00:49:35 --> 00:49:36: working environment.
00:49:36 --> 00:49:40: I think digitalization and the use of digital tools.
00:49:40 --> 00:49:42: I think Covid is really speed up.
00:49:44 --> 00:49:47: Acceptance of you know the use of digital tools.
00:49:47 --> 00:49:50: Certainly in real estate, but also just generally,
00:49:50 --> 00:49:51: I think in large corporates.
00:49:51 --> 00:49:55: And certainly we've really. We've really seen that we're now
00:49:55 --> 00:49:56: doing a lot of,
00:49:56 --> 00:49:58: you know, using DocuSign across the globe.
00:49:58 --> 00:50:00: We know we didn't have that before.
00:50:00 --> 00:50:02: We're now.
00:50:02 --> 00:50:06: Embedding our host application that we've partnered with
CBR E

00:50:06 --> 00:50:06: on,
00:50:06 --> 00:50:09: you know, to help us manage our real estate in
00:50:09 --> 00:50:10: a more agile way.
00:50:10 --> 00:50:11: So I think you know,
00:50:11 --> 00:50:13: had covid not come along,
00:50:13 --> 00:50:15: I think it would have taken us a couple more
00:50:15 --> 00:50:16: years,
00:50:16 --> 00:50:19: maybe to get to the point we've got to already
00:50:19 --> 00:50:21: in such a short amount of time.
00:50:21 --> 00:50:24: I say one last thing which is.
00:50:24 --> 00:50:27: I think the office will will almost go down the
00:50:27 --> 00:50:30: route of a lot of maybe the thought processes in
00:50:30 --> 00:50:33: the last few years around placemaking in city centers.
00:50:33 --> 00:50:35: I think offices will actually,
00:50:35 --> 00:50:39: you know, have place making kind of approaches to them
00:50:39 --> 00:50:42: where employers who want to be an employer of choice
00:50:42 --> 00:50:46: will provide an environment that people are stimulated and
excited
00:50:46 --> 00:50:49: to come into because they have a choice not to
00:50:49 --> 00:50:50: come into it right?
00:50:50 --> 00:50:53: Cut sweat. That's really in essence in in in my
00:50:53 --> 00:50:53: view,
00:50:53 --> 00:50:56: what covid is done, it's provided.
00:50:56 --> 00:50:58: A much broader view. I'm in him in the employee
00:50:58 --> 00:50:58: base,
00:50:58 --> 00:51:00: which is, you know, I don't have to come into
00:51:01 --> 00:51:03: work to do my job that I agree with everybody
00:51:03 --> 00:51:03: on the panel.
00:51:03 --> 00:51:06: You know whether they're doing their job is effectively as
00:51:06 --> 00:51:07: people would like them to,
00:51:07 --> 00:51:09: or in the way that people would like to.
00:51:09 --> 00:51:11: That's obviously up for debate.
00:51:11 --> 00:51:12: And as we go through,
00:51:12 --> 00:51:15: this will learn more, but
00:51:15 --> 00:51:19: but I would say that definitely having that place making
00:51:19 --> 00:51:22: creating that pool for employees to want to work for
00:51:22 --> 00:51:26: you as a company and still come into the office
00:51:26 --> 00:51:29: and collaborate and create and do all of those things.
00:51:29 --> 00:51:33: I really believe that will be part of the offering
00:51:33 --> 00:51:34: going forward.
00:51:34 --> 00:51:37: So and I guess you know.
00:51:37 --> 00:51:39: I think Peter touched on it and and I think

00:51:39 --> 00:51:41: this was a really well made point.
00:51:41 --> 00:51:43: Stress levels are through the roof.
00:51:43 --> 00:51:47: You know this is a very unusual time.
00:51:47 --> 00:51:50: People are coming at this from a very individual perspective,
00:51:50 --> 00:51:52: whether it be multi generational living.
00:51:52 --> 00:51:55: You know having young kids and my dog is in
00:51:55 --> 00:51:57: the background in case anyone can hear it.
00:51:57 --> 00:52:01: All of those kinds of stressful things when you're trying
00:52:01 --> 00:52:01: to work.
00:52:01 --> 00:52:04: I think the office does offer now what it didn't
00:52:04 --> 00:52:05: use to potentially,
00:52:05 --> 00:52:07: which is a bit of relief from all that,
00:52:07 --> 00:52:08: and so I I think.
00:52:08 --> 00:52:11: Also just that whole aspect of mental well being and
00:52:11 --> 00:52:14: providing variety and not sitting in your little,
00:52:14 --> 00:52:16: you know, cubbyhole at home,
00:52:16 --> 00:52:19: wherever that might be, that you've managed to find to
00:52:19 --> 00:52:20: create your workspace.
00:52:20 --> 00:52:23: I think that does provide a relief,
00:52:23 --> 00:52:24: so I'm not, you know,
00:52:24 --> 00:52:27: I would say when I would say from from our
00:52:27 --> 00:52:28: perspective,
00:52:28 --> 00:52:31: we will absolutely cut our real estate portfolio.
00:52:31 --> 00:52:33: I don't think it will be as extreme as well.
00:52:33 --> 00:52:36: I know it won't be as extreme as some people
00:52:36 --> 00:52:39: have come out and said and that it will help
00:52:39 --> 00:52:40: us fund the necessary,
00:52:40 --> 00:52:47: you know, investments to really create something dynamic
and exciting.
00:52:47 --> 00:52:50: Thanks, Catherine, that's very interesting.
00:52:50 --> 00:52:53: There are actually a couple of questions coming in kind
00:52:53 --> 00:52:54: of around.
00:52:54 --> 00:52:58: Yes, there's the the the focus on quality and everyone
00:52:58 --> 00:53:00: seems to agree on that,
00:53:00 --> 00:53:02: and the office is very important.
00:53:02 --> 00:53:05: What about, say, the flexible shell around it?
00:53:05 --> 00:53:10: Coworking spaces? Hotdesking edge of city locations to
facilitate people?
00:53:10 --> 00:53:14: Maybe not. Not at least always coming in.
00:53:14 --> 00:53:16: Anyone who wants to comment on that?
00:53:19 --> 00:53:21: I mean, I can come in here.
00:53:21 --> 00:53:23: From our perspective, we find it quite hard to use

00:53:23 --> 00:53:24: coworking,
00:53:24 --> 00:53:26: being a bank with a lot of regulated entities,
00:53:26 --> 00:53:28: and so we can't just use drop,
00:53:28 --> 00:53:30: invests and things like that generally.
00:53:30 --> 00:53:32: But we do use some of the code working for
00:53:32 --> 00:53:35: flexible spaces where let's say we've got a large project
00:53:35 --> 00:53:38: team that we're bringing together and we need to work
00:53:38 --> 00:53:39: for a period of time.
00:53:39 --> 00:53:41: As long as we can kind of segregate the space
00:53:41 --> 00:53:42: off of it.
00:53:42 --> 00:53:45: We love to use, you know coworking environments for that,
00:53:45 --> 00:53:48: it's very different environment typically to our banking offices.
00:53:48 --> 00:53:50: So if you want people to think differently,
00:53:50 --> 00:53:54: sometimes you need to surround them with a different
environment,
00:53:54 --> 00:53:56: right so? I I think I working's got a really
00:53:57 --> 00:54:00: strong place there and I can see for other corporates
00:54:00 --> 00:54:04: with less stringent kind of compliance requirements.
00:54:04 --> 00:54:08: Coworking is a perfect way for them to help with
00:54:08 --> 00:54:11: their flex kind of requirements.
00:54:11 --> 00:54:14: Pete, thanks Catherine Peter, you wanted to comment as
well.
00:54:14 --> 00:54:17: I guess I would just add and I think Catherine
00:54:17 --> 00:54:18: finished with that.
00:54:18 --> 00:54:21: I don't think it's one size fits all.
00:54:21 --> 00:54:25: If it's someone likely firm which where collaboration is critical,
00:54:25 --> 00:54:28: then the physical space will will not change.
00:54:28 --> 00:54:31: Well it will evolve, but it will know Covid isn't
00:54:31 --> 00:54:34: going to change this and work from home isn't changing
00:54:34 --> 00:54:35: dramatically.
00:54:35 --> 00:54:38: The tech companies are very vocal about saying that work
00:54:38 --> 00:54:40: from home works for them,
00:54:40 --> 00:54:43: whether that pans out. It still remains to be seen.
00:54:43 --> 00:54:45: I don't think that's a given because at the same
00:54:45 --> 00:54:48: time they're saying that they keep renting more space,
00:54:48 --> 00:54:50: so it's a little bit of a mixed message,
00:54:50 --> 00:54:53: but it could still, you know they they might actually
00:54:53 --> 00:54:55: act on what they're saying.
00:54:55 --> 00:54:59: And then geographic differences. We've talked about that.
00:54:59 --> 00:55:03: We talked about the difference or leave highlighted the
difference
00:55:03 --> 00:55:06: between Asia and perhaps Europe and the Americas,
00:55:06 --> 00:55:10: but even within Asia I think there's new office and

00:55:10 --> 00:55:13: there could be nuances within Europe and the in the
00:55:13 --> 00:55:13: US.
00:55:13 --> 00:55:16: Their servant cities that are,
00:55:16 --> 00:55:18: you know, walking distance, type settings,
00:55:18 --> 00:55:22: city. So in Hong Kong the commute times aren't typically
00:55:22 --> 00:55:23: very far,
00:55:23 --> 00:55:26: and so if you know the elimination of the commute
00:55:26 --> 00:55:30: isn't the issue and people live in different working.
00:55:30 --> 00:55:33: Don't live in different physical spaces around the world.
00:55:33 --> 00:55:35: Some have more space, some have less.
00:55:35 --> 00:55:37: If you have less space at home,
00:55:37 --> 00:55:39: you're more likely to want office.
00:55:39 --> 00:55:42: So the challenge that lies ahead for us is the
00:55:42 --> 00:55:42: variability.
00:55:42 --> 00:55:45: You know, the one thing I would make and I
00:55:45 --> 00:55:47: don't want this to sound too ominous,
00:55:47 --> 00:55:51: but it's so important that we get views from outside
00:55:51 --> 00:55:52: the industry.
00:55:52 --> 00:55:56: The one thing I noticed about the shopping center industry
00:55:56 --> 00:55:58: and I am part of it so I'm not trying
00:55:58 --> 00:56:00: to critique others.
00:56:00 --> 00:56:02: I was part of that is it's the ones that
00:56:02 --> 00:56:05: are impacted are the last to see it and I
00:56:05 --> 00:56:09: would say the shopping center community and for the most
00:56:09 --> 00:56:12: part were underestimating the impact of E Commerce.
00:56:12 --> 00:56:15: That, OK, it's you know that rapid growth is off
00:56:15 --> 00:56:16: of a small base.
00:56:16 --> 00:56:19: Well, now that rapid growth is off of a big
00:56:19 --> 00:56:21: basin that was be pre covid too.
00:56:21 --> 00:56:24: So I don't think it's just a covert thing so.
00:56:24 --> 00:56:26: I think it's a warning to all of us is
00:56:27 --> 00:56:30: to to hear from as many people outside the industry
00:56:30 --> 00:56:31: as in the industry so.
00:56:34 --> 00:56:36: Thanks thanks Peter.
00:56:36 --> 00:56:39: We actually have only a few minutes left,
00:56:39 --> 00:56:42: so I would like to give David and Lee still
00:56:42 --> 00:56:44: the opportunity to to comment David.
00:56:44 --> 00:56:47: Maybe you can build on what Peter was just saying
00:56:47 --> 00:56:50: and fuse from outside the industry.
00:56:50 --> 00:56:52: Are we a bit skewed in our views?
00:56:54 --> 00:56:56: I would say yes, but at the same time I'm
00:56:56 --> 00:56:58: not going to be true to negative.

00:56:58 --> 00:57:00: I think he's absolutely right there.

00:57:00 --> 00:57:03: Let our relationship with space has to change what what

00:57:03 --> 00:57:05: that eventually means.

00:57:05 --> 00:57:06: We'll see it's going to evolve.

00:57:06 --> 00:57:09: The main point is that that it's it's.

00:57:09 --> 00:57:12: It's not that the office is better for collaboration.

00:57:12 --> 00:57:15: It's that people working together in close proximity is better

00:57:15 --> 00:57:16: for collaboration.

00:57:16 --> 00:57:20: Now when you workout what human physical relationships

00:57:20 --> 00:57:21: where they

00:57:21 --> 00:57:23: are important,

00:57:23 --> 00:57:27: whether not where they give you advantage or not,

00:57:27 --> 00:57:30: that's the first question. The second question is what is

00:57:30 --> 00:57:33: the best space or environment to encourage that to happen,

00:57:33 --> 00:57:35: and it could be the office could be coworking offices,

00:57:35 --> 00:57:38: it could be a variety of things and the issues

00:57:38 --> 00:57:39: of the office is going to have to compete for

00:57:39 --> 00:57:41: that attention.

00:57:41 --> 00:57:45: So to compete, it's going to have to change.

00:57:45 --> 00:57:46: And that relationship was. With the space will ship with

00:57:46 --> 00:57:49: it as as he was saying.

00:57:49 --> 00:57:53: I also think that we shouldn't get into shop example

00:57:53 --> 00:57:56: shopping centers numbers good or we shouldn't

00:57:56 --> 00:57:59: underestimate their investment.

00:57:59 --> 00:58:02: People are putting into their home working spaces.

00:58:02 --> 00:58:03: Over a million people in Britain border shed over lock

00:58:03 --> 00:58:04: down to working,

00:58:04 --> 00:58:07: committing people to have many more people intend to buy

00:58:07 --> 00:58:07: a shed,

00:58:07 --> 00:58:10: right? People like standing houses.

00:58:10 --> 00:58:13: It's it's more comfortable people getting it in a proper

00:58:13 --> 00:58:15: space.

00:58:15 --> 00:58:18: The less likely they are going to want to write

00:58:18 --> 00:58:21: again,

00:58:21 --> 00:58:24: they've got something to compete with the office.

00:58:24 --> 00:58:26: In that regard. I also think that the technology is

00:58:26 --> 00:58:29: going to improve dramatically over the next short period of

00:58:29 --> 00:58:32: time,

00:58:32 --> 00:58:35: which will make a lot of the things which we

00:58:35 --> 00:58:38: think alright,

00:58:38 --> 00:58:41: artificial now seem a lot less artificial.

00:58:41 --> 00:58:44: I can see that trend continuing and I can see

00:58:26 --> 00:58:26: in most of.

00:58:26 --> 00:58:29: Pods in the future, sitting in someone's house that put

00:58:29 --> 00:58:30: you back into a virtual office space,

00:58:30 --> 00:58:33: but I'll pause there 'cause I really want to hear

00:58:33 --> 00:58:34: from me as well.

00:58:34 --> 00:58:38: Kelly, can you please come at the final comments?

00:58:38 --> 00:58:41: And could you also? Because the question came in,

00:58:41 --> 00:58:45: and maybe we've that again is what can happen with

00:58:45 --> 00:58:49: all those outdated office spaces that we might not need

00:58:49 --> 00:58:49: anymore.

00:58:49 --> 00:58:54: Any opportunities there? The legacy that might result from

00:58:54 --> 00:58:57: this.

00:58:54 --> 00:58:57: So for me I I think all this.

00:58:57 --> 00:58:59: It can be lumped into.

00:58:59 --> 00:59:00: It's not a simple answer,

00:59:00 --> 00:59:04: but what's the nature of the cities that we're going

00:59:04 --> 00:59:06: to live in in the future?

00:59:06 --> 00:59:08: Going to look like? You know,

00:59:08 --> 00:59:11: and and the place is because work,

00:59:11 --> 00:59:12: whether we work at home,

00:59:12 --> 00:59:15: whether we work in an office.

00:59:15 --> 00:59:19: Whether we work in what we're now talking about,

00:59:19 --> 00:59:22: a fourth place, which is different than the home,

00:59:22 --> 00:59:23: the officer or a park,

00:59:23 --> 00:59:27: what's what's our city going to look like when I

00:59:27 --> 00:59:29: travel from West to east London,

00:59:29 --> 00:59:32: you know I moved from even today from a very

00:59:32 --> 00:59:34: busy place to an area that's desolate.

00:59:34 --> 00:59:38: And many businesses are are boarded up around where my

00:59:38 --> 00:59:38: office is.

00:59:38 --> 00:59:41: And we buy 2 or 300 lunches a week just

00:59:41 --> 00:59:43: so we can support local businesses.

00:59:43 --> 00:59:47: Because of the nature of what's happened.

00:59:47 --> 00:59:49: So I think the consequences of all this is an

00:59:49 --> 00:59:52: again I get back to the fact that everybody on

00:59:52 --> 00:59:56: this call has a relationship to the built environment into

00:59:56 --> 00:59:59: real estate. How we work in the future where we

00:59:59 --> 01:00:00: work.

01:00:02 --> 01:00:04: Whether it's at home, which means our the way we

01:00:05 --> 01:00:07: designed the places that we live is going to have

01:00:07 --> 01:00:10: to change or whether we work in an office or

01:00:10 --> 01:00:12: in a fourth place or in a shed,

01:00:12 --> 01:00:14: it has an impact on on the quality of the
01:00:14 --> 01:00:14: city,
01:00:14 --> 01:00:17: and it has an impact on a lot of other
01:00:17 --> 01:00:18: people.
01:00:18 --> 01:00:21: That rely on people who who can work at home
01:00:21 --> 01:00:24: because for every one of us that can work at
01:00:24 --> 01:00:24: home,
01:00:24 --> 01:00:27: there's you know, 100 or 200 of us in the
01:00:27 --> 01:00:29: world that can't.
01:00:29 --> 01:00:31: And so I think it be good for me.
01:00:31 --> 01:00:32: It starts to look at.
01:00:32 --> 01:00:36: We all have to start to think about how we
01:00:36 --> 01:00:37: reshape.
01:00:37 --> 01:00:40: The built environment to reflect technology,
01:00:40 --> 01:00:43: personal preferences, quality of life and things like that.
01:00:43 --> 01:00:47: And it changes the parameters of everything instead of
talking
01:00:48 --> 01:00:51: about a city or community around density like we all
01:00:51 --> 01:00:51: do,
01:00:51 --> 01:00:55: we need to start talking around livability.
01:00:55 --> 01:00:57: And on and on and on to those sort of
01:00:57 --> 01:00:58: things.
01:00:58 --> 01:00:59: So for me, I you know,
01:00:59 --> 01:01:02: I do agree with Peter that it's too early to
01:01:02 --> 01:01:05: say and Catherine is too early to actually say where
01:01:05 --> 01:01:06: it's all going,
01:01:06 --> 01:01:08: but it's not too early to say we need.
01:01:08 --> 01:01:10: We have an opportunity here,
01:01:10 --> 01:01:14: particularly it because we're all touching the built
environment to
01:01:14 --> 01:01:17: think about what the nature of you know of the
01:01:17 --> 01:01:18: world looks like,
01:01:18 --> 01:01:21: and the built environment looks like regardless of where
we're
01:01:22 --> 01:01:24: going to end up working or things like that,
01:01:24 --> 01:01:27: because it comes all back to that relationship,
01:01:27 --> 01:01:31: I think. To the fragileness of this environment and needed
01:01:31 --> 01:01:36: to strengthen our local communities so that they can fulfill
01:01:36 --> 01:01:40: a role that we clearly know now that most central
01:01:40 --> 01:01:44: governments can't, and we have a big saying that as
01:01:44 --> 01:01:46: people in this profession.
01:01:49 --> 01:01:51: Thanks, Lee. Thanks to all of you.
01:01:51 --> 01:01:55: I think it's been a very interesting discussion.

01:01:55 --> 01:01:58: I think we we have not touched on so many
01:01:58 --> 01:02:00: topics we could have also touched on.
01:02:00 --> 01:02:04: That also shows in the questions that that were raised.
01:02:04 --> 01:02:07: I want to thank the audience for having been engaged
01:02:07 --> 01:02:11: so actively and apologize if we couldn't answer all the
01:02:11 --> 01:02:13: questions that were raised.
01:02:13 --> 01:02:15: The report and the presentation,
01:02:15 --> 01:02:19: as well as the recording of this session are available
01:02:19 --> 01:02:21: on utilized Knowledge Finder.
01:02:21 --> 01:02:24: You can find the address on the on the slide.
01:02:24 --> 01:02:27: Um solely Catherine, David and and Peter.
01:02:27 --> 01:02:31: Thank you so much an foresaw also thanks to you
01:02:31 --> 01:02:33: for your contribution.
01:02:33 --> 01:02:35: I found it really interesting.
01:02:35 --> 01:02:39: We should do this maybe at least annually to see
01:02:39 --> 01:02:41: how this topic is progressing,
01:02:41 --> 01:02:45: as it seems that there's still so much not known
01:02:45 --> 01:02:47: that will only become known overtime.
01:02:47 --> 01:02:51: I would like to point everyone in the direction of
01:02:52 --> 01:02:56: the upcoming webinars that you like Europe is organizing.
01:02:56 --> 01:03:00: Wednesday the 4th of November next week is spotlight on
01:03:00 --> 01:03:01: resilient cities,
01:03:01 --> 01:03:05: how infector investors are factoring in city level climate risks
01:03:05 --> 01:03:08: in their investment decision-making.
01:03:08 --> 01:03:12: And Thursday the 5th next Thursday we will launch the
01:03:12 --> 01:03:18: emerging trends in real Estate Europe report together with
PwC.
01:03:18 --> 01:03:21: And but for both, you can still sign up.
01:03:21 --> 01:03:23: I want to thank everyone,
01:03:23 --> 01:03:26: have a good evening or rest of your day and
01:03:26 --> 01:03:29: hope that you can join at a future event.
01:03:29 --> 01:03:30: Thanks everyone.

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