



Webinar

Tenant-Owner Partnerships for Net Zero in Asia-Pacific

Date: December 18, 2025

00:00:01 --> 00:00:01: OK.

00:00:02 --> 00:00:06: I'm going to get started and thank you for everyone

00:00:06 --> 00:00:07: for joining.

00:00:07 --> 00:00:08: Welcome, everyone.

00:00:09 --> 00:00:13: And today we're going to be talking about working towards

00:00:13 --> 00:00:17: Netzero and talking about the tenant and owner partnerships

00:00:17 --> 00:00:18: and

00:00:17 --> 00:00:18: how they've been evolving.

00:00:19 --> 00:00:24: So I'm Vidhyavani Krishnan, research Manager focusing on

00:00:24 --> 00:00:25: sustainability and

00:00:24 --> 00:00:25: resilience at ULI.

00:00:26 --> 00:00:29: And today we're going to be digging into how owners

00:00:30 --> 00:00:33: and tenants can and honestly need to work together if

00:00:33 --> 00:00:37: we're going to make real progress on decarbonisation across

00:00:38 --> 00:00:39: the

00:00:38 --> 00:00:39: real estate sector.

00:00:41 --> 00:00:44: And to help us unpack all of this, we have

00:00:44 --> 00:00:47: three amazing experts with us today on this panel.

00:00:47 --> 00:00:52: Phoebe Long is the Senior manager for Sustainable

00:00:52 --> 00:00:53: Development at

00:00:52 --> 00:00:53: Swire Properties.

00:00:54 --> 00:01:00: Next is Andrew McPherson, Executive director and head of

00:01:00 --> 00:01:03: asset

00:01:00 --> 00:01:03: development for AIPAC at JLL.

00:01:03 --> 00:01:08: And finally, Jonathan Tong, Vice president at PAG.

00:01:09 --> 00:01:11: I'm really excited to dive into this conversation with all

00:01:11 --> 00:01:12: of you.

00:01:12 --> 00:01:15: I mean, we've been talking about it right before this

00:01:15 --> 00:01:16: call and last week.

00:01:16 --> 00:01:18: So we've got a lot of things that we need

00:01:18 --> 00:01:21: to discuss and you're you're bringing a lot of diverse

00:01:21 --> 00:01:23: set of experiences and perspectives here.

00:01:23 --> 00:01:26: So there's going to be a really good discussion.

00:01:27 --> 00:01:30: And a few housekeeping notes is that we'll be digging

00:01:30 --> 00:01:32: audience Q&A at the end.

00:01:32 --> 00:01:36: So please drop them into the Q&A chat as they

00:01:36 --> 00:01:37: come to mind.

00:01:45 --> 00:01:47: All right, so here's a quick.

00:01:47 --> 00:01:50: Look at what we'll dive into during this hour.

00:01:50 --> 00:01:53: So first, I'll start with a brief intro to ULI

00:01:53 --> 00:01:56: and then give an overview of our five part primer

00:01:56 --> 00:02:01: series, the tenant Primer series of tenant owner engagement, followed

00:02:01 --> 00:02:03: by a quick kick off poll.

00:02:03 --> 00:02:08: And then our panelists will share their knowledge about the

00:02:08 --> 00:02:13: market overview and their tenant engagement program and experiences from

00:02:13 --> 00:02:15: the tenant perspective as well.

00:02:16 --> 00:02:18: And then we'll have a panel discussion and dive into

00:02:18 --> 00:02:19: more details.

00:02:19 --> 00:02:19: Of.

00:02:19 --> 00:02:23: Your various practices and experiences.

00:02:23 --> 00:02:25: And then finally, we'll close with the Q&A from the

00:02:26 --> 00:02:26: audience.

00:02:29 --> 00:02:29: OK.

00:02:36 --> 00:02:39: Yeah, So 1 of Uli's top mission priorities is our

00:02:39 --> 00:02:43: net 0 mission, where we aim to accelerate decarbonisation in

00:02:43 --> 00:02:45: the real estate sector.

00:02:46 --> 00:02:50: And according to the latest IPCC projections, the global economy

00:02:50 --> 00:02:53: needs to reduce greenhouse gas emissions to net 0 by

00:02:53 --> 00:02:57: 2050 or risk the most extreme, irreversible impacts of climate

00:02:57 --> 00:02:57: change.

00:02:58 --> 00:03:01: And we've heard this a lot, right, With the building

00:03:01 --> 00:03:02: sector contributing to.

00:03:02 --> 00:03:02: Like.

00:03:02 --> 00:03:08: 40% of global emissions, The city's countries, investors, developers and

00:03:08 --> 00:03:12: tenants are looking to the sector to meet these reduction

00:03:12 --> 00:03:12: goals.

00:03:19 --> 00:03:23: And this is where UL is real estate journey kicks

00:03:23 --> 00:03:24: in.

00:03:26 --> 00:03:29: And for net zero, seen here on the right side

00:03:29 --> 00:03:33: of the screen, tenant engagement is an important piece of

00:03:33 --> 00:03:34: the cycle.

00:03:34 --> 00:03:38: And we run this research through our decarbonisation

program that

00:03:38 --> 00:03:41: green the Greenprint community works closely with.

00:03:42 --> 00:03:47: And this green Greenprint is a global community of practice

00:03:47 --> 00:03:52: of about one more than 130 owners, developers and investors

00:03:52 --> 00:03:56: who have this shared commitment to sustainability.

00:03:56 --> 00:04:00: And we tap into this Greenprint member base for our

00:04:00 --> 00:04:05: research to feature and reports papers, articles, and participate.

00:04:05 --> 00:04:07: Inconvenience and webinars like this.

00:04:07 --> 00:04:11: And actually Swire Properties and JLL have also contributed to

00:04:11 --> 00:04:14: the Tenant Primer series that I will be speaking about

00:04:14 --> 00:04:15: shortly.

00:04:15 --> 00:04:19: And if you're interested in joining the Greenprint community, please

00:04:19 --> 00:04:20: e-mail us.

00:04:21 --> 00:04:24: Jenny, can you drop the e-mail in the chat for

00:04:24 --> 00:04:26: those who want to join us?

00:04:29 --> 00:04:33: All right, OK, so going back to.

00:04:33 --> 00:04:34: Why tenants?

00:04:35 --> 00:04:39: Like I mentioned earlier, the built environment accounts for around

00:04:39 --> 00:04:43: 40% of global emissions and in dense urban areas, buildings

00:04:43 --> 00:04:46: can account for up to 70% of the examinations.

00:04:48 --> 00:04:52: Taking a look at the Architecture 2030 pie chart here

00:04:52 --> 00:04:55: on the right, we see that 40% of global emissions

00:04:55 --> 00:04:59: are accounted for by the built environment, and 20% of

00:04:59 --> 00:05:03: that can be attributed to building operations.

00:05:03 --> 00:05:08: And with most buildings being tenant occupied, it's clear that

00:05:08 --> 00:05:12: critical piece of the puzzle is their emissions, right?

00:05:12 --> 00:05:15: And tenant spaces in fact can represent more than half

00:05:15 --> 00:05:17: a building's total energy use.

00:05:18 --> 00:05:23: And so for whole building decarbonisation to truly be successful,

00:05:23 --> 00:05:27: the tenants and owners just simply have to work together.

00:05:27 --> 00:05:29: There is no other ways about it.

00:05:30 --> 00:05:33: And so we've heard from several members who are developers

00:05:33 --> 00:05:35: that they want to learn how to better collaborate with

00:05:35 --> 00:05:37: tenants on this journey.

00:05:40 --> 00:05:44: And there's also a really strong business case for that

00:05:44 --> 00:05:47: both for both the tenants and the owners.

00:05:47 --> 00:05:51: So owners can reap increased property value from reducing

energy

00:05:51 --> 00:05:56: costs, increasing resiliency and improving sustainability features.

00:05:56 --> 00:06:00: And these features help attract and retain tenants and even

00:06:00 --> 00:06:05: increase net operating income through higher rents and lower operational

00:06:05 --> 00:06:05: costs.

00:06:06 --> 00:06:09: And for the tenants on the on the other hand,

00:06:09 --> 00:06:14: the benefit from meeting any corporate emission reduction goals they

00:06:14 --> 00:06:18: may have, they might also get lower utility bills, improve

00:06:18 --> 00:06:22: overall occupant well-being, and for an office tenant, this can

00:06:23 --> 00:06:27: even help with employee satisfaction and productivity, which a lot

00:06:27 --> 00:06:29: of tenants are thinking about now.

00:06:31 --> 00:06:32: So.

00:06:32 --> 00:06:35: Why is this collaboration trickier than it seems if it

00:06:35 --> 00:06:37: if you know both tenants and owners benefit?

00:06:38 --> 00:06:42: The thing is, tenants and are responsible for a significant

00:06:42 --> 00:06:46: portion of emissions, but owners are often held responsible for

00:06:47 --> 00:06:50: decarbonisation, so this creates the split incentive issue.

00:06:51 --> 00:06:54: So why should one party pay for improvement while the

00:06:54 --> 00:06:55: other gets to benefit?

00:06:56 --> 00:07:00: For instance, an owner might install solar panels, but it's

00:07:00 --> 00:07:03: a tenant that gets to reduce utility bill.

00:07:05 --> 00:07:10: So this misalignment discourages investments in upgrades, even if they

00:07:10 --> 00:07:12: are cost effective overall.

00:07:15 --> 00:07:17: So This is why we.

00:07:17 --> 00:07:21: Created the five part primer series on tenant and owner

00:07:21 --> 00:07:23: engagement strategies.

00:07:24 --> 00:07:28: Each primer covers a tenant owner engagement strategy that helps

00:07:28 --> 00:07:31: with overcoming the split incentive and reaching net zero.

00:07:32 --> 00:07:34: And you can find the series at the QR code

00:07:34 --> 00:07:35: on the screen.

00:07:36 --> 00:07:38: So if you scan that, you will get a link

00:07:38 --> 00:07:41: that will take you to all these five reports.

00:07:44 --> 00:07:46: All right, so let's dig into each strategy.

00:07:48 --> 00:07:51: So green leasing is a big one, right?

00:07:51 --> 00:07:56: Green leasing language helps align owners and tenants on sustainability

00:07:56 --> 00:07:59: goals, helping overcome the split incentive.

00:07:59 --> 00:08:03: So this can include incorporating cost recovery clauses or building

00:08:03 --> 00:08:09: mechanisms, building mechanisms that generate trust and defined responsibilities and

00:08:09 --> 00:08:10: benefits to both.

00:08:10 --> 00:08:11: Parties.

00:08:13 --> 00:08:13: Data sharing.

00:08:13 --> 00:08:17: So whole building data sharing is highly coveted and it

00:08:17 --> 00:08:20: requires several stakeholders working together.

00:08:20 --> 00:08:24: Ultimately, you can't manage what you don't measure, and energy

00:08:25 --> 00:08:29: and building performance data are foundational to achieving net 0

00:08:29 --> 00:08:30: structures.

00:08:30 --> 00:08:34: And without accurate and shared data, it's difficult to even

00:08:34 --> 00:08:39: set credible targets, monitor progress and optimise building operations.

00:08:42 --> 00:08:45: So the third primer was on tenant fit outs, which

00:08:45 --> 00:08:48: is the process of making a space ready and functional

00:08:48 --> 00:08:50: for a tenants needs.

00:08:50 --> 00:08:55: Fit outs present a unique opportunity to improve energy efficiency

00:08:55 --> 00:08:57: and reduce embodied carbon.

00:08:58 --> 00:09:02: The owners and tenants should collaborate much early in the

00:09:02 --> 00:09:07: design process to prioritise efficient layouts, modular systems, low carbon

00:09:07 --> 00:09:09: materials, things like that.

00:09:13 --> 00:09:16: The 4th 1 was behaviour change and it is the

00:09:16 --> 00:09:21: human side of decarbonisation and this primer emphasizes how owners

00:09:21 --> 00:09:27: can encourage sustainable behaviour change amongst tenants through strategies like

00:09:27 --> 00:09:33: incentives, nudges, gamification of sustainability actions, and when individual habits

00:09:34 --> 00:09:39: align with a building's overall system performance, the collective carbon

00:09:39 --> 00:09:41: reduction can be substantial.

00:09:45 --> 00:09:50: Our last primer was about harnessing renewable energy, which makes

00:09:50 --> 00:09:55: a case for renewable integration, discussing various solar billing strategies,

00:09:55 --> 00:10:00: battery storage, offset renewables, and grid interactivity, and how these

00:10:00 --> 00:10:03: strategies can overcome the split incentive.

00:10:06 --> 00:10:09: So to kick us off, I want to get a

00:10:09 --> 00:10:11: better sense of priorities.

00:10:11 --> 00:10:15: So pull out your phones or laptops and use the

00:10:15 --> 00:10:18: QR code or URL to access Slido.

00:10:18 --> 00:10:22: And let's answer this question based on what we've discussed

00:10:22 --> 00:10:27: so far, which of the aforementioned strategies would you prioritise

00:10:27 --> 00:10:32: to comply with regulations, slower emissions and foster collaboration between

00:10:32 --> 00:10:34: owner and tenants?

00:10:34 --> 00:10:36: You can rank the strategies.

00:10:37 --> 00:10:38: I'll give it a minute.

00:11:30 --> 00:11:30: OK.

00:11:30 --> 00:11:35: So green leasing and data sharing as expected, these two

00:11:35 --> 00:11:37: are the top priorities.

00:11:37 --> 00:11:40: This shows that there are clear.

00:11:40 --> 00:11:45: Responsibilities and expectations, having actionable data are and these are

00:11:45 --> 00:11:48: foundational for a net 0 strategy.

00:11:48 --> 00:11:49: All right.

00:11:49 --> 00:11:51: Thank you for your participation on that.

00:11:53 --> 00:11:53: OK.

00:11:53 --> 00:11:56: So now that we're level set on where the audience

00:11:56 --> 00:11:58: is coming from, I am going to pass it off

00:11:58 --> 00:12:01: to Andrew from JLL to give us the overview of

00:12:01 --> 00:12:05: the market trends on green buildings and what that implies

00:12:05 --> 00:12:07: for tenant and owner relationships.

00:12:09 --> 00:12:09: Great.

00:12:09 --> 00:12:10: Thanks very much.

00:12:10 --> 00:12:10: Vidya.

00:12:11 --> 00:12:14: Obviously I agree with all those points that you that

00:12:14 --> 00:12:15: you made earlier.

00:12:15 --> 00:12:18: I've pulled together a few slides which contain quite a

00:12:18 --> 00:12:21: lot of market data and some facts and figures.

00:12:21 --> 00:12:24: So hopefully we can bring those key points to life.

00:12:25 --> 00:12:27: So at JLL we we provide a wide range of

00:12:28 --> 00:12:34: services for corporate occupiers, including leasing, facility management, workplace design

00:12:34 --> 00:12:36: and also construction.

00:12:36 --> 00:12:39: So we do have a huge amount of data on

00:12:39 --> 00:12:41: tenant preferences and future plans.

00:12:42 --> 00:12:45: And as you can see on this recent occupier survey,

00:12:45 --> 00:12:49: we've found a high proportion and an increasing proportion of

00:12:49 --> 00:12:54: tenants are actually deselecting buildings that are not, for example,

00:12:54 --> 00:12:59: resilient to climate risk or don't meet their sustainability requirements.

00:13:01 --> 00:13:05: That said, in addition to ESG credentials, tenants are

00:13:05 --> 00:13:10: also looking closely at the amenities and performance of the

00:13:10 --> 00:13:15: building in search of better human experience for their employees

00:13:15 --> 00:13:19: when they're choosing the the best building to occupy.

00:13:21 --> 00:13:24: So if we go on to the next slide, you'll

00:13:24 --> 00:13:29: see some recent JLL research on green certified buildings.

00:13:29 --> 00:13:31: So this is a league table of, of grade A

00:13:31 --> 00:13:33: office buildings in Asia pack.

00:13:34 --> 00:13:37: As you can see, top of the league there is

00:13:37 --> 00:13:42: Singapore with 95% of grade A buildings are green certified.

00:13:42 --> 00:13:46: And and as a result, essentially there's no real green

00:13:46 --> 00:13:49: premium in Singapore because it's a kind of level playing

00:13:50 --> 00:13:50: field.

00:13:50 --> 00:13:54: All of the best buildings are green certified, but that

00:13:54 --> 00:13:58: small percentage that are not are really suffering from what

00:13:58 --> 00:14:01: we call a brown discount and tenants are kind of

00:14:01 --> 00:14:02: deselecting those buildings.

00:14:03 --> 00:14:07: If I pick out Hong Kong where I'm based, you'll

00:14:07 --> 00:14:11: see that only 49% of grade A buildings are green

00:14:11 --> 00:14:12: certified.

00:14:13 --> 00:14:17: And our data definitely proves that these buildings at the

00:14:17 --> 00:14:22: moment do achieve higher levels of occupancy and they're also

00:14:22 --> 00:14:27: renting at relatively higher, higher rates than their non green

00:14:27 --> 00:14:29: certified neighbors.

00:14:31 --> 00:14:34: On the next slide, I've I've gone into a bit

00:14:34 --> 00:14:38: more detail in terms of the tenant decision making process

00:14:38 --> 00:14:42: and we've, we've ranked here a number of factors that

00:14:42 --> 00:14:46: tenants evaluate when they consider new leases.

00:14:48 --> 00:14:52: So occupancy cost, location and the grade of the building

00:14:52 --> 00:14:56: are still the most important factors that tenants take into

00:14:56 --> 00:14:57: account.

00:14:57 --> 00:15:02: But as you can see there, sustainability, technology, human

00:15:02 --> 00:15:05: experience,

00:15:05 --> 00:15:07: the reputation of the landlord, for example, are by no

00:15:07 --> 00:15:10: means insignificant.

00:15:07 --> 00:15:10: And in fact, it's a kind of balancing act by

00:15:10 --> 00:15:11: tenants.

00:15:11 --> 00:15:15: So they're looking at those key factors of location and
00:15:15 --> 00:15:19: cost, but they're also weighing up what are the benefits
00:15:20 --> 00:15:25: that the building provides in terms of talent, attraction,
productivity,
00:15:25 --> 00:15:28: that type of thing for their staff.
00:15:28 --> 00:15:32: So it really is a kind of overall evaluation and
00:15:32 --> 00:15:37: as I say, sustainability technology and experience are are
moving
00:15:37 --> 00:15:39: up the the league table.
00:15:40 --> 00:15:43: A good example of this, I think the Henderson in
00:15:43 --> 00:15:48: Hong Kong, tenants are definitely paying higher rents to
occupy
00:15:48 --> 00:15:49: that building.
00:15:49 --> 00:15:52: And it's not really because of its location, it's not
00:15:52 --> 00:15:56: the best location in Hong Kong, but it does have
00:15:56 --> 00:15:57: a distinctive design.
00:15:57 --> 00:16:01: It's got fantastic amenities and it's highly certified.
00:16:01 --> 00:16:04: So clearly tenants are choosing to pay a bit of
00:16:04 --> 00:16:07: a premium for that kind of performance.
00:16:08 --> 00:16:12: So on the on the next slide, what I've done
00:16:12 --> 00:16:17: here is kind of summarize what we're seeing in new
00:16:17 --> 00:16:23: building design kind of range of of amenities and
specifications
00:16:23 --> 00:16:28: that most of the Grade A buildings are being built
00:16:28 --> 00:16:28: to.
00:16:29 --> 00:16:31: So if I if I make reference to to real
00:16:32 --> 00:16:36: examples in Hong Kong, I've mentioned the Henderson High
Sands
00:16:36 --> 00:16:39: Lee Garden 8 is, is very well specified Hong Kong
00:16:39 --> 00:16:43: land with their one Causeway Bay and right next to
00:16:43 --> 00:16:46: me here in Taikoo Place and two Taikoo Place from
00:16:46 --> 00:16:47: Swire.
00:16:47 --> 00:16:52: So these are all setting much higher standards in terms
00:16:52 --> 00:16:55: of amenities, specifications, ESG and IT.
00:16:57 --> 00:16:59: The evidence of that is basically what we call in
00:16:59 --> 00:17:00: the flight to quality.
00:17:00 --> 00:17:04: So that's resulting in quite a bifurcation of the market
00:17:04 --> 00:17:08: and forces owners of older buildings that maybe when they
00:17:08 --> 00:17:12: were built they were classified as grade A, but they've
00:17:12 --> 00:17:15: now dropped to kind of grade A minus or even
00:17:15 --> 00:17:15: grade B.
00:17:16 --> 00:17:19: So in order to protect the value of their buildings,
00:17:19 --> 00:17:23: they really have no choice but to upgrade them and

00:17:23 --> 00:17:26: try and retrofit as many of these kind of features
00:17:26 --> 00:17:28: and amenities as they can.
00:17:29 --> 00:17:32: So on the, on the next slide, I've just summarized
00:17:32 --> 00:17:36: the, you know, the main areas of upgrading as, as
00:17:36 --> 00:17:40: you would expect, you know, the key themes obviously align
00:17:40 --> 00:17:44: with what's important to, to tenants and occupiers.
00:17:45 --> 00:17:49: So sustainability is a, is a major area where landlords
00:17:49 --> 00:17:54: are upgrading their buildings to achieve sustainability
certification.
00:17:55 --> 00:17:58: But also I'll show on a later slide, there's definitely
00:17:58 --> 00:18:03: some win, win opportunities with sustainability upgrades
because obviously they've
00:18:03 --> 00:18:07: reduced energy consumption and that saving can potentially
be shared
00:18:07 --> 00:18:09: between landlord and tenant.
00:18:09 --> 00:18:12: As I said, human experience, smart building technology.
00:18:12 --> 00:18:16: So we've probably all seen the growth of wide score
00:18:16 --> 00:18:18: and smart score around the region.
00:18:18 --> 00:18:23: So that's evidence that buildings are being built to or
00:18:23 --> 00:18:26: improving their technology capability.
00:18:27 --> 00:18:31: And then obviously flexibility tenants are really looking for, for
00:18:31 --> 00:18:33: more flexibility going forward.
00:18:34 --> 00:18:37: So on the next slide, I've, I've tried to articulate
00:18:38 --> 00:18:41: what I see as a, as potential win win solutions.
00:18:42 --> 00:18:45: And I think this as we were chatting just before
00:18:45 --> 00:18:49: we went live, the, the landlord tenant relationship has
definitely
00:18:49 --> 00:18:51: evolved over recent years.
00:18:52 --> 00:18:55: So in simple terms, you could say, yes, the landlord
00:18:55 --> 00:18:58: is trying to achieve the highest rent and the tenant
00:18:58 --> 00:18:59: is trying to negotiate a lower rent.
00:19:00 --> 00:19:03: But as you can see, there are a number of
00:19:03 --> 00:19:07: areas where the goals or objectives of the landlord and
00:19:07 --> 00:19:09: tenant can be quite nicely matched.
00:19:10 --> 00:19:13: And by no coincidence that that follows areas such as
00:19:13 --> 00:19:19: human experience, whether it's attracting and retaining
tenants or whether
00:19:19 --> 00:19:23: it's attracting and retaining talent and the brand of the
00:19:23 --> 00:19:28: building and, and obviously everything around ESG and
reducing operating
00:19:28 --> 00:19:28: costs.
00:19:29 --> 00:19:33: And bearing in mind that, yeah, occupancy cost is still
00:19:33 --> 00:19:37: top of the list for tenants, I think there's a

00:19:37 --> 00:19:42: growing opportunity for energy savings and the, the, the magnitude

00:19:42 --> 00:19:46: of those energy savings to potentially be passed on to

00:19:46 --> 00:19:49: tenants through lower management fees.

00:19:49 --> 00:19:52: So that may be an area where the landlord could

00:19:52 --> 00:19:55: make their property a bit more affordable by by passing

00:19:55 --> 00:19:57: on some or all of those savings.

00:19:58 --> 00:20:02: And then on my final slide, I'm pleased to say

00:20:02 --> 00:20:07: the poll came out with green leases as, as perhaps

00:20:07 --> 00:20:10: being the most impactful way forward.

00:20:10 --> 00:20:13: So I, I've just put together a few facts and

00:20:14 --> 00:20:17: figures here around explaining what green leases are.

00:20:19 --> 00:20:22: So as you mentioned vidya, the green leases is basically

00:20:22 --> 00:20:23: a way of documenting.

00:20:24 --> 00:20:28: The the plans of the landlord for improving ESG performance

00:20:28 --> 00:20:31: of their building over time at the at the far

00:20:31 --> 00:20:34: left is what we call the light green lease.

00:20:34 --> 00:20:42: So basically these contain beneficial requirements, but they're non binding

00:20:42 --> 00:20:43: commitments.

00:20:43 --> 00:20:47: So typically form a kind of MOU, whereas at the

00:20:47 --> 00:20:52: other extreme, the dark green lease, they are legally binding

00:20:52 --> 00:20:57: commitments with measurable outcomes and in fact penalties for non

00:20:57 --> 00:20:58: compliance.

00:20:58 --> 00:21:02: So an example of that might be the landlord achieving

00:21:02 --> 00:21:05: a certain level of energy usage intensity by a certain

00:21:05 --> 00:21:06: date.

00:21:07 --> 00:21:10: So clearly from a, from a tenant point of view,

00:21:10 --> 00:21:13: who's kind of mapped out their own ESG journey over

00:21:13 --> 00:21:16: the over the next few years, this is a way

00:21:16 --> 00:21:19: of getting some kind of assurance from the landlord that

00:21:19 --> 00:21:23: they will actually follow through with their plans to achieve

00:21:23 --> 00:21:25: a more sustainable building.

00:21:26 --> 00:21:30: And landlords also see this as a differentiator to attract

00:21:31 --> 00:21:31: tenants.

00:21:32 --> 00:21:36: And I would say looking around the region at the

00:21:36 --> 00:21:40: moment, Australia is, is probably the market leader with a

00:21:40 --> 00:21:44: few legally binding, so-called dark green leases.

00:21:44 --> 00:21:47: I read that the Australian government is a is a

00:21:47 --> 00:21:48: first mover in this area.

00:21:50 --> 00:21:54: They are planning to only occupy buildings going forward that

00:21:55 --> 00:21:58: have a minimum of 5.5 neighbors energy ratings.

00:21:59 --> 00:22:03: Another example in Australia is that a major tenant in
00:22:03 --> 00:22:06: Brookfield's 680 George Street in Sydney.
00:22:07 --> 00:22:11: They've renewed their lease on the basis that they can
00:22:11 --> 00:22:15: break that lease early with no penalty if the landlord
00:22:15 --> 00:22:18: is unable to electrify the building by 2030 to align
00:22:18 --> 00:22:21: with their own net 0 carbon goals.
00:22:21 --> 00:22:24: So that's a quite, quite a major example.
00:22:25 --> 00:22:29: And then finally in Singapore, making some good progress
with
00:22:29 --> 00:22:35: the Building Construction Authority providing green lease tool
kits to
00:22:35 --> 00:22:36: encourage adoption.
00:22:36 --> 00:22:40: And also landlords can be awarded green mark points for
00:22:40 --> 00:22:45: implementing green leases, which I think will further
incentivize the
00:22:45 --> 00:22:46: take up.
00:22:46 --> 00:22:49: So I think the, the, the future looks quite positive
00:22:50 --> 00:22:51: for green leases.
00:22:51 --> 00:22:53: And so back to you, Vidya.
00:22:54 --> 00:22:54: Yeah.
00:22:54 --> 00:22:55: Thank you, Andrew.
00:22:55 --> 00:22:57: I just have one quick, quick question actually.
00:22:57 --> 00:22:59: So the these leases?
00:22:59 --> 00:22:59: Right.
00:22:59 --> 00:23:02: In the markets that you're saying that we have these
00:23:02 --> 00:23:06: dark green leases, is this pressure coming from external
factors
00:23:06 --> 00:23:07: like regulations?
00:23:09 --> 00:23:14: Regulations are are definitely accelerating the move in that
direction.
00:23:14 --> 00:23:19: And as I say some, some markets, governments have been
00:23:19 --> 00:23:23: more robust, let's say in terms of the regulations.
00:23:25 --> 00:23:27: I would say that I mean, in a way it's
00:23:27 --> 00:23:31: quite onerous from a landlord's perspective to sign up to
00:23:31 --> 00:23:35: a certain road map for sustainability, not not knowing what
00:23:35 --> 00:23:39: the future holds in terms of macroeconomics and supply and
00:23:39 --> 00:23:40: demand, etcetera.
00:23:40 --> 00:23:44: So I can see that it's quite, you know, land
00:23:44 --> 00:23:47: landlords are a bit nervous to kind of sign up
00:23:47 --> 00:23:51: and also sign up to potential penalties or, or lease
00:23:51 --> 00:23:52: breaks.
00:23:52 --> 00:23:58: But I think as their own net 0 Carbon Rd.
00:23:58 --> 00:24:01: Maps are firmed up in there and they've committed to

00:24:01 --> 00:24:04: that and they've allocated funding then I I kind of
00:24:04 --> 00:24:07: see no reason why they why they wouldn't put their
00:24:07 --> 00:24:10: money where their mouth is and in so doing in
00:24:10 --> 00:24:13: the early stages be a kind of first mover and
00:24:13 --> 00:24:15: and attract the best tenants.
00:24:15 --> 00:24:16: Right.
00:24:16 --> 00:24:16: Gotcha.
00:24:16 --> 00:24:17: Thank you.
00:24:17 --> 00:24:21: All right, that was a really clear picture on how
00:24:21 --> 00:24:23: the market is shifting.
00:24:23 --> 00:24:26: And so let's now bring it down to the building
00:24:26 --> 00:24:28: perspective with Phoebe's experience.
00:24:30 --> 00:24:31: Over to you, Phoebe.
00:24:32 --> 00:24:36: Thank you, Vidya, and thank you for the opportunity to
00:24:36 --> 00:24:36: share.
00:24:37 --> 00:24:39: I'm from SWY Properties, my name is Phoebe.
00:24:40 --> 00:24:44: I'll give a little bit of background into our sustainability
00:24:44 --> 00:24:48: work and then how our strategies for working with tenants.
00:24:48 --> 00:24:49: Next slide please.
00:24:50 --> 00:24:54: So in 2016, we introduced our sustainable development
00:24:54 --> 00:24:58: vision, which
00:24:59 --> 00:25:00: is to be the leading sustainable development performer in the
00:25:00 --> 00:25:04: industry by 2030.
00:25:04 --> 00:25:08: And in the same year we launched our SD 2030
00:25:08 --> 00:25:10: strategy and partners which include our tenants is a core
00:25:10 --> 00:25:13: part of this strategy as well.
00:25:13 --> 00:25:18: And we see tenants as a as a key partner
00:25:18 --> 00:25:21: for our placemaking and place keeping efforts, which is in
00:25:21 --> 00:25:24: the middle our places pillar and also to help us
00:25:25 --> 00:25:30: to meet our environmental performance.
00:25:30 --> 00:25:33: And these performances include our 1.5?? aligned science
00:25:34 --> 00:25:36: based targets
00:25:37 --> 00:25:41: as well as some of the emerging trends such as
00:25:41 --> 00:25:46: nature related disclosure.
00:25:46 --> 00:25:49: So in 2024, Swipe Properties became the number one in
00:25:49 --> 00:25:53: the Dow Jones Best in Class index globally and that
00:25:53 --> 00:25:55: has been a good milestone for us.
00:25:55 --> 00:25:58: But as all of us know, there is some changes
00:25:58 --> 00:26:02: in the ESG landscape.
00:26:02 --> 00:26:05: And so for us, we also need to think about
what is the value that we can create through sustainability
and tenant engagement is a good showcase for that.

00:26:06 --> 00:26:07: Next slide please.

00:26:09 --> 00:26:11: So just now I think Andrew also touched on this

00:26:12 --> 00:26:14: and I think in the next few slides I will

00:26:14 --> 00:26:17: talk briefly about some of the reasons why we are

00:26:17 --> 00:26:18: working with tenants.

00:26:19 --> 00:26:23: I think firstly to echo the point about the potential

00:26:23 --> 00:26:27: for green premium as well as brown discount, a lot

00:26:27 --> 00:26:31: of our tenants are coming to us looking for specific

00:26:31 --> 00:26:34: ESG performance for the buildings.

00:26:34 --> 00:26:37: So some of them are willing to pay more for

00:26:37 --> 00:26:40: a green building and some are not willing, you know

00:26:40 --> 00:26:43: to pay when they realise that the building has fall

00:26:43 --> 00:26:45: short of the EHG standards.

00:26:45 --> 00:26:48: So that is also an important foundation of our green

00:26:48 --> 00:26:51: building strategy and tenant engagement strategy.

00:26:53 --> 00:26:53: Next slide.

00:26:54 --> 00:26:57: And when we look at our own tenant base, we

00:26:57 --> 00:27:00: also see that these market trends are reflecting it.

00:27:01 --> 00:27:05: So an example is our 202510 Tico Place tenant survey

00:27:05 --> 00:27:09: where about 80% of companies telling us that they actually

00:27:09 --> 00:27:14: have global sustainability goals and some of them are also

00:27:14 --> 00:27:17: translated into more locally specific goals.

00:27:17 --> 00:27:21: So that means that our office tenants are actively seeking

00:27:21 --> 00:27:24: partners in their own sustainability journey.

00:27:24 --> 00:27:28: And as we were talking to them and through our

00:27:28 --> 00:27:32: surveys and also looking at industry research, some of the

00:27:32 --> 00:27:36: top requests from our tenants are data collection and also

00:27:36 --> 00:27:39: to strengthen the technical know how on how to achieve

00:27:39 --> 00:27:41: their environmental goals.

00:27:42 --> 00:27:49: Next slide on another topic regarding retail tenants is a

00:27:49 --> 00:27:55: very different kind of environment for real estate.

00:27:55 --> 00:27:59: But at the same time, sustainability is also becoming more

00:28:00 --> 00:28:04: important as the new generation of consumers are looking for

00:28:04 --> 00:28:09: more sustainability experiences and products that are aligned

00:28:09 --> 00:28:11: with their

00:28:12 --> 00:28:15: sustainable and healthy lifestyle.

00:28:15 --> 00:28:19: So for us as a landlord, this also creates an

00:28:19 --> 00:28:24: opportunity for us to work with retail brands to curate

00:28:24 --> 00:28:28: flagship store designs, products and experiences that would

00:28:28 --> 00:28:29: align with

00:28:28 --> 00:28:28: these emerging values and making our malls a sustainable

00:28:28 --> 00:28:29: retail

00:28:28 --> 00:28:29: destination.

00:28:31 --> 00:28:32: Next slide, please.

00:28:33 --> 00:28:37: So with this backdrop, we have created an ecosystem of

00:28:37 --> 00:28:42: tenant engagement programs that would tailor to the different needs

00:28:42 --> 00:28:44: of different types of tenants.

00:28:44 --> 00:28:49: And amongst these programs, the common themes are sustainable design

00:28:49 --> 00:28:53: and use of the premises, access to some green tools

00:28:53 --> 00:28:58: like smart metering, data sharing, capacity building, business networking and

00:28:58 --> 00:29:00: employee engagement.

00:29:00 --> 00:29:02: And I will spend the next few slides to talk

00:29:02 --> 00:29:05: a little bit more about each of these programs.

00:29:06 --> 00:29:07: Next slide.

00:29:07 --> 00:29:10: So the first one I would like to talk about

00:29:10 --> 00:29:12: is the Green Performance Pledge GPP.

00:29:12 --> 00:29:15: And it is a program that is catered to our

00:29:15 --> 00:29:16: office tenant base.

00:29:17 --> 00:29:21: It is the whole framework is built upon the green

00:29:21 --> 00:29:24: lease model and it covers fit out and operations.

00:29:26 --> 00:29:30: Since we launched this program in 2021, we have about

00:29:30 --> 00:29:34: 200 tenant companies from very diverse sectors as you can

00:29:34 --> 00:29:39: see on the screen say finance, luxury, legal, services, IT

00:29:39 --> 00:29:40: etcetera.

00:29:40 --> 00:29:44: And just this year as we have our celebration event,

00:29:44 --> 00:29:48: we found that there actually have been a 50% increase

00:29:49 --> 00:29:53: in participation in our recognition scheme from on a year

00:29:53 --> 00:29:54: on year basis.

00:29:55 --> 00:29:58: So this program is is growing and is a testament

00:29:58 --> 00:29:59: of the popularity of it.

00:30:00 --> 00:30:03: And as a result, we have incorporated the GPP as

00:30:04 --> 00:30:08: a dedicated green clause in our standard tenancy agreement in

00:30:08 --> 00:30:09: Hong Kong.

00:30:10 --> 00:30:11: Next slide.

00:30:12 --> 00:30:15: So as part of the GPP, we are providing tenants

00:30:15 --> 00:30:19: with an area of green tools, so that includes smart

00:30:19 --> 00:30:24: energy metering and water metering, waste monitoring, as well as

00:30:25 --> 00:30:29: access to some data dashboards on the tenant portal where

00:30:29 --> 00:30:33: they can see their daily and weekly utilities usage and

00:30:33 --> 00:30:35: waste generation.

00:30:35 --> 00:30:39: We also have a capacity building program for office tenants

00:30:39 --> 00:30:44: with quarterly learning experiences and helping their sustainability reps and

00:30:44 --> 00:30:48: green teams to equip with skills to drive change within

00:30:48 --> 00:30:49: their workplace.

00:30:51 --> 00:30:52: Next slide.

00:30:54 --> 00:30:57: So another program that we have is the Green Kitchen

00:30:57 --> 00:30:58: initiative.

00:30:58 --> 00:31:01: And as you can see from the photos, it's focused

00:31:01 --> 00:31:05: on our FMB tenants and that's where Andrew talked about

00:31:05 --> 00:31:06: fitting out.

00:31:06 --> 00:31:10: We started with fitting out for FMB tenants because they

00:31:10 --> 00:31:15: have much higher footprint for energy usage, water usage and

00:31:15 --> 00:31:16: waste generation.

00:31:17 --> 00:31:20: So we work with them from the design process in

00:31:20 --> 00:31:24: order to equip them with more energy efficient equipment, water

00:31:24 --> 00:31:29: saving appliances and also reserve space for waste management.

00:31:29 --> 00:31:32: This program has got good buy in from a lot

00:31:32 --> 00:31:36: of major FMB groups like Maxims and to date we

00:31:36 --> 00:31:40: have about 25% of our FMB lettable floor area as

00:31:40 --> 00:31:41: part of this program.

00:31:42 --> 00:31:43: Next slide.

00:31:44 --> 00:31:47: So in this program we have we focus a lot

00:31:48 --> 00:31:50: on the Technical Support and advice.

00:31:51 --> 00:31:56: The recognition scheme itself has some prerequisites regarding lighting, water

00:31:56 --> 00:31:59: taps and also foot waste separation.

00:31:59 --> 00:32:04: And we also provide additional guidance and recommendations depending on

00:32:04 --> 00:32:06: whether the tenant is in the fit out stage or

00:32:06 --> 00:32:09: whether they have already been operating.

00:32:11 --> 00:32:14: Next slide and the final program that I would I

00:32:14 --> 00:32:18: would introduce today is the green retail partnership.

00:32:18 --> 00:32:22: It's quite brand new last year and this year we

00:32:22 --> 00:32:26: have signed a partnership with LVMH and Caring Group respectively.

00:32:27 --> 00:32:31: And this program has a synergy with our strong retail

00:32:31 --> 00:32:36: LED pipeline with new developments in Xi'an, Sanya and Guangzhou

00:32:36 --> 00:32:40: and also major upgrade projects in the Taikoo Lee and

00:32:40 --> 00:32:42: Taikoo Hey portfolios.

00:32:42 --> 00:32:46: The focus of this partnership is on the new flagship

00:32:46 --> 00:32:51: store design and also on the data sharing and operation

00:32:51 --> 00:32:55: stage as well as knowledge sharing between SWY properties and

00:32:55 --> 00:33:00: these groups on emerging topics like nature, secularity, the EU

00:33:00 --> 00:33:03: taxonomy and climate resilience.

00:33:03 --> 00:33:07: This is a new space that we are very excited

00:33:07 --> 00:33:08: to explore.

00:33:08 --> 00:33:11: So I think All in all, this is a brief

00:33:11 --> 00:33:14: introduction of our tenant engagement programme and very happy to

00:33:14 --> 00:33:17: have more discussion later on in this webinar.

00:33:17 --> 00:33:18: Thank you.

00:33:20 --> 00:33:21: Thank you so much, Phoebe.

00:33:21 --> 00:33:23: Phoebe, do you think I could just chip in?

00:33:23 --> 00:33:25: I think Phoebe's reminded me of something.

00:33:26 --> 00:33:29: I think when I talked about the green leases, I

00:33:29 --> 00:33:33: probably emphasised a bit more on the landlord's obligations.

00:33:33 --> 00:33:37: But as Phoebe mentioned, the tenant also has got a

00:33:37 --> 00:33:42: responsibility, so, you know, low carbon fit outs and deploying

00:33:42 --> 00:33:47: occupancy sensors to enable lights to, to, to switch on

00:33:47 --> 00:33:48: and off.

00:33:48 --> 00:33:51: So there's kind of an equal responsibility on on behalf

00:33:51 --> 00:33:52: of the tenant as well.

00:33:53 --> 00:33:53: Right.

00:33:53 --> 00:33:57: Yeah, that that's a good point because you know we

00:33:57 --> 00:34:00: are seeing that tenants are getting more and more sophisticated

00:34:00 --> 00:34:04: in their demands or requirements for their spaces, right.

00:34:04 --> 00:34:07: So it's not on the owners of the landlord only

00:34:07 --> 00:34:10: the tenants also come with a lot of things that

00:34:10 --> 00:34:11: they can execute as well.

00:34:12 --> 00:34:12: So the.

00:34:13 --> 00:34:15: Light went off here because oh, here we go.

00:34:15 --> 00:34:17: There's an occupancy sensors.

00:34:17 --> 00:34:19: I switched the lights off, they'd come back on, so

00:34:19 --> 00:34:21: I need to move around a bit more.

00:34:21 --> 00:34:21: Oh.

00:34:21 --> 00:34:22: OK, good.

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

00:34:31 --> 00:34:32: All right.

00:34:32 --> 00:34:35: Well, PPE that gives us a lot of insight on

00:34:35 --> 00:34:39: the quantitative impact that we can have when owners actually

00:34:39 --> 00:34:42: drives with a qualitative mindset, right?

00:34:42 --> 00:34:45: Like actually having a good relationship with your tenants and

00:34:45 --> 00:34:46: working together.

00:34:46 --> 00:34:48: It's a true collaboration.

00:34:48 --> 00:34:51: And so now we can hear from Jonathan on how

00:34:51 --> 00:34:56: this translates from the owner from an owner's perspective.

00:34:56 --> 00:34:58: Jonathan, over the over to you.

00:34:58 --> 00:35:01: Thank you, Vidya, and thank you, Uli for inviting me

00:35:01 --> 00:35:04: to share and thank you everyone for joining and listening

00:35:04 --> 00:35:05: to this webinar.

00:35:06 --> 00:35:08: What I want to do is share a bit on

00:35:08 --> 00:35:10: kind of who we are, where we're based and kind

00:35:10 --> 00:35:12: of what we do in this space.

00:35:12 --> 00:35:15: I think maybe what would be interesting is sharing a

00:35:15 --> 00:35:19: bit of our priorities and our expectations as tenants and

00:35:19 --> 00:35:21: also some of our sustainability objectives.

00:35:22 --> 00:35:25: So really just you know, as a background for those

00:35:25 --> 00:35:28: of you who do not know PHE, we are an

00:35:28 --> 00:35:32: alternative asset management firm based in Asia and we invest

00:35:32 --> 00:35:34: mostly in Asia Pacific.

00:35:34 --> 00:35:37: We manage over 55 billion U.S.

00:35:37 --> 00:35:42: dollars on behalf of over 300 institutional investors worldwide.

00:35:42 --> 00:35:45: You see on this map here that we have 13

00:35:45 --> 00:35:47: offices based in Asia Pacific.

00:35:47 --> 00:35:50: I am based in Hong Kong in a building and

00:35:50 --> 00:35:51: I'm a tenant.

00:35:51 --> 00:35:53: We are a tenant of Soy properties.

00:35:53 --> 00:35:56: Hence we are in this webinar sharing kind of our

00:35:56 --> 00:35:59: experiences with with Soya and also with JRL as well.

00:36:01 --> 00:36:04: We do pride ourselves on being local and that, you

00:36:05 --> 00:36:08: know our decisions are made locally and so but our

00:36:08 --> 00:36:11: focus when it comes to net zero has you know

00:36:11 --> 00:36:14: been both operational but also on our investments.

00:36:14 --> 00:36:17: And maybe on the next slide, I'll cover very briefly

00:36:17 --> 00:36:20: kind of what we do as a firm across our

00:36:20 --> 00:36:20: firm.

00:36:21 --> 00:36:23: As I mentioned, we invest on behalf of our investors

00:36:23 --> 00:36:27: across three main strategies in private equity, real assets and

00:36:27 --> 00:36:28: credit markets.

00:36:29 --> 00:36:33: And essentially what we try to do when it comes
00:36:33 --> 00:36:37: to ESG or sustainability, we use kind of our in
00:36:37 --> 00:36:40: house approach, we call it PAG impact.
00:36:41 --> 00:36:44: Essentially we want to have impact in where we invest
00:36:44 --> 00:36:47: and where we can have sustainable long term value both
00:36:47 --> 00:36:50: for our investors and also for our environment and society.
00:36:50 --> 00:36:54: So for our private equity real assets and credit markets,
00:36:54 --> 00:36:56: these are very different asset classes.
00:36:56 --> 00:37:00: And for each investment or each asset class, we would
00:37:00 --> 00:37:04: have designed tailored frameworks on how we would embed
sustainability
00:37:04 --> 00:37:05: in what we do.
00:37:07 --> 00:37:12: Whether it is setting decarbonisation targets for our portfolio
companies
00:37:12 --> 00:37:16: or setting carbon reduction plans for each of our real
00:37:16 --> 00:37:17: estate assets.
00:37:18 --> 00:37:21: Those are things that, you know, we, we, we tailor
00:37:21 --> 00:37:23: according to kind of our investment needs and according to
00:37:24 --> 00:37:25: the mandates of the funds.
00:37:26 --> 00:37:30: But focusing on our operations, what happens in our offices,
00:37:30 --> 00:37:33: one of the commitments we've made is we, we want
00:37:33 --> 00:37:36: our office spaces to be energy efficient.
00:37:36 --> 00:37:39: And so one of the things that we focused on
00:37:39 --> 00:37:42: is making sure that what we have the hardware.
00:37:42 --> 00:37:45: So similar to Andrew, we have a lot of motion
00:37:45 --> 00:37:46: sensors in our office.
00:37:46 --> 00:37:49: So I need to be moving around otherwise the lights
00:37:49 --> 00:37:50: would turn off on me.
00:37:51 --> 00:37:54: So we have motion sensors, we have you know, energy
00:37:54 --> 00:37:57: efficient light lighting, etcetera.
00:37:57 --> 00:38:00: And So what we've additionally done is we've we've sought
00:38:00 --> 00:38:04: to obtain these lead certificates for interior spaces.
00:38:05 --> 00:38:06: Maybe we go to the next slide.
00:38:07 --> 00:38:11: So for our major offices, we've target to achieve a
00:38:11 --> 00:38:14: lead goal or above for our Hong Kong office and
00:38:14 --> 00:38:18: we've been able to obtain a, a platinum certificate for
00:38:18 --> 00:38:19: our Hong Kong office.
00:38:20 --> 00:38:23: I think in large part a big contributing factor to
00:38:23 --> 00:38:25: this is really the building selection.
00:38:25 --> 00:38:28: I think everyone would have heard from Andrew and
Phoebe's
00:38:28 --> 00:38:32: sharing, you know, there's, there's, there's that collaboration.
00:38:32 --> 00:38:35: But also as tenant when we do choose our buildings,

00:38:35 --> 00:38:38: I think it is important to choose buildings that have,
00:38:38 --> 00:38:41: you know, this high green building credentials because we
are
00:38:41 --> 00:38:44: able to get this platinum certificate out due in large
00:38:44 --> 00:38:46: part to a lot of the base building provisions.
00:38:46 --> 00:38:48: That's why properties provided.
00:38:48 --> 00:38:51: And so I think this platinum rating is one of
00:38:51 --> 00:38:52: the first in the region.
00:38:53 --> 00:38:55: And we've got a go for our Shanghai office.
00:38:55 --> 00:38:58: You'll see in one of the pictures we have a
00:38:58 --> 00:39:01: Tokyo office and I could share a little bit more
00:39:01 --> 00:39:02: and put some stats to it.
00:39:02 --> 00:39:05: So Tokyo office is also one of our larger offices
00:39:05 --> 00:39:05: in the region.
00:39:06 --> 00:39:09: We have recently moved from an old premise into a
00:39:09 --> 00:39:13: new premise, started occupation last year, so 2024 and we
00:39:13 --> 00:39:16: did a little study on kind of like the energy
00:39:16 --> 00:39:17: kind of comparison.
00:39:17 --> 00:39:20: And so when we move from old office to new
00:39:20 --> 00:39:24: office and for your reference, this new office we are
00:39:24 --> 00:39:27: also targeting elite gold and which will be obtained later
00:39:28 --> 00:39:28: on in the year.
00:39:29 --> 00:39:33: So when we did the study, you know, from the
00:39:33 --> 00:39:37: old building to the new building, new premise, we saw
00:39:37 --> 00:39:41: a 25% reduction in energy of the energy use in
00:39:41 --> 00:39:42: the office.
00:39:42 --> 00:39:46: And this essentially translates to 30%, thirty 3% I should
00:39:46 --> 00:39:48: say, of that utility cost reduction.
00:39:49 --> 00:39:51: And so this goes back to one of the introductory
00:39:51 --> 00:39:54: slides that Vidya was sharing that, you know, there is
00:39:54 --> 00:39:55: a lower utility cost.
00:39:55 --> 00:39:58: And this is very tangible for us as we saw
00:39:58 --> 00:40:00: moving from one office to a new office, we saw
00:40:01 --> 00:40:01: energy reduce.
00:40:02 --> 00:40:04: But what's more important is, you know, the financial impact
00:40:04 --> 00:40:05: as well too.
00:40:05 --> 00:40:08: You know, we're reducing utility costs as a result of.
00:40:08 --> 00:40:11: You know some of these more energy efficient operations.
00:40:12 --> 00:40:16: So besides energy operations, one of our bigger kind of
00:40:16 --> 00:40:20: carbon footprint besides our office footprint is in our business
00:40:20 --> 00:40:21: travel.
00:40:21 --> 00:40:24: And so in the bullet .2 there we have made,

00:40:24 --> 00:40:28: you know, internally some decisions and policies on, you know,

00:40:28 --> 00:40:31: how we, how we approach business travels.

00:40:31 --> 00:40:35: We would ask teams to optimize business travels if they

00:40:35 --> 00:40:38: can, you know, combine a couple meetings into one so

00:40:38 --> 00:40:40: they're not flying as often.

00:40:40 --> 00:40:45: We've also made a request on selecting flights with, with

00:40:45 --> 00:40:49: an option of sustainable aviation fuel to kind of promote

00:40:49 --> 00:40:52: the use of Safs in, in our business travels and

00:40:53 --> 00:40:55: all that we, we keep an account of.

00:40:55 --> 00:40:58: So we, we, we keep an account of you know,

00:40:58 --> 00:41:01: how many business trips, you know, the distances of these

00:41:01 --> 00:41:04: trips and how many of these trips have SA FS.

00:41:04 --> 00:41:06: And we do a calculation and, and we and we

00:41:06 --> 00:41:09: and we measure that footprint over time.

00:41:10 --> 00:41:14: We'll have other measurements or facilities on site, things like

00:41:14 --> 00:41:14: recycling.

00:41:15 --> 00:41:18: We don't use single, we don't provide single use plastics

00:41:18 --> 00:41:19: on site etcetera.

00:41:19 --> 00:41:22: So all these good kind of environmental kind of initiatives

00:41:22 --> 00:41:24: that we we have across our offices.

00:41:25 --> 00:41:28: And then the last bit there is on the offset

00:41:29 --> 00:41:32: that we do our strategy, our, our net 0 strategy

00:41:32 --> 00:41:35: is really we reduce where we can and hopefully by

00:41:35 --> 00:41:40: way of you know, LEAP certification, optimize business travels like

00:41:40 --> 00:41:43: these are actions that we try to take or policies

00:41:43 --> 00:41:47: we take where practical and as far as possible.

00:41:47 --> 00:41:51: But where we cannot reduce any further, then we'll purchase

00:41:52 --> 00:41:54: the offsets on A2 for one basis.

00:41:54 --> 00:41:57: And essentially what this means is for every ton of

00:41:57 --> 00:42:01: carbon emitted from our footprint, we will be purchasing 2

00:42:01 --> 00:42:03: tons of carbon offsets for this.

00:42:03 --> 00:42:07: And so this has gone for the past two years

00:42:07 --> 00:42:10: or so since we've kind of set forth our net

00:42:10 --> 00:42:13: 0 operational, net 0 objectives.

00:42:14 --> 00:42:16: But besides that, I think a lot of them, besides

00:42:16 --> 00:42:19: a lot of the environmental initiatives, Andrew touched on the

00:42:19 --> 00:42:20: human experience.

00:42:20 --> 00:42:23: And this is something that I think is quite important

00:42:23 --> 00:42:24: to us as a firm too.

00:42:24 --> 00:42:26: So you see some of the pictures here.

00:42:26 --> 00:42:29: We have a Cafe, we have green walls in some
00:42:29 --> 00:42:30: of our offices.
00:42:30 --> 00:42:32: For example, in a Hong Kong office, we have a
00:42:32 --> 00:42:33: dedicated nursing room.
00:42:34 --> 00:42:37: So for the mothers that need a dedicated room, this
00:42:37 --> 00:42:40: is not just like a store room with, you know,
00:42:40 --> 00:42:41: walls all around.
00:42:41 --> 00:42:45: We actually found a location where there are windows and
00:42:45 --> 00:42:48: there's a, there's a sink and there's a refrigerator that,
00:42:49 --> 00:42:52: that has all the, all the essential facilities needed for,
00:42:52 --> 00:42:55: for, for mothers to use as, as they need for,
00:42:55 --> 00:42:57: for the nursing activities.
00:42:57 --> 00:43:01: So that's something that, you know, we, you know, we
00:43:01 --> 00:43:02: isolate this space out to do.
00:43:02 --> 00:43:05: We also isolate out a space for having a gym,
00:43:05 --> 00:43:08: a staff gym for some of our bigger offices.
00:43:08 --> 00:43:12: That's been kind of a staple for all new PHG
00:43:12 --> 00:43:15: offices, major offices in the region.
00:43:15 --> 00:43:17: And, and I think a big part of this is,
00:43:18 --> 00:43:21: you know, we see this as a differentiator for us
00:43:21 --> 00:43:24: as well too, when we compare or when potential talent
00:43:24 --> 00:43:26: is comparing peer-to-peer.
00:43:26 --> 00:43:29: Of course, you're not going to look at whether this
00:43:29 --> 00:43:32: company has a gym or not, But you know, when
00:43:32 --> 00:43:34: they're on boarded, when, when they get to enjoy a
00:43:35 --> 00:43:37: lot of these amenity features within the premises.
00:43:37 --> 00:43:40: I think that's something that really, you know, really, really
00:43:40 --> 00:43:42: strikes a chord with a lot of the staff here
00:43:42 --> 00:43:44: is that we have all these features.
00:43:44 --> 00:43:46: We promote a lot of Wellness.
00:43:46 --> 00:43:48: We promote a lot of, you know, you know, kind
00:43:48 --> 00:43:51: of extracurricular activities beyond just work.
00:43:51 --> 00:43:54: So you see here all these pictures here, there are
00:43:54 --> 00:43:57: no pictures of workstations because we, we, we, we have
00:43:58 --> 00:43:59: a lot of fun at, at our offices.
00:44:00 --> 00:44:02: And so that's something we, we try to strike that
00:44:02 --> 00:44:04: balance and I think staff appreciates that.
00:44:04 --> 00:44:07: And I think it is a differentiator when when we
00:44:07 --> 00:44:10: compare to peers in the region as well to so
00:44:10 --> 00:44:13: just to give everyone a little bit of flavour on
00:44:13 --> 00:44:15: kind of who we are and kind of what our
00:44:15 --> 00:44:19: expectations are in the in the spaces where we operate.

00:44:20 --> 00:44:22: So you know, throwing it back to vidya on any

00:44:22 --> 00:44:24: Q and as now I think.

00:44:24 --> 00:44:24: Yeah.

00:44:24 --> 00:44:26: That's, that's great.

00:44:26 --> 00:44:27: Thanks so much, Jonathan.

00:44:27 --> 00:44:30: It really like highlights and echoes, you know, the relationship

00:44:31 --> 00:44:34: aspect, you know, the landlord with Phoebe saying that, you

00:44:34 --> 00:44:37: know, it's all about a relationship they're having with the

00:44:37 --> 00:44:40: tenants and the tenants want to have like better relationships

00:44:40 --> 00:44:42: and provide better spaces for their employees.

00:44:42 --> 00:44:46: So I think like every level of these interactions and

00:44:46 --> 00:44:50: relationships, we are seeking to elevate more than just

00:44:50 --> 00:44:52: provide

00:44:52 --> 00:44:54: the basic or bare minimum.

00:44:54 --> 00:44:57: So that's really great.

00:44:57 --> 00:44:59: OK, so now I mean, I'll keep, I'll just jump

00:44:59 --> 00:45:02: into the panel discussion part of it.

00:45:02 --> 00:45:06: Just stop share for a little bit.

00:45:06 --> 00:45:09: And yeah, so Charles, and just adding to, you know,

00:45:09 --> 00:45:13: the question that you brought up was that, you know,

00:45:13 --> 00:45:15: you said when you shifted buildings, you had like a

00:45:15 --> 00:45:17: energy study done, right?

00:45:17 --> 00:45:21: Like, and you found that it was like 25% less.

00:45:21 --> 00:45:24: And that's a clear example of what landlord tenants are

00:45:24 --> 00:45:26: going to start asking landlords, right?

00:45:26 --> 00:45:29: And is this something that you approached?

00:45:29 --> 00:45:32: The owner and said, can you provide some data on

00:45:32 --> 00:45:33: the energy use of these buildings so then we can

00:45:33 --> 00:45:35: do some internal study.

00:45:35 --> 00:45:37: So if we're referring to kind of us as a

00:45:37 --> 00:45:41: tenant, I think when you know, just sharing from experience

00:45:41 --> 00:45:44: and maybe this touches on some of the relationship we

00:45:44 --> 00:45:47: have with with Swire and kind of the ongoing kind

00:45:47 --> 00:45:49: of that kind of that data sharing.

00:45:50 --> 00:45:53: So I think when we moved into this Hong Kong

00:45:53 --> 00:45:56: office, I don't think the GPP from solar properties was

00:45:56 --> 00:45:58: published yet or has, has been ready yet.

00:45:58 --> 00:46:01: So that wasn't I guess initially as but but I

00:46:01 --> 00:46:05: guess zooming out moving forward, I think when we do

00:46:05 --> 00:46:08: kind of, you know, move, move to new offices, there

00:46:08 --> 00:46:10: are certain policies.

00:46:10 --> 00:46:12: So for example, we do ask when we do look

00:46:12 --> 00:46:15: at new office spaces, whether the space has a green
00:46:15 --> 00:46:18: building credential, whether the base building has a green
00:46:18 --> 00:46:19: building
00:46:19 --> 00:46:22: credential.
00:46:19 --> 00:46:22: And if they don't, we need to work with the
00:46:22 --> 00:46:24: landlord and really ask them, OK, what are your green
00:46:24 --> 00:46:25: features?
00:46:25 --> 00:46:28: You know what, you know, how can you support us
00:46:28 --> 00:46:32: in, you know, making some of these energy efficiency goals,
00:46:33 --> 00:46:33: etcetera.
00:46:33 --> 00:46:36: So across our offices, we do have a, a wider
00:46:36 --> 00:46:39: policy on when we select office spaces, we need to
00:46:40 --> 00:46:44: have these screen building credentials and then on an
00:46:44 --> 00:46:44: ongoing
00:46:44 --> 00:46:44: basis.
00:46:45 --> 00:46:48: And this touches on, you know, using that GPP experience,
00:46:48 --> 00:46:52: it's some of the so, so besides monitoring and getting
00:46:52 --> 00:46:56: that data, I think another feature that maybe Phoebe didn't
00:46:56 --> 00:46:59: share, but we found quite useful is, you know, solar
00:46:59 --> 00:47:02: properties would provide free energy audit.
00:47:02 --> 00:47:04: And I don't know if they still do, but we
00:47:04 --> 00:47:05: enjoyed that.
00:47:06 --> 00:47:09: We enjoyed that special feature when that was given to
00:47:09 --> 00:47:09: us.
00:47:09 --> 00:47:12: We thought that was super helpful just in terms of,
00:47:12 --> 00:47:16: you know, you know, building service engineers coming to
00:47:16 --> 00:47:20: our
00:47:16 --> 00:47:20: office after it's all fit out from an operational perspective,
00:47:20 --> 00:47:23: they walked around our office under our supervision and you
00:47:24 --> 00:47:26: know, just to see where we can improve.
00:47:26 --> 00:47:29: And I think having this free energy audit is quite
00:47:29 --> 00:47:31: is quite different.
00:47:31 --> 00:47:33: And it's really been one of the things where we're
00:47:33 --> 00:47:36: like, OK, let's join the GPP because we'll get, you
00:47:36 --> 00:47:39: know, we'll get reporting, but we'll also get this free
00:47:39 --> 00:47:41: energy audit, which is going to help us identify ways
00:47:41 --> 00:47:43: where we can improve over time.
00:47:43 --> 00:47:46: So I think, I think having that, you know, special
00:47:46 --> 00:47:50: feature, having that kind of relation and that engagement with
00:47:50 --> 00:47:54: the property developer has been quite has been quite
00:47:54 --> 00:47:57: instrumental
00:47:54 --> 00:47:57: in US kind of participating in this in, in this
00:47:57 --> 00:47:59: GPP pledge with Swire Properties.

00:48:00 --> 00:48:00: OK.

00:48:00 --> 00:48:01: That's interesting.

00:48:01 --> 00:48:04: So I mean, so when Spire first came to you

00:48:04 --> 00:48:08: with this GPP program, like what were your first reactions

00:48:08 --> 00:48:09: internally?

00:48:09 --> 00:48:12: Was it something like, did you all have any questions

00:48:12 --> 00:48:14: or hurdles before you joined?

00:48:14 --> 00:48:16: Or was it that this was a no brainer, we

00:48:16 --> 00:48:18: just have to join this program?

00:48:18 --> 00:48:21: And if so, like what made it easy for you

00:48:21 --> 00:48:22: to join this program?

00:48:23 --> 00:48:25: I think a big part of that when we first

00:48:25 --> 00:48:27: joined is, you know, we need to have the data

00:48:27 --> 00:48:30: for our own internal reporting and A and a big

00:48:30 --> 00:48:32: kind of that partnership is Swire being able to support

00:48:33 --> 00:48:35: us and getting a lot of that data, you know,

00:48:35 --> 00:48:38: energy data, but more importantly, some of the waste data.

00:48:38 --> 00:48:41: For example, it's hard for us at our own office

00:48:41 --> 00:48:44: premises to capture that waste data, but partnering with the

00:48:44 --> 00:48:48: landlord and you know, having someone and, and a method

00:48:48 --> 00:48:51: of collecting that data, I think and then automating it

00:48:51 --> 00:48:52: back to us.

00:48:52 --> 00:48:55: I think that's been, that's been super helpful in terms

00:48:55 --> 00:48:58: of like, you know, it was smoothing out our processes,

00:48:58 --> 00:49:01: lessen time on our administrative staff on, you know, screening

00:49:02 --> 00:49:05: through the bills and the the utility bills etcetera, to

00:49:05 --> 00:49:06: kind of capture that data.

00:49:07 --> 00:49:10: So, so really having that partnership and having that data

00:49:10 --> 00:49:13: management aspect, I think that's been helpful.

00:49:13 --> 00:49:16: And maybe I'm, I'm jumping ahead, but like you know,

00:49:16 --> 00:49:19: with, with the application of All think, you know, this

00:49:19 --> 00:49:22: might be even, you know, faster down in the future,

00:49:22 --> 00:49:25: but that's something that's something to be sought out.

00:49:25 --> 00:49:27: I think there are a lot of security issues etcetera

00:49:27 --> 00:49:28: that we need to consider.

00:49:29 --> 00:49:31: But when it comes to data, I think you know,

00:49:31 --> 00:49:33: you know, we need to capture it because we need

00:49:33 --> 00:49:36: it to, you know, divide offsets, etcetera, right.

00:49:36 --> 00:49:39: So, so we need the data and so this essentially

00:49:39 --> 00:49:43: this partnership really helps us capture some of that quite

00:49:43 --> 00:49:44: quickly and smoothly.

00:49:45 --> 00:49:48: So what's appealing, What was appealing was that this seemed

00:49:48 --> 00:49:50: like like a holistic service that you didn't have to

00:49:50 --> 00:49:52: put in like much effort as a tenant as well.

00:49:52 --> 00:49:54: And this was provided by the landlord.

00:49:55 --> 00:49:55: Got it.

00:49:55 --> 00:49:56: OK.

00:49:56 --> 00:49:58: So, so PPI have a question for you.

00:49:58 --> 00:50:02: So this GPP program is quite popular.

00:50:02 --> 00:50:05: I mean, a lot of tenants like it, but there

00:50:05 --> 00:50:06: aren't.

00:50:06 --> 00:50:08: So sometimes still haven't signed up, right.

00:50:09 --> 00:50:12: And so I'm curious to know what you learnt about

00:50:12 --> 00:50:15: like, why some tenants join right away and why others

00:50:15 --> 00:50:18: hesitate or what are the main barriers And like, how

00:50:18 --> 00:50:20: do you plan to close that gap?

00:50:22 --> 00:50:22: Yeah.

00:50:22 --> 00:50:25: Thank you, Vidya and thank you Jonathan for the sharing.

00:50:25 --> 00:50:27: I, I will come back to your sharing in a

00:50:27 --> 00:50:28: little bit.

00:50:29 --> 00:50:31: I, I think a lot of times when we see

00:50:31 --> 00:50:34: tenants who sign up for the GPP, very quickly it

00:50:34 --> 00:50:38: will be in the likes of similar reasons as Jonathan's

00:50:38 --> 00:50:42: company, because they see alignment with the company's

00:50:42 --> 00:50:44: commitment.

00:50:42 --> 00:50:44: They see that there's access to data.

00:50:45 --> 00:50:47: You can get into some green tools.

00:50:47 --> 00:50:51: Basically you get access to a toolbox from energy audits

00:50:51 --> 00:50:54: to metering to waste data collection.

00:50:54 --> 00:50:59: And also some companies see opportunities for staff

00:50:59 --> 00:51:03: engagement either

00:50:59 --> 00:51:03: in our capacity, both programs or or just through internal

00:51:04 --> 00:51:05: engagement for the pledge.

00:51:06 --> 00:51:09: But there are also a lot of reasons where people

00:51:09 --> 00:51:10: don't sign up, right?

00:51:10 --> 00:51:15: Because sometimes you know, companies do not have

00:51:15 --> 00:51:19: enough demand

00:51:15 --> 00:51:19: power or resources or the lack of champion to vouch

00:51:19 --> 00:51:22: for participation in the program.

00:51:22 --> 00:51:25: Sometimes it's the senior management buy in.

00:51:25 --> 00:51:30: There's also the aspect of, you know global companies,

00:51:30 --> 00:51:34: international

00:51:30 --> 00:51:34: companies versus more local or Chinese companies which

00:51:34 --> 00:51:37: might be
00:51:37 --> 00:51:39: less sophisticated in their sustainability journey.
00:51:39 --> 00:51:42: So there are a lot of reasons.
00:51:42 --> 00:51:44: And Despite that, we have about 70% of our tenants
00:51:45 --> 00:51:48: in Hong Kong signed up already.
00:51:48 --> 00:51:52: So we we're going to still try to get more
00:51:52 --> 00:51:56: and but I think more importantly is how we mobilize
00:51:57 --> 00:52:00: and activate the community that we already have.
00:52:00 --> 00:52:02: And so feedback like what Jonathan said is, is very,
00:52:02 --> 00:52:06: very key and important.
00:52:06 --> 00:52:10: And I think there is a journey from where we
00:52:10 --> 00:52:15: started the GPP with offering tenants with energy audits and
00:52:15 --> 00:52:16: basically providing a platform for tenants to upload the
00:52:16 --> 00:52:20: energy
00:52:20 --> 00:52:24: bills to.
00:52:25 --> 00:52:29: Now we are evolving into more automated data collection
00:52:29 --> 00:52:32: through
00:52:33 --> 00:52:36: smart metering and also providing more granular data.
00:52:36 --> 00:52:39: Actually for tenants now accessing the tenant portal, they can
00:52:39 --> 00:52:43: see that daily and hourly energy usage.
00:52:43 --> 00:52:47: So it's very helpful because they can see the energy
00:52:47 --> 00:52:51: usage during the office hour versus the non office hour.
00:52:51 --> 00:52:51: They can also see like how each day's energy usage,
00:52:51 --> 00:52:56: water usage and waste generation changes, which days they
00:52:56 --> 00:52:59: are
00:53:00 --> 00:53:02: generating more waste for example, and the composition of
00:53:04 --> 00:53:04: the
00:53:04 --> 00:53:07: waste.
00:53:07 --> 00:53:11: So we're trying to enhance the data, the power of
00:53:12 --> 00:53:13: data analytics for tenants because that seems to be an
00:53:14 --> 00:53:14: aspect that tenants really value.
00:53:15 --> 00:53:17: Yeah.
00:53:17 --> 00:53:22: And and so I think it's also about listening to
00:53:22 --> 00:53:26: the needs of our tenants and continuously evolving and
00:53:26 --> 00:53:28: enhancing
00:53:28 --> 00:53:32: our offering as well.
00:53:32 --> 00:53:38: Understand just.
00:53:38 --> 00:53:42: Just picking up on the point about data.
00:53:42 --> 00:53:46: So Jonathan's clearly articulated the benefits of that granular
00:53:46 --> 00:53:50: data
00:53:50 --> 00:53:54: from a, from a tenant perspective in terms of managing
00:53:54 --> 00:53:58: their own utility costs.
00:53:58 --> 00:54:02: And as we know, Gresby requires the landlord or the
00:54:02 --> 00:54:06: building owner to measure not just the landlord consume

power

00:53:38 --> 00:53:41: in the common areas, but also the tenant.

00:53:41 --> 00:53:45: So the transparency of that data availability and transparency of

00:53:45 --> 00:53:48: that data is a is a clear win win for

00:53:48 --> 00:53:48: for both.

00:53:48 --> 00:53:50: Parties, yeah.

00:53:50 --> 00:53:53: So that's like the biggest indicator for whether a tenant

00:53:53 --> 00:53:55: will join these programs or not.

00:53:56 --> 00:53:56: Yeah.

00:53:57 --> 00:54:00: So Andrew actually so I had a question for you

00:54:00 --> 00:54:02: was that, you know, because you have like this broad

00:54:02 --> 00:54:06: level market overview, what early signals are you seeing that'll

00:54:06 --> 00:54:09: shape the landlord and tenant collaboration through 2026?

00:54:09 --> 00:54:12: So we know what what's been happening so far, but

00:54:12 --> 00:54:13: what's going to happen in 2026?

00:54:13 --> 00:54:16: And are there shifts in expectations?

00:54:16 --> 00:54:19: Are there pressure points that tenants or even owners should

00:54:19 --> 00:54:21: already be preparing for?

00:54:22 --> 00:54:22: I think.

00:54:22 --> 00:54:24: I think a couple of topics bring to mind.

00:54:24 --> 00:54:29: The first one we've kind of alluded to in this

00:54:29 --> 00:54:35: discussion with tenants being more requiring more granular data.

00:54:35 --> 00:54:40: So asking a landlord whether the building has got green

00:54:40 --> 00:54:45: certification or not, you know, that's kind of history and

00:54:45 --> 00:54:50: tenants are now looking for quite granular energy use data.

00:54:50 --> 00:54:53: They're looking for what is the net 00 carbon road

00:54:53 --> 00:54:54: map for that building.

00:54:55 --> 00:54:59: So being a lot more technical in their questioning.

00:54:59 --> 00:55:02: And that also has an impact on on brokers and

00:55:02 --> 00:55:03: leasing agents.

00:55:04 --> 00:55:07: They need to be equally up to speed on these

00:55:07 --> 00:55:12: kind of requirements and and technical specifications to be able

00:55:12 --> 00:55:15: to answer an ever increasing level of detail.

00:55:15 --> 00:55:21: I think from the tenants, I'd say the other evolving

00:55:21 --> 00:55:27: area, I think ESG is pretty well understood and known.

00:55:29 --> 00:55:32: Talking about the other elements of why tenants choose buildings,

00:55:32 --> 00:55:34: the human experience.

00:55:34 --> 00:55:37: I, I, I recall when I moved to Hong Kong

00:55:37 --> 00:55:40: years ago, a landlord kind of provided a a
00:55:40 --> 00:55:44: shell and it was the tenant who fitted it out
00:55:44 --> 00:55:46: to their own requirements.
00:55:46 --> 00:55:50: I think now landlords realize that it's the whole kind
00:55:50 --> 00:55:51: of St.
00:55:51 --> 00:55:55: to see experience that tenants are evaluating when they
choose
00:55:56 --> 00:56:00: buildings and the landlords are are now much more aware
00:56:00 --> 00:56:04: and in tune as to what the tenant requirements are.
00:56:04 --> 00:56:08: So I think there there is a much closer relationship
00:56:08 --> 00:56:12: and I think that will further evolve in the future.
00:56:12 --> 00:56:16: So a much deeper understanding on behalf of the landlords
00:56:16 --> 00:56:20: of what tenants are really looking for beyond their four
00:56:20 --> 00:56:21: walls that they rent.
00:56:22 --> 00:56:23: Understood.
00:56:23 --> 00:56:23: Yeah.
00:56:23 --> 00:56:24: Alright.
00:56:24 --> 00:56:26: So in the interest of time, we I have just
00:56:27 --> 00:56:29: one last question for you is that, so this is
00:56:29 --> 00:56:31: for all three of you.
00:56:31 --> 00:56:34: And so right now so many companies have low to
00:56:34 --> 00:56:36: medium engagement with their tenants today.
00:56:36 --> 00:56:39: And if you had to give them a simple road
00:56:39 --> 00:56:43: map, what are the top three things that building owner
00:56:43 --> 00:56:45: in the year 2026 can do in the next three
00:56:46 --> 00:56:49: months, six months and 12 months to start building real
00:56:49 --> 00:56:51: momentum with their tenants?
00:56:52 --> 00:56:54: Andrew, do you want to jump in first?
00:56:55 --> 00:56:58: Well, I think, I think we've got, we've got a
00:56:58 --> 00:57:01: very good landlord on the call who has got great
00:57:01 --> 00:57:05: relationships with their tenants, but that is not always the
00:57:05 --> 00:57:05: case.
00:57:05 --> 00:57:08: So I think if you're, if you're a landlord who
00:57:08 --> 00:57:12: doesn't have that in depth relationship with your tenant and
00:57:12 --> 00:57:17: you're perhaps undertaking an annual tenant satisfaction
survey, that's really
00:57:17 --> 00:57:19: not regular, regular enough.
00:57:19 --> 00:57:21: So I think in the in the in the next
00:57:21 --> 00:57:24: month, you should probably spend a bit of time with
00:57:24 --> 00:57:27: your tenants, get to know them, understand what their
journey
00:57:27 --> 00:57:27: is.
00:57:27 --> 00:57:28: Are they expanding?

00:57:28 --> 00:57:29: Are they contracting?

00:57:31 --> 00:57:35: What's the likelihood that they're going to renew their lease

00:57:35 --> 00:57:38: in two or three years time or whenever the lease

00:57:38 --> 00:57:41: expires and and plan that journey between now and when

00:57:41 --> 00:57:42: the lease expires.

00:57:42 --> 00:57:45: So yeah, much closer relationship with tenants.

00:57:45 --> 00:57:46: Right, Phoebe?

00:57:47 --> 00:57:51: No, I I will supplement on understanding the tenants needs

00:57:51 --> 00:57:54: because we do do like a satisfaction surveys, but we

00:57:55 --> 00:57:58: also sometimes do like specific surveys on the topic of

00:57:58 --> 00:57:59: ESG.

00:58:00 --> 00:58:04: Trying to understand more in depth what our tenants and

00:58:04 --> 00:58:08: commitments are, their goals locally and globally, what have they

00:58:08 --> 00:58:12: done, Who is taking the lead internally, if it is

00:58:12 --> 00:58:15: a professional ESG person or is it like a office

00:58:15 --> 00:58:18: manager or a volunteer green team like that?

00:58:18 --> 00:58:22: That I think changes how best to engage with them.

00:58:23 --> 00:58:26: And I think also there's a big piece of internal

00:58:27 --> 00:58:31: alignment because like ESG is a very special specific topic,

00:58:31 --> 00:58:34: but then if you have a leasing person who needs

00:58:34 --> 00:58:37: to go and talk to the tenants, they need to

00:58:37 --> 00:58:40: understand what they're talking about.

00:58:40 --> 00:58:45: So there's a lot of internal engagement, internal training to

00:58:45 --> 00:58:49: align our priorities and to shape the program together so

00:58:49 --> 00:58:53: it meets both the business and the sustainability needs.

00:58:54 --> 00:58:57: And I think my final point would be to develop

00:58:57 --> 00:59:01: some success cases with like minded tenants because that can

00:59:01 --> 00:59:04: really help to drive the morale and also provide you

00:59:04 --> 00:59:08: with an opportunity to deep dive, to develop a framework,

00:59:08 --> 00:59:11: to pilot some tools and also to trial and error.

00:59:12 --> 00:59:12: Right.

00:59:12 --> 00:59:13: Yeah.

00:59:13 --> 00:59:13: No, that's perfect.

00:59:13 --> 00:59:14: Thank you.

00:59:14 --> 00:59:18: And Jonathan, like from your perspective as a tenant, especially

00:59:18 --> 00:59:21: working with Swire's successful program, like what?

00:59:21 --> 00:59:22: What is your advice?

00:59:23 --> 00:59:25: And I think Andrew and Phoebe captured most of them.

00:59:25 --> 00:59:28: I'll give one example from, you know, I'll put on

00:59:28 --> 00:59:29: our owner's hat in the region.

00:59:30 --> 00:59:33: So in some of our Australia and New Zealand investments,

00:59:33 --> 00:59:36: what we have started to roll out is we've started

00:59:36 --> 00:59:40: to have these tenant ESG committees that we meet regularly.

00:59:40 --> 00:59:43: And so it goes with the whole concept of engagement.

00:59:43 --> 00:59:46: So not just a tenant survey, but really that engagement

00:59:46 --> 00:59:49: where you sit down at a table and everyone talks

00:59:49 --> 00:59:52: about, OK, what events should we do these upcoming, you

00:59:52 --> 00:59:54: know, months or quarterly events, etcetera.

00:59:54 --> 00:59:57: So you engage tenant on what they want.

00:59:57 --> 01:00:01: Maybe it's beyond just an environmental initiative maybe.

01:00:01 --> 01:00:04: And I think what we see in in our jurisdictions

01:00:04 --> 01:00:06: is tenants are more interested in a lot of the

01:00:06 --> 01:00:10: social side of things, so things related to Wellness, well-being,

01:00:10 --> 01:00:10: etcetera.

01:00:10 --> 01:00:13: So, so those are the activities that we try to

01:00:13 --> 01:00:15: kind of engage our tenants on to kind of build

01:00:15 --> 01:00:17: on that, you know, as as owners, we want to

01:00:17 --> 01:00:20: build on that stickiness with with the with the tenants

01:00:20 --> 01:00:20: and so.

01:00:21 --> 01:00:22: So engagement is important.

01:00:22 --> 01:00:24: How you go about that engagement, I think it would

01:00:24 --> 01:00:26: depend on, you know, your tenancy makes it also depends

01:00:26 --> 01:00:28: on kind of your own priorities.

01:00:28 --> 01:00:31: But from what we've seen as being quite effective is

01:00:31 --> 01:00:33: really, you know, you know all as a good example,

01:00:33 --> 01:00:37: you know that tenant ESG committee has been quite interesting

01:00:37 --> 01:00:38: as a new initiative for us.

01:00:39 --> 01:00:40: OK, perfect.

01:00:40 --> 01:00:42: Thank you so much and well, OK, we are at

01:00:42 --> 01:00:46: time for this webinar and thank you so much, Phoebe,

01:00:46 --> 01:00:49: Jonathan, Andrew, and thank you for the audience for your engagement.

01:00:49 --> 01:00:50:

01:00:50 --> 01:00:54: And we hope today's discussion offers some insights for collaborating.

01:00:54 --> 01:00:57: And we've covered a lot in just one hour.

01:00:57 --> 01:01:00: And what we've learned is that it's more about relationships,

01:01:00 --> 01:01:03: like the relationships are at the crux of everything that

01:01:03 --> 01:01:04: we've talked about.

01:01:04 --> 01:01:08: And that is what we're seeing moving into 2026 as

01:01:08 --> 01:01:08: well.

01:01:08 --> 01:01:12: So yeah, thank you for your participation.
01:01:12 --> 01:01:16: And lastly, I know we're we've across time, but there
01:01:16 --> 01:01:18: is a survey link in the chat and if the
01:01:18 --> 01:01:22: audience can take that, we be sure to improve your
01:01:22 --> 01:01:24: webinar experiences as well.
01:01:24 --> 01:01:26: So please do take that survey.
01:01:26 --> 01:01:29: But thank you everyone and have a good rest of
01:01:29 --> 01:01:29: the day.
01:01:30 --> 01:01:31: Thank you.
01:01:31 --> 01:01:31: Thank you.
01:01:33 --> 01:01:33: Bye.

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