



# Webinar

## ULI Global Webinar: Powerhouses in Question: The Evolution of Global Business Districts - Americas/Europe

Date: December 05, 2025

00:00:10 --> 00:00:12: Good afternoon, good morning, good evening.

00:00:12 --> 00:00:17: Maybe for any of any of you joining, welcome to

00:00:17 --> 00:00:22: today's webinar organized by EY and you and I.

00:00:23 --> 00:00:24: My name is Lisetta von Dorn.

00:00:24 --> 00:00:27: I'm the chief Executive for you and I in Europe.

00:00:28 --> 00:00:31: I'm very pleased that you're joining this webinar focused on

00:00:31 --> 00:00:35: powerhouses in question, the evolution of global business districts.

00:00:35 --> 00:00:39: And this webinar is actually part of a series of

00:00:39 --> 00:00:43: launch events for a new report that EY and you

00:00:43 --> 00:00:47: and I have been working on and are very pleased

00:00:47 --> 00:00:50: to present today and to also discuss.

00:00:50 --> 00:00:55: We had the official kick off event for the report

00:00:55 --> 00:00:57: in Paris on the 14th of November.

00:00:58 --> 00:01:01: We've done a teaser session at the Europe Live full

00:01:01 --> 00:01:03: meeting earlier in November in San Francisco.

00:01:04 --> 00:01:09: And also this morning in European time, we did another

00:01:09 --> 00:01:14: similar webinar to also allow our members in Europe and

00:01:14 --> 00:01:16: Asia Pacific to join.

00:01:16 --> 00:01:20: Today we're going to hear more about a report focused

00:01:20 --> 00:01:22: on assessment of global business district.

00:01:23 --> 00:01:27: This is actually the third edition of the report and

00:01:27 --> 00:01:33: previous editions were launched in 2017 and 2020, just when

00:01:33 --> 00:01:34: COVID had hit.

00:01:34 --> 00:01:37: And obviously the world looked very differently.

00:01:37 --> 00:01:41: And while sort of it's not even 10 years ago

00:01:41 --> 00:01:45: that the first edition was published, so much has happened

00:01:45 --> 00:01:47: in those past eight years.

00:01:48 --> 00:01:55: Think about COVID, think about higher interest rates, macroeconomic circumstances

00:01:55 --> 00:02:00: which have dramatically changed, obviously a remote work

00:02:00 --> 00:02:05: which has

00:02:05 --> 00:02:11: become a phenomenon to stay and climate change and of course, geopolitical tensions or differences in a situation that we're

00:02:11 --> 00:02:12: seeing a lot.

00:02:13 --> 00:02:16: We're going to kick off this webinar with a presentation

00:02:16 --> 00:02:19: on the main results of the report, followed by a

00:02:19 --> 00:02:20: panel discussion.

00:02:20 --> 00:02:24: Before I hand over to to for the presentation of

00:02:24 --> 00:02:25: the report.

00:02:25 --> 00:02:29: I would like to thank EY for the collaboration with

00:02:29 --> 00:02:32: you and I in producing this high level report.

00:02:32 --> 00:02:36: I would also like to thank the Global Business District

00:02:36 --> 00:02:40: Innovation Club, which have been funding and heavily supporting this

00:02:40 --> 00:02:41: piece of work.

00:02:42 --> 00:02:45: And I want to thank many of you and others

00:02:45 --> 00:02:49: in the industry for having participated in this work, either

00:02:49 --> 00:02:53: through interviews, surveys and other contribution.

00:02:53 --> 00:02:56: And some of you were also part of a steering

00:02:56 --> 00:03:00: committee for the editorial oversight to make sure that all

00:03:00 --> 00:03:02: results resonate with the industry.

00:03:03 --> 00:03:06: And now it's my pleasure to hand over to Mark

00:03:06 --> 00:03:08: Learmeet, Partner at EY France.

00:03:09 --> 00:03:13: We will present the main results and I will introduce

00:03:13 --> 00:03:14: the panel later.

00:03:14 --> 00:03:15: Over to you, Mark.

00:03:16 --> 00:03:18: Thank you so much, Lizette, and good afternoon.

00:03:19 --> 00:03:20: Good morning everyone.

00:03:21 --> 00:03:24: Very happy to do this presentation and and kick off

00:03:24 --> 00:03:28: the discussion and the great panel that will have left

00:03:28 --> 00:03:29: the word.

00:03:29 --> 00:03:32: So in the interest of time and thanks Kirsty for

00:03:32 --> 00:03:34: moving the slides as quickly as possible.

00:03:34 --> 00:03:37: You can actually go to the next slide if you,

00:03:37 --> 00:03:40: if you, if possible even the next one.

00:03:41 --> 00:03:42: We like our cover page.

00:03:42 --> 00:03:44: So we showed it to you twice.

00:03:45 --> 00:03:45: Very happy.

00:03:45 --> 00:03:47: And and I want to extend my thanks also.

00:03:47 --> 00:03:50: It's, it's going to be a lot of thanks today

00:03:50 --> 00:03:53: to you and I, to you Lizette, to Simon and

00:03:53 --> 00:03:57: you're great team for being great partners in crime because  
00:03:57 --> 00:04:00: it's been an adventure to go around the, the world  
00:04:00 --> 00:04:03: in about 6 months looking at 30 of the largest  
00:04:03 --> 00:04:08: business districts, looking at their performance, their evolution.

00:04:08 --> 00:04:12: You see here on, on 8 critical dimensions.  
00:04:13 --> 00:04:15: And this is a part of the report and part  
00:04:16 --> 00:04:19: of the detailed report, which I, I, I encourage you  
00:04:19 --> 00:04:22: all to, to read and to react on and even  
00:04:22 --> 00:04:26: challenge us if there are aspects, conclusions that you think  
00:04:26 --> 00:04:29: we should have done better with.  
00:04:29 --> 00:04:34: I'm not going to focus on the performance and the  
00:04:34 --> 00:04:35: rankings.  
00:04:35 --> 00:04:38: I know a lot of you have looked at it  
00:04:38 --> 00:04:42: with interest and and aspiration, but I will focus today  
00:04:42 --> 00:04:45: on a on a few figures that I think will  
00:04:45 --> 00:04:49: be more useful for our discussions and the four megatrends  
00:04:49 --> 00:04:54: that transpired or were reflected by the 250 interviews that  
00:04:54 --> 00:04:57: we conducted by the the KP is the vast amount  
00:04:58 --> 00:05:01: of data AI alta lot that we looked at and  
00:05:01 --> 00:05:04: and great insights from from some of you directly.  
00:05:05 --> 00:05:08: So I'll, I'll go quickly through each of the aspects  
00:05:08 --> 00:05:12: of first headlines from the survey, the global survey and  
00:05:12 --> 00:05:16: then some mega trends that I think we're particularly interesting.

00:05:17 --> 00:05:19: Kirsty, if you can go, if you want to go  
00:05:20 --> 00:05:23: to the next slide, I have to say, I'm sure  
00:05:23 --> 00:05:25: it is also for you, Lizette.  
00:05:25 --> 00:05:28: It was for me, it was for all of us,  
00:05:28 --> 00:05:32: a big surprise to discover among the 2025 questions that  
00:05:32 --> 00:05:37: we ask you this, this particular result about the attractiveness,  
00:05:38 --> 00:05:43: the appeal of business district, the largest business district across  
00:05:43 --> 00:05:44: the world.  
00:05:44 --> 00:05:50: 63% of the stakeholders we interviewed investors, occupiers, developers, architects,  
00:05:50 --> 00:05:53: managers of business districts.  
00:05:53 --> 00:05:57: 63% of you said these business districts, the largest in  
00:05:57 --> 00:06:01: the world, are more attractive now than they were in 2020.  
00:06:01 --> 00:06:01:  
00:06:02 --> 00:06:07: Of course, after the pandemic, after we got back to  
00:06:07 --> 00:06:12: certain normalcy, it is also normal to find this positive

00:06:12 --> 00:06:14: transformation.

00:06:14 --> 00:06:18: The House full Glass is almost 2/3 think they have

00:06:18 --> 00:06:23: an appeal when the perception is that it's a model

00:06:23 --> 00:06:27: operating model, a real estate model that is that has

00:06:27 --> 00:06:28: to change.

00:06:29 --> 00:06:32: The half empty glass is that we could have reached

00:06:32 --> 00:06:36: more of that so many assets, so much focus, so

00:06:36 --> 00:06:40: much business power in is in this business issue that

00:06:40 --> 00:06:44: it should probably be closer to 8085% of satisfaction or

00:06:44 --> 00:06:45: attractiveness.

00:06:45 --> 00:06:48: Let's look at why the positive and then some of

00:06:48 --> 00:06:49: the negatives.

00:06:49 --> 00:06:51: Kirsty, you can move to the next slide.

00:06:51 --> 00:06:55: Again, I'll just show you a couple of figures and

00:06:56 --> 00:06:59: facts that I think are illustrative of.

00:06:59 --> 00:07:03: First, why these 30 largest business district as we call

00:07:03 --> 00:07:08: them global business districts are still the economic engines, the

00:07:08 --> 00:07:10: powerhouses of our world.

00:07:10 --> 00:07:14: It's a lot about the legacy, the brands, the money

00:07:14 --> 00:07:18: that is invested, but it's also has to do with

00:07:18 --> 00:07:22: the talent that is everyday going to work or has

00:07:22 --> 00:07:25: a place of work in the 30 area that we've

00:07:25 --> 00:07:30: looked at 7 million people in this 30 business district

00:07:30 --> 00:07:33: and and some are in the vicinity of 20 to

00:07:33 --> 00:07:38: 30,000 and in Manhattan it's over 1,000,000 people.

00:07:39 --> 00:07:43: More importantly, they are in the mega cities of our

00:07:43 --> 00:07:47: world, 226 million inhabitants in the cities where 7 million

00:07:47 --> 00:07:50: people go to work or have a place of work.

00:07:51 --> 00:07:55: In those business districts, it's also a concentration of

00:07:55 --> 00:07:59: decision

00:07:59 --> 00:08:02: places, decision centers, headquarters of Fortune 500.

00:08:02 --> 00:08:06: As you can see here, 84 of them are in

00:08:06 --> 00:08:10: the very heart of those business districts.

00:08:10 --> 00:08:15: And in the cities that the surround or of which

00:08:15 --> 00:08:21: these business districts are the hubs of business, retail, housing,

00:08:21 --> 00:08:25: equipment, sports, leisure, culture, 234 headquarters of

00:08:25 --> 00:08:28: Fortune 500.

00:08:29 --> 00:08:29: So it's, it's still a big legacy piece of our

00:08:29 --> 00:08:29: economic world, but it is changing.

00:08:29 --> 00:08:29: Why?

00:08:29 --> 00:08:31: Let's go to the next slide and see some of

00:08:31 --> 00:08:34: the headwinds that we also uncovered in the analysis.

00:08:34 --> 00:08:38: It's got to do with remote work and it's got

00:08:38 --> 00:08:42: to do with the current tensions in our economy context

00:08:42 --> 00:08:43: and background.

00:08:44 --> 00:08:46: Let's look at what I think we should keep in

00:08:46 --> 00:08:49: mind for the for the for the panel and maybe

00:08:49 --> 00:08:52: other aspects that you will want to to discuss.

00:08:53 --> 00:08:58: When we asked 250 decision makers what is the average

00:08:58 --> 00:09:03: time of presence in the office, they were huge variations,

00:09:03 --> 00:09:07: but the average is 3.4 days per week with on

00:09:08 --> 00:09:13: the lower end of that average the US business districts

00:09:13 --> 00:09:17: with return to the office rates lower than Asia.

00:09:17 --> 00:09:21: On the other end of the spectrum with four to

00:09:21 --> 00:09:24: four point 54.64.7 days per week.

00:09:24 --> 00:09:27: The Middle East is in the Asian category with a

00:09:28 --> 00:09:31: lot of presence in the office and Europe kind of

00:09:31 --> 00:09:32: in the middle.

00:09:32 --> 00:09:35: So huge variations and a trend actually to have a

00:09:35 --> 00:09:39: return to the office rate, but still with the younger

00:09:39 --> 00:09:44: generation maybe having different perceptions, sometimes

00:09:44 --> 00:09:47: cliches, but we have

00:09:47 --> 00:09:48: to deal with the perceptions as much as with the

00:09:49 --> 00:09:52: reality.

00:09:52 --> 00:09:57: 60% of the occupiers, as reported by CBRE, expect, and

00:09:57 --> 00:10:02: that's part of the economy tension, the trade tensions, the

00:10:02 --> 00:10:03: geopolitical situation, expect to reduce their footprint over the

00:10:03 --> 00:10:06: next

00:10:06 --> 00:10:10: three years.

00:10:10 --> 00:10:12: They have already reduced it by 15 to 20% in

00:10:12 --> 00:10:15: the past three years and they will reduce it more,

00:10:15 --> 00:10:20: probably less than that.

00:10:20 --> 00:10:24: But it's still a matter of of looking at the

00:10:24 --> 00:10:28: reduction at least of office space and looking at at

00:10:28 --> 00:10:29: two different business model and real estate models.

00:10:30 --> 00:10:33: Let's deep dive into the first megatrend firstly in the

00:10:33 --> 00:10:35: next slide.

00:10:35 --> 00:10:38: It's the big priority of this year's edition of the

00:10:38 --> 00:10:45: GBD Attractiveness Report.

00:10:45 --> 00:10:50: Talent, talent, talent, talent is the priority.

00:10:50 --> 00:10:54: When managers, investors, owners of assets in these areas

00:10:54 --> 00:10:55: have

00:10:55 --> 00:10:56: to convince to sell, to pitch, they not only convince,

00:10:56 --> 00:10:57: sell and pitch to VP of Real Estate, CF OS,

00:10:54 --> 00:10:59: they also have to speak with 2829 year old collaborators,

00:10:59 --> 00:11:04: employees of the, the, the companies, the occupiers that are,

00:11:04 --> 00:11:07: are in those business district.

00:11:07 --> 00:11:10: And, and talent is the key because this is where

00:11:11 --> 00:11:14: the moving parts are and the, the priorities, the ask,

00:11:14 --> 00:11:18: the challenges, the perceptions, again, as I said, are can

00:11:19 --> 00:11:23: I access the business district where you're offering me a

00:11:23 --> 00:11:26: position where you think and you say I have a

00:11:26 --> 00:11:29: career in your great company, is it safe?

00:11:29 --> 00:11:32: It's come very often in our research, the issue of

00:11:32 --> 00:11:35: safety more so again in the US and in part

00:11:35 --> 00:11:38: of Europe than in Asia or the Middle East or

00:11:38 --> 00:11:42: even in Latin America or or Africa where we're also

00:11:42 --> 00:11:43: have done our research.

00:11:44 --> 00:11:48: The ability to propose, to have a business proposition to

00:11:48 --> 00:11:54: young candidates, to young recruits, that also includes the ability

00:11:54 --> 00:12:00: to have a residential area, sometimes housing, accessible, affordable.

00:12:00 --> 00:12:05: And of course, it's about creating places that are different,

00:12:05 --> 00:12:09: more vibrant, with a mixed proposition of different categories.

00:12:09 --> 00:12:12: Because this is part, and I'm sure the panel will

00:12:12 --> 00:12:16: discuss it, 76% of the people we've interviewed say this

00:12:16 --> 00:12:17: is the top priority.

00:12:17 --> 00:12:21: And again, by far ahead of all the other megatrends.

00:12:21 --> 00:12:23: But let's go to megatrend #2 because I think it's

00:12:23 --> 00:12:24: a very interesting one.

00:12:25 --> 00:12:29: It's about real estate where a number of issues have

00:12:29 --> 00:12:32: have come up in the research.

00:12:33 --> 00:12:38: The the appeal and the attractiveness of the premium grade

00:12:38 --> 00:12:42: A office is sustained and and in most geographies where

00:12:42 --> 00:12:47: we've analyzed the data, it's the vacancy rates are are

00:12:47 --> 00:12:48: acceptable.

00:12:48 --> 00:12:52: But the gap between those grade A premium, high end

00:12:52 --> 00:12:58: renovated, ESG compatible, compliant office space with the other types

00:12:58 --> 00:13:04: of real estate, especially in office where renovation repurposing hasn't

00:13:04 --> 00:13:10: happened, where investment hasn't happened, where vacancy rates have raised.

00:13:11 --> 00:13:14: And, and you there's, it's a matter of visibility of

00:13:14 --> 00:13:18: seeing the lower end of the quality when so much

00:13:18 --> 00:13:21: has gone on and, and been invested in the high

00:13:21 --> 00:13:21: quality.

00:13:22 --> 00:13:25: So managing the quality gap, of course, navigating the cost

00:13:25 --> 00:13:26: pressure.

00:13:26 --> 00:13:29: And you see on the right hand side that 40%

00:13:29 --> 00:13:32: of the people we've interviewed say I want fair value,

00:13:32 --> 00:13:35: fair value for me, however we describe it and, and

00:13:35 --> 00:13:38: I'd love to hear the panel talk about it.

00:13:38 --> 00:13:40: Fair value is my priority.

00:13:40 --> 00:13:44: I should mention another number that we got from the

00:13:44 --> 00:13:47: research, which is only 9%, only 9% of the people

00:13:47 --> 00:13:52: we've interviewed, the 250 we've interviewed have said I'm

00:13:52 --> 00:13:57: getting

00:13:57 --> 00:14:00: fair value currently in the business districts that you're, you're

00:13:57 --> 00:14:00: offering me for analysis and where I occupy, where I

00:14:00 --> 00:14:03: invest, where I have projects.

00:14:03 --> 00:14:06: So 40% say it's a priority, only 9% things they

00:14:06 --> 00:14:08: find play fair value.

00:14:08 --> 00:14:11: And it's about many other things that but I'll need

00:14:11 --> 00:14:15: to accelerate a little bit and move to megatrend #3

00:14:15 --> 00:14:18: and I'm sure we'll discuss some of the things I

00:14:18 --> 00:14:20: haven't mentioned #3 technology.

00:14:21 --> 00:14:25: It's a lot about the technology that is used and

00:14:25 --> 00:14:28: is put in place to build, to operate, to look

00:14:29 --> 00:14:35: at the data, to create customer, employee experiences,

00:14:35 --> 00:14:40: shopper experiences with the better use of the best use

00:14:40 --> 00:14:41: of technology.

00:14:41 --> 00:14:44: You know, of course AI plays a big role.

00:14:44 --> 00:14:45: 27%.

00:14:45 --> 00:14:49: We could have felt currently that AI could have played

00:14:49 --> 00:14:52: a more essential, a bigger role.

00:14:52 --> 00:14:56: And there are big varieties of situations across the 30

00:14:56 --> 00:15:00: business districts with some very advanced and some not yet

00:15:00 --> 00:15:02: as advanced in the use of AI.

00:15:02 --> 00:15:06: But 27% of you have said AI initiatives are essential.

00:15:07 --> 00:15:11: The other aspects of technology that we've looked at where

00:15:11 --> 00:15:14: that has come up in your research is the ask

00:15:14 --> 00:15:19: the absolute necessity for occupiers to find their peers, their

00:15:19 --> 00:15:21: counterparts, similar companies.

00:15:21 --> 00:15:25: That's part of the game, but also different types of

00:15:25 --> 00:15:30: occupiers, startups, research centers, academia,

00:15:25 --> 00:15:30: entrepreneurs.

00:15:30 --> 00:15:33: So it's also that type of mixed-use, if I can

00:15:33 --> 00:15:37: say that, that is looked and sought after in the  
00:15:37 --> 00:15:38: business district.  
00:15:39 --> 00:15:43: But only 919 percent, 19119 percent of stakeholders thinks they,  
00:15:43 --> 00:15:49: they get that innovation ecosystem of that environment that's conducive  
00:15:49 --> 00:15:51: of innovation in business history.  
00:15:51 --> 00:15:53: That's probably work in progress.  
00:15:54 --> 00:16:00: Let's finish with megatrend #4, which is about the complexity  
00:16:00 --> 00:16:05: of the cost, the many aspects of sustainability.  
00:16:05 --> 00:16:07: That's probably why it's very complex.  
00:16:09 --> 00:16:13: The research has said you need to look at transportation  
00:16:13 --> 00:16:17: because this is a big part of how we can  
00:16:17 --> 00:16:21: reduce our carbon footprints and get to the objectives that  
00:16:21 --> 00:16:26: we've set for ourselves and our communities want us to  
00:16:26 --> 00:16:27: to achieve.  
00:16:27 --> 00:16:29: So it's about low carbon mobility.  
00:16:29 --> 00:16:32: It's about being more efficient in terms of our energy  
00:16:32 --> 00:16:35: consumption and the systems we use to manage it.  
00:16:36 --> 00:16:40: It's about when you're in the design, building and construction  
00:16:41 --> 00:16:46: phase, retrofitting, repurposing because we know also in the industry  
00:16:46 --> 00:16:49: it's a big part of making sure that we reduce  
00:16:49 --> 00:16:53: the, the carbon footprint and the carbon impact on the  
00:16:53 --> 00:16:56: on our world and our, our industry.  
00:16:56 --> 00:17:00: It's about also, but not specifically in first about green  
00:17:00 --> 00:17:03: spaces, which had come up in the past as the  
00:17:03 --> 00:17:07: number one sustainability advancement, but it's now stealing the equation.  
00:17:08 --> 00:17:10: But now after all the other and all the above,  
00:17:11 --> 00:17:11: but only 10%.  
00:17:12 --> 00:17:16: So I'm putting the half full and half empty glass  
00:17:16 --> 00:17:17: here as well.  
00:17:17 --> 00:17:21: Only 10% of stakeholders have said GBDS as we see  
00:17:21 --> 00:17:24: them, as we understand them as much as we can  
00:17:24 --> 00:17:29: understand the progress that they want and need to make  
00:17:29 --> 00:17:32: in terms of tackling addressing climate trees.  
00:17:32 --> 00:17:35: Only 10% of them do that efficiently.  
00:17:35 --> 00:17:38: So I think that's worth discussing.  
00:17:38 --> 00:17:43: I want to finish with encouraging you, Kirsty, on the  
00:17:43 --> 00:17:44: next slide, please.  
00:17:44 --> 00:17:48: Thank you very much to of course, challenges come back



00:17:48 --> 00:17:52: to us to Uli again, thanks very much to to

00:17:52 --> 00:17:56: them for being great, great partners in this joint venture.

00:17:57 --> 00:17:59: To us to look at the report, not not immediately

00:17:59 --> 00:18:02: because I want you to listen to the panel, but

00:18:02 --> 00:18:06: I think it's fascinating to also have this discussion, this

00:18:06 --> 00:18:07: conversation going around.

00:18:08 --> 00:18:11: And Lizette, I'm happy to hand over back to you.

00:18:11 --> 00:18:12: Thank you.

00:18:14 --> 00:18:17: Thank you so much, Mark, for the for the presentation.

00:18:17 --> 00:18:20: As many of you have maybe grasped, there's a lot

00:18:20 --> 00:18:21: in the report.

00:18:21 --> 00:18:23: So I would encourage each of you to read it.

00:18:24 --> 00:18:27: And for those that are then still interested to learn

00:18:27 --> 00:18:30: more, we will also soon publish an even more detailed

00:18:30 --> 00:18:33: report with a lot of those case studies that Mark

00:18:33 --> 00:18:34: already mentioned.

00:18:35 --> 00:18:39: And now I'm very pleased to introduce the panel.

00:18:40 --> 00:18:44: First of all, Amy Price, she's Co President for Bento

00:18:44 --> 00:18:47: Prenuk, based in San Francisco, United States.

00:18:48 --> 00:18:52: Nikolas Weining, global Head of Corporate Real Estate

00:18:52 --> 00:18:54: Management at

00:18:54 --> 00:18:57: ING, based in the Netherlands.

00:18:57 --> 00:19:03: Eli Gamberg, design principle for Corn.

00:19:03 --> 00:19:04: Peterson Fox Associates, based in the UK and spreading

00:19:04 --> 00:19:09: around,

00:19:09 --> 00:19:13: I would say.

00:19:13 --> 00:19:16: And last but certainly not least, Tom Harris, President for

00:19:16 --> 00:19:20: Times Square Alliance New York, based in the United States.

00:19:20 --> 00:19:23: Thanks all for joining.

00:19:23 --> 00:19:26: Well, that was a lot to digest, I think in

00:19:26 --> 00:19:30: the in the report and the presentation.

00:19:30 --> 00:19:33: So maybe to kick off, I would like to ask

00:19:33 --> 00:19:37: each of you to reflect on Mark's presentation and maybe

00:19:37 --> 00:19:40: if you've had a chance to look through the report.

00:19:40 --> 00:19:44: And maybe before I hand over to the first of

00:19:44 --> 00:19:46: one of you, also encourage the audience that if you

00:19:46 --> 00:19:49: have any questions, we have AQ and a function that

00:19:49 --> 00:19:50: you can see at the bottom.

00:19:50 --> 00:19:51: Feel free to put in your question and I will

00:19:51 --> 00:19:54: pick them up along the way.

00:19:54 --> 00:19:56: And we don't get a chance to answer your question

00:19:56 --> 00:19:58: during the next say, 40 minutes.

00:19:57 --> 00:20:00: We will follow up after the the webinar.

00:20:00 --> 00:20:02: So please send in your questions.

00:20:03 --> 00:20:06: Amy, can I start with you to reflect on what

00:20:06 --> 00:20:10: you just heard and of course from your experience?

00:20:11 --> 00:20:14: You may sure thank you and I appreciate the opportunity

00:20:14 --> 00:20:15: to be here.

00:20:15 --> 00:20:16: Hello everyone.

00:20:17 --> 00:20:20: I think my perspective on this panel is coming from

00:20:20 --> 00:20:22: the investors mindset.

00:20:22 --> 00:20:24: So I'm going to try to bring that lens to

00:20:24 --> 00:20:27: this conversation and let others bring their perspective.

00:20:27 --> 00:20:30: So as I, you know, thought about this topic and,

00:20:30 --> 00:20:33: and had an opportunity to look some at the report,

00:20:33 --> 00:20:36: I think this is really, really critical to kind of

00:20:36 --> 00:20:39: put yourself into this mindset and way of thinking as

00:20:39 --> 00:20:40: an investor in real estate.

00:20:41 --> 00:20:43: At the end of the day, one of the major,

00:20:43 --> 00:20:46: you know, primary things we're looking to do is to

00:20:47 --> 00:20:50: look forward and to try to predict how and where

00:20:50 --> 00:20:52: people are going to want to live, work and play

00:20:53 --> 00:20:55: over the next, call it 10 years.

00:20:55 --> 00:20:58: And that's fundamentally what drives, you know, our, our conviction

00:20:58 --> 00:20:59: as an investor.

00:20:59 --> 00:21:04: So this idea of thinking about this transformation of business

00:21:04 --> 00:21:08: districts to more kind of socially connected hubs, to think

00:21:08 --> 00:21:12: about real estate as a physical space that is containing

00:21:12 --> 00:21:16: the activity and that's part of these business districts or,

00:21:16 --> 00:21:20: you know, social districts is really important.

00:21:21 --> 00:21:23: And so, you know, specifically in the report, there's a

00:21:23 --> 00:21:25: few things that jump out at me that I think

00:21:25 --> 00:21:26: are interesting.

00:21:26 --> 00:21:30: Number one, this idea of this widening disparity of have

00:21:30 --> 00:21:31: and have nots.

00:21:31 --> 00:21:33: So we have been talking about this and seeing this

00:21:33 --> 00:21:35: in the office sector specifically.

00:21:35 --> 00:21:37: I think you can extrapolate from there.

00:21:37 --> 00:21:40: And we're seeing this as a point of distinction between

00:21:40 --> 00:21:44: major cities or global business districts as they're being called.

00:21:45 --> 00:21:48: And so again, this idea of the bookends widening to

00:21:48 --> 00:21:52: be, you know, viable and, and actually, you know, thriving

00:21:52 --> 00:21:56: on the one end and absolutely obsolete on the other

00:21:56 --> 00:21:58: end is really important.

00:21:59 --> 00:22:01: And it goes to kind of identifying what does it

00:22:01 --> 00:22:04: mean to be, you know, at the at the positive

00:22:04 --> 00:22:07: end of that spectrum, You have to be well located,

00:22:07 --> 00:22:10: well amenitized, almost experimentized, if that's a word.

00:22:12 --> 00:22:16: And and you know, on the commodity side, right, there's,

00:22:16 --> 00:22:17: there's a struggle.

00:22:17 --> 00:22:20: So what I would say though, as an investor, you

00:22:21 --> 00:22:24: have to look deeper than just these macro markets and

00:22:24 --> 00:22:27: themes because even within take New York City as an

00:22:27 --> 00:22:30: example, and I will let Tom be the expert there.

00:22:31 --> 00:22:33: But I can tell you having known real estate and

00:22:33 --> 00:22:34: on both Park Ave.

00:22:34 --> 00:22:35: and 3rd Ave.

00:22:35 --> 00:22:37: it's two blocks apart, but it's a radical difference in

00:22:38 --> 00:22:40: terms of the value of that real estate and the

00:22:40 --> 00:22:42: ability to kind of engage and attract tenants.

00:22:42 --> 00:22:46: So I do think as an investor, it's very much

00:22:46 --> 00:22:49: a micro market and micro location that matters.

00:22:50 --> 00:22:53: Another thing I just want to highlight is, you know,

00:22:53 --> 00:22:55: I the, the report and Mark spoke to this idea

00:22:55 --> 00:22:56: of Fair value.

00:22:56 --> 00:22:58: I think really what that means is affordability.

00:22:59 --> 00:23:02: So I think the the challenge here is that while

00:23:02 --> 00:23:06: there's this desire to have these vibrant, more engaged, you

00:23:06 --> 00:23:10: know, experiences for our tenants, for employers, for

00:23:10 --> 00:23:11: residents, it's

00:23:11 --> 00:23:14: really hard.

00:23:14 --> 00:23:18: And I don't think we've yet created or understood what

00:23:18 --> 00:23:18: the real economic value proposition is and how we actually

00:23:18 --> 00:23:18: achieve that.

00:23:19 --> 00:23:21: So again, take New York as an example.

00:23:21 --> 00:23:24: You know, we've seen the people of New York a

00:23:24 --> 00:23:27: lot, very much a socialist next mayor for the city,

00:23:27 --> 00:23:31: very much focused on this challenge of affordability.

00:23:32 --> 00:23:34: And I think that is kind of really takes us

00:23:35 --> 00:23:38: to as an investor thinking about again, how do we

00:23:38 --> 00:23:42: look forward and predict where where affordability will be

00:23:42 --> 00:23:43: relatively

00:23:43 --> 00:23:46: better addressed.

00:23:46 --> 00:23:50: And part of that is looking at the alignment and

00:23:50 --> 00:23:50: the partnership between a public sector in the government

00:23:50 --> 00:23:51: and  
 00:23:52 --> 00:23:55: the private sector.  
 00:23:55 --> 00:23:59: And the challenge there, particularly putting it on AUS  
 00:23:59 --> 00:24:02: perspective  
 00:24:02 --> 00:24:04: is often our investment period is longer than the duration  
 00:24:04 --> 00:24:07: of a, you know, a particular term for a governor,  
 00:24:07 --> 00:24:10: for a mayor, even for a president.  
 00:24:10 --> 00:24:13: So you're really trying to look at thematically, where are  
 00:24:13 --> 00:24:15: the where are the cities that we can invest in  
 00:24:15 --> 00:24:17: that have enough of a trajectory.  
 00:24:17 --> 00:24:19: You know, EU of conviction over the long term is  
 00:24:19 --> 00:24:21: to the to the, to the path there.  
 00:24:21 --> 00:24:22: So that's something we spent a lot of time, you  
 00:24:22 --> 00:24:24: know, focused on as well and comes through in the  
 00:24:24 --> 00:24:27: report.  
 00:24:27 --> 00:24:29: So with that, I'm going to actually stop talking.  
 00:24:29 --> 00:24:31: And I know we're going to get into this, but  
 00:24:31 --> 00:24:33: I'll let someone else share their views.  
 00:24:33 --> 00:24:37: Thanks, Amy.  
 00:24:37 --> 00:24:41: That's a really nice starting point.  
 00:24:41 --> 00:24:45: Tom, can I hand over to you what Mark presented  
 00:24:45 --> 00:24:49: was mainly high level trends, but the report also includes  
 00:24:49 --> 00:24:52: the ranking of those 30 business districts that we surveyed  
 00:24:52 --> 00:24:53: and assessed and New York actually came out at the  
 00:24:53 --> 00:24:55: one, top number one and two position.  
 00:24:55 --> 00:24:58: So you must be very pleased.  
 00:24:58 --> 00:25:00: Can you share also your wider observations from the report  
 00:25:00 --> 00:25:01: and Mark's presentation?  
 00:25:01 --> 00:25:04: Sure.  
 00:25:04 --> 00:25:05: So we're we're certainly pleased with the direction that we're  
 00:25:05 --> 00:25:10: going in.  
 00:25:10 --> 00:25:15: We do have challenges and I think the report honed  
 00:25:15 --> 00:25:19: in on some of those, those challenges, the geopolitical and  
 00:25:19 --> 00:25:23: then just this, this desire to, to, to stay away  
 00:25:23 --> 00:25:27: from the central business districts into.  
 00:25:27 --> 00:25:30: So our solution, I guess, and, and, and, and I  
 00:25:30 --> 00:25:33: guess stepping back, the thing that resonated most with me  
 00:25:33 --> 00:25:34: was the quote at the end about clinging to the  
 00:25:34 --> 00:25:36: status quo.  
 00:25:36 --> 00:25:37: And if you're not growing as a district, you're starting  
 00:25:37 --> 00:25:40: to die.  
 00:25:40 --> 00:25:40: So that's something that we focus on a lot in

00:25:40 --> 00:25:41: Times Square.

00:25:41 --> 00:25:45: The Times Square area has has gone through ups and

00:25:45 --> 00:25:47: downs throughout history.

00:25:48 --> 00:25:51: You don't have to look more than 35 years ago

00:25:51 --> 00:25:54: to see Times Square as the red light district in

00:25:54 --> 00:25:54: the city.

00:25:55 --> 00:25:58: It was the place where every young kid in New

00:25:58 --> 00:26:01: York got their face, the first fake ID.

00:26:01 --> 00:26:05: And now it's, it's sort of dignified, if, if you

00:26:05 --> 00:26:09: will, where that public private partnership that Amy was

00:26:09 --> 00:26:13: talking

00:26:14 --> 00:26:18: about allowed the rebirth and regeneration of, of Times

00:26:18 --> 00:26:18: Square.

00:26:19 --> 00:26:23: And we're now at a, a, a change, change point

00:26:23 --> 00:26:28: again.

00:26:28 --> 00:26:32: We see businesses that came to Times Square for incentives

00:26:32 --> 00:26:32: leaving Times Square, not because they're leaving Times

00:26:33 --> 00:26:37: Square, but

00:26:37 --> 00:26:41: they're going to that next incentive that is given to

00:26:42 --> 00:26:45: them.

00:26:46 --> 00:26:46: We've seen the office space change lawyers 30 years ago

00:26:46 --> 00:26:48: probably had a secretary and a paralegal and now they

00:26:48 --> 00:26:52: do most of the work themselves and and they share

00:26:53 --> 00:26:57: paralegal.

00:26:57 --> 00:26:59: So they need less space.

00:27:00 --> 00:27:03: So we saw a great flight from Times Square from

00:27:03 --> 00:27:06: some of these higher priced jobs to to that that

00:27:06 --> 00:27:07: next shiny penny.

00:27:08 --> 00:27:10: What we see is the future and what we're trying

00:27:11 --> 00:27:14: to position ourselves for is a live work and play

00:27:14 --> 00:27:19: community.

00:27:19 --> 00:27:21: We have the the work and we have the play

00:27:21 --> 00:27:25: where the cultural district in New York City with with

00:27:25 --> 00:27:29: 40 Broadway theaters and a lot of live entertainment here.

00:27:29 --> 00:27:34: We have a lot of great office space.

00:27:34 --> 00:27:38: But what sort of was missing was that that that

00:27:38 --> 00:27:42: live component where people can, can, can, can, can live.

00:27:42 --> 00:27:45: And, and we saw during the pandemic that places with

00:27:45 --> 00:27:48: that live work play environment recovered better.

00:27:48 --> 00:27:50: So we're looking to the future of adaptive reuse, converting

00:27:50 --> 00:27:50: some office buildings to residential.

00:27:50 --> 00:27:50: We're seeing that South of us and West of us

00:27:50 --> 00:27:50: and actually on 42nd St.

00:27:50 --> 00:27:52: which is the heart of Times Square, there are two

00:27:53 --> 00:27:56: buildings that are going to convert to residential.

00:27:56 --> 00:28:01: We think that's going to position ourselves for for future

00:28:01 --> 00:28:02: turmoil.

00:28:02 --> 00:28:05: I guess in, in, in the economy as a Business

00:28:05 --> 00:28:09: Improvement District, we try to create the best experience possible.

00:28:09 --> 00:28:12: So the four pillars for us are clean, safe, improved,

00:28:12 --> 00:28:13: promote.

00:28:13 --> 00:28:16: And we think if we create a great experience, we

00:28:16 --> 00:28:18: have a a fantastic location.

00:28:19 --> 00:28:22: We're central to commuting from the outer boroughs of New

00:28:22 --> 00:28:26: York City and almost every, every train station goes through

00:28:26 --> 00:28:27: Times Square.

00:28:28 --> 00:28:31: So if we can create a great experience, people will

00:28:31 --> 00:28:32: want to be here.

00:28:32 --> 00:28:36: And we're seeing from some residential conversions that people want

00:28:36 --> 00:28:37: to live here.

00:28:37 --> 00:28:40: So that will sort of complete the live work and

00:28:40 --> 00:28:43: play dynamic that we think is the future of a

00:28:43 --> 00:28:46: thriving central business district.

00:28:48 --> 00:28:53: Thank you, Tom Nicholas, as a major employer and occupier,

00:28:53 --> 00:28:58: what is your view on the report and March presentation?

00:28:59 --> 00:29:00: Thanks, Lizette.

00:29:01 --> 00:29:06: Yeah, So I recognize a lot of things from occupier

00:29:06 --> 00:29:07: point of view.

00:29:08 --> 00:29:11: As a as a global bank, we have basically two

00:29:11 --> 00:29:12: types of real estate.

00:29:13 --> 00:29:18: The majority as our overall global footprint is around 1,000,000

00:29:18 --> 00:29:22: square meters, 10 million square feet of which 80% is

00:29:22 --> 00:29:23: office space.

00:29:23 --> 00:29:28: So it's mostly about work, but we also still have

00:29:28 --> 00:29:33: some shops, some retail around 200,000 square meters at the

00:29:33 --> 00:29:34: moment.

00:29:34 --> 00:29:39: And just some some larger perspective on what happened over

00:29:39 --> 00:29:42: the last couple of years.

00:29:42 --> 00:29:45: Also, Lisette, you alluded to that, that the world has

00:29:45 --> 00:29:49: changed quite dramatically since, well ten years ago.

00:29:49 --> 00:29:54: And of course, the biggest change for our use of  
00:29:54 --> 00:29:57: of real estate has been digitization.  
00:29:58 --> 00:30:01: So first of all, that has already started a long  
00:30:01 --> 00:30:03: time ago in our branch footprint.  
00:30:03 --> 00:30:08: So seven years ago, we still had 2000 branches across  
00:30:08 --> 00:30:13: several countries in Europe and now we're down to less  
00:30:13 --> 00:30:14: than 500.  
00:30:14 --> 00:30:16: So that's a 75% reduction.  
00:30:16 --> 00:30:21: And that's all because we have a digital first strategy  
00:30:21 --> 00:30:24: in how we interact with our customers.  
00:30:25 --> 00:30:28: And that also has a reflection I think a little  
00:30:28 --> 00:30:30: bit to where we are in, in cities.  
00:30:30 --> 00:30:33: So we want to be, so we have fewer locations  
00:30:33 --> 00:30:37: in fewer cities, but we want to be in, in  
00:30:37 --> 00:30:40: good locations, in accessible locations.  
00:30:40 --> 00:30:44: But what we do in those branches is also different  
00:30:44 --> 00:30:46: from 10 years ago or 20 years ago, right.  
00:30:46 --> 00:30:50: So we don't have cash counters anymore or tellers.  
00:30:50 --> 00:30:52: It's all about advice.  
00:30:52 --> 00:30:57: So a lot of the things that basically you see  
00:30:57 --> 00:31:00: a little bit 2 two ways in that.  
00:31:00 --> 00:31:04: So one on the one hand, especially for the for  
00:31:04 --> 00:31:09: the highest segment, private banking, you see that we're  
00:31:09 --> 00:31:13: opening  
00:31:13 --> 00:31:17: new branches like the one we've we're basically now sitting  
00:31:17 --> 00:31:19: out in the centre of or that's being built in  
00:31:19 --> 00:31:23: the centre of Madrid.  
00:31:23 --> 00:31:27: It's a big new private banking outside right in the  
00:31:27 --> 00:31:31: middle of the main square or on the main square.  
00:31:31 --> 00:31:33: And it's there for visibility and also for, you know,  
00:31:33 --> 00:31:35: giving advice to customers.  
00:31:35 --> 00:31:40: So that is the CBD of retail, so to say.  
00:31:40 --> 00:31:45: But on the other hand, you also see those traditional  
00:31:45 --> 00:31:50: branches that are either digitized, so are disappearing or  
00:31:50 --> 00:31:54: they're  
00:31:54 --> 00:31:58: moving more to locations which can be even a little  
00:31:58 --> 00:32:00: bit outside of the of the of the Main Street.  
00:32:00 --> 00:32:03: Because basically people come there for an appointment to  
00:32:03 --> 00:32:05: have,  
00:32:05 --> 00:32:06: you know, to sit down with their advisor and it  
00:32:06 --> 00:32:08: can be even in an office typist location.  
00:32:08 --> 00:32:10: So that is a little bit of what we see  
00:32:10 --> 00:32:12: on the branch side.

00:32:06 --> 00:32:10: And overall that number is still declining, although not as rapid as we had seen it in the past.

00:32:10 --> 00:32:12: On the office side, we've seen something similar.

00:32:13 --> 00:32:16: Obviously with the remote work.

00:32:17 --> 00:32:19: We've downsized our portfolio by 3040% more or less and now we're seeing a stabilization.

00:32:24 --> 00:32:26: There's still a little bit in the pipeline, but overall,

00:32:28 --> 00:32:31: all the plans that we are currently making are for

00:32:31 --> 00:32:34: around the same number of square meters that that we

00:32:34 --> 00:32:37: currently have.

00:32:37 --> 00:32:38: And where are we then looking at?

00:32:39 --> 00:32:42: I think we already have a long tradition of not

00:32:43 --> 00:32:46: being in the core, core CBD for our retail sites,

00:32:46 --> 00:32:49: even for our global headquarters in Amsterdam.

00:32:49 --> 00:32:52: We're in kind of a Tier 2 location, a little

00:32:52 --> 00:32:54: bit on the fringe of the of the city of

00:32:54 --> 00:32:56: the capital, but still not in the in the most

00:32:57 --> 00:32:59: expensive location, but also bank, it's a little bit of

00:32:59 --> 00:33:02: a different story.

00:33:02 --> 00:33:03: There we are.

00:33:03 --> 00:33:04: And so on the on the front page of the

00:33:05 --> 00:33:07: EY report, we saw Bryant Park and actually one of

00:33:07 --> 00:33:10: the three buildings that you see there right next to

00:33:11 --> 00:33:14: Bank of America.

00:33:14 --> 00:33:15: That's the building we're in.

00:33:15 --> 00:33:17: So, so we want to be for also bank.

00:33:17 --> 00:33:20: That's where we want to be same, same thing for

00:33:20 --> 00:33:22: London and senior poor and and the likes.

00:33:22 --> 00:33:24: But for retail, which is the majority of our of

00:33:25 --> 00:33:28: our banking operation, we're a little bit in the fringe

00:33:28 --> 00:33:31: and for example, good nice example there is I think

00:33:31 --> 00:33:34: what we are doing in in Frankfurt.

00:33:34 --> 00:33:37: So we everything comes together there.

00:33:37 --> 00:33:40: So I'd like to give that example.

00:33:40 --> 00:33:41: So we're currently at 40,000 square meters on the fringe

00:33:41 --> 00:33:45: of the CBD at walking distance of the hard button

00:33:45 --> 00:33:49: of the main central station.

00:33:49 --> 00:33:51: It's a nice location, but it's a bit of a

00:33:51 --> 00:33:53: stand alone office location, a little bit traditional.

00:33:53 --> 00:33:56: And where we are moving to is we signed this

00:33:57 --> 00:34:00: year to the half and Parkway deal, which is on

00:34:00 --> 00:34:03: the other side of the city.

00:34:03 --> 00:34:05:



00:34:07 --> 00:34:09: And it's, it's a mixed area.

00:34:09 --> 00:34:13: So it has all those components of it's a hotel

00:34:13 --> 00:34:14: area, residential.

00:34:15 --> 00:34:18: The complex itself is 65,000 square meters.

00:34:18 --> 00:34:19: We're going to rent 32.

00:34:19 --> 00:34:22: So we're going to downsize a little bit compared to

00:34:23 --> 00:34:26: where we are today because of hybrid working and and

00:34:26 --> 00:34:30: that makes and that upcoming area is very important for

00:34:30 --> 00:34:30: us.

00:34:30 --> 00:34:33: So it, it, it, it really kind of we, we

00:34:33 --> 00:34:36: jumped over the CBD, you could say.

00:34:36 --> 00:34:38: So we're moving to the other side of the CBD.

00:34:39 --> 00:34:41: We're going to be in from a proximity point of

00:34:42 --> 00:34:44: view, an accessibility point of view, it's going to be

00:34:45 --> 00:34:45: comparable.

00:34:45 --> 00:34:48: We do the commuter analysis, very important.

00:34:48 --> 00:34:51: Of course, I think the extra commuting time for employees

00:34:51 --> 00:34:53: is less than a minute.

00:34:53 --> 00:34:58: So that's acceptable and the livelihood of the area is

00:34:58 --> 00:34:59: very important.

00:34:59 --> 00:35:03: Upcoming price level is important and I haven't mentioned it,

00:35:03 --> 00:35:04: but it's top of the list.

00:35:04 --> 00:35:08: It's all John, almost a hygiene factory is sustainability.

00:35:08 --> 00:35:11: So it's going to be a full net 0 building

00:35:11 --> 00:35:15: and you know ready for the next 20 years for

00:35:15 --> 00:35:15: us or so.

00:35:17 --> 00:35:22: So I think that that's kind of that's the strategy

00:35:22 --> 00:35:27: that we are pursuing throughout the portfolio.

00:35:27 --> 00:35:30: Of course it's case by case, it depends on what

00:35:30 --> 00:35:33: the availability is of buildings.

00:35:34 --> 00:35:37: But overall this is a little bit where we position

00:35:37 --> 00:35:37: ourselves.

00:35:37 --> 00:35:41: And definitely I think the CBD itself deserves its still

00:35:41 --> 00:35:45: owns its, its position in there, but we prefer to

00:35:45 --> 00:35:48: be especially for a retail sites a little bit on

00:35:49 --> 00:35:50: the edge of it.

00:35:50 --> 00:35:52: So we have the best of both worlds.

00:35:53 --> 00:35:57: Thank you, Nicholas, That's extremely useful to learn about

00:35:57 --> 00:35:59: Ellie

00:35:57 --> 00:35:59: from a designer perspective.

00:36:00 --> 00:36:03: How have you seen the presentation and the report?

00:36:04 --> 00:36:07: Yeah, well, it's actually kind of a perfect segue from

00:36:07 --> 00:36:08: what Nicola was talking about.

00:36:09 --> 00:36:11: And as Lisette mentioned, I'll provide a bit of a

00:36:11 --> 00:36:15: design perspective, but also as a native New Yorker working

00:36:15 --> 00:36:18: in London who started this call sitting in Bangalore and

00:36:18 --> 00:36:20: is now taking the rest of this call sitting in

00:36:20 --> 00:36:23: Mumbai, I'll try to get a little bit of a

00:36:23 --> 00:36:24: global perspective.

00:36:24 --> 00:36:26: And I think that there is sort of two general

00:36:26 --> 00:36:29: things that the report covers that might be broadly relevant.

00:36:29 --> 00:36:32: I think 1 is that when we talk about global

00:36:32 --> 00:36:35: CBDS, it's worth dividing them into really kind of three

00:36:35 --> 00:36:38: groups, one of the CBDS that continue to evolve.

00:36:38 --> 00:36:41: So they're clearly established and they're continuing to kind

00:36:41 --> 00:36:42: of

00:36:42 --> 00:36:45: grow and change.

00:36:45 --> 00:36:48: And obvious ones that have been mentioned on this call

00:36:48 --> 00:36:51: are ones like New York, London, Paris, you know,

00:36:51 --> 00:36:52: established

00:36:52 --> 00:36:55: CBDS in Hong Kong, you know, Shanghai's Pushi and

00:36:55 --> 00:36:57: Pudong

00:36:57 --> 00:36:59: districts and so on.

00:37:00 --> 00:37:02: Then there are growing CBDS.

00:37:02 --> 00:37:05: So CBDS that are clear and exist, but are really

00:37:05 --> 00:37:08: kind of multiplying in kind of size and scale.

00:37:08 --> 00:37:12: And you see that in United States in cities like

00:37:12 --> 00:37:15: Miami or Salt Lake or Austin, TX and Europe and

00:37:15 --> 00:37:17: places like Lisbon or Athens, parts of Milan.

00:37:17 --> 00:37:20: I see that in China and places like Shenzhen, Guangzhou

00:37:20 --> 00:37:23: and others.

00:37:23 --> 00:37:26: And obviously in places like Dubai that are, that are

00:37:26 --> 00:37:29: benefiting a little bit from the exodus from the UK

00:37:29 --> 00:37:30: and others.

00:37:30 --> 00:37:33: And then of course, there's CBDS in their beginning stages.

00:37:33 --> 00:37:36: So places like Bangalore where they're absolutely kind of,

00:37:36 --> 00:37:39: you

00:37:39 --> 00:37:42: know, beginning or Mumbai where the kind of amount of

00:37:42 --> 00:37:45: growth is so exponential versus like what's there that

00:37:45 --> 00:37:48: effectively

00:37:48 --> 00:37:51: they're starting from scratch.

00:37:51 --> 00:37:54: I think there's different challenges and opportunities in, in

00:37:54 --> 00:37:57: these

00:37:57 --> 00:38:00: three different groups of CBDS.

00:38:00 --> 00:38:03: But what's interesting and I think the report kind of

00:38:03 --> 00:38:06: highlights is that there is a certain kind of common

00:37:42 --> 00:37:45: theme from the kind of nature of the space of

00:37:45 --> 00:37:46: the CBD to all of these.

00:37:46 --> 00:37:48: And I would say that there's sort of four key

00:37:48 --> 00:37:50: themes that maybe could inform the conversation.

00:37:51 --> 00:37:52: The 1st is that the CBD is evolving.

00:37:52 --> 00:37:55: I think of several, you know, Amy highlighted it, Tom

00:37:55 --> 00:37:58: highlighted it, Nicholas highlighted it again, I'm sure many others

00:37:58 --> 00:37:58: will come up with it.

00:37:59 --> 00:38:02: But it's this evolution of the CBD central business district

00:38:02 --> 00:38:05: to the CSD or the Central Social District, which is

00:38:05 --> 00:38:07: the idea that the, it's not just a place that

00:38:07 --> 00:38:10: has office space and amenities to support the office space,

00:38:10 --> 00:38:13: but it's about bringing people together.

00:38:13 --> 00:38:14: And in order to bring people together, you have to

00:38:14 --> 00:38:15: have other things.

00:38:15 --> 00:38:20: Clearly restaurants and retail and fun, but also theatre, art,

00:38:20 --> 00:38:23: museums, culture, great and spaces.

00:38:23 --> 00:38:26: And then as, as has been highlighted, proximity or inclusion

00:38:26 --> 00:38:27: of residential and other things.

00:38:28 --> 00:38:31: So that leads to the second thing, which is that

00:38:31 --> 00:38:34: all of these CBDS, whether they're new, evolving or growing

00:38:34 --> 00:38:36: are also evolving to be more diverse.

00:38:36 --> 00:38:39: So the traditional CBD of the past, which was, you

00:38:39 --> 00:38:42: know, primarily, you know, kind of core commercial office and

00:38:42 --> 00:38:45: again, support space and really evolving to have robust set

00:38:45 --> 00:38:49: of residences, obviously hospitality, event spaces and other things.

00:38:49 --> 00:38:52: Another thing that you're seeing is this question of kind

00:38:52 --> 00:38:55: of reinvestment and you're seeing it we observe in our

00:38:55 --> 00:38:56: work in two ways.

00:38:56 --> 00:38:59: 1 is a reinvestment in the public realm and the

00:38:59 --> 00:39:00: kind of civic sphere.

00:39:01 --> 00:39:04: So whether that's through alliances like Tom's at Times Square

00:39:04 --> 00:39:09: alliance, larger kind of entities that operate as alliances like,

00:39:09 --> 00:39:11: you know, Paris La de Fonce or Canary Wharf or

00:39:12 --> 00:39:15: developers like Lujaj Wei in in Shanghai and others, you

00:39:15 --> 00:39:19: see a kind of consistent reinvestment in creating more public

00:39:19 --> 00:39:21: space, pedestrianizing the streets.

00:39:21 --> 00:39:23: You're seeing, you know, New York announcing that 5th Ave.

00:39:23 --> 00:39:27: is going to become pedestrianized, Oxford St.

00:39:27 --> 00:39:30: in London, the great axis down the middle of of

00:39:30 --> 00:39:33: Paris allow the Francis being turned into a park.

00:39:33 --> 00:39:36: So these reinvestments in the kind of public realm and

00:39:36 --> 00:39:38: the public sphere in the civic space.

00:39:38 --> 00:39:40: And you also see a continued reinvestment in buildings.

00:39:40 --> 00:39:42: And so even buildings were only built.

00:39:42 --> 00:39:44: And I thought it was very interesting that Nicholas said

00:39:44 --> 00:39:47: 20 years, even buildings that have only been built 20

00:39:47 --> 00:39:49: years ago, 21 years ago, like 8 Canada Square, which

00:39:49 --> 00:39:52: is the former headquarters of HSBC are already being reinvested

00:39:53 --> 00:39:54: in to maintain relevancy.

00:39:54 --> 00:39:57: So this continued reinvestment is happening again surprisingly in all

00:39:57 --> 00:40:00: three types of business districts, even new ones are very

00:40:00 --> 00:40:03: quickly flipping over buildings that are only a decade or

00:40:03 --> 00:40:06: two old kind of new uses and last, which is

00:40:06 --> 00:40:08: maybe highlighted by the kind of ecosystem of the of

00:40:09 --> 00:40:10: the CBDS that the report highlights.

00:40:11 --> 00:40:15: Is the way that even though nations may be retreating

00:40:15 --> 00:40:19: from globalism and obviously the political sphere right now has

00:40:19 --> 00:40:23: the business districts and the companies within them are not.

00:40:24 --> 00:40:27: And so more than ever in any of these conversations,

00:40:27 --> 00:40:30: you know, people are seamlessly kind of comparing, you know,

00:40:30 --> 00:40:33: the the parkification of a of an old highway in

00:40:33 --> 00:40:36: Seoul as a river to what's happening in in downtown

00:40:36 --> 00:40:39: Los Angeles to what's happening in in Paris and elsewhere.

00:40:40 --> 00:40:42: So wherever the nation state is going, the sort of

00:40:42 --> 00:40:46: cities that have these kinds of CBDS are definitely remaining

00:40:46 --> 00:40:50: kind of home of global citizens, global entities, global companies

00:40:50 --> 00:40:51: and global collaboration.

00:40:52 --> 00:40:52: Thanks.

00:40:55 --> 00:40:56: So there was a lot to cover.

00:40:57 --> 00:40:59: I want to pick up on a few things that

00:40:59 --> 00:41:02: some of you have already alluded to and maybe somewhere

00:41:02 --> 00:41:05: that we haven't touched on so much already that came

00:41:05 --> 00:41:06: out of the report.

00:41:06 --> 00:41:10: And one around was around technology and innovation.

00:41:10 --> 00:41:15: You've all almost mentioned the experience, the amenities, etcetera.

00:41:16 --> 00:41:19: But also we see business more the needs beside the

00:41:19 --> 00:41:23: social aspect, stressing much more the innovation aspect.

00:41:23 --> 00:41:29: And it's not just an only about corporate headquarters anymore,

00:41:29 --> 00:41:34: but also about facilitating maybe academia, startups, etcetera.

00:41:35 --> 00:41:36: Who wants to comment on that?

00:41:36 --> 00:41:41: Maybe Nicholas, starting with you, for a corporate like ING,

00:41:42 --> 00:41:45: how much, how important is it for you to also

00:41:45 --> 00:41:50: be around that innovation culture and, and and have that?

00:41:51 --> 00:41:56: Which, yeah, it's interesting because it's it, it brings a

00:41:56 --> 00:42:00: smile to my face because we used to have a

00:42:00 --> 00:42:05: couple of years ago, I think five years ago, Rolf

00:42:05 --> 00:42:10: Hammers, our CEO, moved to become the CEO of UBS,

00:42:10 --> 00:42:13: which he by now also have left.

00:42:13 --> 00:42:17: But he was very much on top of this topic,

00:42:18 --> 00:42:18: right?

00:42:18 --> 00:42:22: So this was really one of his key strategies that

00:42:22 --> 00:42:25: he wanted to be surrounded by these yeah, startups and

00:42:26 --> 00:42:30: tech companies who would bring innovation to our company.

00:42:30 --> 00:42:34: So that had quite some physical impact to our footprint

00:42:34 --> 00:42:36: as well starting in Amsterdam.

00:42:36 --> 00:42:42: So we had several buildings dedicated or partly dedicated for

00:42:42 --> 00:42:45: for those external companies.

00:42:47 --> 00:42:50: And yeah, it it was a it was a big

00:42:50 --> 00:42:52: program were high expectations.

00:42:52 --> 00:42:56: But before it really took off, Corona hit and then

00:42:56 --> 00:42:58: after one year or so, he left.

00:42:58 --> 00:43:02: And then kind of that whole model was was yeah,

00:43:03 --> 00:43:07: I don't want to say abandoned, but at least we

00:43:07 --> 00:43:11: took the space as ING ourselves and and and and

00:43:11 --> 00:43:16: we we're not actively, we are sometimes sub leasing or

00:43:16 --> 00:43:22: Co locating in in multi tenant buildings with other companies

00:43:22 --> 00:43:26: that that you could say are in that biosphere.

00:43:26 --> 00:43:30: But but it's not it's not deliberate like it's it's

00:43:30 --> 00:43:33: more internal than it used to be.

00:43:34 --> 00:43:36: I do want to say that if you're in.

00:43:37 --> 00:43:40: So we're still building this campus, for example, in

00:43:40 --> 00:43:43: Amsterdam.

00:43:40 --> 00:43:43: And what we see is that it attracts certain well,

00:43:43 --> 00:43:47: other first of all, other banks and other large corporates.

00:43:48 --> 00:43:52: So really the whole area is being lifted, which is

00:43:52 --> 00:43:56: great because it brings life into, into the area, but

00:43:56 --> 00:44:00: it, I think it will also bring talent, right?

00:44:00 --> 00:44:02: And, and it's for us, it's then easier to attract  
00:44:02 --> 00:44:03: that talent.  
00:44:03 --> 00:44:07: And 3040% of our talent is it now anyway, right?  
00:44:07 --> 00:44:12: So in that respect, it's not just tech start-ups, but  
00:44:12 --> 00:44:17: it's also other large corporates and other companies that we  
00:44:17 --> 00:44:19: exchange the workforce with.  
00:44:19 --> 00:44:21: So I want to put it make it a little  
00:44:21 --> 00:44:25: bit bigger than just focusing on the on the smaller  
00:44:25 --> 00:44:28: tech companies, which we used to do a little bit,  
00:44:28 --> 00:44:30: but we've now broadened it.  
00:44:30 --> 00:44:33: And by the way, these collaborations also exists outside of  
00:44:33 --> 00:44:37: this physical space and we have plenty of collaborations with  
00:44:37 --> 00:44:40: universities and start and tech companies all around.  
00:44:40 --> 00:44:44: So and that physical presence can be important, but it's  
00:44:44 --> 00:44:46: not the most important I would say.  
00:44:48 --> 00:44:50: Thank you anyone else who wants to comment on that.  
00:44:53 --> 00:44:56: Hey, I would just add the technology has made things  
00:44:56 --> 00:44:57: a lot more efficient for us.  
00:44:58 --> 00:45:01: 10 years ago we probably would have all flown to  
00:45:01 --> 00:45:04: a Convention Center for this and now we're able to  
00:45:04 --> 00:45:06: do it very efficiently in between meetings.  
00:45:07 --> 00:45:10: It's allowed us to, I, I think it makes me  
00:45:10 --> 00:45:14: a better client, a better manager, especially when dealing  
00:45:14 --> 00:45:15: with  
00:45:15 --> 00:45:18: professionals.  
00:45:15 --> 00:45:18: I can I'm able to do Google searches and and  
00:45:19 --> 00:45:23: be a better client for an attorney and and and  
00:45:23 --> 00:45:26: and and have have ideas of solutions.  
00:45:27 --> 00:45:29: We data.  
00:45:30 --> 00:45:34: Most of our decisions are driven by data and the  
00:45:34 --> 00:45:39: the technology allows data to become readily available to  
00:45:39 --> 00:45:43: make  
00:45:39 --> 00:45:43: better decisions, to have better outcomes.  
00:45:43 --> 00:45:46: So I think that it's, it's, it really has been  
00:45:46 --> 00:45:50: an asset for us and something that we lean into  
00:45:50 --> 00:45:51: every day.  
00:45:53 --> 00:45:56: I'll just add 11 quick thing was that I just  
00:45:56 --> 00:45:59: I do think that if you look forward, the idea  
00:45:59 --> 00:46:03: of technology innovation actually favors these more robust  
00:46:03 --> 00:46:08: business and  
00:46:03 --> 00:46:08: social districts because this is where the collaborative jobs  
00:46:08 --> 00:46:09: are.  
00:46:08 --> 00:46:09: It's where the experience is.

00:46:09 --> 00:46:12: And I think technology helps to elevate and enable those  
00:46:12 --> 00:46:16: professionals and those tenants and those residents, you know, a  
00:46:16 --> 00:46:17: different way.  
00:46:17 --> 00:46:20: And if you compare those to the 30 cities that  
00:46:20 --> 00:46:23: aren't on this list, you know, and the places that  
00:46:23 --> 00:46:25: have been supported more by, you know, kind of back  
00:46:25 --> 00:46:29: office functions, etcetera, I think those jobs get impacted first.  
00:46:29 --> 00:46:33: And so I actually think the disparity even widens between  
00:46:33 --> 00:46:36: the robust experience of what we're talking about today in  
00:46:36 --> 00:46:40: these global business districts and kind of cities that have  
00:46:40 --> 00:46:43: been built more around, you know, again, more support.  
00:46:43 --> 00:46:45: So for example, Ellie, you I think your, your breakdown  
00:46:46 --> 00:46:49: earlier was really interesting, but you know, a question about  
00:46:49 --> 00:46:51: a market like a Salt Lake City or some of  
00:46:51 --> 00:46:53: these, what have they been driven by?  
00:46:53 --> 00:46:54: What will they be driven by?  
00:46:54 --> 00:46:57: You know, I think looking forward, technology is one of  
00:46:57 --> 00:47:01: the key differentiators about, you know, how particularly  
00:47:01 --> 00:47:05: some of those more emerging or growing cities will either, you know,  
00:47:05 --> 00:47:07: make that leap forward or won't.  
00:47:08 --> 00:47:12: And I think it's interesting because it functions just touching  
00:47:12 --> 00:47:14: on what what you were saying in in two ways.  
00:47:14 --> 00:47:16: I think in the ability to kind of do more  
00:47:16 --> 00:47:19: and digitize more and be able to especially with AI  
00:47:19 --> 00:47:22: to kind of automate more back office functions or research  
00:47:22 --> 00:47:22: or other things.  
00:47:22 --> 00:47:26: And you know, as was highlighted in the preparing this  
00:47:26 --> 00:47:30: report, the human aspect of meeting each other, listening to  
00:47:30 --> 00:47:36: each other, developing consensus, advocating actually  
00:47:36 --> 00:47:38: becomes even more important.  
00:47:38 --> 00:47:40: And so even though we're doing this meeting by Zoom,  
00:47:40 --> 00:47:42: you know, if anything were to come out of this,  
00:47:42 --> 00:47:42: the kind of follow up in person has become ever  
00:47:42 --> 00:47:45: more important.  
00:47:45 --> 00:47:46: And the likely location that that's going to happen is  
00:47:46 --> 00:47:50: is going to be a CBD somewhere.  
00:47:50 --> 00:47:53: Technology is also kind of enabling, I think new relevancy.  
00:47:53 --> 00:47:57: And so a lot of the, the that are growing  
00:47:57 --> 00:48:01: are the ones that are leveraging that motively, whether that's  
00:48:01 --> 00:48:02: in, in, you know, fintech, whether that's in other kinds  
00:48:01 --> 00:48:02: of technology.

00:48:02 --> 00:48:04: So, you know, in the US, examples of Austin and

00:48:04 --> 00:48:07: Salt Lake, the, you know, Mideast examples of Dubai and,

00:48:07 --> 00:48:09: and elsewhere are all places where there's a kind of

00:48:10 --> 00:48:13: investment in, in digitizing and allowing them to become service

00:48:13 --> 00:48:15: Centers for a broader, A broader section of the area.

00:48:16 --> 00:48:18: Which means they just have to become that much more

00:48:18 --> 00:48:19: attractive to the the people who can choose to be

00:48:19 --> 00:48:20: anywhere else.

00:48:20 --> 00:48:22: Which kind of circles back to the to the quality

00:48:22 --> 00:48:24: of life aspects that that you highlighted was that.

00:48:26 --> 00:48:26: Thank you.

00:48:27 --> 00:48:30: I will also wanted to pick up on the sort

00:48:30 --> 00:48:35: of retrofit you and you talked about evolving business districts

00:48:35 --> 00:48:38: and you talked about sort of the business case also

00:48:39 --> 00:48:42: for more the humanities and such a but how easy

00:48:42 --> 00:48:46: is it to retrofit and even maybe more the question

00:48:46 --> 00:48:50: to repurpose Tom, you talked about adding more residential to

00:48:50 --> 00:48:52: the business district.

00:48:53 --> 00:48:58: I think on paper, often the there's the, the business

00:48:58 --> 00:49:02: case is a no brainer to retrofit and reuse, but

00:49:02 --> 00:49:05: in practice it's a lot more difficult.

00:49:06 --> 00:49:10: Anyone who wants to comment, is it more knock down

00:49:10 --> 00:49:11: start again?

00:49:12 --> 00:49:16: How easy is that reuse that's we all aim for?

00:49:20 --> 00:49:24: Well, maybe I'll chime in and architectural before handing it

00:49:24 --> 00:49:25: over to others.

00:49:26 --> 00:49:29: We're seeing ever more transformations and not just in in

00:49:29 --> 00:49:33: older business centers like London, Paris in New York, but

00:49:33 --> 00:49:34: elsewhere.

00:49:36 --> 00:49:39: I think that it is possible to convert office buildings

00:49:39 --> 00:49:42: in particular to other uses, whether that's other kinds of

00:49:42 --> 00:49:46: office mixed-use buildings like office, hotel or even residential.

00:49:47 --> 00:49:50: I think the impediments normally are a couple of things.

00:49:51 --> 00:49:54: One is just an impediment really a finance and operations,

00:49:54 --> 00:49:57: which is that most people who know how to finance

00:49:57 --> 00:50:00: and own and operate office buildings are not necessarily the

00:50:00 --> 00:50:02: same people who do it for residential.

00:50:02 --> 00:50:05: And so you're, you're asking people to sort of step

00:50:05 --> 00:50:07: out of a financial comfort zone.



00:50:07 --> 00:50:09: And that's one of the biggest challenges we get with  
00:50:09 --> 00:50:11: mixed-use is people are trying to, I mean, and, and  
00:50:11 --> 00:50:13: we see this even as the architect, they're trying to  
00:50:13 --> 00:50:16: pull finance from different streams, each of which are trying  
00:50:16 --> 00:50:18: to figure out where they are, you know, relative to  
00:50:18 --> 00:50:20: the others in it, in the building that mixes use.  
00:50:21 --> 00:50:22: Another thing is, is political.  
00:50:22 --> 00:50:26: On the one hand, I think that everybody acknowledges that  
00:50:26 --> 00:50:30: a more vibrant, more mixed-use neighborhood is desirable,  
But in  
00:50:30 --> 00:50:33: many places there are logistical issues.  
00:50:33 --> 00:50:36: So there's the perception that a loss of office space  
00:50:36 --> 00:50:38: is equated to a loss of jobs or that there's  
00:50:38 --> 00:50:41: a loss of tax revenue or benefits to to, you  
00:50:41 --> 00:50:44: know, organizations that run that run these CB DS.  
00:50:45 --> 00:50:48: So I think that the technical opportunities and and technical  
00:50:48 --> 00:50:51: need to reinvest in these buildings and also in the  
00:50:52 --> 00:50:54: kind of public realm in the spaces around them.  
00:50:54 --> 00:50:57: I think it's, I think it's clear, I think there's  
00:50:57 --> 00:50:58: a general trend toward doing it.  
00:50:58 --> 00:51:01: And I think the reason that you're, you're seeing it  
00:51:02 --> 00:51:04: kind of start in, in big drips and drops rather  
00:51:05 --> 00:51:07: than a kind of flood are those issues of of  
00:51:07 --> 00:51:12: kind of development expertise, finance and kind of  
governmental advocacy.  
00:51:15 --> 00:51:15: Thanks Audie.  
00:51:16 --> 00:51:18: Who else wants to comment?  
00:51:20 --> 00:51:20: Amy.  
00:51:20 --> 00:51:24: From a developer investor perspective, how easy is?  
00:51:24 --> 00:51:26: Your well, I would simplify.  
00:51:26 --> 00:51:30: So when I, I hear words like reinvestment, repurpose, I  
00:51:30 --> 00:51:34: think CapEx investment, how do I get my money back?  
00:51:34 --> 00:51:37: And so to Ellie's point, I mean, it is hard  
00:51:37 --> 00:51:40: to, you know, you kind of you believe the story,  
00:51:40 --> 00:51:43: but it's really hard to underwrite and it's hard to  
00:51:43 --> 00:51:44: make the math work.  
00:51:44 --> 00:51:48: And that goes to then this partnership that I really  
00:51:48 --> 00:51:51: believe is fundamentally necessary with government.  
00:51:51 --> 00:51:54: And again, Tom touched on this with incentives.  
00:51:54 --> 00:51:57: I've gotten to understand a bit better what the New  
00:51:57 --> 00:52:00: York City Economic Development Council is trying to do.  
00:52:00 --> 00:52:02: I think that is Al mean, Tom, you'd know better.

00:52:02 --> 00:52:05: But I think that's really been important for New York  
00:52:05 --> 00:52:08: because as I understand it, you know, it's really been  
00:52:08 --> 00:52:11: a viable kind of part of the the system through  
00:52:11 --> 00:52:15: different mayors, right through different administrations.  
00:52:15 --> 00:52:18: And it's allowed, you know, a, a really strong focus  
00:52:18 --> 00:52:21: in New York on economic development and ways to partner  
00:52:21 --> 00:52:22: with the private sector.  
00:52:23 --> 00:52:26: So I think it is hard as an investor to  
00:52:26 --> 00:52:28: look at it simply as a spreadsheet.  
00:52:29 --> 00:52:30: I actually disagree that it's a no brainer.  
00:52:30 --> 00:52:32: I think that's actually the hard part.  
00:52:32 --> 00:52:35: So it is really about where do I think and  
00:52:35 --> 00:52:38: have conviction that there is the sentiment.  
00:52:38 --> 00:52:40: And again, I'm using New York as the example cuz  
00:52:41 --> 00:52:43: I'm looking at Tom and it's an obvious one and  
00:52:43 --> 00:52:44: it's the top market.  
00:52:45 --> 00:52:47: But I think that's a lot of the reason why  
00:52:47 --> 00:52:48: I think New York's been very successful.  
00:52:48 --> 00:52:50: And the last thing I'd say is I really wish  
00:52:50 --> 00:52:54: cities would spend more time collaborating and talking about  
what  
00:52:54 --> 00:52:56: works and what doesn't work and best practices.  
00:52:56 --> 00:52:59: Because I really feel that that that doesn't happen in  
00:52:59 --> 00:53:01: a, you know, in a material way.  
00:53:01 --> 00:53:03: And I, and I, I think it would certainly help  
00:53:03 --> 00:53:05: from the investment perspective.  
00:53:07 --> 00:53:07: Thanks, Harry.  
00:53:08 --> 00:53:11: Yeah, if I could just add Times Square is the  
00:53:11 --> 00:53:14: Times Square that it is today because of public private  
00:53:14 --> 00:53:18: partnership in in the 80s where the state got together  
00:53:18 --> 00:53:19: through eminent domain.  
00:53:19 --> 00:53:24: They they seized properties, they gave developers incentives  
to build  
00:53:24 --> 00:53:24: buildings.  
00:53:25 --> 00:53:28: So, so that was the solution in the 80s to  
00:53:28 --> 00:53:29: the to the challenge.  
00:53:29 --> 00:53:32: I think the challenge we face today is we have  
00:53:32 --> 00:53:36: too many, too much office space and not enough residential  
00:53:36 --> 00:53:37: space.  
00:53:37 --> 00:53:41: So it really is killing two birds with one stone.  
00:53:41 --> 00:53:44: But it's it's a matter of to Amy's point, taking  
00:53:44 --> 00:53:45: the longer view.

00:53:46 --> 00:53:48: If you're just looking at a five year return on  
00:53:48 --> 00:53:49: investment, it probably isn't worth it.  
00:53:49 --> 00:53:52: But if you're looking over 30 years, that's when the  
00:53:52 --> 00:53:55: math might make more sense or it seems to have  
00:53:55 --> 00:53:58: made more sense to some of the developers.  
00:53:58 --> 00:54:02: The building that EY was in in Times Square is  
00:54:02 --> 00:54:06: being converted to to residential buildings 1400.  
00:54:07 --> 00:54:09: So that's where you get into again more of the  
00:54:09 --> 00:54:10: public private partnership.  
00:54:11 --> 00:54:13: You have to do away with some of the land  
00:54:13 --> 00:54:18: use impediments that would would stifle some of this  
conversion.  
00:54:18 --> 00:54:22: You need some of the incentives and you need those  
00:54:22 --> 00:54:24: folks to have that long term view.  
00:54:24 --> 00:54:29: So we're sort of excited about what Times Square's gonna  
00:54:29 --> 00:54:33: look like in in 10 years, moving towards that live  
00:54:33 --> 00:54:37: work play environment that that that really will allow us  
00:54:37 --> 00:54:41: to to be relevant and to be competitive for the  
00:54:41 --> 00:54:42: next 30 years.  
00:54:44 --> 00:54:45: Thanks, Dom.  
00:54:45 --> 00:54:48: Before we, we have only four minutes left, but I  
00:54:48 --> 00:54:51: just want to get touch on sustainability as well.  
00:54:51 --> 00:54:53: Nicholas, you say it's a hygiene factor.  
00:54:53 --> 00:54:54: It just needs to be there.  
00:54:56 --> 00:54:59: What we've seen in the report that only 10% believes  
00:54:59 --> 00:55:02: that sort of business districts are on the right track,  
00:55:03 --> 00:55:03: sort of.  
00:55:04 --> 00:55:05: Is this another impediment?  
00:55:05 --> 00:55:09: Is this another one that makes it hard in practice?  
00:55:11 --> 00:55:14: Amy, from an investment point?  
00:55:14 --> 00:55:17: Well, and from AUS perspective, So what I would say  
00:55:17 --> 00:55:20: I when I think of about the big umbrella thing  
00:55:20 --> 00:55:23: of climate number one, I think I've seen, you know,  
00:55:23 --> 00:55:25: it is aligned with that final quote.  
00:55:25 --> 00:55:28: It's the like you either future proof it or you're  
00:55:28 --> 00:55:28: dead right.  
00:55:29 --> 00:55:32: I believe that I think the direction is very clear,  
00:55:32 --> 00:55:34: but I think the pace is uncertain.  
00:55:35 --> 00:55:38: I think it is very differentiated and I do not  
00:55:38 --> 00:55:40: think it's a straight line.  
00:55:40 --> 00:55:43: I think it is driven by public sentiment and tenant  
00:55:43 --> 00:55:44: demand.

00:55:44 --> 00:55:47: So one thing I think here also just to convey

00:55:47 --> 00:55:50: very quickly in Europe, I think why Europe has done

00:55:50 --> 00:55:52: better is it is very top down driven.

00:55:52 --> 00:55:55: You know generally speaking the US we have no top

00:55:55 --> 00:55:56: down driven approach.

00:55:57 --> 00:56:00: So it's city by city and in some ways administration

00:56:00 --> 00:56:01: by administration.

00:56:01 --> 00:56:05: So it's very hard, you know, but again, I think,

00:56:05 --> 00:56:08: I think the, the, the vision is there.

00:56:08 --> 00:56:10: So what I come back to is as from an

00:56:10 --> 00:56:13: investment perspective, it really has to be driven by tenant

00:56:13 --> 00:56:14: demand.

00:56:14 --> 00:56:18: And where, again, this goes to these, you know, what

00:56:18 --> 00:56:22: we're talking about, of the talent and the experience and

00:56:22 --> 00:56:27: the importance, you know, of sustainability to urban cores

00:56:27 --> 00:56:31: and

00:56:31 --> 00:56:33: to employers who are going to be, you know, major

00:56:33 --> 00:56:36: occupants of, of these cities.

00:56:36 --> 00:56:39: And, and I do think they're going to end up

00:56:39 --> 00:56:41: evolving more quickly and more radically.

00:56:41 --> 00:56:43: But again, it goes back to the same concept of

00:56:43 --> 00:56:47: public private partnership, right?

00:56:47 --> 00:56:53: It is about power grids, upgrades, incentives.

00:56:53 --> 00:56:58: So you know, again, as an investor it's important, but

00:56:58 --> 00:56:59: it's hard to, it's hard to invest into in certain

00:56:59 --> 00:57:01: areas.

00:57:01 --> 00:57:04: It's a lot easier in other markets and cities.

00:57:04 --> 00:57:07: And again, it takes a very long term view, you

00:57:07 --> 00:57:09: know, again particularly in the, I'll just say particularly in

00:57:09 --> 00:57:15: the United States right now.

00:57:15 --> 00:57:18: And just adding to that quickly, what what we see

00:57:18 --> 00:57:22: I think in New York, at least from my perspective,

00:57:22 --> 00:57:27: is costly mandate after costly mandate by the the city

00:57:27 --> 00:57:28: with with apparent disregard for what the private sector has

00:57:28 --> 00:57:31: already done.

00:57:31 --> 00:57:35: We have a, a, a, one of our newer buildings

00:57:35 --> 00:57:37: has a cogeneration plant in the, the basement and it's

00:57:37 --> 00:57:41: trending towards carbon neutral.

00:57:41 --> 00:57:44: It's, it's fueled by natural gas and in New York

00:57:44 --> 00:57:48: they're looking to do away with natural gas.

00:57:48 --> 00:57:51: So I think having more incentives, looking at the industry

00:57:51 --> 00:57:51: and then I, I, in our sign industry, we always

00:57:51 --> 00:57:55: get questions about the signs and all the electricity that  
00:57:55 --> 00:57:56: they use.

00:57:56 --> 00:57:59: No one has a greater incentive to use as little  
00:57:59 --> 00:58:04: electricity as possible as our sign owners and because the  
00:58:04 --> 00:58:08: more they spend on electricity, the less of a profit  
00:58:08 --> 00:58:09: they they make.

00:58:09 --> 00:58:12: So I think there needs to be more of a  
00:58:12 --> 00:58:18: coordination and working together with the legislators, the  
policy makers

00:58:18 --> 00:58:22: and the developers in the private sector that really have  
00:58:22 --> 00:58:27: their own reasons, however pure they are, for reducing their  
00:58:27 --> 00:58:30: their electrical or their their power needs.

00:58:32 --> 00:58:34: OK, And now we go to the last question.

00:58:34 --> 00:58:37: The quote has already been mentioned a few times.

00:58:37 --> 00:58:40: Business districts that don't change or that clinging to the  
00:58:40 --> 00:58:41: status quo isn't an option.

00:58:41 --> 00:58:46: If you could choose just one focus area, one priority  
00:58:46 --> 00:58:50: that needs attention, what would you recommend?

00:58:51 --> 00:58:53: Nicolas, can I start with you?

00:58:58 --> 00:58:59: We have a good question.

00:58:59 --> 00:59:04: I think still sustainability because it's ESG, because it's, it  
00:59:05 --> 00:59:07: really varies market by market.

00:59:07 --> 00:59:13: As also indicated before that in some, in some locations,  
00:59:13 --> 00:59:15: it's just there.

00:59:15 --> 00:59:17: It's a standard for every new building.

00:59:17 --> 00:59:20: Even existing buildings are being upgraded as we speak, but  
00:59:20 --> 00:59:23: in a lot of other locations it's just not.

00:59:23 --> 00:59:25: So the supply is really kind of still behind the  
00:59:25 --> 00:59:26: demands.

00:59:26 --> 00:59:27: Sustainability.

00:59:27 --> 00:59:28: Very good, Ellie.

00:59:30 --> 00:59:31: We need to be short.

00:59:31 --> 00:59:33: We're already running out of time.

00:59:33 --> 00:59:35: I think, I think it would be an investment in  
00:59:35 --> 00:59:37: kind of public realm and I would call it the  
00:59:37 --> 00:59:39: software, the activation of the public spaces.

00:59:40 --> 00:59:41: Perfect, Tom.

00:59:42 --> 00:59:46: Mindset You have to realize that tomorrow is not going  
00:59:46 --> 00:59:49: to be what today is and no one wants to  
00:59:49 --> 00:59:52: go back to 2008 when we used black bears.

00:59:53 --> 00:59:55: Thank you, Amy.

00:59:56 --> 00:59:58: And just to take what hasn't been said, I'm going

00:59:58 --> 01:00:01: to say talent because I think talent is actually the  
 01:00:01 --> 01:00:02: engine.  
 01:00:02 --> 01:00:03: It's mobile, it has a choice.  
 01:00:03 --> 01:00:06: So you have to attract and figure out talent.  
 01:00:07 --> 01:00:09: Perfect Mark.  
 01:00:10 --> 01:00:14: I'd add 2 verbs to the three verb motto that  
 01:00:14 --> 01:00:16: we often mentioned today.  
 01:00:16 --> 01:00:17: Work, leave and play.  
 01:00:18 --> 01:00:20: I'd add learn and create.  
 01:00:20 --> 01:00:23: I think the full picture is work, leave and play,  
 01:00:23 --> 01:00:25: learn and create.  
 01:00:26 --> 01:00:26: Perfect.  
 01:00:27 --> 01:00:28: Thanks so much everyone.  
 01:00:29 --> 01:00:31: A lot hasn't been said so I would recommend everyone  
 01:00:32 --> 01:00:34: to read the report because there's even far more in  
 01:00:34 --> 01:00:34: it.  
 01:00:35 --> 01:00:37: This was very interesting.  
 01:00:37 --> 01:00:40: Thanks all for your contribution, I hope you found it  
 01:00:40 --> 01:00:41: useful.  
 01:00:41 --> 01:00:45: I want to point everyone again to the report and  
 01:00:45 --> 01:00:49: if anything comes up please e-mail us any questions.  
 01:00:49 --> 01:00:50: Just pointing.  
 01:00:50 --> 01:00:56: Also, everyone's attention to the Europe Conference that will  
 01:00:56 --> 01:01:00: happen  
 01:01:00 --> 01:01:02: in Berlin early June next year, but we will discuss  
 01:01:02 --> 01:01:04: more of these topics.  
 01:01:04 --> 01:01:08: So hope you can all join us.  
 01:01:08 --> 01:01:11: And there's also a survey as we're very interested to  
 01:01:11 --> 01:01:13: hear what everyone thought about the webinar so we can  
 01:01:13 --> 01:01:16: do things better next time.  
 01:01:16 --> 01:01:19: And probably that's being on time, I recognize that.  
 01:01:19 --> 01:01:20: But there was so much to share that I appreciate  
 01:01:21 --> 01:01:23: for those staying.  
 01:01:23 --> 01:01:26: Thanks again for participating.  
 01:01:26 --> 01:01:28: Thanks again for listening in and hope to see you  
 01:01:28 --> 01:01:31: soon again at another UI event.  
 01:01:31 --> 01:01:31: Thanks everyone, have a nice day.  
 01:01:33 --> 01:01:33: Bye.  
 01:01:33 --> 01:01:33: Do.

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