

Webinar

ULI & PwC Emerging Trends in Real Estate?? Global Report Panel Discussion ??? Young Leaders??? Perspective

Date: April 08, 2024

00:00:00 --> 00:00:03: This is our first webinar discussion on the report specifically
00:00:03 --> 00:00:04: for Young Leaders.
00:00:04 --> 00:00:07: So it's really good to see so many of you
00:00:07 --> 00:00:08: registered today.
00:00:09 --> 00:00:12: I'm Joe Udrea and I'm, I help manage the research
00:00:12 --> 00:00:14: and advisory services for Uli Europe.
00:00:15 --> 00:00:18: The first thing I'd like to do before we get
00:00:18 --> 00:00:21: started is on behalf of Uli to thank PwC for
00:00:21 --> 00:00:26: their collaboration on all three regional emerging trends reports published

00:00:26 --> 00:00:28: at the back end of last year, as well As
00:00:29 --> 00:00:30: for the latest collaboration.
00:00:30 --> 00:00:34: For this global report, I'm very pleased to present the
00:00:34 --> 00:00:37: key findings of this year's report, which examines the global
00:00:37 --> 00:00:42: challenges and opportunities facing the real estate industry and analysis

00:00:42 --> 00:00:46: the developing impacts on regions and sectors from around the

00:00:46 --> 00:00:46: world.
00:00:47 --> 00:00:50: We'll then transition to our panel discussion where we'll delve
00:00:50 --> 00:00:54: deeper into the implications of these longer term trends for
00:00:54 --> 00:00:56: young leaders in the real estate industry.
00:00:57 --> 00:01:01: Our panellists will provide insights on navigating the long term

00:01:01 --> 00:01:06: structural trends, adapting to the changing environmental landscape of the

00:01:06 --> 00:01:10: industry and reimagining the future of real estate.
00:01:11 --> 00:01:13: Just to note, we'll also have some time at the
00:01:14 --> 00:01:16: end to answer questions from the audience.

00:01:16 --> 00:01:19: So feel please feel free to drop any questions in
00:01:19 --> 00:01:21: the chat where our panellists will pick them up later
00:01:21 --> 00:01:22: on in the hour.
00:01:26 --> 00:01:29: So the Emerging Trends in Real Estate global report is
00:01:30 --> 00:01:33: a report published jointly by PwC and ULI and it
00:01:33 --> 00:01:38: brings together the findings from the three regional reports
which
00:01:38 --> 00:01:41: I mentioned was published at the end of 2023.
00:01:41 --> 00:01:44: So it reflects the views of thousands of senior real
00:01:44 --> 00:01:48: estate professionals and that research is undertaken by a
survey,
00:01:48 --> 00:01:51: round tables and interviews and it's seen as a key
00:01:51 --> 00:01:55: indicator of sentiment in the real estate investment and
development
00:01:55 --> 00:01:56: trends.
00:01:56 --> 00:02:00: And this is a global report put together, putting together
00:02:00 --> 00:02:03: the three regional reports and it was supplemented with
recent
00:02:03 --> 00:02:06: interviews on the outlook for the year ahead.
00:02:06 --> 00:02:09: So the plan for this session is for me to
00:02:09 --> 00:02:11: give you a brief highlight of the global report and
00:02:12 --> 00:02:14: then I'll hand it over to Ariana Moss, who will
00:02:14 --> 00:02:17: introduce the panel and moderate the discussion.
00:02:17 --> 00:02:19: So on to the highlights.
00:02:20 --> 00:02:23: Senior real estate players that we spoke to for this
00:02:23 --> 00:02:27: global edition of emerging Trends believe that there's a good
00:02:27 --> 00:02:30: prospect of renewed investment activity on the back end of
00:02:30 --> 00:02:34: greater clarity on monetary policy in the US, Europe and
00:02:34 --> 00:02:35: Asia Pacific.
00:02:35 --> 00:02:38: And the hope is that buyers and sellers are starting
00:02:38 --> 00:02:42: to become reconciled to an elevated interest rate
environment and
00:02:42 --> 00:02:45: will therefore find that middle ground on pricing that's been
00:02:45 --> 00:02:47: so elusive over the past two years.
00:02:48 --> 00:02:51: But what is complicated in this picture is the fact
00:02:51 --> 00:02:55: that many real estate investors are grappling with some of
00:02:55 --> 00:02:59: the more fundamental challenges around the industry's role
in society
00:02:59 --> 00:03:02: and in making buildings fit for purpose in what is
00:03:02 --> 00:03:05: an uncertain current and future environment.
00:03:10 --> 00:03:13: So with alignment on pricing comes the belief that real
00:03:13 --> 00:03:16: estate can recover from one of the worst investment
downturns
00:03:16 --> 00:03:17: in recent years.

00:03:18 --> 00:03:22: And although any upswing in activities are expected to become

00:03:22 --> 00:03:25: much more evident in 2025 than in 2024, and if

00:03:25 --> 00:03:29: there is to be an improvement in investment markets in

00:03:29 --> 00:03:32: 2024, it's going to come from a very low base.

00:03:33 --> 00:03:38: As this slide shows, global transaction activity in 2023 slumped

00:03:38 --> 00:03:40: to its lowest level since 2012.

00:03:41 --> 00:03:46: The latest data from MSCI shows that transactions involving income

00:03:46 --> 00:03:51: producing real estate fell by 48% in 2023 to 615

00:03:51 --> 00:03:55: billion, which is a 17% fall on the 2022 total.

00:03:56 --> 00:04:00: No region has escaped that slowdown, although MSCI figures show

00:04:00 --> 00:04:03: that some of the major markets in Asia have been

00:04:03 --> 00:04:06: shown to be more resilient than in Europe and North

00:04:06 --> 00:04:07: America.

00:04:07 --> 00:04:10: And so they continue to do so according to those

00:04:10 --> 00:04:12: that we spoke to via interviews for this global report.

00:04:14 --> 00:04:16: So while it still feels like a transition period in

00:04:17 --> 00:04:20: the capital markets, there are signs that the market is

00:04:20 --> 00:04:20: waking up.

00:04:21 --> 00:04:24: But there's still a fair degree of caution among real

00:04:24 --> 00:04:27: estate players who have also indicated that diversification of risk,

00:04:27 --> 00:04:30: both by market and sector will be critically important.

00:04:33 --> 00:04:37: Given that all three regional additions of emerging trends identified

00:04:37 --> 00:04:41: interest rate movements as the top industry concern, as you

00:04:41 --> 00:04:44: can see here, it is understandable that some clarity on

00:04:44 --> 00:04:47: monetary policy since the turn of the year has brought

00:04:47 --> 00:04:49: a measure of relief.

00:04:49 --> 00:04:53: Interviews for this Global report noted that as one interview

00:04:53 --> 00:04:56: we put it a change in tone towards the asset

00:04:56 --> 00:04:59: class, albeit a more +1 in the US and Asia

00:04:59 --> 00:05:00: than it is in Europe.

00:05:01 --> 00:05:06: Industry leaders across all three regions acknowledge that geopolitical that

00:05:06 --> 00:05:10: the geopolitical backdrop to investment is fraught with uncertainty and

00:05:10 --> 00:05:14: many yet over and may yet override the stability of

00:05:14 --> 00:05:15: inflation and interest rates.

00:05:16 --> 00:05:19: The wars on Ukraine and the Gaza Strip, as well

00:05:19 --> 00:05:22: as the 60 plus elections due to be held around

00:05:22 --> 00:05:25: the world in 2024, including and perhaps the most most
00:05:25 --> 00:05:29: importantly, the US elections, are all weighing on that
sentiment.
00:05:30 --> 00:05:33: And this is already a period of daunting challenges for
00:05:33 --> 00:05:37: the industry, not least with the colossal amount of real
00:05:37 --> 00:05:40: estate debt that needs to be refinanced this year and
00:05:40 --> 00:05:43: next, which amounts to 1.2 trillion U.S.
00:05:43 --> 00:05:44: dollars in the US alone.
00:05:45 --> 00:05:48: And the deployment of so-called rescue capital will clearly be
00:05:48 --> 00:05:50: a big part of the global narrative.
00:05:50 --> 00:05:51: In 2024.
00:05:53 --> 00:05:58: For North America and Europe, housing affordability was
identified, unsurprisingly,
00:05:58 --> 00:05:59: as a key pain point.
00:05:59 --> 00:06:05: This structural concern relates to longer term systematic
issues within
00:06:05 --> 00:06:09: the real estate market influenced by factors such as income
00:06:09 --> 00:06:16: levels, population growth, urbanization trends and housing
supply dynamics which
00:06:16 --> 00:06:21: tend to persist and require broader interventions from
meaningful change
00:06:21 --> 00:06:25: over longer time horizon through the industry.
00:06:25 --> 00:06:28: Though the industry has been in wait and see mode
00:06:28 --> 00:06:31: over the past two years because of the short term
00:06:31 --> 00:06:35: cyclical forces, many are looking to the long term and
00:06:35 --> 00:06:38: all three regions of emerging trends reveal.
00:06:38 --> 00:06:41: Of the emerging trends, additions reveal that many of the
00:06:41 --> 00:06:45: more progressive real estate players have been using this
time
00:06:45 --> 00:06:49: to challenge long held assumptions about the market
dynamics, pricing
00:06:49 --> 00:06:50: and risks.
00:06:51 --> 00:06:54: And the clear message is that the driver of investor
00:06:54 --> 00:06:58: and occupier behaviour is no longer about the traditional
property
00:06:58 --> 00:07:02: sectors, but is increasingly centred around the 3DS which
have
00:07:02 --> 00:07:03: been identified in this report.
00:07:04 --> 00:07:09: So those are demographics, digitalisation and
decarbonisation which are reinforcing
00:07:09 --> 00:07:14: the investment case for diversification across alternative real
estate sectors,
00:07:14 --> 00:07:18: most notably and perhaps another D data centres which is
00:07:18 --> 00:07:22: only likely to accelerate under the influence of increasing

demand

00:07:22 --> 00:07:23: for generative AI.

00:07:25 --> 00:07:29: And it's no coincidence that industry concerns around housing affordability,

00:07:29 --> 00:07:34: highlighted again in all three regional editions of emerging trends,

00:07:34 --> 00:07:38: are translating into far greater investor intention on an increasingly

00:07:38 --> 00:07:41: diverse range of living sub sectors.

00:07:42 --> 00:07:46: Tough market conditions made for slow progress on ESG compliance,

00:07:46 --> 00:07:49: but there's also a strong belief that the green agenda

00:07:50 --> 00:07:53: is a genuine new force for change in real estate.

00:07:53 --> 00:07:57: And many are clearly seeing that decarbonisation A thematic approach

00:07:58 --> 00:08:01: to real estate as an opportunity rather than just an

00:08:01 --> 00:08:05: obligation that is and will continue to drive capital flows.

00:08:05 --> 00:08:08: Our interviews suggest that this is going to open up

00:08:08 --> 00:08:11: a whole new world of real estate products which overlap

00:08:11 --> 00:08:13: between real estate and infrastructure.

00:08:14 --> 00:08:18: The transition to a much more diverse operational and complex

00:08:18 --> 00:08:21: real estate market, together with the ongoing relative decline in

00:08:21 --> 00:08:25: traditional real estate sectors and the merging of real estate

00:08:25 --> 00:08:28: and infrastructure has been a key feature for quite some

00:08:28 --> 00:08:29: time.

00:08:29 --> 00:08:31: And many suggest that it's been a trend has been

00:08:31 --> 00:08:34: happening in plain sight, to the extent that its significance

00:08:35 --> 00:08:36: can sometimes be missed.

00:08:38 --> 00:08:41: As the report refers to the great reset, which was

00:08:41 --> 00:08:45: described in the US and Canadian editions of Emerging Trends,

00:08:46 --> 00:08:49: it goes beyond the real the industry adapting to a

00:08:49 --> 00:08:52: new era of higher for longer interest rates.

00:08:52 --> 00:08:55: It's an opportunity for a radical rethink of what will

00:08:55 --> 00:08:58: make real estate fit for purpose in the long term.

00:08:59 --> 00:09:02: And cutting across all of this are the changing demands

00:09:02 --> 00:09:03: of the occupier.

00:09:03 --> 00:09:07: Another part of the same equation you could say, which

00:09:07 --> 00:09:09: has been a key theme for over recent years is

00:09:09 --> 00:09:12: how do you create income growth when there is that

00:09:12 --> 00:09:16: blank comfortable blanket of yield compression which is no longer

00:09:16 --> 00:09:17: guaranteed.

00:09:18 --> 00:09:23: And this driving and this is driving greater sophistication of

00:09:23 --> 00:09:27: the end product, for instance enabling the shift into operational

00:09:27 --> 00:09:31: real estate and laterally the push towards Co location contrasting

00:09:31 --> 00:09:35: uses on the same sites such as industrial and housing.

00:09:37 --> 00:09:41: Occupier driven change is also arguably often unfolding gradually in

00:09:41 --> 00:09:46: plain sight, but it invariably ends up with significant consequences

00:09:46 --> 00:09:50: across all sectors requiring a rethink of delivery models for

00:09:50 --> 00:09:51: real estate.

00:09:52 --> 00:09:55: And examples of this are everywhere, from the impact of

00:09:55 --> 00:09:59: e-commerce and retail, the impact of dispersed hybrid work on

00:09:59 --> 00:10:02: the office sector and robotics on the logistics sector.

00:10:03 --> 00:10:06: And all of these are historic examples, largely linked to

00:10:07 --> 00:10:07: technology.

00:10:07 --> 00:10:11: Looking forward, you can envision similarly significant changes driven by

00:10:11 --> 00:10:14: artificial intelligence and of course decarbonisation.

00:10:16 --> 00:10:18: So with that in mind, our research team has sought

00:10:19 --> 00:10:22: to consider how the industry can work more closely with

00:10:22 --> 00:10:25: occupiers and other industries and the creation of a real estate ecosystem that can pave the way for buildings to

00:10:25 --> 00:10:28: be fit for purpose over the coming decade.

00:10:28 --> 00:10:31: And the interview suggests that the real estate, the relationship

00:10:32 --> 00:10:35: between building owners and occupiers, will need to become much

00:10:35 --> 00:10:39: more entwined and much more of a partnership.

00:10:39 --> 00:10:42: And the expectation is for greater collaboration, dialogue and interaction

00:10:42 --> 00:10:46: in these business relationships.

00:10:46 --> 00:10:48: And there's also a lot in it for landlords.

00:10:49 --> 00:10:51: If landlords consider true partnerships with occupiers and they're thinking

00:10:51 --> 00:10:55: about the challenges beyond the physical building in an office,

00:10:55 --> 00:10:59: in an office context, for example, this this approach could

00:10:59 --> 00:11:02: be looking at the needs of the workforce and then

00:11:02 --> 00:11:05: the context of logistics and real retail sectors.

00:11:05 --> 00:11:08: Such an approach could expand beyond a single location to

00:11:09 --> 00:11:12: the wider needs, including energy uses and storage of supply

00:11:12 --> 00:11:16:

00:11:16 --> 00:11:17: chain and customers.

00:11:20 --> 00:11:22: So to conclude and before I hand it over to

00:11:22 --> 00:11:25: Ariana for the panel, the real estate industry is clearly

00:11:25 --> 00:11:27: still in transition.

00:11:27 --> 00:11:31: There's some gap between buyers and sellers expectations and this

00:11:31 --> 00:11:34: is still ever present and this still ever present and

00:11:34 --> 00:11:37: difficult to manage threat from the geopolitical events.

00:11:37 --> 00:11:40: But also there's a lot of impatient capital and some

00:11:40 --> 00:11:44: evidence and expectation of a ramp up in transaction activity.

00:11:44 --> 00:11:48: And the real estate industry is being buffeted by structural

00:11:48 --> 00:11:52: changes and the mega trends of digitalization, urbanization and climate

00:11:52 --> 00:11:53: change.

00:11:54 --> 00:11:57: And with that great reset we mentioned may require that

00:11:57 --> 00:12:01: real estate businesses no longer simply view themselves as owners

00:12:01 --> 00:12:05: of physical assets whereby the needs of the end customer

00:12:05 --> 00:12:08: represent a risk to be reduced through long leases or

00:12:08 --> 00:12:10: a transfer to other parties.

00:12:11 --> 00:12:13: So Ariana, I think that's quite a lot to think

00:12:13 --> 00:12:16: about and I look forward to hearing the views of

00:12:16 --> 00:12:16: the panel's.

00:12:17 --> 00:12:19: With that, I hand it over to you.

00:12:19 --> 00:12:20: Thank you.

00:12:22 --> 00:12:24: Thank you very much, Joey.

00:12:24 --> 00:12:26: We'll come back to a few points of what you've

00:12:26 --> 00:12:26: just.

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

00:12:30 --> 00:12:31: My name is Ariana, Mass.

00:12:31 --> 00:12:36: I'm working for Berlin Hoop and I'm working on a

00:12:36 --> 00:12:39: cross-border team in charge.

00:12:39 --> 00:12:42: Of all the deals that are cross-border internationally across all

00:12:43 --> 00:12:47: asset classes, although Speaking of across all asset classes, speaking

00:12:47 --> 00:12:48: as a very conservative.

00:12:48 --> 00:12:49: Covered Bond Bank.

00:12:49 --> 00:12:51: I think Jan, you will be smiling about the asset

00:12:52 --> 00:12:52: classes.

00:12:52 --> 00:12:53: We'll come to that later.

00:12:53 --> 00:12:56: What asset classes you see as emerging and how you

00:12:56 --> 00:12:58: would like to redefine them maybe and we'll come to

00:12:59 --> 00:13:00: that later with that.

00:13:00 --> 00:13:03: Also introducing right away the two panelists today.

00:13:03 --> 00:13:09: Jan Kowalski, you are working for Unibay, the Denco Westfield

00:13:09 --> 00:13:14: since 2019 and you have various responsibilities across the company

00:13:15 --> 00:13:20: and for the transactions and investment activities and since 2022,

00:13:20 --> 00:13:24: you also oversee the development activities.

00:13:24 --> 00:13:27: And I think this will be very interesting to hear

00:13:27 --> 00:13:31: from you focusing on the Greenfield and brownfield opportunities to

00:13:31 --> 00:13:32: explain that.

00:13:32 --> 00:13:32: Deeper to us.

00:13:32 --> 00:13:39: Later on, but first also introducing Lelia Mulow from PCA

00:13:39 --> 00:13:40: Stream.

00:13:41 --> 00:13:45: Lydia, you are a trained engineer and architect.

00:13:45 --> 00:13:48: You've been training in France and in the United States

00:13:48 --> 00:13:51: and in 2020 you have joined PCA Stream.

00:13:52 --> 00:13:56: PCA Stream is an urban planning and architecture practice which

00:13:56 --> 00:13:58: is based in Paris.

00:13:58 --> 00:14:01: And there you are, part of the Applied Research and

00:14:01 --> 00:14:02: Innovation team.

00:14:02 --> 00:14:07: And in your role as environmental strategy lead, you helped

00:14:07 --> 00:14:13: to develop ambitious environmental programs linking engineering and design for

00:14:13 --> 00:14:16: each of the fund's projects.

00:14:16 --> 00:14:17: Now this is interesting.

00:14:18 --> 00:14:18: Maybe.

00:14:18 --> 00:14:21: I think we would love to hear from you because

00:14:21 --> 00:14:25: what I read here you work on issues including carbon

00:14:25 --> 00:14:30: footprint reduction, reuse of materials, energy sobriety, thermal comfort and

00:14:30 --> 00:14:32: heat island effect reduction.

00:14:33 --> 00:14:36: Help us understand what do you do in everyday life

00:14:36 --> 00:14:39: and how can we contribute and help as young leaders?

00:14:41 --> 00:14:43: Thank you, Ariana for your introduction.

00:14:44 --> 00:14:48: So as as you mentioned the firm I work for,

00:14:48 --> 00:14:52: PCA Stream works on on a wide range of projects.

00:14:53 --> 00:14:58: We do a lot of offices, especially a few headquarters,

00:14:58 --> 00:15:02: but we also have some urban projects.

00:15:02 --> 00:15:06: And no matter what the scale of the project is,

00:15:06 --> 00:15:10: one of the key aspects of my role is to

00:15:10 --> 00:15:15: re at the beginning of the project, redefine what the
00:15:15 --> 00:15:20: environmental goals of the projects are and how can we
00:15:20 --> 00:15:23: realistically set ambitious goals.
00:15:23 --> 00:15:25: And as we we work on on new builds on
00:15:26 --> 00:15:30: renovation and obviously the amount of energy renovation
versus a
00:15:30 --> 00:15:33: new building is going to consume is not necessarily going
00:15:33 --> 00:15:36: to be the same especially working in the context of
00:15:36 --> 00:15:39: Paris because we have a lot of listed building that
00:15:40 --> 00:15:42: are part of the national heritage.
00:15:42 --> 00:15:44: So for example this a lot of facades that you
00:15:44 --> 00:15:45: can't modify.
00:15:45 --> 00:15:48: So at the start of the project the idea is
00:15:48 --> 00:15:51: to be OK, what are our goals in term of
00:15:51 --> 00:15:51: carbon.
00:15:51 --> 00:15:55: So what's what is the footprint of the building is
00:15:55 --> 00:15:58: going to be, what's our goals in terms of energy
00:15:58 --> 00:15:59: consumption?
00:16:00 --> 00:16:03: And also look at other indicators that are maybe a
00:16:04 --> 00:16:08: little bit less stabilized, which will be water consumption
impact
00:16:08 --> 00:16:13: on biodiversity and also impact on local climates or what
00:16:13 --> 00:16:16: we could also called the heat island effect.
00:16:16 --> 00:16:19: So high is the building geometry and material I can
00:16:19 --> 00:16:21: inflict on the temperature around the building.
00:16:22 --> 00:16:24: And the idea is to really educate our client and
00:16:24 --> 00:16:27: have a conversation with them so that they understand why
00:16:27 --> 00:16:28: we set this goal.
00:16:28 --> 00:16:32: Like what goals are set by the national regulation, the
00:16:32 --> 00:16:35: EU regulation, but also how can we sometimes go for
00:16:35 --> 00:16:39: more ambitious goal and how can we be transparent about
00:16:39 --> 00:16:42: whether we reach these goals or not.
00:16:42 --> 00:16:45: So more like which methodology should we implement
through the
00:16:45 --> 00:16:48: project to check that at each phase we're moving towards
00:16:48 --> 00:16:49: completing these.
00:16:51 --> 00:16:54: And so that's kind of a more like indicator and
00:16:54 --> 00:16:56: a methodology kind of aspect.
00:16:56 --> 00:16:58: And then another part of my job is once we
00:16:58 --> 00:17:01: set this goal, start to define what concrete solution we're
00:17:01 --> 00:17:04: going to implement in a given building to reach them.
00:17:04 --> 00:17:08: So that's when there'll be a mix of identifying low
00:17:08 --> 00:17:12: carbon materials or kind of making a list of what's

00:17:12 --> 00:17:15: already in the building and what we can reuse, which
00:17:16 --> 00:17:19: we check actors and kind of make that a sort
00:17:19 --> 00:17:23: of of program for that particular building to be on
00:17:23 --> 00:17:26: track to reach these goals that we said earlier.
00:17:31 --> 00:17:32: Thank you Elena.
00:17:32 --> 00:17:33: I apologise.
00:17:34 --> 00:17:36: Very surprisingly my iPad was running out of battery so
00:17:36 --> 00:17:38: I just jumped over the phone.
00:17:38 --> 00:17:41: I hope this is functioning well for you guys technologically.
00:17:43 --> 00:17:47: In your work most do you work together with the
00:17:47 --> 00:17:52: occupiers or with the building owners or the even building
00:17:52 --> 00:17:56: creators like Yannis, where we may hear from him On
00:17:56 --> 00:17:58: the contrary side in the moment.
00:18:00 --> 00:18:03: So yeah, we it's every project is different because for
00:18:03 --> 00:18:07: example, at the moment I'm working on a courthouse, which
00:18:07 --> 00:18:10: is a public project and we are working very closely
00:18:10 --> 00:18:12: with the Ministry of Justice.
00:18:12 --> 00:18:15: So what is the future of justice in France and
00:18:15 --> 00:18:18: what eventual ambition do we want to give to public
00:18:18 --> 00:18:19: buildings.
00:18:19 --> 00:18:22: So really our clients and the owner of the building
00:18:22 --> 00:18:25: over several years, but we're also really working closely with
00:18:25 --> 00:18:26: the occupiers.
00:18:26 --> 00:18:31: So we're going regularly to the exacting existing courthouse
and
00:18:31 --> 00:18:35: we meeting with lawyers, we're meeting with judge to
understand
00:18:35 --> 00:18:37: also what they expect.
00:18:37 --> 00:18:40: And for example, it's a building that is quite ambitious
00:18:41 --> 00:18:43: in term of energy consumption.
00:18:43 --> 00:18:45: So the goal is to have no air conditioning in
00:18:45 --> 00:18:46: office.
00:18:46 --> 00:18:48: And we want to make sure that Occupiers are not
00:18:48 --> 00:18:49: stressed about that.
00:18:49 --> 00:18:52: Like they understand that the building will be designed to
00:18:52 --> 00:18:54: remain comfortable even in the summer.
00:18:55 --> 00:18:57: So there's a lot of like back and forth.
00:18:57 --> 00:19:00: And like my point of view is like it's always
00:19:00 --> 00:19:04: better a project where you can talk to your occupiers.
00:19:05 --> 00:19:09: That's not always a reality because there's also a number
00:19:09 --> 00:19:13: of building that are being commercialized having find a an
00:19:13 --> 00:19:16: occupier by the time we kind of finished up like

00:19:16 --> 00:19:20: start construction and and that's a bit different.

00:19:20 --> 00:19:23: So I would say every every project is different and

00:19:23 --> 00:19:27: some of the project that may be very interesting that

00:19:27 --> 00:19:30: we worked on whether headquarters of company like Exile or

00:19:30 --> 00:19:34: or Facebook that that work in the past because headquarters

00:19:34 --> 00:19:37: is a very defining symbol for a company.

00:19:37 --> 00:19:41: And it's also interesting to understand better the image that

00:19:41 --> 00:19:44: this particular occupier is wanting to project on its own

00:19:44 --> 00:19:45: client.

00:19:45 --> 00:19:47: So I think that makes for richer and a bit

00:19:47 --> 00:19:49: like more coherent project.

00:19:51 --> 00:19:52: Thank you, Lilia.

00:19:52 --> 00:19:57: Staying on that discussion of occupier, of building owners and

00:19:57 --> 00:20:02: also of the building creators, the developers, as we've said,

00:20:02 --> 00:20:06: we heard from Joey that they need to become, there's

00:20:06 --> 00:20:10: a high need for them to become more intertwined.

00:20:11 --> 00:20:14: Jan, switching over to you, how close do you work

00:20:15 --> 00:20:18: with the occupiers of your buildings and where do you

00:20:18 --> 00:20:21: see the emerging trends and the impact?

00:20:22 --> 00:20:26: In these days, thanks again.

00:20:26 --> 00:20:27: Thanks for the question.

00:20:27 --> 00:20:29: Thanks for the invitation as well.

00:20:29 --> 00:20:30: Pleasure to be with you.

00:20:31 --> 00:20:34: Well, we obviously it's always I think as was as

00:20:34 --> 00:20:38: was mentioned, it's always a case by case topic.

00:20:38 --> 00:20:41: There are projects which are bigger scale, smaller scale and

00:20:41 --> 00:20:44: each of them is very different in terms of how

00:20:44 --> 00:20:47: we work with the occupier and also depending like who

00:20:47 --> 00:20:48: our target audience is.

00:20:48 --> 00:20:51: Because I mean arguably I'm, I'm working primarily in the

00:20:51 --> 00:20:55: shopping centres business where your final audience is really the

00:20:55 --> 00:20:57: customer and then the occupier is, is, is, is only

00:20:57 --> 00:21:00: the part of, well not only the very important part

00:21:00 --> 00:21:03: of the value chain which is between the landlord and

00:21:03 --> 00:21:06: this final customer of of of the product you're delivering.

00:21:07 --> 00:21:11: So I think, I think there is an increasing need

00:21:11 --> 00:21:16: of bridging the understanding between between all all sectors of

00:21:16 --> 00:21:18: that of the value chain.

00:21:18 --> 00:21:20: And we do in fact work a lot with the

00:21:20 --> 00:21:24: brands we are working with us as anybody, Rodan Co,

00:21:24 --> 00:21:27: Westfield, but also for me personally on my project.

00:21:27 --> 00:21:31: We are usually pretty much in touch from the very

00:21:31 --> 00:21:35: beginning with with either our occupiers we do have in

00:21:35 --> 00:21:37: mind or or we are trying to be as close

00:21:37 --> 00:21:41: to the needs of the final customer as possible having

00:21:41 --> 00:21:44: this, this, this consumer centric strategy.

00:21:45 --> 00:21:47: And then on the second part of your question if

00:21:47 --> 00:21:50: answered correctly, it's more on this emerging trends and like

00:21:51 --> 00:21:53: how the, how the work is, is, is is evolving.

00:21:55 --> 00:21:58: I think I'll gladly refer to what was said earlier

00:21:58 --> 00:22:02: that a huge change that came into place is on

00:22:02 --> 00:22:05: the sustainability and the and the ESG topic.

00:22:05 --> 00:22:09: And my my observation regarding the recent years is that

00:22:09 --> 00:22:12: maybe two or one year ago or two years ago,

00:22:12 --> 00:22:16: three years ago, we've been quite educated in the topic,

00:22:16 --> 00:22:19: but the discussions were still pretty vague.

00:22:19 --> 00:22:22: I would say wasn't down to the details.

00:22:23 --> 00:22:26: Today it's quite common to hear OK, the solution is

00:22:26 --> 00:22:29: expensive and it's carbon heavy.

00:22:29 --> 00:22:31: So we don't like it and it's you know you

00:22:31 --> 00:22:33: hear it from the people who are new to the

00:22:33 --> 00:22:36: market, but you also hear it from professionals who are

00:22:36 --> 00:22:39: on the market for several years and they adjusted

00:22:39 --> 00:22:41: themselves

00:22:39 --> 00:22:41: I think very well to this, to this new logic

00:22:41 --> 00:22:44: maybe on the like you know referring to development roles

00:22:44 --> 00:22:47: specifically I think we are here in the young leaders,

00:22:47 --> 00:22:49: but development I think the the beauty I discovered of

00:22:49 --> 00:22:52: the development is really transgenerational.

00:22:52 --> 00:22:55: You really work with across all the all the ages

00:22:55 --> 00:22:58: group which is really fantastic and and I think you

00:22:58 --> 00:23:03: know everybody started to embrace quite quickly what this,

00:23:03 --> 00:23:07: what

00:23:03 --> 00:23:07: the sustainability what this carbon means in practice as well

00:23:07 --> 00:23:09: as I as I think we had like you know

00:23:09 --> 00:23:12: sort of islands of expertise back in time like a

00:23:13 --> 00:23:13: few years ago.

00:23:14 --> 00:23:14: Now.

00:23:14 --> 00:23:17: I think everybody has this discussion at the heart of

00:23:17 --> 00:23:20: what they are doing and it's it's it's like you

00:23:20 --> 00:23:23: know it goes hands with hand in hand with commerce,

00:23:23 --> 00:23:27: commerce you know commercial rationale, the profitability

and so on.

00:23:27 --> 00:23:29: So I think this is a, this is a major
00:23:29 --> 00:23:33: shift, definitely it's a major shift which I think the
00:23:33 --> 00:23:36: the report emphasizes all across I would say as one
00:23:36 --> 00:23:38: of the as one of the key trends.
00:23:40 --> 00:23:43: And you've mentioned a few years ago when we have
00:23:43 --> 00:23:48: started speaking about sustainability, that was before all
those current
00:23:48 --> 00:23:53: markets uncertainties where we're coming in, Joy, you've
presented that
00:23:53 --> 00:23:57: today interest rates, of course, inflation, we have construction
costs
00:23:57 --> 00:23:58: that were rising.
00:23:58 --> 00:24:01: Although I think and you can tell us more about
00:24:01 --> 00:24:03: that in a moment, they were falling again.
00:24:03 --> 00:24:05: So I think everyone was happy for a moment.
00:24:05 --> 00:24:11: And of course the housing affordability, those classical
uncertainties, there
00:24:11 --> 00:24:14: was some chatter in the market that due to those
00:24:14 --> 00:24:19: current uncertainties sustainability has been put back again
on the
00:24:19 --> 00:24:23: agenda or you know putting it less elegantly, it has
00:24:23 --> 00:24:26: been downgraded in the priority list.
00:24:26 --> 00:24:29: Is that true, Jan, do you see that or would
00:24:29 --> 00:24:32: you with what you've just said that the expertise tease
00:24:32 --> 00:24:36: is being very much developed and you look exactly at
00:24:36 --> 00:24:39: what is commercial but also what is carbon light, is
00:24:39 --> 00:24:40: that the new world?
00:24:41 --> 00:24:43: Look, I I think I have a bit of a
00:24:43 --> 00:24:45: different take on it than than phrasing it in a
00:24:45 --> 00:24:48: way that it's sort of like, you know, gains or
00:24:48 --> 00:24:49: or decreases in attention.
00:24:49 --> 00:24:51: I think it it became a part of the part
00:24:52 --> 00:24:54: of the evaluation, at least at least at least on
00:24:54 --> 00:24:56: the topics I'm working on.
00:24:56 --> 00:25:00: It became a part of a discussion and it was
00:25:00 --> 00:25:02: really embraced.
00:25:02 --> 00:25:04: It was really embraced by by, by, by, by you
00:25:04 --> 00:25:07: know, by the people participating in the process.
00:25:08 --> 00:25:11: So one there are certain requirements that you need to
00:25:11 --> 00:25:14: meet similarly to the requirements you have on the on
00:25:14 --> 00:25:18: the profitability and everyone of us facing any underwriting,
so
00:25:18 --> 00:25:22: working on development projects knows that knows very well

00:25:22 --> 00:25:24: this
 00:25:24 --> 00:25:27: financial part of the of the equation.
 00:25:27 --> 00:25:31: Then the carbon part of the equation was added to
 00:25:31 --> 00:25:33: that in terms of like you know the decision making
 00:25:33 --> 00:25:36: afterwards the viability.
 00:25:36 --> 00:25:38: I I think it's still quite fresh to tell how
 00:25:38 --> 00:25:41: it would, how it would evolve.
 00:25:41 --> 00:25:44: We'll see that in time definitely it's a it's a
 00:25:44 --> 00:25:46: discussion topic and a major discussion topic and a factor
 00:25:46 --> 00:25:47: that influences the project.
 00:25:47 --> 00:25:50: And I will say it's like you know the attention
 00:25:50 --> 00:25:51: decreases or increases.
 00:25:51 --> 00:25:53: It's rather that it from something that was more of
 00:25:53 --> 00:25:57: a curiosity that everybody was saying that we'll be
 00:25:57 --> 00:25:57: introducing
 00:25:57 --> 00:25:57: and embracing.
 00:25:58 --> 00:26:00: I think it's go like you know on the path
 00:26:00 --> 00:26:03: to be A to be a part of everyday everyday
 00:26:03 --> 00:26:06: business which is which is basically I think for for
 00:26:06 --> 00:26:08: all of us especially our people.
 00:26:08 --> 00:26:10: It's a very good news because I mean we are
 00:26:10 --> 00:26:13: building code for ourselves for the next several years.
 00:26:13 --> 00:26:16: So this, this, this and and I deeply believe that
 00:26:16 --> 00:26:19: the reduction is what we should be focusing on in
 00:26:19 --> 00:26:23: the 1st place of finding solution carbon reduction, then and
 00:26:23 --> 00:26:26: and 1st and then, then, then you know, then work
 00:26:26 --> 00:26:27: on the energies and so on.
 00:26:27 --> 00:26:28: Yeah.
 00:26:28 --> 00:26:30: And you've just mentioned we're building for ourselves,
 00:26:30 --> 00:26:33: selves for,
 00:26:33 --> 00:26:34: for our future.
 00:26:34 --> 00:26:38: What can we as young leaders, what impact can we
 00:26:38 --> 00:26:43: have currently in the light of those current market
 00:26:43 --> 00:26:47: uncertainties
 00:26:47 --> 00:26:50: as well as sustainability and that that put backwards those
 00:26:50 --> 00:26:52: uncertainties that Joey just mentioned?
 00:26:52 --> 00:26:55: Look here I I I believe there is a lot
 00:26:55 --> 00:26:56: we can do.
 00:26:56 --> 00:26:58: I I think we we are there's a lot of
 00:26:58 --> 00:27:02: the discussion of the generations now and the the the
 00:27:02 --> 00:27:03: generational gap.
 00:27:03 --> 00:27:05: I believe we are in a very good place as
 00:27:05 --> 00:27:08: as as the current like age, age group of the

00:27:08 --> 00:27:09: young leaders.

00:27:09 --> 00:27:12: Today we're in a very, very good, very good position

00:27:12 --> 00:27:16: to to to become a bridge between the older generations

00:27:16 --> 00:27:20: still being the decision makers and the younger generations
as

00:27:20 --> 00:27:23: we may understand better what they want, what they are,

00:27:23 --> 00:27:25: what they need and be able to put it in

00:27:26 --> 00:27:29: the words that are understandable also for the for, for,

00:27:29 --> 00:27:32: for for the decision makers and people that really hold

00:27:32 --> 00:27:35: hold the pen on what is going or what is

00:27:35 --> 00:27:37: going or not going to happen.

00:27:37 --> 00:27:38: So I think this is a major thing.

00:27:39 --> 00:27:42: The other one I would say we are very digitally

00:27:42 --> 00:27:45: savvy let's say and there is a lot about this

00:27:45 --> 00:27:48: digitalization that is happening on all fronts.

00:27:48 --> 00:27:51: It's both on the both on the operations, both on

00:27:51 --> 00:27:52: the on the operations.

00:27:52 --> 00:27:53: The development.

00:27:55 --> 00:27:57: I mean technology is, is, is, is everywhere.

00:27:57 --> 00:27:59: We can you know really be on the forefront of

00:27:59 --> 00:28:03: this of this change either promoting new asset classes that

00:28:03 --> 00:28:07: that that technology driven understanding or sounding well
the trends

00:28:07 --> 00:28:10: that that we can as investors play on the back

00:28:10 --> 00:28:13: of the technology and also proposing how we can enhance

00:28:13 --> 00:28:16: our assets, our value creation plans based on this
technology.

00:28:17 --> 00:28:20: And I I believe our role here is can be

00:28:20 --> 00:28:23: huge it's it's it's up to us like you know

00:28:23 --> 00:28:27: how we would position ourself and and what challenges we

00:28:27 --> 00:28:31: will we'll embrace what challenges we'll decide not to.

00:28:32 --> 00:28:32: Thank you.

00:28:32 --> 00:28:34: And we'll come back in a moment.

00:28:34 --> 00:28:35: I'm super positive on that.

00:28:35 --> 00:28:37: I think it is a, you know, there is also

00:28:37 --> 00:28:38: a great momentum for us at the moment.

00:28:39 --> 00:28:40: Perfect.

00:28:40 --> 00:28:42: We'll come back in a moment to the technology savvy.

00:28:42 --> 00:28:45: Ask the classes that you've mentioned, Elia question for you

00:28:45 --> 00:28:49: in terms of the environmental concerns, actually along the
same

00:28:49 --> 00:28:51: lines of the impact.

00:28:51 --> 00:28:54: Can we even have an impact as the young leaders

00:28:54 --> 00:28:54: on that?

00:28:54 --> 00:28:58: And if so, how can we integrate ourselves into those

00:28:58 --> 00:28:58: projects?

00:28:58 --> 00:29:01: You just mentioned you're in contact with a lot of

00:29:02 --> 00:29:04: the stakeholders with the occupiers.

00:29:04 --> 00:29:07: To hear from them, to to have their input, how

00:29:07 --> 00:29:08: can we help?

00:29:10 --> 00:29:13: So I think it's it's a very vast question, but

00:29:13 --> 00:29:18: I think the probably for me like everyone personal

00:29:18 --> 00:29:23: responsibility

00:29:18 --> 00:29:23: is to really educate themselves about environmental impacts.

00:29:23 --> 00:29:25: I think there's a lot of misinformation.

00:29:25 --> 00:29:29: There's a lot of kind of preconceived ID of what

00:29:29 --> 00:29:32: is going to be more or less carbonated.

00:29:32 --> 00:29:36: There's a lot of preconceived ID of relationship between

00:29:36 --> 00:29:39: making

00:29:36 --> 00:29:39: a sustainable building and how much it's going to cost.

00:29:41 --> 00:29:44: So I think first it's like, you know, I would

00:29:44 --> 00:29:48: say everyone like kind of dive into regulation of your

00:29:48 --> 00:29:52: country, dive into the EU regulation, the EU taxonomy is

00:29:52 --> 00:29:52: coming.

00:29:53 --> 00:29:56: I think very little people have made effort to start

00:29:56 --> 00:29:59: looking in what it implies for their company and for

00:29:59 --> 00:29:59: the client.

00:30:00 --> 00:30:03: And I think if people don't make this effort, they're

00:30:03 --> 00:30:04: going to be being taken short.

00:30:06 --> 00:30:10: I think the other thing is, is to try to

00:30:10 --> 00:30:15: take also all the stakeholders point of view because as

00:30:15 --> 00:30:19: carbon is a long term issue any kind of emission

00:30:19 --> 00:30:23: or arrive at different stage of the building.

00:30:24 --> 00:30:27: It's important to have solution that works for everyone.

00:30:27 --> 00:30:30: Like because if you know as a builder you could

00:30:30 --> 00:30:32: be like OK, I'm going to do put a lot

00:30:32 --> 00:30:34: of very carbonated materials in.

00:30:35 --> 00:30:37: But like I also need to make sure that the

00:30:37 --> 00:30:40: energy reduction that for example triple glazing is going to

00:30:40 --> 00:30:43: bring all worse, it's over 50 years and that's and

00:30:43 --> 00:30:46: that's an equation that's very different in France where we

00:30:46 --> 00:30:49: have for example nuclear power or Germany where it's going

00:30:49 --> 00:30:52: to be like more carbon heavy and then when does

00:30:52 --> 00:30:54: it make sense to to do a particular renovation.

00:30:55 --> 00:30:57: So I think it's really important to have this discussion

00:30:57 --> 00:30:59: with for example when we have client who are going

00:30:59 --> 00:31:01: to be long term investor and then they keep that
00:31:01 --> 00:31:02: asset in the portfolio.
00:31:03 --> 00:31:05: We already plan with them like when are they going
00:31:05 --> 00:31:08: to do the next renovation even if it's not with
00:31:08 --> 00:31:11: us but just to make sure that what we doing
00:31:11 --> 00:31:12: in the building makes sense.
00:31:13 --> 00:31:16: We've had they see the building aging over time.
00:31:17 --> 00:31:19: So it's it's more like a kind of try to
00:31:19 --> 00:31:23: take other people's perspective and see high solution makes
sense
00:31:23 --> 00:31:25: over 50 years not just over construction phase.
00:31:27 --> 00:31:31: And then I think like yeah for me these these
00:31:31 --> 00:31:34: are the two the two main points.
00:31:36 --> 00:31:39: I would, I would also think that it's it's important
00:31:40 --> 00:31:43: to to to see how you create value over time
00:31:43 --> 00:31:46: in the same way like I think the maybe like
00:31:46 --> 00:31:49: I I think another thing that I will, I will
00:31:49 --> 00:31:52: say people to do is a little bit like question
00:31:52 --> 00:31:57: the indicators that we've been always using especially maybe
economical
00:31:57 --> 00:31:58: ones.
00:31:58 --> 00:32:01: I think in Paris right now there's a big conversation
00:32:01 --> 00:32:05: on on housing shortage as you mentioned and there's a
00:32:05 --> 00:32:08: lot of empty offices and a lot of people have
00:32:08 --> 00:32:11: a hard times or kind of say economically it's very
00:32:11 --> 00:32:14: hard to make a conversion from an office to a
00:32:14 --> 00:32:18: housing project work because you're not going to collect the
00:32:18 --> 00:32:19: same rent.
00:32:20 --> 00:32:22: But the model, a lot of the model don't really
00:32:22 --> 00:32:25: account for the fact that these offices are already empty
00:32:25 --> 00:32:27: and have been empty for a number of months now.
00:32:28 --> 00:32:31: And so I feel like this valuation model needs to
00:32:31 --> 00:32:35: be questioned and then maybe more aligned with some
carbon
00:32:35 --> 00:32:37: objective that this firm have.
00:32:38 --> 00:32:41: And I think that's with the EU taxonomy, because people
00:32:41 --> 00:32:45: also going to have to make the market themselves differently
00:32:45 --> 00:32:50: financially, whether they're investing in something that's
actually green or
00:32:50 --> 00:32:53: not like this, going to be some sort of new
00:32:53 --> 00:32:54: value model I think.
00:32:54 --> 00:32:57: And so I think it's an important to understand the
00:32:57 --> 00:32:59: one we use today and maybe see which part of

00:32:59 --> 00:33:01: them are obsolete and which one could evolve.

00:33:03 --> 00:33:06: Instead of on the one hand negatively pricing and things

00:33:06 --> 00:33:09: we should actually start looking at how can we the

00:33:09 --> 00:33:13: assets that we can reposition that we can transform, how

00:33:13 --> 00:33:16: we can actually value them for the additional value that

00:33:17 --> 00:33:20: we've created or for the value that we were able

00:33:20 --> 00:33:23: to create was no value before that's you handing off.

00:33:24 --> 00:33:24: Thank you.

00:33:24 --> 00:33:29: And you tell me Jan was talking about various innovation

00:33:29 --> 00:33:33: factors in terms of digitalization etcetera.

00:33:34 --> 00:33:38: Now when it comes to innovative design concepts, tell us.

00:33:39 --> 00:33:40: How?

00:33:40 --> 00:33:43: Can innovative design concepts maybe have a few examples

00:33:43 --> 00:33:43: for

00:33:43 --> 00:33:46: for us?

00:33:43 --> 00:33:46: How can they contribute to the environmental sustainability?

00:33:46 --> 00:33:49: Maybe have something more palpable for us for every day

00:33:49 --> 00:33:51: we've been talking about the courthouse.

00:33:51 --> 00:33:53: Maybe we've got some examples for us.

00:33:54 --> 00:33:58: So, yeah, I think in terms of innovative design solution,

00:33:58 --> 00:34:01: we are, we are in a time where I think

00:34:01 --> 00:34:06: the divide between technophilic people and technophobic

00:34:06 --> 00:34:10: people are like

00:34:10 --> 00:34:12: a little bit to pronounce because seeing every building is

00:34:13 --> 00:34:14: going to be a mix of OK there this, this

00:34:14 --> 00:34:15: technology is justified.

00:34:17 --> 00:34:20: They're not.

00:34:20 --> 00:34:23: So I I think for me it's there's a few

00:34:23 --> 00:34:27: of course like like I'm really interested in materials at

00:34:27 --> 00:34:31: the moment at the office we're running this series of

00:34:31 --> 00:34:33: conference on materials and we're revisiting materials that

00:34:33 --> 00:34:37: are very

00:34:37 --> 00:34:41: classic like stone, metal etcetera.

00:34:41 --> 00:34:45: But we're also looking at more modern materials like kind

00:34:47 --> 00:34:52: of neo composite composite made of of natural fibres or

00:34:52 --> 00:34:54: or composite made of recycled materials etcetera.

00:34:55 --> 00:34:58: And I think this there is some innovation in in

00:34:58 --> 00:35:02: materiality.

00:35:02 --> 00:35:05: But I think for the number of years the main

00:35:05 --> 00:35:07: materials that we're going to use are still you know

00:35:08 --> 00:35:11: concrete, steel, wood and so on.

00:35:07 --> 00:35:11: One way I would argue that we we have to

00:35:11 --> 00:35:11: encourage innovation to come to a sector because I think

00:35:11 --> 00:35:15: the the building industry is one of the slowest 1
00:35:15 --> 00:35:18: to innovate and and for example you can see that
00:35:18 --> 00:35:22: like inter material like it's usually like kind of deep
00:35:22 --> 00:35:26: tech innovation so it needs like very important fundings and
00:35:26 --> 00:35:30: that's harder to find that for example other things around
00:35:30 --> 00:35:33: climate tech that are just more like softwares.
00:35:35 --> 00:35:38: So I I think like there's there's like first OK
00:35:39 --> 00:35:43: what when new materials are coming how to be produce
00:35:43 --> 00:35:46: concrete which type of energy is hydrogen.
00:35:46 --> 00:35:50: I think external this question, but I think for me
00:35:50 --> 00:35:54: there's also kind of an innovation in methodology of how
00:35:54 --> 00:35:58: we design and especially for example, for me one of
00:35:58 --> 00:36:02: the key leverage for carbon rejection in renovation is reused.
00:36:02 --> 00:36:06: So really like trying to renovate a lot of the
00:36:06 --> 00:36:11: materials that were or products that will usually discard and
00:36:11 --> 00:36:16: I think that's more an innovation in term of methodology
00:36:16 --> 00:36:21: because in order to re ensure these materials in in
00:36:21 --> 00:36:25: say for example like we have this other projects which
00:36:25 --> 00:36:27: has listed facades.
00:36:27 --> 00:36:30: And so basically we can't really do isolation from the
00:36:30 --> 00:36:34: outside because we can't touch the facade but we wanted
00:36:34 --> 00:36:36: to drastically decrease energy consumption.
00:36:36 --> 00:36:39: So we decided that we were going to replace all
00:36:39 --> 00:36:43: windows we were with glazing that has the equivalent
performance
00:36:43 --> 00:36:46: of a triple glazing, but we wanted to keep all
00:36:46 --> 00:36:49: the window frames that had like recently changed.
00:36:50 --> 00:36:53: So we had to talk a lot with our facade
00:36:53 --> 00:36:57: consultant and with the insurance to make sure that we
00:36:57 --> 00:37:01: had a protocol of tests through which we could prove
00:37:01 --> 00:37:06: again that we'll get waterproofing and water tightness
keeping these
00:37:06 --> 00:37:07: window frames.
00:37:07 --> 00:37:11: And then where we had like a particular innovation is
00:37:11 --> 00:37:15: that instead of using triple gazing, which was too thick
00:37:15 --> 00:37:18: to fit in this existing frame, we work for a
00:37:18 --> 00:37:22: company, We developed this clay, this double glazing, but
that
00:37:22 --> 00:37:25: has a layer of vacuum in the middle, so there's
00:37:25 --> 00:37:29: no thermal conduction between the two layer of glass.
00:37:29 --> 00:37:32: And then we perform as well as a triple glazed
00:37:33 --> 00:37:36: panel and that that just developed over time and then

00:37:37 --> 00:37:41: really involve a very unusual ecosystem, you know, because we

00:37:41 --> 00:37:46: had this, this technological innovation of the the glass panel

00:37:46 --> 00:37:49: with this vacuum layer and we had also this, this

00:37:49 --> 00:37:54: facade consultant that had to design this whole protocol which

00:37:54 --> 00:37:56: is not really what it used to.

00:37:56 --> 00:37:59: But so I think it's it's also, yeah really questioning

00:37:59 --> 00:38:02: your technology would lead to kind of design innovation.

00:38:05 --> 00:38:06: Thank you.

00:38:06 --> 00:38:09: And Jan Anaya just very charmingly mentioned that we need

00:38:09 --> 00:38:12: to encourage innovation to come to our sector.

00:38:12 --> 00:38:13: I really like that phrase.

00:38:14 --> 00:38:19: Anaya Yan talking about encouraging innovation to come to our

00:38:19 --> 00:38:19: sector.

00:38:20 --> 00:38:24: You've just spoken about the technology savvy asset classes, new

00:38:25 --> 00:38:28: asset classes and that's a little bit more.

00:38:29 --> 00:38:32: How would you like to redefine the classical form of

00:38:32 --> 00:38:35: how, for example, which is thanks to find an asset

00:38:35 --> 00:38:35: class?

00:38:38 --> 00:38:41: Well, just just to add to to what Leah was

00:38:41 --> 00:38:44: Leah I was saying I think it is very leather.

00:38:44 --> 00:38:47: Her first first point about educating ourselves I think is

00:38:47 --> 00:38:51: very, very important just to like gain some basic understanding

00:38:51 --> 00:38:54: because it's really not an obvious topic and something that

00:38:54 --> 00:38:58: we have as obvious preconceptions are not necessarily not necessarily

00:38:58 --> 00:38:58: true.

00:38:58 --> 00:39:01: I think that was a super valid point and then

00:39:01 --> 00:39:05: on this asset classes look around well let me maybe

00:39:05 --> 00:39:08: share my view by no means you know a futurist

00:39:08 --> 00:39:11: or like sort of a market expert to to to

00:39:11 --> 00:39:14: to set you any ideas for the new classifications.

00:39:14 --> 00:39:19: But I I I think there are basically two things.

00:39:19 --> 00:39:22: One is the technology is going to to to shift

00:39:22 --> 00:39:27: shift different economic factors to demand, the supply relation in

00:39:27 --> 00:39:30: the asset classes that we know that are, that we

00:39:31 --> 00:39:32: are familiar with for years.

00:39:33 --> 00:39:36: And I think that was happening for quite some long

00:39:37 --> 00:39:40: time with COVID being an absolute catalyst of certain of

00:39:40 --> 00:39:44: certain things happening and that being rise of very strong
00:39:44 --> 00:39:47: rise of e-commerce fuelling logistics warehouses and so on.
00:39:48 --> 00:39:51: While at the same time hitting strongly the the traditional
00:39:52 --> 00:39:56: retail sector which interestingly I think after COVID finds an
00:39:56 --> 00:40:00: interesting balance because I think it's it's it's it's now
00:40:00 --> 00:40:04: retail a bit the traditional retail now a bit rejuvenating
00:40:04 --> 00:40:07: and sort of finding itself in in in a balance
00:40:07 --> 00:40:10: to the to the e-commerce and then and then the
00:40:10 --> 00:40:13: the, the the second thing which is a great example
00:40:13 --> 00:40:17: of that are the offices where I think the thesis
00:40:17 --> 00:40:20: during COVID was a bit opposite meaning we we I
00:40:20 --> 00:40:23: think we all claim that or majority of us claim
00:40:23 --> 00:40:24: that.
00:40:24 --> 00:40:24: Yeah.
00:40:24 --> 00:40:27: The office occupancy will return to us pretty quickly.
00:40:27 --> 00:40:29: We'll all come back to the offices fast.
00:40:30 --> 00:40:33: And in fact, that doesn't really happen to that extent
00:40:33 --> 00:40:35: or it seems not to happen yet.
00:40:35 --> 00:40:38: To that extent, we'll see what comes.
00:40:38 --> 00:40:41: And I think the technology is the driving factor here
00:40:41 --> 00:40:44: because one, we've been able to switch from buying in
00:40:44 --> 00:40:47: the store to our mobiles to the Internet then on
00:40:47 --> 00:40:48: the offices.
00:40:48 --> 00:40:51: I mean and I think this is something we can
00:40:51 --> 00:40:56: all relate to the amount of the technology technological
enablement
00:40:56 --> 00:41:00: the COVID brought to us where we suddenly couldn't come
00:41:00 --> 00:41:03: to work was just amazing within one week.
00:41:03 --> 00:41:05: I mean so many new tools, so many new ways
00:41:05 --> 00:41:07: of working as well and everybody on the same page
00:41:07 --> 00:41:09: in terms of how we work that was just fantastic.
00:41:09 --> 00:41:12: And it's and I think this is one of the
00:41:12 --> 00:41:15: aspects where the technology comes into play where we
need
00:41:15 --> 00:41:18: to be very I would say aware and very vigilant
00:41:18 --> 00:41:22: of of taking our investment decision and thinking what can
00:41:22 --> 00:41:25: become more or less relevant in the future.
00:41:25 --> 00:41:29: Then I think there are certain completely new, completely
new,
00:41:29 --> 00:41:32: well sort of maybe not asset classes but but but
00:41:32 --> 00:41:35: like a sub sectors of the real estate to which
00:41:35 --> 00:41:39: real estate investors can invest which which are fueled by
00:41:39 --> 00:41:41: technology which were not here previously.

00:41:41 --> 00:41:46: That's obvious examples are the data centres that's that doesn't

00:41:46 --> 00:41:50: need you know much much introduction much discussion I think

00:41:50 --> 00:41:53: on the top of the wish list in the ULI

00:41:53 --> 00:41:54: report, ULI PwC report.

00:41:54 --> 00:41:57: So that's that's an obvious one but then a lot

00:41:57 --> 00:42:00: can happen also around the energy which is currently I

00:42:00 --> 00:42:03: think only in the in the in the very starting

00:42:03 --> 00:42:04: point.

00:42:04 --> 00:42:06: But I can easily imagine that we progress with the

00:42:06 --> 00:42:09: energy storage and that can also be like you know

00:42:09 --> 00:42:11: on the verge of infrastructure and real estate.

00:42:12 --> 00:42:16: In fact then maybe, you know maybe we'll be still

00:42:16 --> 00:42:21: developing large car parks for electric cars and that will

00:42:21 --> 00:42:23: be as close by itself.

00:42:23 --> 00:42:26: But to be honest, it's quite difficult to give you

00:42:26 --> 00:42:29: to give you a specific classifications I would I would

00:42:29 --> 00:42:31: think in this two, in this two layers.

00:42:31 --> 00:42:34: So one, what are the new avenues that the technology

00:42:34 --> 00:42:36: will bring us in terms of investment?

00:42:36 --> 00:42:42: Second what supply demand relation is technology shifting going forward

00:42:42 --> 00:42:46: and then obviously the technology can bring a lot to

00:42:46 --> 00:42:50: the to to to the value creation plan to how

00:42:50 --> 00:42:54: we operate the assets that we know that that are

00:42:54 --> 00:42:55: here with us for ages.

00:42:55 --> 00:42:58: I can give you one example from from in fact

00:42:58 --> 00:43:01: my experience at URW we are we are in fact

00:43:01 --> 00:43:04: kind of you know pure nearing on the relation with

00:43:04 --> 00:43:07: tenants in terms of the in terms of the media

00:43:07 --> 00:43:10: advertising and the and the digital advertising.

00:43:12 --> 00:43:15: If you have our centres close by, you can notice

00:43:15 --> 00:43:17: like in the past several years A roll out of

00:43:17 --> 00:43:21: very large, very large digital screens, media and so on

00:43:21 --> 00:43:25: where we basically integrate the clients needs, clients meeting the

00:43:25 --> 00:43:28: the the tenant needs in terms of promotion and trying

00:43:28 --> 00:43:31: to meet that to give them good exposure to the

00:43:31 --> 00:43:33: clients that are visiting the centre.

00:43:33 --> 00:43:35: And it it it was you know it was all

00:43:35 --> 00:43:37: there previously we've been doing that.

00:43:37 --> 00:43:40: But with the technology we changed the means of how

00:43:40 --> 00:43:43: we are doing that meaning we went much more into
00:43:43 --> 00:43:45: the digital and then we kind of put it very
00:43:45 --> 00:43:49: nicely together as a separate structure which again is largely
00:43:49 --> 00:43:50: the coordination of it.
00:43:50 --> 00:43:52: The the speed at which we can act is also
00:43:52 --> 00:43:56: largely enabled by technology and that's obviously
contributes to our
00:43:56 --> 00:43:57: value creation plans.
00:43:59 --> 00:44:02: And Jan for young leaders, this is those sub asset
00:44:02 --> 00:44:06: classes on sub niches or however we want to define
00:44:06 --> 00:44:09: them, the opportunities in the markets.
00:44:09 --> 00:44:13: Those are also great opportunities for the young generation
in
00:44:13 --> 00:44:14: your opinion.
00:44:15 --> 00:44:17: Well, I I I believe yes, I mean as I
00:44:17 --> 00:44:22: said previously I think we are genuinely closer to
understanding
00:44:22 --> 00:44:25: how the technology works because we are brought up with
00:44:25 --> 00:44:26: it.
00:44:26 --> 00:44:27: We are, we are very, very savvy.
00:44:27 --> 00:44:29: We will it's it's very and you know I think
00:44:29 --> 00:44:32: a fairly simple example are are US versus our parents
00:44:33 --> 00:44:36: and grandparents and how they can adopt the new things
00:44:36 --> 00:44:38: and how we can and for us it's instant almost
00:44:38 --> 00:44:41: like you know it's instant it's it's hassle free for
00:44:41 --> 00:44:44: them it's really needs some education and I think this
00:44:45 --> 00:44:47: is this is where we have an edge in understanding
00:44:47 --> 00:44:50: and then you know I mean always with the fresh
00:44:50 --> 00:44:53: mind I think it's it's it gives you a benefit
00:44:53 --> 00:44:57: of bringing forward the innovation seeing things that people
doing
00:44:57 --> 00:45:00: the same thing for several years might have difficulty
spotting.
00:45:00 --> 00:45:04: So I I would just say it requires probably courageous
00:45:04 --> 00:45:08: decisions to to venture into certain specific areas that are
00:45:08 --> 00:45:12: currently maybe you know below the radar that's one thing
00:45:12 --> 00:45:15: and then I think we are really well positioned to
00:45:16 --> 00:45:19: to to to to find our opportunities in this emerging
00:45:19 --> 00:45:20: classes.
00:45:22 --> 00:45:23: Thank you, Yan.
00:45:24 --> 00:45:29: Lelia Yun mentioned the advertisement that they are using
now
00:45:29 --> 00:45:33: for service, how they are developing on that front in

00:45:33 --> 00:45:38: their shopping centres talking about those digital tools that we
00:45:38 --> 00:45:39: can use.
00:45:40 --> 00:45:45: How can the industry balance the adoption with maintaining a
00:45:45 --> 00:45:49: human centring design and the the principles in in Urban
00:45:49 --> 00:45:51: Development?
00:45:52 --> 00:45:54: I think that's a good question.
00:45:54 --> 00:45:58: It's like relatively cultural and I feel the context of
00:45:58 --> 00:46:01: your project is going to influx on that a lot
00:46:01 --> 00:46:05: because I feel, you know I think for example the
00:46:05 --> 00:46:08: origin to the office in Paris has been much greater
00:46:08 --> 00:46:12: than other maybe major cities in the world.
00:46:12 --> 00:46:15: And it's interesting because on some project that are in
00:46:15 --> 00:46:19: Paris, we have like American investors and they don't really
00:46:19 --> 00:46:23: they have a hard time understanding why so many French
00:46:23 --> 00:46:25: people come back to the office.
00:46:25 --> 00:46:27: And it's just a very different context.
00:46:27 --> 00:46:30: You know like the routine that you have your commute
00:46:30 --> 00:46:32: is, is is your experience is profoundly different.
00:46:34 --> 00:46:37: And so I I feel that there are they were
00:46:37 --> 00:46:41: there are always going to be people that are have
00:46:41 --> 00:46:43: more or less affinity to technology.
00:46:44 --> 00:46:47: But I would say in France there's there's I think
00:46:47 --> 00:46:50: a lot of people who are a bit scared by
00:46:50 --> 00:46:53: technology and and I think to some extent maybe some
00:46:53 --> 00:46:56: some are right, it depends a little bit.
00:46:56 --> 00:46:58: But so I feel like in our with our clients
00:46:59 --> 00:47:02: it's been a relatively easy discussion because they I think
00:47:03 --> 00:47:07: they've been quite reasonable about the amount of
00:47:07 --> 00:47:09: technology they
00:47:11 --> 00:47:14: want to implement in a building.
00:47:14 --> 00:47:17: You find that and then people that are super technophilic
00:47:17 --> 00:47:21: And I think then as as Jan mentioned it's probably
00:47:21 --> 00:47:26: interesting to look at other indicators like what's the long
00:47:27 --> 00:47:31: term economical and carbon impact of implementing this
00:47:31 --> 00:47:35: particular technology.
00:47:36 --> 00:47:40: So I I think for me like the maybe and
00:47:40 --> 00:47:47: and as I mentioned as well like data centre is
00:47:47 --> 00:47:51: is one of the thing which is very like hardly
00:47:51 --> 00:47:55: reconciled the necessity for consuming less energy,
00:47:55 --> 00:47:55: consuming less land.
00:47:55 --> 00:47:55: I think in France in the moment there's so in
00:47:55 --> 00:47:55: in a few like I think it's 2000, yeah same

00:47:55 --> 00:47:55: 2015.

00:47:55 --> 00:47:59: We also will have to have net 0 artificialisation.

00:47:59 --> 00:48:04: So we can't artificialise land that hasn't been constrained on yet.

00:48:04 --> 00:48:04:

00:48:05 --> 00:48:07: And I think data centre or like like people don't

00:48:07 --> 00:48:10: really know how they're going to still build data centre

00:48:11 --> 00:48:13: because most of them are the bits in the middle

00:48:13 --> 00:48:14: of nowhere.

00:48:14 --> 00:48:18: But they in areas that are less valuable and kind

00:48:18 --> 00:48:20: of further from city centres.

00:48:20 --> 00:48:24: So in area that have more chance to be natural

00:48:24 --> 00:48:25: areas.

00:48:26 --> 00:48:29: And I mean we also really interesting in a I

00:48:29 --> 00:48:33: I T office but we cannot you know disregard the

00:48:33 --> 00:48:37: amount of energy that goes into developing AI models and

00:48:37 --> 00:48:41: on this I really I really don't really have an

00:48:41 --> 00:48:44: answer I I think it's it's it's competing I think

00:48:44 --> 00:48:47: these these two goals are competing.

00:48:49 --> 00:48:52: I'm I'm not at all against AI very interesting and

00:48:52 --> 00:48:55: especially in France we had a lot of discussion since

00:48:55 --> 00:48:59: the like the founding of Mistral AI which is like

00:48:59 --> 00:49:01: a kind of an interesting new players.

00:49:01 --> 00:49:04: It's I think it's interesting to see how Europe is

00:49:04 --> 00:49:07: positioning itself as well on technology.

00:49:07 --> 00:49:10: It should like to be less dependent on on the

00:49:10 --> 00:49:15: US and for that it implies to have localised data

00:49:15 --> 00:49:16: centre and capacity.

00:49:18 --> 00:49:21: But yeah I I didn't have the chance yet to

00:49:21 --> 00:49:26: work on on much logistics project so maybe next time

00:49:26 --> 00:49:29: I'll have a a better answer but.

00:49:30 --> 00:49:34: Go to all the logistics investors who are listening now

00:49:34 --> 00:49:38: and the contact Lalia afterwards and you can cooperate

00:49:38 --> 00:49:38: together.

00:49:40 --> 00:49:41: Yeah, I would actually.

00:49:41 --> 00:49:43: I wanted to hear from Jan also on two more

00:49:43 --> 00:49:47: things, but we have a question from one of the

00:49:47 --> 00:49:47: attendees.

00:49:49 --> 00:49:51: It is covered partially already because it says regarding the

00:49:51 --> 00:49:54: sustainability in real estate, what are the most important

00:49:54 --> 00:49:57: aspects

00:49:54 --> 00:49:57: for building and use and how can we measure the

00:49:57 --> 00:49:58: added value brought by sustainability?

00:49:59 --> 00:50:03: I haven't been coming to that question yet because I

00:50:03 --> 00:50:06: feel like we've spoken about the value that can be
00:50:06 --> 00:50:11: already considered at the beginning already of such
repositions or
00:50:11 --> 00:50:13: transformed projects.
00:50:13 --> 00:50:17: But is there any other way that you see that
00:50:18 --> 00:50:21: those measures can add value?
00:50:22 --> 00:50:23: And can be considered.
00:50:24 --> 00:50:24: Yeah.
00:50:24 --> 00:50:27: I mean like a little bit, as I said, like
00:50:27 --> 00:50:31: the like the measure you take when you use your
00:50:31 --> 00:50:35: renovation or not going to impact financially the same people.
00:50:36 --> 00:50:40: So for example, putting more complex or more elaborated
materials
00:50:40 --> 00:50:44: is going to impact like the developer and the investor.
00:50:44 --> 00:50:48: But if that enables consumption savings, it's more going to
00:50:48 --> 00:50:51: be the person who occupies the building that's going to
00:50:51 --> 00:50:52: benefit from it.
00:50:52 --> 00:50:57: So it's interesting, it's important to understand like when
financial
00:50:57 --> 00:51:01: repercussion or a particular solution are are going to hit
00:51:01 --> 00:51:05: just regarding like the operation phase, which of course we're
00:51:05 --> 00:51:09: a little bit less involved in because once we hand
00:51:09 --> 00:51:12: over the building, there's not much we can do.
00:51:12 --> 00:51:15: But I think where we try to anticipate strongly is
00:51:15 --> 00:51:20: user behaviour and especially for example like for passive
building
00:51:20 --> 00:51:23: or semi passive building which are for example, we're going
00:51:23 --> 00:51:27: to have a particular type of solar shading deploying at
00:51:27 --> 00:51:30: the time of the day or kind of night discharge
00:51:30 --> 00:51:33: where windows going to open so that the building can
00:51:33 --> 00:51:37: kind of cool down when it's not occupied at night
00:51:37 --> 00:51:37: etcetera.
00:51:38 --> 00:51:41: This kind of technology can go quite wrong if the
00:51:41 --> 00:51:44: manager of the building doesn't understand how it's
supposed to
00:51:44 --> 00:51:44: work.
00:51:44 --> 00:51:47: And I think there's been quite a few sad example
00:51:47 --> 00:51:50: of of building that was supposed to be passive that
00:51:50 --> 00:51:53: end up over consuming just because it's a it's a
00:51:53 --> 00:51:56: delicate like thermodynamics balance.
00:51:56 --> 00:51:59: So I would say kind of understanding the complexity of
00:51:59 --> 00:52:02: the system you put in place and being realistic about
00:52:02 --> 00:52:05: how bothered or not bothered and how much time there's

00:52:05 --> 00:52:08: going to, people are going to have to move in
00:52:08 --> 00:52:10: the building and understand how it functions.
00:52:11 --> 00:52:14: And then maybe the other things that we didn't really
00:52:14 --> 00:52:14: talked about.
00:52:16 --> 00:52:21: It's also like what behaviour does your building generate.
00:52:21 --> 00:52:24: So for example how you how people commuting to the
00:52:24 --> 00:52:27: office, like is there sufficient bike parking, is there a
00:52:27 --> 00:52:30: nice shower that you can use when you arrive So
00:52:30 --> 00:52:33: you can you know do your half an hour of
00:52:33 --> 00:52:36: bike and arrive and still have a comfortable day at
00:52:36 --> 00:52:36: work.
00:52:37 --> 00:52:39: You know how many outdoor space it is.
00:52:39 --> 00:52:42: So I think there's also and also like I think
00:52:42 --> 00:52:45: that's with some of our clients who had a big
00:52:45 --> 00:52:49: reflection on what food is available in the neighbourhood and
00:52:49 --> 00:52:53: like whether it's we should implant, implement like like
restaurants
00:52:54 --> 00:52:58: in that particular building because transportation, food all
have also
00:52:58 --> 00:53:00: like very big carbon impacts.
00:53:00 --> 00:53:04: And there if things are painless, people are going to
00:53:04 --> 00:53:05: happily switch habit.
00:53:05 --> 00:53:07: But if it's very painful to come to the office
00:53:07 --> 00:53:10: and a bike like very little people are going to
00:53:10 --> 00:53:10: do that.
00:53:10 --> 00:53:13: So I would say like operation phase for me is
00:53:13 --> 00:53:15: a lot about these concerns as well.
00:53:17 --> 00:53:21: And then on the added value, I think it's I
00:53:21 --> 00:53:26: think for for I think for me the there's a
00:53:26 --> 00:53:27: few things.
00:53:27 --> 00:53:31: I think the EU taxonomy is going to definitely increase
00:53:31 --> 00:53:34: the value of of buildings that are compliant because there's
00:53:34 --> 00:53:38: certain funds they're just going to stop investing in portfolio
00:53:38 --> 00:53:40: that they are not compliant.
00:53:40 --> 00:53:43: And I think for occupiers it's so for for example
00:53:43 --> 00:53:46: like I hope there's no one from AXA work in
00:53:46 --> 00:53:50: the cold but like maybe they are but like working
00:53:50 --> 00:53:54: on AXA headquarters was very important because they were
we
00:53:54 --> 00:53:57: are this very old company and it's an issue for
00:53:57 --> 00:54:00: us to attract young talents because we have this image
00:54:00 --> 00:54:03: of an old company when I pull start up and
00:54:03 --> 00:54:06: then so how can we do a headquarters that kind

00:54:06 --> 00:54:09: of revisit the image that we have.

00:54:09 --> 00:54:12: And I think that was a very important question because

00:54:12 --> 00:54:14: it was kind of a long term value for them

00:54:14 --> 00:54:17: as well like because hiring is is you know people

00:54:17 --> 00:54:19: are one of the main value of companies.

00:54:20 --> 00:54:22: So I would say also that like the ecosystem you

00:54:22 --> 00:54:25: create and the talent you manage to retain in a

00:54:25 --> 00:54:26: in a nice building.

00:54:28 --> 00:54:29: Thank you, Elena.

00:54:29 --> 00:54:29: We.

00:54:29 --> 00:54:30: Maybe Ariana, if I, if you know, if I can

00:54:31 --> 00:54:31: add to that.

00:54:31 --> 00:54:34: I think because the question was also about like you

00:54:34 --> 00:54:36: know the, the, the how does incremental changes can

00:54:37 --> 00:54:39: transfer

00:54:39 --> 00:54:39: into your value, how you can measure that and so

00:54:39 --> 00:54:39: on.

00:54:39 --> 00:54:43: I think well layout measures completely, completely valid.

00:54:43 --> 00:54:45: And I I would stress even more this, this element

00:54:45 --> 00:54:48: of marketability that there are some buildings that might

00:54:48 --> 00:54:52: become

00:54:48 --> 00:54:52: basically obsolete and difficult to transact in the future

00:54:52 --> 00:54:55: because

00:54:52 --> 00:54:55: environmental parties today also apart for due diligence for

00:54:55 --> 00:54:56: majority

00:54:55 --> 00:54:56: of the investors.

00:54:56 --> 00:54:59: And then a second component of that and maybe you

00:54:59 --> 00:55:02: can relate to that is, is the financing and there

00:55:02 --> 00:55:06: are also certain requirements on the side of the banks

00:55:06 --> 00:55:09: which some buildings may find quite strict and then also

00:55:09 --> 00:55:12: like to to to to allude very, very, very shortly

00:55:12 --> 00:55:14: to to how you can measure that.

00:55:14 --> 00:55:17: There are a lot of changes that you can implement

00:55:17 --> 00:55:19: that in fact have a CapEx behind it, but are

00:55:19 --> 00:55:22: influencing your income from the from that building.

00:55:22 --> 00:55:24: Generally as a, you know as a occupier you probably

00:55:24 --> 00:55:27: have a basket to allocate whether that's a store, whether

00:55:27 --> 00:55:29: that's an office, whether that's a warehouse.

00:55:30 --> 00:55:33: And if you can pay them less for energy consumption

00:55:33 --> 00:55:36: that you're having because the building is is better term

00:55:36 --> 00:55:40: approved or you use less water because there is a

00:55:40 --> 00:55:44: better circulation system or whatever that's usually can be or

00:55:44 --> 00:55:47: depending obviously on the again demand supply.

00:55:47 --> 00:55:48: But it's generalizing.

00:55:48 --> 00:55:51: It can be reflected somehow in the amount of money

00:55:51 --> 00:55:54: you're earning at the end from this specific tenant and

00:55:54 --> 00:55:57: how he allocates this box, this basket between his costs

00:55:57 --> 00:56:00: and and what he's paying you as a pure rent

00:56:00 --> 00:56:01: or like a pure income.

00:56:02 --> 00:56:04: So again, generalizing a lot, but I think it's it's

00:56:04 --> 00:56:06: a very financial topic as well.

00:56:08 --> 00:56:11: With with a lot of impact down the chain right

00:56:11 --> 00:56:14: up and occupier and in terms of him his usage

00:56:14 --> 00:56:17: as well in terms of as you say costs but

00:56:17 --> 00:56:20: also as Leila said in in terms of anticipating their

00:56:20 --> 00:56:22: behaviour as well.

00:56:22 --> 00:56:22: So this is.

00:56:22 --> 00:56:23: Exactly.

00:56:25 --> 00:56:27: Really quickly, because we have 4 minutes and there's one

00:56:27 --> 00:56:29: more question in the chat.

00:56:29 --> 00:56:31: But Jan, I did want to hear from you also

00:56:31 --> 00:56:33: on a different topic.

00:56:33 --> 00:56:37: Before the webinar you mentioned we've been talking, Joey

00:56:37 --> 00:56:40: told

00:56:40 --> 00:56:45: us about the 3DS that are occupying us a lot,

00:56:45 --> 00:56:50: a lot of the conversations in industry, digitalization, Decarbon

00:56:50 --> 00:56:55: graphics.

00:56:55 --> 00:56:57: And Jan, you mentioned deglobalization, which is a very valid

00:56:57 --> 00:56:58: point to speak about, especially talking as and to young

00:56:58 --> 00:57:01: leaders right now.

00:56:59 --> 00:57:01: Jan, tell us more about this.

00:57:01 --> 00:57:04: Well, I think it's not by no means, I'm an

00:57:04 --> 00:57:04: expert, by no means a topic for four minutes I

00:57:04 --> 00:57:07: think.

00:57:07 --> 00:57:09: So it's just very shortly.

00:57:09 --> 00:57:12: I think you know this is also a part of

00:57:12 --> 00:57:15: a trend which Lila in fact mentioned on the on

00:57:15 --> 00:57:18: the topic of the data centres and I think it

00:57:18 --> 00:57:20: would be important what what is your overall strategy.

00:57:20 --> 00:57:24: I I think we have a we have a year

00:57:24 --> 00:57:28: with a record 60 something or 60 elections all across

00:57:28 --> 00:57:30: the globes war at least into two regions, one close

00:57:30 --> 00:57:31: to me and close to my heart.

00:57:31 --> 00:57:35: And then there are so many uncertainties you need to

00:57:35 --> 00:57:39: address that it's not a surprise that business leaders and

00:57:39 --> 00:57:42: decision makers are trying to shorten the value chains.

00:57:42 --> 00:57:44: That concerns logistics a lot.

00:57:44 --> 00:57:47: That concerns data centres where you want your data to

00:57:47 --> 00:57:50: be stored and how and and probably like you know

00:57:50 --> 00:57:53: then short services that's offices and so on.

00:57:53 --> 00:57:56: So I think it's a very broad topic and it's

00:57:56 --> 00:57:59: and I think it's an interesting reverse of the paradigm

00:57:59 --> 00:58:03: because for years it was about the globalization and going

00:58:03 --> 00:58:06: where the cost was lower whereas now I think we

00:58:06 --> 00:58:09: my, I don't know how it will play out.

00:58:09 --> 00:58:12: I'm not an expert geopolitics or anything like that, but

00:58:13 --> 00:58:13: it's it.

00:58:13 --> 00:58:16: It will be interesting to watch how those big trends

00:58:16 --> 00:58:19: play out and I think it's a it's it's a

00:58:19 --> 00:58:21: factor as well to be to be aware of.

00:58:23 --> 00:58:24: Thank you, Yan.

00:58:24 --> 00:58:28: Taking a quick look at the question from Sophie, maybe

00:58:28 --> 00:58:31: Sophie, maybe you can catch up with Lady and Aftermath,

00:58:31 --> 00:58:34: because I do think that we have literally one minute

00:58:34 --> 00:58:36: left where I wanted to thank you both.

00:58:36 --> 00:58:39: See if you have anything else that you would like

00:58:39 --> 00:58:40: to share with us that's urgent.

00:58:40 --> 00:58:44: And Yana, I also want to congratulate you on the

00:58:44 --> 00:58:47: new position that you've taken also with a new Li

00:58:47 --> 00:58:51: as the new National chair for the the young leaders.

00:58:51 --> 00:58:53: And you've, I think you've done also the exec in

00:58:53 --> 00:58:53: Poland, right?

00:58:53 --> 00:58:54: Poland and check.

00:58:54 --> 00:58:56: Yes, yes, thanks a lot.

00:58:56 --> 00:58:56: Thanks a lot for that.

00:58:56 --> 00:58:59: And as I have this last opportunity to speak, thanks

00:58:59 --> 00:59:01: for all the audience for, for, for, for this one

00:59:01 --> 00:59:03: hour of patience joining us.

00:59:04 --> 00:59:06: Thank you, thank you, thank you, Lalia.

00:59:08 --> 00:59:08: Yeah.

00:59:08 --> 00:59:10: Thank you very much both for.

00:59:10 --> 00:59:14: I really enjoyed the discussion and thanks for the audience

00:59:14 --> 00:59:18: for listening and indeed like if there's any remaining question,

00:59:18 --> 00:59:22: feel free to reach through LinkedIn or any other media.

00:59:23 --> 00:59:24: Perfect.

00:59:24 --> 00:59:24: Thank you so much.

00:59:24 --> 00:59:27: I think we've heard today from Joey as well.

00:59:27 --> 00:59:30: Great Reset and Radical Rethink.

00:59:30 --> 00:59:33: Those are the two key points that I'm taking with
00:59:33 --> 00:59:35: me and Lelia Yan.
00:59:35 --> 00:59:39: As you have very much underlined, educating ourselves will
be
00:59:39 --> 00:59:41: key for the next generation to come.
00:59:42 --> 00:59:43: Thank you so much.
00:59:44 --> 00:59:48: Buddy and thanks to our fabulous panelists and moderator.

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