

# Webinar

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

Date: July 23, 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

others.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:25:57 --> 00:25:58: appetite on  
the demand side.

00:25:58 --> 00:26:02: You know where we're seeing about 20,000 plus leads a  
month to live in about.

00:26:02 --> 00:26:04: 2000 shared suites that we have open right now and  
so I think affordability is a huge challenge.

00:26:07 --> 00:26:10: That cities will continue to face before covid and continuing  
afterwards.

00:26:14 --> 00:26:15: It's all based on supply and demand like Nigel was  
saying.

00:26:19 --> 00:26:20: And so that's that's something that I think is of  
crucial importance to continue to focus on,  
especially during covid where people are spending a lot more  
time at home.

00:26:29 --> 00:26:30: So having a quality experience at home is important.  
We kind of pause there.

00:26:33 --> 00:26:34: Anan. Just emphasize that our focus has been on providing  
high quality experiences for people in the home that's also  
affordable through shared living.

00:26:43 --> 00:26:46: Yeah, and Rajeev and Asia I know that not only  
you know,  
you're now creating brand and you're providing high-quality  
shared living  
in very dense urban centers.

00:26:55 --> 00:26:57: And I also wanted to know a little bit more  
about how your resident members interact with each other  
and  
the kind of platform and opportunities,  
common areas that you design and provide for people,  
residents to have a more socially connected experience.

00:27:08 --> 00:27:11: Perfect yeah, you know we we operate in some of  
the most expensive countries for real estate standpoint per  
square  
foot.

00:27:16 --> 00:27:20: So from an affordability standpoint and and you know,  
creating you know klase experiences.

00:27:26 --> 00:27:31: That's sort of been the key tenants of of what  
would Hamlet was founded on in terms of Co living  
and the experiences that we set from a social standpoint.

00:27:37 --> 00:27:42: Hammer was built kind of like traditional Thatcher,  
but has morphed into, you know,  
a set of services in the set of community that  
sort of builds around it and so you know pre

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:43:29 --> 00:43:32: So they don't mind less points on a per day  
00:43:32 --> 00:43:35: average spend for longer term spend cycles,  
00:43:35 --> 00:43:39: right? And so we're seeing a lot of properties come  
00:43:39 --> 00:43:42: our way that used to be hotels who used to  
00:43:42 --> 00:43:46: be serviced apartments that now want to be reconfigured to  
00:43:46 --> 00:43:50: Co living or living in general.  
00:43:50 --> 00:43:52: And what's really cool about those deals is,  
00:43:52 --> 00:43:55: you know the landlord is willing to put in the  
00:43:55 --> 00:43:58: yields the CapEx of the apartment in order to drive  
00:43:58 --> 00:43:59: some of this change.  
00:43:59 --> 00:44:02: And so that's been a massive shift in terms of  
00:44:02 --> 00:44:06: our relationships with our landlords over over the last three  
00:44:06 --> 00:44:07: or four years,  
00:44:07 --> 00:44:09: but especially in the last six months.  
00:44:12 --> 00:44:16: OK so I have one last question before I open  
00:44:17 --> 00:44:20: the floor to the audience.  
00:44:20 --> 00:44:23: We in the beginning of the poll.  
00:44:23 --> 00:44:25: Our audience think that in the future,  
00:44:25 --> 00:44:29: because of the pandemic, our our desire to live in  
00:44:29 --> 00:44:33: urban center will decrease and I wanted to know from  
00:44:33 --> 00:44:34: your experience,  
00:44:34 --> 00:44:39: especially dealing with the design of the new spaces.  
00:44:39 --> 00:44:43: Has it been any materialized changes that you are going  
00:44:43 --> 00:44:47: to implement in your new projects to make sure that  
00:44:47 --> 00:44:51: people feel more comfortable living in the city center offer  
00:44:51 --> 00:44:54: more space? Is space to work from home and also  
00:44:54 --> 00:44:58: space to outdoor space for people to feel less.  
00:44:58 --> 00:45:03: You know, trapped when there when they they cannot leave  
00:45:03 --> 00:45:05: their houses.  
00:45:05 --> 00:45:07: Yes, it maybe I'll start with this piece of examples  
00:45:07 --> 00:45:08: out.  
00:45:08 --> 00:45:11: There were some questions there on sort of densification as  
00:45:11 --> 00:45:11: well.  
00:45:11 --> 00:45:13: I think like you know,  
00:45:13 --> 00:45:15: I've read a lot of articles in the newspapers about  
00:45:15 --> 00:45:18: this idea that we're going to move to the country,  
00:45:18 --> 00:45:20: but the I think the problem we face,  
00:45:20 --> 00:45:23: particularly Europe, is that you know as things stood as  
00:45:23 --> 00:45:24: they were,  
00:45:24 --> 00:45:27: there was a shortage of housing where everyone lived.  
00:45:27 --> 00:45:28: At this point in time,  
00:45:28 --> 00:45:31: there's certainly not the capacity for everyone to suddenly

move

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:56:12 --> 00:56:15: The exact same community and the exact same service.

00:56:15 --> 00:56:20: Yeah, we've seen a few questions from the audience to

00:56:20 --> 00:56:21: Rob,

00:56:21 --> 00:56:24: can you? We should move this to Q&A.

00:56:24 --> 00:56:28: Thanks gives you. Yeah, I think too since we're limited

00:56:28 --> 00:56:33: on time,

00:56:33 --> 00:56:34: I'm going to just skip around with the questions.

00:56:34 --> 00:56:38: The first one is how many works.

00:56:38 --> 00:56:42: And the questions in the poll we had the attendees

00:56:42 --> 00:56:44: respond.

00:56:44 --> 00:56:46: That was about 20 people.

00:56:46 --> 00:56:48: Next we have a question of regulation.

00:56:42 --> 00:56:48: In Europe, is a different zoning and regulations that vary  
00:56:48 --> 00:56:51: from country to country.  
00:56:51 --> 00:56:53: Could be a problem. Is it just a matter of  
00:56:53 --> 00:56:57: time till the market absorbs the co living concept?  
00:56:59 --> 00:57:02: Yeah, panelists could address that.  
00:57:02 --> 00:57:03: I could take that. I mean,  
00:57:03 --> 00:57:07: I've been spending spent about the last 18 months really  
00:57:07 --> 00:57:11: focused on European expansion for comment and was  
actually going  
00:57:11 --> 00:57:14: to move to London in March of 2020 to launch  
00:57:14 --> 00:57:18: our European headquarters there. And so I've seen  
regulations in  
00:57:18 --> 00:57:21: a number of different markets and it is one of  
00:57:21 --> 00:57:25: the biggest differences between Europe and America is how  
the  
00:57:25 --> 00:57:28: regulatory environment has evolved in the US,  
00:57:28 --> 00:57:31: Carmen has projects and pipeline coming online in 20.  
00:57:31 --> 00:57:34: Over 20 cities, not one of those cities,  
00:57:34 --> 00:57:38: has specific regulation for Co living like I was saying  
00:57:38 --> 00:57:38: before,  
00:57:38 --> 00:57:41: Coliving hat is very much a unit type within the  
00:57:41 --> 00:57:43: multifamily umbrella,  
00:57:43 --> 00:57:46: both from a zoning and regulations standpoint,  
00:57:46 --> 00:57:49: and from a like unit fundamental standpoint,  
00:57:49 --> 00:57:52: and so that's been the case in the United States.  
00:57:52 --> 00:57:54: What you've seen in Europe,  
00:57:54 --> 00:57:57: and I think this speaks to the launch of some  
00:57:57 --> 00:58:01: of the 1st and largest coliving schemes in Europe you  
00:58:01 --> 00:58:01: had.  
00:58:01 --> 00:58:05: You had a product type that lean towards a micro  
00:58:05 --> 00:58:06: unit,  
00:58:06 --> 00:58:11: something very small compared to a conventional apartment  
that was  
00:58:11 --> 00:58:13: also leased on a nightly basis,  
00:58:13 --> 00:58:19: and so that looks quite different fundamentally from  
multifamily unit,  
00:58:19 --> 00:58:22: and so it seems like that was that's my impression  
00:58:23 --> 00:58:26: of part of why Co living in Europe has evolved  
00:58:26 --> 00:58:30: to require special zoning and a special use class for  
00:58:30 --> 00:58:34: that type of that. Product type within the Coliving umbrella  
00:58:34 --> 00:58:37: and I do think that it is one of the  
00:58:37 --> 00:58:40: challenges of Co living expanding across Europe,  
00:58:40 --> 00:58:44: but it's something that we've started to see some real

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

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

---

*This video transcript has been machine-generated, so it may not be accurate. It is for*

*personal use only. Reproduction or use without written permission is prohibited. If you have a correction or for permission inquiries, please contact [\[email protected\]](#).*