

Webinar

Evolving CBDs: Global and Middle East Perspectives

Date: July 13, 2021

00:00:06 --> 00:00:06: OK,

00:00:06 --> 00:00:09: uh, I would like to welcome our our members of

00:00:09 --> 00:00:11: the Urban Land Institute,

00:00:11 --> 00:00:14: based here in the Middle East as well as friends

00:00:14 --> 00:00:17: and visitors from across the region and even outside the

00:00:17 --> 00:00:18: region.

00:00:18 --> 00:00:20: We've got a pretty good turn out.

00:00:20 --> 00:00:22: The well, I was telling me we have over 50

00:00:23 --> 00:00:27: registrants today which is quite high considering we're two days

00:00:27 --> 00:00:30: away from the Eid holiday and it's the middle of

00:00:30 --> 00:00:33: summer so I think if we can take a look

00:00:33 --> 00:00:35: at the next slide down Martha.

00:00:35 --> 00:00:39: I think that turn out reflects the quality of the

00:00:39 --> 00:00:42: panelists that we have with us today.

00:00:42 --> 00:00:46: We're here to talk about CBD's and how they're changing,

00:00:46 --> 00:00:50: and we have two of the most important CBD's in

00:00:50 --> 00:00:52: the whole Middle East.

00:00:52 --> 00:00:56: I think with the Abu Dhabi represented by Ali Fikri

00:00:56 --> 00:00:59: and Mubadala and Dubai and the DFC CBD,

00:00:59 --> 00:01:03: represented by Ben McGregor. But we also wanted to get

00:01:03 --> 00:01:05: a global perspective on this.

00:01:05 --> 00:01:09: Phenomenon and and we have the that's overflow for fast

00:01:09 --> 00:01:11: from Ernst and Young,

00:01:11 --> 00:01:14: who's going to really tell us about the trends?

00:01:14 --> 00:01:17: What are the challenges for this kind of development?

00:01:17 --> 00:01:21: What is what are the trends that designers and developers

00:01:21 --> 00:01:24: and tenants need to think about as they think about

00:01:24 --> 00:01:26: this solution going forward?

00:01:26 --> 00:01:30: So perhaps I saw if I could hand it over
00:01:30 --> 00:01:31: to you,
00:01:31 --> 00:01:34: tell us a little bit about your partnership with the
00:01:34 --> 00:01:36: ULI and about.
00:01:36 --> 00:01:38: Your your role and then and then.
00:01:38 --> 00:01:41: Perhaps take us through through your
00:01:41 --> 00:01:43: exciting research. Absolutely thank you very much,
00:01:43 --> 00:01:47: John. So I hope you can see my screen first.
00:01:47 --> 00:01:51: Yeah, so let me know if it's not the case.
00:01:51 --> 00:01:54: Trying to put it full screen.
00:01:54 --> 00:01:57: So what I'm going to take you through is a
00:01:57 --> 00:02:01: study that we did with you LIEY and you.
00:02:01 --> 00:02:05: I have been collaborating for a number of years now,
00:02:05 --> 00:02:09: quite successfully. On a number of different studies,
00:02:09 --> 00:02:11: so we started a, you know,
00:02:11 --> 00:02:15: five years ago, actually, with a first report that we
00:02:16 --> 00:02:17: did together,
00:02:17 --> 00:02:20: it was a thought leadership piece of work for the
00:02:20 --> 00:02:24: global business District Innovation Club at the
00:02:24 --> 00:02:28: time. And it was about the attractiveness of
00:02:28 --> 00:02:31: global business districts and how to measure that.
00:02:31 --> 00:02:34: And you know all the rankings and all the dynamics
00:02:34 --> 00:02:38: and transformations happening in the global business
districts.
00:02:39 --> 00:02:41: We did that several times because,
00:02:41 --> 00:02:44: you know, it was just to measure the the.
00:02:44 --> 00:02:46: The evolution of
00:02:46 --> 00:02:50: these transformations and last year right after the first
lockdown
00:02:50 --> 00:02:52: that we experienced in Europe,
00:02:52 --> 00:02:53: so it
00:02:53 --> 00:02:56: was in the end of the first lockdown,
00:02:56 --> 00:02:59: was back in June last year.
00:02:59 --> 00:03:03: We decided to conduct a survey about the future of
00:03:04 --> 00:03:04: work.
00:03:04 --> 00:03:06: So new ways of working,
00:03:06 --> 00:03:10: and especially the remote work aspect of it.
00:03:10 --> 00:03:14: And what was the implication of this new way of
00:03:14 --> 00:03:15: working?
00:03:15 --> 00:03:17: On corporate real estate. Uh,
00:03:17 --> 00:03:20: because you know, at the time we felt that I
00:03:20 --> 00:03:23: mean already in June last year.
00:03:23 --> 00:03:26: In 2020 there were quite a number of reports and

00:03:26 --> 00:03:30: studies and articles about the implications and the impact of
00:03:30 --> 00:03:33: future of work on the corporate real estate.
00:03:33 --> 00:03:37: But it was all very local and we were already,
00:03:37 --> 00:03:40: you know, feeling that we were facing something very global.
00:03:40 --> 00:03:42: So we we said, OK,
00:03:42 --> 00:03:45: it's a global pandemic. It's a global situation,
00:03:45 --> 00:03:47: so we have to take.
00:03:47 --> 00:03:50: A global survey so as to understand what are the
00:03:50 --> 00:03:55: long term implications of future of work on corporate real
00:03:55 --> 00:03:56: estate.
00:03:56 --> 00:03:59: And I'm sure you know many of these trends will
00:03:59 --> 00:04:04: resonate with what you experience in your own business
district
00:04:04 --> 00:04:04: or as a,
00:04:04 --> 00:04:08: you know, cooperate user. So hopefully this will be.
00:04:08 --> 00:04:10: This will be interesting, so again,
00:04:10 --> 00:04:13: I mean, let me start maybe with a few words
00:04:14 --> 00:04:15: about methodology.
00:04:15 --> 00:04:18: It's not the funniest part of the study,
00:04:18 --> 00:04:20: but I guess it's Jill.
00:04:20 --> 00:04:24: You know, quite important to understand where this is
coming
00:04:24 --> 00:04:25: from.
00:04:25 --> 00:04:29: So it's a survey. It's a global survey,
00:04:29 --> 00:04:31: so we interviewed 555 exactly.
00:04:31 --> 00:04:36: You know a real estate professionals around the world,
00:04:36 --> 00:04:40: so you can see here the geographic distribution,
00:04:40 --> 00:04:44: the regional distribution of our assembled of our respondents,
00:04:44 --> 00:04:49: most of them in North America and the EMEA region,
00:04:49 --> 00:04:53: and some of them in Southeast Asia.
00:04:53 --> 00:04:58: And we took the views of real estate professionals and
00:04:58 --> 00:04:59: mainly investors.
00:04:59 --> 00:05:03: Developers, we completely accept that we knew it in advance
00:05:04 --> 00:05:08: and what's interesting about their point of view is that
00:05:08 --> 00:05:09: they were delivering,
00:05:09 --> 00:05:13: you know, not only what they experienced themselves,
00:05:13 --> 00:05:16: but also speaking for their clients.
00:05:16 --> 00:05:19: Especially the corporate users. And so,
00:05:19 --> 00:05:22: as you will see, this is quite interesting.
00:05:22 --> 00:05:26: What we are getting from from this this survey.
00:05:26 --> 00:05:30: So under the survey was conducted online between July and
00:05:30 --> 00:05:32: up until September,

00:05:32 --> 00:05:36: and the release of this report was in back in
00:05:36 --> 00:05:41: November of 2020 and one last word about this survey
00:05:41 --> 00:05:46: is that at the time we released this survey with.
00:05:46 --> 00:05:48: OK, so that's you know.
00:05:48 --> 00:05:51: Obviously very interesting findings and so on,
00:05:51 --> 00:05:55: but the future will tell us if we were,
00:05:55 --> 00:05:59: you know, accurate, right? About these trends.
00:05:59 --> 00:06:02: And I'm quite happy to say that what we're seeing
00:06:02 --> 00:06:06: and hearing from our clients and other corporate users
around
00:06:06 --> 00:06:10: us is that is very much confirming the trends that
00:06:10 --> 00:06:14: you're seeing here, so hopefully this will resonate with you
00:06:14 --> 00:06:14: as well.
00:06:14 --> 00:06:18: So the first thing that we that we wanted to
00:06:18 --> 00:06:20: know with this survey,
00:06:20 --> 00:06:24: the first question, the first obvious question that anyone
would
00:06:24 --> 00:06:24: have,
00:06:24 --> 00:06:26: is what is, you know,
00:06:26 --> 00:06:28: the future of work and.
00:06:28 --> 00:06:31: And so we ask this question and we.
00:06:31 --> 00:06:35: Found out that that there are four main components.
00:06:35 --> 00:06:37: Future of work will be more remote,
00:06:37 --> 00:06:41: more digital, more on demand and more self employed.
00:06:41 --> 00:06:43: So I guess it's no.
00:06:43 --> 00:06:48: It's no big surprise about these four components.
00:06:48 --> 00:06:52: But the really the key finding to me here what's
00:06:52 --> 00:06:56: really interesting here is to see how you know.
00:06:56 --> 00:07:00: See two to which intensity these trends are recognized as.
00:07:00 --> 00:07:03: You know, making the future of work.
00:07:03 --> 00:07:05: If you look at remote work,
00:07:05 --> 00:07:09: this response is given as a key component of the
00:07:09 --> 00:07:11: future of work by 96%
00:07:11 --> 00:07:14: of our respondents. Same for digital.
00:07:14 --> 00:07:17: 85% of them are saying that you know the future
00:07:17 --> 00:07:21: of work will involve more digital in two ways.
00:07:21 --> 00:07:23: Actually, it will be more.
00:07:23 --> 00:07:26: You know, it will involve more artificial intelligence or.
00:07:26 --> 00:07:31: Robots you know technology? Doing some task instead of
human
00:07:32 --> 00:07:32: beings,
00:07:32 --> 00:07:35: but also what you don't see here,
00:07:35 --> 00:07:38: but what's already very much happening is that there is

00:07:39 --> 00:07:39: a very,
00:07:39 --> 00:07:41: very strong need for digital skills,
00:07:41 --> 00:07:44: so it does apply also to human,
00:07:44 --> 00:07:48: you know human beings. It's not only about artificial intelligence
00:07:48 --> 00:07:49: and so on demand,
00:07:49 --> 00:07:51: self employed and so on.
00:07:51 --> 00:07:54: So I guess you know no big surprise here,
00:07:54 --> 00:07:58: but only to say that the very very vast majority,
00:07:58 --> 00:08:03: almost all of them. Agreed on the four key components
00:08:03 --> 00:08:06: of what will make the future of work.
00:08:06 --> 00:08:09: What is making actually the future?
00:08:09 --> 00:08:13: For now, we're going to rather focus on the remote
00:08:13 --> 00:08:14: component.
00:08:14 --> 00:08:19: And what are these implications for corporate real estate?
00:08:19 --> 00:08:22: So the next question that we wanted to to to
00:08:22 --> 00:08:26: address is we knew you know that remote work won't
00:08:26 --> 00:08:26: apply to 100%
00:08:26 --> 00:08:29: of the people all the time for any kind of
00:08:29 --> 00:08:30: activity.
00:08:30 --> 00:08:34: So we wanted to get some clarity around that.
00:08:34 --> 00:08:38: And the first question that we had that we asked
00:08:38 --> 00:08:42: is to what extent you know a remote work will
00:08:42 --> 00:08:46: be implemented in in business services especially,
00:08:46 --> 00:08:50: and what respondents are telling us is that pre COVID
00:08:50 --> 00:08:54: were coming from an environment where approximately 20%
00:08:54 --> 00:08:57: of the employees were working 20%
00:08:57 --> 00:09:01: of their time remotely and three to five years from
00:09:01 --> 00:09:04: now they expect to see minimum.
00:09:04 --> 00:09:09: At minimum, 60% of employees working for a minimum of
00:09:09 --> 00:09:10: the of 40%
00:09:10 --> 00:09:15: of their time remotely. So that's you know quite different
00:09:15 --> 00:09:20: from the announcement that we saw between March and
00:09:20 --> 00:09:22: June
00:09:20 --> 00:09:22: of last year in 2020,
00:09:22 --> 00:09:25: where we could see, you know,
00:09:25 --> 00:09:30: companies making a public announcement that they would
00:09:30 --> 00:09:34: go 100%
00:09:30 --> 00:09:34: uh to remote work and kind of models.
00:09:34 --> 00:09:37: So it's not. It's not the same,
00:09:37 --> 00:09:40: but it's still a very very significant change to the
00:09:41 --> 00:09:44: way people were used to to work and to be
00:09:44 --> 00:09:44: honest,

00:09:44 --> 00:09:48: this is very much aligned with what we're seeing underground

00:09:48 --> 00:09:48: today,

00:09:48 --> 00:09:52: because 40% of the time working remotely is more or

00:09:52 --> 00:09:55: less two days a week working remotely not at the

00:09:55 --> 00:09:56: office,

00:09:56 --> 00:09:58: and so on. So having said that,

00:09:58 --> 00:10:02: we can we suspected that all tasks would not be

00:10:02 --> 00:10:05: affected in the same way by remote.

00:10:05 --> 00:10:09: Work, so we try to understand that and what respondents

00:10:09 --> 00:10:10: are telling us.

00:10:10 --> 00:10:14: And that's the bottom at the bottom of this slide

00:10:15 --> 00:10:19: is that the most impacted activities will be execution type

00:10:19 --> 00:10:20: of work,

00:10:20 --> 00:10:22: which is very easy to.

00:10:22 --> 00:10:25: Uh, to perform a remote key,

00:10:25 --> 00:10:27: whereas all the management creative,

00:10:27 --> 00:10:31: thinking, collaboration, type of work will always require some form

00:10:31 --> 00:10:32: of interaction,

00:10:32 --> 00:10:36: physical interaction and hence you know some form of working

00:10:36 --> 00:10:39: environment where people can gather and interact together.

00:10:39 --> 00:10:43: So of course you know the office space will be

00:10:43 --> 00:10:46: quite different as we will see,

00:10:46 --> 00:10:50: but still people will need for this type of activities,

00:10:50 --> 00:10:53: management, creativity, collaborative. Kind of work,

00:10:53 --> 00:10:58: they will need to have some physical working environment to

00:10:58 --> 00:10:59: interact.

00:10:59 --> 00:11:02: Uhm, about, you know one of the key questions that

00:11:03 --> 00:11:06: we that we had also is you know is remote

00:11:06 --> 00:11:07: work good or bad?

00:11:07 --> 00:11:09: You know what? What you know?

00:11:09 --> 00:11:13: What's the the? The key lessons learns about the future

00:11:13 --> 00:11:16: of work at the time we did the survey and

00:11:16 --> 00:11:18: no big surprise here,

00:11:18 --> 00:11:20: it's not good or bad.

00:11:20 --> 00:11:23: It's plenty of opportunities and challenges among the opportunities,

00:11:23 --> 00:11:27: the respondents that we have interviewed are telling us that

00:11:27 --> 00:11:29: they expect remote work on the future.

00:11:29 --> 00:11:34: Work in general to generate opportunities around you,

00:11:34 --> 00:11:39: know the agility, flexibility, Organization of of the work.

00:11:39 --> 00:11:44: It will also create more flexible office footprints for larger
00:11:45 --> 00:11:46: corporate tenants,
00:11:46 --> 00:11:52: it can create a better working place and working
environment,
00:11:52 --> 00:11:54: but there are also challenges,
00:11:54 --> 00:11:56: especially where here
00:11:56 --> 00:11:59: highlighting through challenges. One
00:11:59 --> 00:12:03: which is around the the the cost and how to
00:12:03 --> 00:12:08: manage all the IT infrastructure which is being required to
00:12:08 --> 00:12:11: implement the future of work.
00:12:11 --> 00:12:15: But maybe more importantly about risks around the corporate
culture
00:12:15 --> 00:12:20: and how you manage your talent when you're working
remotely.
00:12:20 --> 00:12:24: So these you know risk are pointed out as being
00:12:24 --> 00:12:26: quite critical as well.
00:12:26 --> 00:12:29: From the sample of respondents.
00:12:29 --> 00:12:33: That we have interviewed so that leads us to one.
00:12:33 --> 00:12:37: A very central a lesson learned lesson learned from from
00:12:37 --> 00:12:38: this survey,
00:12:38 --> 00:12:42: which is to me probably the most interesting one,
00:12:42 --> 00:12:44: which is a great paradox,
00:12:44 --> 00:12:49: which is that the more remote work expands and progresses.
00:12:49 --> 00:12:52: You know, around us do more actually.
00:12:52 --> 00:12:54: Real estate becomes central and critical,
00:12:54 --> 00:12:59: and the reason for that is that ultimately for.
00:12:59 --> 00:13:01: Companies for tenants and so on.
00:13:01 --> 00:13:05: Really the the the main challenge for them is how
00:13:05 --> 00:13:07: to attract and retain talent.
00:13:07 --> 00:13:10: It was already the case before the pandemic,
00:13:10 --> 00:13:12: but the pandemic has just,
00:13:12 --> 00:13:16: you know, intensified this trend and you don't have,
00:13:16 --> 00:13:19: you know so many solutions and so many things to
00:13:19 --> 00:13:23: leverage when it comes to attracting and retaining talent.
00:13:23 --> 00:13:28: And among these a few things that you have you
00:13:28 --> 00:13:29: know enhance.
00:13:29 --> 00:13:31: To attract and retain talent,
00:13:31 --> 00:13:36: the working environment is one of the most powerful tools
00:13:36 --> 00:13:38: that you have to do so.
00:13:38 --> 00:13:41: And that's reflected here when you see that 93%
00:13:41 --> 00:13:45: of real estate professionals say that the office space is
00:13:45 --> 00:13:48: important to attract and retain talent,
00:13:48 --> 00:13:52: and 61% of them are telling us that this is

00:13:52 --> 00:13:53: very important,
00:13:53 --> 00:13:55: that the the working environment.
00:13:55 --> 00:13:59: The workplace is very important to create a strong corporate.
00:13:59 --> 00:14:03: Culture. So we know that,
00:14:03 --> 00:14:06: uh, you know it's not the end of the office
00:14:06 --> 00:14:07: space in the workplace,
00:14:07 --> 00:14:11: but we also know that the workplace of tomorrow will
00:14:11 --> 00:14:13: be very different from what it is today,
00:14:13 --> 00:14:15: and it's already changing, you know.
00:14:15 --> 00:14:19: So we wanted to understand how different this will be.
00:14:19 --> 00:14:22: You know, what would it look like?
00:14:22 --> 00:14:25: So we have two main trends here that are kind
00:14:26 --> 00:14:27: of competing together,
00:14:27 --> 00:14:32: and there is still a balance or the right business
00:14:32 --> 00:14:35: model to be found to make this happen.
00:14:35 --> 00:14:38: So these two trends are number one.
00:14:38 --> 00:14:43: Real estate professional expects the realistic quantity as we
00:14:43 --> 00:14:44: call
00:14:43 --> 00:14:44: it to go down.
00:14:44 --> 00:14:46: So square meters to decrease,
00:14:46 --> 00:14:48: you know, by tenants, 53%
00:14:48 --> 00:14:52: of them of the respondents expect that even 25%.
00:14:52 --> 00:14:57: Of them, expect these decreasing square meters to be
00:14:57 --> 00:14:58: greater
00:14:57 --> 00:14:58: than 20%,
00:14:58 --> 00:15:01: but at the same time all of them expect or
00:15:02 --> 00:15:06: almost all of them expect the real estate quality to
00:15:06 --> 00:15:10: improve and to improve quite significantly,
00:15:10 --> 00:15:14: and that will translate into more tailor made and more
00:15:14 --> 00:15:16: flexible office space solutions.
00:15:16 --> 00:15:20: More technology in building safer building healthier buildings,
00:15:20 --> 00:15:23: healthier amenities, and so on.
00:15:23 --> 00:15:26: And different space different workplace with much more.
00:15:26 --> 00:15:29: You know collaborative space, so it's a whole rethinking of
00:15:29 --> 00:15:32: the space use that we will have and that we're
00:15:33 --> 00:15:35: already starting to have in our workplace.
00:15:35 --> 00:15:37: So quantity is going down,
00:15:37 --> 00:15:41: quality is going up. How do you make that happen?
00:15:41 --> 00:15:44: You know, from a cost perspective we have many clients
00:15:44 --> 00:15:48: and we're assisting many of our clients currently to make
00:15:48 --> 00:15:52: that happen and to find the right balance between the
00:15:52 --> 00:15:56: two of them. So in terms of how to optimize
00:15:56 --> 00:15:57: the cost,

00:15:57 --> 00:15:59: but how to steal, you know,
00:15:59 --> 00:16:03: maintain the right level of attractiveness and ability to retain
00:16:03 --> 00:16:07: your talent by providing them the right working environment.
00:16:07 --> 00:16:12: There are a number also of challenges around the ESG,
00:16:12 --> 00:16:16: so environmental and social aspects from the environmental
perspective.
00:16:16 --> 00:16:19: You know there are pros and cons.
00:16:19 --> 00:16:23: The pros, of course, is that everybody is kind of
00:16:23 --> 00:16:28: up being more moderate about the traveling and commuting,
00:16:28 --> 00:16:30: you know, and so on.
00:16:30 --> 00:16:35: But there is also a number of challenges around more
00:16:35 --> 00:16:36: needs for,
00:16:36 --> 00:16:38: especially around the IT infrastructure.
00:16:38 --> 00:16:41: And I T systems and and and all the communication
00:16:41 --> 00:16:43: infrastructure behind that.
00:16:43 --> 00:16:46: From a social perspective, of course,
00:16:46 --> 00:16:49: remote work and the future of work in general can
00:16:50 --> 00:16:51: bring more agility.
00:16:51 --> 00:16:55: More flexibility of work, and probably you know a better
00:16:55 --> 00:16:57: quality of working environment,
00:16:57 --> 00:17:00: let's say. But at the same time everybody I think
00:17:00 --> 00:17:04: has experienced and acknowledges that the the the,
00:17:04 --> 00:17:08: the, the boundaries between professional and personal life is
kind
00:17:09 --> 00:17:10: of very blurry at sometimes.
00:17:10 --> 00:17:14: So there is clearly a need for a number of
00:17:14 --> 00:17:15: companies.
00:17:15 --> 00:17:18: A number of us to be able to manage that
00:17:18 --> 00:17:22: and put a better a separation or to draw the
00:17:22 --> 00:17:26: line you know between a professional and personal life so
00:17:26 --> 00:17:30: as to have happy employees and to be able to
00:17:30 --> 00:17:33: provide the right working environment to them.
00:17:33 --> 00:17:35: And finally saw a conclusion.
00:17:35 --> 00:17:38: This is coming from the global business district report.
00:17:38 --> 00:17:42: The latest one that we published that was back in
00:17:42 --> 00:17:46: 2020 and at the beginning of 2020 it was back
00:17:46 --> 00:17:47: in in March,
00:17:47 --> 00:17:50: just right after the first at the start of the
00:17:50 --> 00:17:54: first lockdown in your app and we had highlighted five
00:17:54 --> 00:17:57: key trends that are at play in the transformation of
00:17:57 --> 00:18:01: global business districts. And now that we have a bit
00:18:01 --> 00:18:04: of experience with the pandemic.

00:18:04 --> 00:18:07: And how companies are dealing with that.
00:18:07 --> 00:18:11: I think these five key trends are quite still valid
00:18:11 --> 00:18:16: in the way that business districts are trying to constantly
00:18:16 --> 00:18:17: adapt to,
00:18:17 --> 00:18:20: you know, the challenges that were already
00:18:20 --> 00:18:23: there, but also to this new environment.
00:18:23 --> 00:18:24: The first
00:18:24 --> 00:18:27: one is about the concentration
00:18:27 --> 00:18:29: of talent. So clearly the
00:18:29 --> 00:18:34: key attractiveness parameter for global business district is
the availability
00:18:34 --> 00:18:35: of talent on.
00:18:35 --> 00:18:39: On site and your ability as a tenant
00:18:39 --> 00:18:43: to access these talented to retain them.
00:18:43 --> 00:18:47: The second one was around environmental concerns,
00:18:47 --> 00:18:49: which is very much accelerating.
00:18:49 --> 00:18:54: We see more and more tenants taking a much closer
00:18:54 --> 00:19:00: look at environmental requirements when making a location
decision.
00:19:00 --> 00:19:03: Uh, the next one is around the well being,
00:19:03 --> 00:19:05: which is very much connected to the first one.
00:19:05 --> 00:19:09: By the way, the focus on the well being.
00:19:09 --> 00:19:14: Offer their employees and how are able to provide such
00:19:14 --> 00:19:15: you know.
00:19:15 --> 00:19:18: A qualitative working environment which allows you
00:19:18 --> 00:19:20: know the well being of employees.
00:19:20 --> 00:19:22: #4 is about risk management,
00:19:22 --> 00:19:27: so the risk management is obviously very much at the
00:19:27 --> 00:19:31: top of the agenda. Given what happened in the course
00:19:31 --> 00:19:34: of 2020 and what is still happening by the
00:19:34 --> 00:19:39: way with greater you know expectations and needs from
tenants
00:19:39 --> 00:19:43: when it comes to being able to manage the risk,
00:19:43 --> 00:19:47: especially sanitary risk now. And the the 5th trends key
00:19:47 --> 00:19:50: trend that we're seeing at play in the transformation of
00:19:51 --> 00:19:55: global business district is about the ability of business district
00:19:55 --> 00:19:57: to be less business oriented,
00:19:57 --> 00:20:00: less district, you know, isolated kind of district,
00:20:00 --> 00:20:04: but more able to provide an inclusive to be an
00:20:04 --> 00:20:05: urban destination,
00:20:05 --> 00:20:08: right? And to provide the right leave work,
00:20:08 --> 00:20:12: play environment with, you know mixed use space and so
00:20:12 --> 00:20:12: on,

00:20:12 --> 00:20:16: which is still very much expected from employers.
00:20:16 --> 00:20:16: Again,
00:20:16 --> 00:20:18: not only because it's you know,
00:20:18 --> 00:20:22: just more a nicer place to to work in,
00:20:22 --> 00:20:26: but also because ultimately it does help a lot with
00:20:26 --> 00:20:30: the attraction and your attention capacity as an employer
when
00:20:30 --> 00:20:32: it comes to attracting talent.
00:20:32 --> 00:20:36: So I think you know I'm going to post here.
00:20:36 --> 00:20:40: I'm happy to take any questions anytime around this study
00:20:40 --> 00:20:44: and hopefully you know I'll do my best to understood
00:20:44 --> 00:20:46: to answer this question.
00:20:46 --> 00:20:48: The best way. Again, thank you
00:20:48 --> 00:20:51: very much. Thank you, thank you very much.
00:20:51 --> 00:20:54: My son. I think what we're hearing is,
00:20:54 --> 00:20:57: it's really. It's all about people and and about getting
00:20:57 --> 00:20:59: the most out of them.
00:20:59 --> 00:21:01: But if it's all about people,
00:21:01 --> 00:21:05: it's also about things like social values and that's where
00:21:05 --> 00:21:08: some of these ESG values are coming in into so
00:21:08 --> 00:21:09: many areas of our business.
00:21:09 --> 00:21:13: And I think we'll take these themes on with Allie
00:21:13 --> 00:21:14: and Ben.
00:21:14 --> 00:21:17: Had a quick question from Toby Hall and with JLL
00:21:17 --> 00:21:18: in the UAE.
00:21:18 --> 00:21:21: He was wondering if you had a sense of how
00:21:21 --> 00:21:24: many of you are 555 survey respondents were from the
00:21:24 --> 00:21:25: Middle East.
00:21:25 --> 00:21:28: I don't know if you have a sense of that
00:21:28 --> 00:21:29: at hand or not,
00:21:29 --> 00:21:32: or we can get back to him on that.
00:21:32 --> 00:21:32: Not
00:21:32 --> 00:21:35: not at hand, unfortunately. We do have the answer to
00:21:35 --> 00:21:35: that,
00:21:35 --> 00:21:36: but I need
00:21:36 --> 00:21:37: to just do
00:21:37 --> 00:21:41: some, yeah. I get back to that amount.
00:21:41 --> 00:21:44: Everything on his territory, so I'll have to give him
00:21:44 --> 00:21:47: an answer then we'll know that very well.
00:21:47 --> 00:21:51: OK, I mean, it's hard to know where to start
00:21:51 --> 00:21:51: up,
00:21:51 --> 00:21:54: but maybe Ali. I'll start with you because because probably

00:21:54 --> 00:21:57: Mubadala got started before Brookfield in this game.
00:21:57 --> 00:22:01: I remember when we when you started with the four
00:22:01 --> 00:22:04: goettsch partners towers you had a lot of beautiful office
00:22:04 --> 00:22:05: space.
00:22:05 --> 00:22:08: Not so many amenities. I think I remember when you
00:22:09 --> 00:22:09: got a Jones,
00:22:09 --> 00:22:13: the grocer in the lobby and that was a big
00:22:13 --> 00:22:13: deal.
00:22:13 --> 00:22:17: But but since then you know Mubadala and your partners.
00:22:17 --> 00:22:20: Have really have really built up a really compelling,
00:22:20 --> 00:22:23: really fascinating district. Maybe if you don't mind,
00:22:23 --> 00:22:26: tell us first of all about you and what you
00:22:26 --> 00:22:27: are doing personally,
00:22:27 --> 00:22:29: and then just tell us what.
00:22:29 --> 00:22:33: What has a Mariah Island become and and where you're
00:22:33 --> 00:22:33: going.
00:22:34 --> 00:22:37: Thanks for the introduction John,
00:22:37 --> 00:22:40: and appreciate that I just to introduce myself so I
00:22:40 --> 00:22:41: magnifici.
00:22:41 --> 00:22:45: I'm a senior vice president with Mubadala Investment
Company.
00:22:45 --> 00:22:49: I work with in the diversified assets unit which looks
00:22:49 --> 00:22:54: amongst many other things at our domestic real estate
portfolio
00:22:54 --> 00:22:57: and the I guess our flagship assets from the UK
00:22:57 --> 00:23:02: or local real estate component is definitely a Marie Island.
00:23:02 --> 00:23:05: Almaria Island is something that's been with Mubadala.
00:23:05 --> 00:23:08: For a very, very long time since 2006,
00:23:08 --> 00:23:12: and as you mentioned, at the very start back when
00:23:12 --> 00:23:14: it was more like a construction site,
00:23:14 --> 00:23:17: it really just had the they say the commercial element
00:23:18 --> 00:23:20: of the business district being developed.
00:23:20 --> 00:23:23: So maybe if I can just talk a little bit
00:23:23 --> 00:23:27: about the master plan and where we are today also
00:23:27 --> 00:23:30: potentially about what I feel we still,
00:23:30 --> 00:23:33: there's still some work to get to where we need
00:23:33 --> 00:23:37: to be and what the Elmarie Island master plan.
00:23:37 --> 00:23:41: Had envisioned so. Almarie Island was was effectively.
00:23:43 --> 00:23:47: Decreed as as as as as the business district for
00:23:47 --> 00:23:48: Abu Dhabi back in 2006,
00:23:48 --> 00:23:51: and this is something that the Executive Council had had
00:23:51 --> 00:23:53: instructed and mobile development company,
00:23:53 --> 00:23:56: which you know was a development company back then.

00:23:56 --> 00:23:59: Now very much a passive investor.

00:23:59 --> 00:24:02: But back then we were developing company and we were

00:24:02 --> 00:24:05: mandated to develop on this instruction and so one of

00:24:06 --> 00:24:09: the things that that that that that was granted to

00:24:09 --> 00:24:12: us was all the plots on Almarie Island and what

00:24:12 --> 00:24:15: ended up coming as a result of that.

00:24:15 --> 00:24:20: Was a an infrastructure initiative which would look at

00:24:20 --> 00:24:21: developing

00:24:21 --> 00:24:25: phase one of that phase.

00:24:26 --> 00:24:26: One very much was the capital intensive element of Almeria

00:24:26 --> 00:24:29: Island,

00:24:29 --> 00:24:32: so it's not just the infrastructure component,

00:24:32 --> 00:24:37: but it looks at, you know the the the the

00:24:37 --> 00:24:38: precinct within the island that hosts your main commercial

00:24:38 --> 00:24:40: business

00:24:40 --> 00:24:44: functions.

00:24:44 --> 00:24:46: And so we delivered upon that.

00:24:46 --> 00:24:49: You know today also a square properties which is a

00:24:49 --> 00:24:52: subsidiary of Mubadala,

00:24:52 --> 00:24:55: owns the GM building. The four surrounding office towers.

00:24:55 --> 00:24:56: The the car parks on the island,

00:24:56 --> 00:25:00: both the Galleria luxury collection as well as the gallery

00:25:00 --> 00:25:03: Almarie Island,

00:25:03 --> 00:25:08: the Rosewood and The Four Seasons.

00:25:08 --> 00:25:09: To echo what Van Sant was saying today,

00:25:09 --> 00:25:12: business districts cannot just be isolated areas for

00:25:12 --> 00:25:17: businesses to

00:25:17 --> 00:25:21: thrive or to occupy.

00:25:21 --> 00:25:25: We really are in a situation where we need to

00:25:25 --> 00:25:29: create a lifestyle destination which sort of weaves the

00:25:29 --> 00:25:30: different

00:25:30 --> 00:25:33: fabrics of live work play together and I think key

00:25:33 --> 00:25:38: to that these days and certainly something that is of

00:25:38 --> 00:25:41: the utmost priority for us in Almeria Island is the

00:25:41 --> 00:25:44: public.

00:25:44 --> 00:25:48: Well, so the public realm has to be a quality

00:25:48 --> 00:25:52: public realm that focuses on a number of different things,

00:25:52 --> 00:25:56: and I think especially in our in our part of

00:25:56 --> 00:26:00: the world it's it's effectively pedestrian.

00:26:00 --> 00:26:00: Ease of access. This is not something that Abu Dhabi

00:26:00 --> 00:26:00: has elsewhere and is certainly a unique 222 Almarie island,

00:26:00 --> 00:26:00: but it's it's a public realm that is a quality

00:26:00 --> 00:26:00: public realm that is accessible that is that that.

00:26:00 --> 00:26:03: That looks at connecting all the different components of your
00:26:04 --> 00:26:05: live work play lifestyle,
00:26:05 --> 00:26:07: and I think that's really important.
00:26:07 --> 00:26:11: It also has to have a good balance between residential
00:26:11 --> 00:26:15: population as well as commercial so the island master plan,
00:26:15 --> 00:26:18: when approved of, always envisioned that it would be home
00:26:18 --> 00:26:21: to 50,000 commuters and and 30,000 residents,
00:26:21 --> 00:26:24: and it has to have a good balance between different
00:26:24 --> 00:26:26: real estate uses.
00:26:26 --> 00:26:29: As of today, we have obviously a high quality health
00:26:29 --> 00:26:30: care facility.
00:26:30 --> 00:26:32: We've got the commercial element there.
00:26:32 --> 00:26:36: We've got the retail. What I would say today is
00:26:36 --> 00:26:38: still missing from Almeria Island.
00:26:38 --> 00:26:42: Is A is a a residential offering that caters to
00:26:42 --> 00:26:42: the masses.
00:26:42 --> 00:26:46: At the moment we've only got the roses and The
00:26:46 --> 00:26:50: Four Seasons that offer very high end residences and they
00:26:50 --> 00:26:51: are 90%
00:26:51 --> 00:26:54: occupied, which does suggest there's a strong demand for such
00:26:54 --> 00:26:55: quality offering,
00:26:55 --> 00:26:59: but we're working as well on on on delivering residential
00:26:59 --> 00:27:00: units through.
00:27:00 --> 00:27:01: Third party engagements.
00:27:02 --> 00:27:05: OK, that's good. Crazy definitely seems to be.
00:27:05 --> 00:27:09: If you look at if you look at Canary Wharf
00:27:09 --> 00:27:12: for their expansion into Woodworth Woodworth,
00:27:12 --> 00:27:15: that was definitely the big.
00:27:15 --> 00:27:19: The big opportunity what they wanted to bring the Canary
00:27:19 --> 00:27:22: Wharf was more of the residential Ben McGregor.
00:27:22 --> 00:27:23: Let's move over to you.
00:27:23 --> 00:27:27: You and I did some work together back in 2014,
00:27:27 --> 00:27:31: fifteen when I was with IFC investments back when
00:27:31 --> 00:27:32: Brookfield
00:27:32 --> 00:27:35: Place was.
00:27:35 --> 00:27:36: Well, I should say ICD Brookfield Place was was still
00:27:36 --> 00:27:40: a vision.
00:27:40 --> 00:27:44: Really thinking back. We already had a well established
00:27:44 --> 00:27:45: mixed
00:27:45 --> 00:27:49: use CBD with already had a certain amount of fame
Anniversary, but with you guys at Brookfield came with your

00:27:49 --> 00:27:51: global perspective and really you could call it DFC.
00:27:51 --> 00:27:55: 2.0 You you you tried to think what else can
00:27:55 --> 00:27:55: we bring?
00:27:55 --> 00:27:58: What can we introduce to DFC to take it up
00:27:58 --> 00:28:01: to the next level so So what have you put
00:28:01 --> 00:28:05: together there would have what elements and how far along
00:28:05 --> 00:28:08: are you with with getting at least and filled up
00:28:09 --> 00:28:10: and all that stuff.
00:28:10 --> 00:28:13: Maybe tell us your role as well.
00:28:13 --> 00:28:14: Tell us
00:28:14 --> 00:28:19: thanks John. Look my title is is investment director of
00:28:19 --> 00:28:25: ICT Brookfield come to joint venture 5050 between Brookfield
Properties
00:28:25 --> 00:28:28: and Investment Corporation of Dubai.
00:28:28 --> 00:28:32: As you say, we were fortunate to tap into the
00:28:32 --> 00:28:35: wonderful DIC within within Dubai.
00:28:35 --> 00:28:40: We we felt it was really the preeminent office district.
00:28:40 --> 00:28:45: And from a regulatory and and catchment area it was
00:28:45 --> 00:28:48: really the right place for us to deliver.
00:28:48 --> 00:28:51: A global leading lifestyle workspace,
00:28:51 --> 00:28:54: which we've we've worked really hard on to to bring
00:28:54 --> 00:28:58: together an all encompassing ecosystem that addresses
people.
00:28:58 --> 00:29:02: As you, you stress, it really is about attracting and
00:29:02 --> 00:29:04: retaining the best talent.
00:29:04 --> 00:29:07: That's what's going to get the tenants in.
00:29:07 --> 00:29:12: UM, we focus on designing a building from the inside
00:29:12 --> 00:29:13: out.
00:29:13 --> 00:29:16: All too often, architecture leads this in this part of
00:29:16 --> 00:29:17: the world,
00:29:17 --> 00:29:21: perhaps too much, and we really focused on the floor
00:29:21 --> 00:29:21: plate,
00:29:21 --> 00:29:25: its efficiencies. That's played into our hands very nicely,
00:29:25 --> 00:29:29: 'cause you know, as as as a Vince on pointed
00:29:29 --> 00:29:30: out,
00:29:30 --> 00:29:32: there is potentially tenants looking at.
00:29:32 --> 00:29:35: More effective use of space,
00:29:35 --> 00:29:40: uhm? Uh, I'll just say that that is somewhat industry
00:29:40 --> 00:29:41: specific.
00:29:41 --> 00:29:43: We're not seeing that across the board,
00:29:43 --> 00:29:48: it's. As we lease up and and we were,
00:29:48 --> 00:29:52: we were essentially 30% preleased when we completed the
building.

00:29:52 --> 00:29:55: So one point 1,000,000 square foot.

00:29:55 --> 00:29:59: Uh office and retail destination.

00:29:59 --> 00:30:02: That pre leasing was it was was testament to the

00:30:02 --> 00:30:05: quality of the asset not easy to pre lease in

00:30:05 --> 00:30:06: this market.

00:30:06 --> 00:30:09: It wasn't much precedent at all.

00:30:09 --> 00:30:13: But since opening, which we always predicted or be it

00:30:13 --> 00:30:17: we opened in probably one of the most challenging times

00:30:17 --> 00:30:20: in history for our particular sector.

00:30:20 --> 00:30:22: Where the spotlight was on real estate cost reduction.

00:30:22 --> 00:30:27: And you know, even the question of the relevance of

00:30:27 --> 00:30:28: the office.

00:30:28 --> 00:30:31: We've now taken that up to 55%

00:30:31 --> 00:30:35: committed in in in nine months following that,

00:30:35 --> 00:30:39: so. The interest is huge.

00:30:39 --> 00:30:42: You know it's it's hard to keep up with it

00:30:42 --> 00:30:43: to be honest,

00:30:43 --> 00:30:46: but it's and these are the best companies in the

00:30:46 --> 00:30:48: world committing to the region.

00:30:48 --> 00:30:52: Seeing the benefits of the regulatory framework.

00:30:52 --> 00:30:55: They're saying perhaps some decentralization from the big

00:30:55 --> 00:30:57: centers that

00:30:57 --> 00:31:00: perhaps are burdened by long commutes,

00:31:00 --> 00:31:04: which we don't really have.

00:31:04 --> 00:31:05: And and the lifestyle element of the region is getting

00:31:05 --> 00:31:09: better and better.

00:31:09 --> 00:31:12: So that was something we really focused on creating that

00:31:12 --> 00:31:15: lifestyle ecosystem which I can get into

00:31:15 --> 00:31:19: later, absolutely. And just for the record,

00:31:19 --> 00:31:20: I think that source company is one of your one

00:31:20 --> 00:31:23: of your

00:31:23 --> 00:31:25: core tenants, right? Yeah, very much so.

00:31:25 --> 00:31:29: 120,000 square foot commitment for me.

00:31:29 --> 00:31:31: Why so very valued tentative hours and?

00:31:31 --> 00:31:34: And along with the Arts Club,

00:31:34 --> 00:31:36: they were the first two to commit to the building

00:31:36 --> 00:31:39: in that pre leasing phase.

00:31:39 --> 00:31:41: So yeah, great partnership and I think that's the power

00:31:41 --> 00:31:44: of having a a brookefield platform behind you.

00:31:44 --> 00:31:48: There's a a trusted name and.

00:31:48 --> 00:31:50: And, uh, and a certain level of management that we

00:31:48 --> 00:31:50: we have to deliver on.

00:31:51 --> 00:31:54: Yeah. I think they were touching,
00:31:54 --> 00:31:58: uh, we were touching on the different kinds of tenants,
00:31:58 --> 00:32:00: different requirements, and you know,
00:32:00 --> 00:32:03: CBD's are very much about ecosystems and Anna Anna and
00:32:03 --> 00:32:05: about meeting customers,
00:32:05 --> 00:32:07: investors, partners and all those things.
00:32:07 --> 00:32:09: And I think you know,
00:32:09 --> 00:32:13: with with the free zones you you know both Abu
00:32:13 --> 00:32:17: Dhabi and IFC have that but but Ally I think
00:32:17 --> 00:32:21: in Abu Dhabi you've gone one step further.
00:32:21 --> 00:32:25: You've really. Been very proactive in creating a lot of
00:32:25 --> 00:32:26: a lot of connectivity.
00:32:26 --> 00:32:30: A lot of incubators tell us a little bit about
00:32:30 --> 00:32:33: some of those programs that you guys
00:32:33 --> 00:32:37: have undertaken or I I think you know when we
00:32:37 --> 00:32:41: when we first delivered the the office towers in Almeria
00:32:41 --> 00:32:45: Island it was really just about approaching tenants to occupy
00:32:45 --> 00:32:50: spaces and going back to us and said really the
00:32:50 --> 00:32:53: the strength of the offer and I.
00:32:53 --> 00:32:55: It sounds very cosmetic to say,
00:32:55 --> 00:32:59: but it's the flexible floorplates in Almeria Island or an
00:32:59 --> 00:33:00: ATGM square.
00:33:00 --> 00:33:03: I should say there really lends itself to being a
00:33:03 --> 00:33:05: very leasable product.
00:33:05 --> 00:33:09: I think the tenants see the ability to effectively work
00:33:09 --> 00:33:12: quite easily with with these flexible floorplates,
00:33:12 --> 00:33:14: but generally with with real estate.
00:33:14 --> 00:33:18: It's a it's sometimes as we say in in
00:33:18 --> 00:33:19: retail.
00:33:19 --> 00:33:23: It's a bit of a popularity contest once you get.
00:33:23 --> 00:33:27: Uh, the right blue chip companies in the rest will
00:33:27 --> 00:33:31: follow because it's all about positioning yourself with the very
00:33:31 --> 00:33:31: best,
00:33:31 --> 00:33:35: and I think you know when we had initially delivered
00:33:35 --> 00:33:36: or Marie Island,
00:33:36 --> 00:33:40: it wasn't actually a free zone to start off with.
00:33:40 --> 00:33:44: You might remember that there was a decree that it
00:33:44 --> 00:33:48: would be the dedicated financial free zone of Abu Dhabi
00:33:48 --> 00:33:52: and ADGM and which is the regulator effectively operates
under
00:33:52 --> 00:33:56: UK law and and and and and in Amery Island.
00:33:56 --> 00:34:01: And I think tenants see the that is also a

00:34:01 --> 00:34:02: bit of an appeal,
00:34:02 --> 00:34:05: so effectively can have 100%
00:34:05 --> 00:34:07: owned entity on the island,
00:34:07 --> 00:34:11: but OK. You can also qualify for dual licensing,
00:34:11 --> 00:34:15: which means if you're a tenant you can provide service
00:34:15 --> 00:34:18: to your existing customer base in the mainland,
00:34:18 --> 00:34:22: whilst also being able to to to operate offshore within
00:34:23 --> 00:34:23: the island.
00:34:23 --> 00:34:27: That certainly has helped us quite significant amount.
00:34:27 --> 00:34:31: In terms of incubation, so as we've spent quite a
00:34:31 --> 00:34:35: few years leasing and our leasing activity has been very
00:34:35 --> 00:34:35: healthy,
00:34:35 --> 00:34:39: we anticipate that within the next two years we're going
00:34:39 --> 00:34:41: to run out of leasing space.
00:34:41 --> 00:34:45: Currently, we're 70% occupied across all four office towers,
00:34:45 --> 00:34:48: and that's you know, 180,000 square meters of grade A
00:34:48 --> 00:34:49: office space.
00:34:49 --> 00:34:53: So it's a significant amount that we've least halfway through
00:34:53 --> 00:34:53: the year.
00:34:53 --> 00:34:58: I think we're in excess of 9000 square meters offers
00:34:58 --> 00:34:58: issued.
00:34:58 --> 00:35:02: Come and indicative heads of terms signed up on we,
00:35:02 --> 00:35:06: we anticipate that in the next two years we're going
00:35:06 --> 00:35:08: to run out of office space,
00:35:08 --> 00:35:11: and so we're beginning to actually see developers to come
00:35:11 --> 00:35:14: in and and and request additional office space,
00:35:14 --> 00:35:16: which is very, very good news.
00:35:16 --> 00:35:19: But I think we also don't want to run the
00:35:19 --> 00:35:23: risk of just being there to house your blue chip
00:35:23 --> 00:35:24: companies.
00:35:24 --> 00:35:26: There's definitely a need for incubation.
00:35:26 --> 00:35:28: And actually Mubadala has somewhat.
00:35:28 --> 00:35:32: Is set on a path to two.
00:35:32 --> 00:35:36: Create an opportunity for for tech innovators as well.
00:35:36 --> 00:35:40: So hope 71 stake in this and I think it's
00:35:40 --> 00:35:45: about two or three levels if I'm not mistaken,
00:35:45 --> 00:35:49: at 2/2 levels on an 80 GM square and what
00:35:49 --> 00:35:53: they do is they they they are providing shorter term
00:35:53 --> 00:35:57: leasing opportunities to tech startups.
00:35:57 --> 00:36:01: There is a qualification. A process by which any person
00:36:01 --> 00:36:04: wishing to toolis can effectively take that space,
00:36:04 --> 00:36:08: and in essence what Obama is trying to do,

00:36:08 --> 00:36:10: that is to find the next Unicorn.

00:36:10 --> 00:36:14: Obviously within that space. So we really don't want to

00:36:14 --> 00:36:16: limit ourselves to just blue chip companies.

00:36:16 --> 00:36:20: We really want to effectively create an entire ecosystem on

00:36:20 --> 00:36:23: the island with each element feeding the net.

00:36:24 --> 00:36:28: Yeah, no, I think that upset anyone is quite a

00:36:28 --> 00:36:28: success.

00:36:28 --> 00:36:33: Ben obviously. You know from memory the DFC you know

00:36:33 --> 00:36:36: obviously guards its role as a as a as a

00:36:36 --> 00:36:40: as an incubator a little bit but but I think

00:36:40 --> 00:36:43: as I understand it you guys have also created some

00:36:43 --> 00:36:47: methods to to get smaller companies and more flexible

00:36:47 --> 00:36:51: solutions

00:36:47 --> 00:36:51: tell us a little bit about what what brookfields been

00:36:51 --> 00:36:53: doing there. If you don't mind.

00:36:54 --> 00:36:57: Yes, we're in in construction.

00:36:57 --> 00:37:01: Actually, we don't have any.

00:37:01 --> 00:37:05: A third party coworking operators.

00:37:05 --> 00:37:07: In the DRC at this stage,

00:37:07 --> 00:37:11: but Uhm, and congratulations to ally with the success of

00:37:11 --> 00:37:14: we work of I've heard it's been a huge take

00:37:14 --> 00:37:18: up and and you've really addressed the market on a

00:37:18 --> 00:37:20: number of levels there from the incubation.

00:37:20 --> 00:37:22: So DIC is doing the same,

00:37:22 --> 00:37:27: UM? They've got the the Fintech hive which is which

00:37:27 --> 00:37:28: is,

00:37:28 --> 00:37:32: I think oversubscribed. You walked down there in Gate Ave

00:37:32 --> 00:37:35: and it's absolute buzz of activity.

00:37:35 --> 00:37:40: So hats off there and really addressing a growing sector

00:37:40 --> 00:37:45: within that within the GDP potential for Debian and for

00:37:45 --> 00:37:47: the for the UM,

00:37:47 --> 00:37:52: we have developed off the back of brookfields flexible

00:37:52 --> 00:37:54: workspace

00:37:52 --> 00:37:54: team in New York blueprint.

00:37:54 --> 00:37:58: For how how we can self deliver a solution,

00:37:58 --> 00:38:01: it's beautifully device design space.

00:38:01 --> 00:38:05: It's not. It's not like your traditional coworking,

00:38:05 --> 00:38:08: where it's sort of renting deficits,

00:38:08 --> 00:38:10: essentially renting fully fitted officers,

00:38:10 --> 00:38:13: small officers 1000 square feet,

00:38:13 --> 00:38:17: 100 square meters. But full technology solution,

00:38:17 --> 00:38:22: very much hospitality focus. Beautiful lounge area with a you

00:38:22 --> 00:38:26: know with the amazing coffee provider that's going to be

00:38:26 --> 00:38:30: operating the Guild Tom from Tom and Serge and his
00:38:30 --> 00:38:32: teaming from encounter, you know,
00:38:32 --> 00:38:36: wonderful catering opportunities, similar to what we've done
with convene
00:38:36 --> 00:38:37: in New York,
00:38:37 --> 00:38:39: which we we have a shareholding in.
00:38:39 --> 00:38:43: UM, you know, we are we bringing more hospitality into
00:38:43 --> 00:38:44: the building.
00:38:44 --> 00:38:46: And that's very much a trend.
00:38:46 --> 00:38:49: We see. People are expecting a lot more service,
00:38:49 --> 00:38:53: better service. You know the office has got to be
00:38:53 --> 00:38:54: a better experience,
00:38:54 --> 00:38:58: so we're addressing the market and the day I see
00:38:58 --> 00:38:58: there's a.
00:38:58 --> 00:39:02: It's close to 500,000 square feet of this fitted product.
00:39:02 --> 00:39:04: At the moment it's 82%
00:39:04 --> 00:39:08: leased, so it's fairly fairly strong occupancy across this fitted.
00:39:08 --> 00:39:12: It's it's a. It is very suited to this market.
00:39:12 --> 00:39:15: You know a lot of satellite offices,
00:39:15 --> 00:39:17: potentially new entrants, new licensing.
00:39:17 --> 00:39:20: They don't always want the headache of having to deliver
00:39:20 --> 00:39:22: our project on the other side of the world.
00:39:22 --> 00:39:26: They get it. Tried and tested landlord to deliver it
00:39:26 --> 00:39:27: for them and provide
00:39:27 --> 00:39:28: that
00:39:28 --> 00:39:29: solution so it works. No,
00:39:29 --> 00:39:31: I'm sure you're doing well.
00:39:31 --> 00:39:34: That's odd. Just reach out to you.
00:39:34 --> 00:39:36: You know, CD's as we said,
00:39:36 --> 00:39:38: traditionally we had the big banks,
00:39:38 --> 00:39:42: the law firms, the accountants in in looking at the
00:39:42 --> 00:39:46: at the other CBD's around the world like that their
00:39:46 --> 00:39:49: false or or Canary Wharf or Singapore.
00:39:49 --> 00:39:51: Whatever do you see this?
00:39:51 --> 00:39:54: Is it landlords? Taking on the role to create these
00:39:54 --> 00:39:57: infants in incubator type of roles in the ecosystem?
00:39:57 --> 00:39:59: Or is it regional governments?
00:39:59 --> 00:40:02: How do you? How do you see that playing out
00:40:02 --> 00:40:05: in some of the other CD's you've been looking at?
00:40:07 --> 00:40:09: That's a very, very good question.
00:40:09 --> 00:40:12: Actually, what we're seeing is so first.
00:40:12 --> 00:40:14: Clearly there is this trend to you

00:40:14 --> 00:40:19: know, tending to diversify. These business districts or there,
00:40:19 --> 00:40:23: unless business oriented more you know kind of diversified both.

00:40:23 --> 00:40:27: You know in terms of pure business perspective more open
00:40:27 --> 00:40:29: to startups and things like that.

00:40:29 --> 00:40:33: But also you know very much welcoming any kind of
00:40:33 --> 00:40:38: you know culture and entertainment or retail or residential and
00:40:38 --> 00:40:39: so really opening.

00:40:39 --> 00:40:43: You know these districts and what we're seeing as well
00:40:43 --> 00:40:47: is a growing collaboration between landlords and.
00:40:47 --> 00:40:51: Local authorities and the reason for that is because there
00:40:51 --> 00:40:53: is no other way to to to make it happen.

00:40:53 --> 00:40:57: The only way you can really make this happen is
00:40:57 --> 00:40:59: by planning these things up front,
00:40:59 --> 00:41:02: right. And that's where urban planning is becoming so critical,
00:41:02 --> 00:41:05: and when you when you think of urban planning,
00:41:05 --> 00:41:09: you need to have some local authority driving this process.
00:41:09 --> 00:41:12: So that's something that we're seeing more and more.
00:41:12 --> 00:41:15: And in fact, if I give you one example with
00:41:15 --> 00:41:16: the Paris climate falls.
00:41:16 --> 00:41:19: But I know it's the same elsewhere.
00:41:19 --> 00:41:23: We are currently, uh, having these discussions with them with
00:41:24 --> 00:41:27: the local authority of First Lady fonts as how to
00:41:27 --> 00:41:29: better collaborate in
00:41:29 --> 00:41:31: a more structured approach with the
00:41:31 --> 00:41:35: landlords. They know, you know each other very well.
00:41:35 --> 00:41:38: They've been used to working together for,
00:41:38 --> 00:41:42: you know, a number of years if not decades now.
00:41:42 --> 00:41:45: But when it comes to the urban planning it will
00:41:45 --> 00:41:50: you know the landlords were not always involved in this
00:41:50 --> 00:41:50: in this.
00:41:51 --> 00:41:55: Thinking and this is something that we're seeing happening more
00:41:55 --> 00:41:55: and more,
00:41:55 --> 00:41:58: which is, I believe, the right way to go.
00:41:58 --> 00:42:00: Because governance is absolutely critical.
00:42:00 --> 00:42:03: If you want to make to create these
00:42:03 --> 00:42:06: well balanced a live work and play environments,
00:42:06 --> 00:42:10: you need to think about that long term and you
00:42:10 --> 00:42:10: need to,
00:42:10 --> 00:42:14: you know, have the right planning initiatives to do so,

00:42:14 --> 00:42:18: and it requires everyone to be involved in this process.
00:42:19 --> 00:42:23: No doubt one of the points from your report then
00:42:24 --> 00:42:25: saw which came out.
00:42:25 --> 00:42:28: Obviously is environmental sustainability concerns.
00:42:28 --> 00:42:32: These can come from a lot of the tenants.
00:42:32 --> 00:42:36: Also they can come from pension fund owners that have
00:42:36 --> 00:42:39: Long Horizons Alley you what what,
00:42:39 --> 00:42:43: what measures are are as Mubadala undertaking it.
00:42:43 --> 00:42:47: Bribery island. It's so a square to to address these
00:42:47 --> 00:42:48: issues.
00:42:49 --> 00:42:51: I'll answer your question to folder.
00:42:51 --> 00:42:54: I'll start with L Maria Island and I I think
00:42:54 --> 00:42:56: you you mentioned Mubadala there,
00:42:56 --> 00:42:59: but I think Mubadala is at both an organization as
00:43:00 --> 00:43:02: well as within any of the assets that that it
00:43:03 --> 00:43:06: creates is very much focused on the environment,
00:43:06 --> 00:43:10: social governance. One thing about the L Maria Island
master
00:43:10 --> 00:43:12: plan and I I I may have not mentioned it
00:43:12 --> 00:43:13: earlier,
00:43:13 --> 00:43:16: but the Elmarie Island master plan is a fully approved
00:43:16 --> 00:43:20: master plan that that obviously looks at all the components.
00:43:20 --> 00:43:24: Within the island. But the the public realm is required
00:43:24 --> 00:43:28: to achieve the two prelest Adama rating and that looks
00:43:28 --> 00:43:31: at all the publicly accessible spaces within each of the
00:43:31 --> 00:43:35: developments, so even third party developers would be
developing a
00:43:35 --> 00:43:35: building,
00:43:35 --> 00:43:39: and if they had a space that is publicly accessible
00:43:39 --> 00:43:41: and a big feature of the master plan is to
00:43:41 --> 00:43:47: ensure that there's connectivity between the different
developments through culminates
00:43:47 --> 00:43:51: or whatever else, but those have to achieve a rating
00:43:51 --> 00:43:51: of.
00:43:51 --> 00:43:53: Super listed AMA and that is.
00:43:53 --> 00:43:57: That is of course the domestic rating system,
00:43:57 --> 00:43:59: but it effectively looks at,
00:43:59 --> 00:44:02: you know, non wastage of precious resources.
00:44:02 --> 00:44:04: Things like irrigation, also energy savings,
00:44:04 --> 00:44:08: various things like that. So that's islandwide within the 80
00:44:09 --> 00:44:10: GM square development,
00:44:10 --> 00:44:15: specifically the ATM square development is a LEED gold
development

00:44:15 --> 00:44:19: standard and mandates that all new works would be designed

00:44:19 --> 00:44:21: in such a way that.

00:44:21 --> 00:44:23: As a minimum, they maintain that that is,

00:44:23 --> 00:44:25: so any works that are done,

00:44:25 --> 00:44:29: whether it's fit outs or whether it's from a development

00:44:29 --> 00:44:32: point of view or an operational point of view,

00:44:32 --> 00:44:34: has to ensure that that standard is maintained,

00:44:34 --> 00:44:37: and that's I think a very important thing.

00:44:37 --> 00:44:40: The other thing we have is as part,

00:44:40 --> 00:44:42: and this is a key part of the Elmarie Island

00:44:42 --> 00:44:45: master plan is that every developer has to look at

00:44:46 --> 00:44:47: passive cooling solutions,

00:44:47 --> 00:44:51: whether it's through treatment of the facade or design of

00:44:51 --> 00:44:51: the facade.

00:44:51 --> 00:44:56: Or even just dumb. You know,

00:44:56 --> 00:44:58: effectively shading and and so on.

00:44:58 --> 00:45:01: That is something that every single developer as part of

00:45:01 --> 00:45:05: the design guidelines within the master plan has to achieve.

00:45:05 --> 00:45:08: So it's very much integrated into the fabric of the

00:45:08 --> 00:45:12: master plan through architectural elements in the public realm.

00:45:12 --> 00:45:15: Every developer needs to basically achieve those things.

00:45:15 --> 00:45:20: That's really impressive, but I'm sure it doesn't always make

00:45:20 --> 00:45:21: it easy to do deals,

00:45:21 --> 00:45:23: but it's it's actually made it

00:45:23 --> 00:45:27: challenging. Yes, but but but you know effectively or maintaining

00:45:27 --> 00:45:29: a certain sense quality,

00:45:29 --> 00:45:33: and you know the visitors seem to to to appreciate

00:45:33 --> 00:45:35: the value that that brings.

00:45:35 --> 00:45:38: That's great, excellent. Then what about ICD Brookfield?

00:45:38 --> 00:45:42: Are you leading the market or the tenants pushing you

00:45:42 --> 00:45:44: guys on the on this front?

00:45:46 --> 00:45:49: Look, John, I think it's a bit of both.

00:45:49 --> 00:45:54: We we did plan to to achieve a very high

00:45:54 --> 00:45:55: lead.

00:45:55 --> 00:45:59: Writing essentially, we plan for gold from the outset,

00:45:59 --> 00:46:04: nothing less. But throughout the process we we were scoring

00:46:04 --> 00:46:08: incredibly high on on lead on golden dumb.

00:46:08 --> 00:46:11: With a bit of extra push up and a lot

00:46:11 --> 00:46:12: of effort,

00:46:12 --> 00:46:14: a lot of lot of lot of brainpower,

00:46:14 --> 00:46:17: lot effort throughout those sort of 4-5 years of planning
00:46:17 --> 00:46:19: and and construction.
00:46:19 --> 00:46:23: We managed to obtain a platinum rating so we we
00:46:23 --> 00:46:25: became the largest.
00:46:25 --> 00:46:30: And tallest LEED Platinum building in in the region in
00:46:30 --> 00:46:31: in the mirror.
00:46:31 --> 00:46:34: In fact, your Middle East in Africa,
00:46:34 --> 00:46:37: so uhm. Huge achievement to achieve that in the desert
00:46:37 --> 00:46:40: it reduces occupational costs substantially.
00:46:40 --> 00:46:43: We've got 30% less energy.
00:46:43 --> 00:46:47: We we we've got a huge 140,000 square foot of
00:46:47 --> 00:46:49: green space across the project,
00:46:49 --> 00:46:53: which again we thought was really important from a lifestyle
00:46:53 --> 00:46:55: and a mental Wellness perspective.
00:46:55 --> 00:46:59: But none of that green space takes any water from
00:46:59 --> 00:47:00: the grid.
00:47:00 --> 00:47:04: It's all condensate recycle from the air conditioning systems.
00:47:04 --> 00:47:07: Uhm, we feel it's a really critical element.
00:47:07 --> 00:47:11: We did that as as more of a moral obligation,
00:47:11 --> 00:47:16: but it's it's really increased in its importance throughout this
00:47:16 --> 00:47:16: last year.
00:47:16 --> 00:47:21: Thankfully, we all need to really focus on on this
00:47:21 --> 00:47:22: main issue and.
00:47:22 --> 00:47:28: The amount of tenants now that it's become a corporate
00:47:28 --> 00:47:31: commitment from a net zero or.
00:47:31 --> 00:47:33: ESG perspective it it is.
00:47:33 --> 00:47:37: It pays itself off, you know,
00:47:37 --> 00:47:41: in dividends it some. Something that is going to be,
00:47:41 --> 00:47:42: you know, events on showed,
00:47:42 --> 00:47:46: it was number 2 on the list of importance so.
00:47:46 --> 00:47:48: It's it's critical, I think,
00:47:48 --> 00:47:51: going forward a lot of buildings.
00:47:51 --> 00:47:55: Unfortunately in the region will become obsolete because
they're not
00:47:55 --> 00:48:00: able to achieve standards and corporate obligations will tax.
00:48:00 --> 00:48:03: You know that that that carbon footprint that people are
00:48:03 --> 00:48:05: putting in real estate pasted big part in that.
00:48:06 --> 00:48:08: Yeah no. I was on a I was on a
00:48:08 --> 00:48:13: webinar with the with the workplace workplace group with
bankers
00:48:13 --> 00:48:17: and tech companies in London and and like the the
00:48:17 --> 00:48:20: tenants are really serious. I mean they they they are

00:48:20 --> 00:48:21: really,
00:48:21 --> 00:48:24: you know scoring the buildings on those factors it's you
00:48:24 --> 00:48:25: know.
00:48:25 --> 00:48:27: And then if it's 5 or 10%
00:48:27 --> 00:48:31: money to sacrifice to sacrifice their standards that they'll pay
00:48:31 --> 00:48:32: more money.
00:48:32 --> 00:48:35: And I think Vascones Vanstone's report did suggest you can't
00:48:35 --> 00:48:38: get higher rents if you reach these.
00:48:38 --> 00:48:41: These these, these, these targets and and,
00:48:41 --> 00:48:42: and how John just
00:48:42 --> 00:48:47: to add to that that quality piece.
00:48:47 --> 00:48:51: If I may, it's it's really evident with what we're
00:48:51 --> 00:48:52: seeing.
00:48:52 --> 00:48:56: People are willing, corporates are willing to pay for for
00:48:56 --> 00:48:59: good quality in our companies cost.
00:48:59 --> 00:49:01: He's made up of 90%
00:49:01 --> 00:49:04: people and 10% essentially real estate and other costs,
00:49:04 --> 00:49:07: so people and creating that quality environment,
00:49:07 --> 00:49:11: whether it be. From a clean air perspective,
00:49:11 --> 00:49:16: whether it be from creating the wonderful culture and art
00:49:16 --> 00:49:17: and mental Wellness.
00:49:17 --> 00:49:20: Patient full page great lifting platinum.
00:49:20 --> 00:49:24: LEED it it. It is something that has become a
00:49:25 --> 00:49:26: real shift in focus.
00:49:26 --> 00:49:30: It's no longer during per square foot debate.
00:49:30 --> 00:49:34: It's about does this asset satisfy my company and my
00:49:34 --> 00:49:35: peoples needs?
00:49:35 --> 00:49:40: Employers want to send their people back to a better
00:49:40 --> 00:49:41: workplace.
00:49:41 --> 00:49:44: And recent reports from Gen Xers and the light show
00:49:44 --> 00:49:46: that they're 20%
00:49:46 --> 00:49:48: more productive in good quality space.
00:49:48 --> 00:49:51: That's huge in terms of their companies.
00:49:51 --> 00:49:55: Revenues throughout the year. And attracting and retaining
those people.
00:49:55 --> 00:49:57: It's great to
00:49:57 --> 00:50:00: hear quality rewarded. Ali are you guys getting a premium
00:50:01 --> 00:50:01: for your for?
00:50:01 --> 00:50:05: Your space is a space is out on a Mariah
00:50:05 --> 00:50:09: Island and so we're square compared to the Abu Dhabi
00:50:09 --> 00:50:09: market.
00:50:09 --> 00:50:10: Are

00:50:10 --> 00:50:13: you being rewarded? Yes, we we are on on two
00:50:13 --> 00:50:14: fronts.
00:50:14 --> 00:50:18: I would say certainly on the the office leasing front
00:50:18 --> 00:50:19: at the moment.
00:50:19 --> 00:50:23: You know we're able to command that effective rents of
00:50:23 --> 00:50:24: 1650 to 18.
00:50:24 --> 00:50:28: 50 per square meter and that's you know net effective.
00:50:28 --> 00:50:32: So inclusive of the rent freeze that you're offering and
00:50:32 --> 00:50:33: and everything else.
00:50:33 --> 00:50:36: But but I will say look at a portion of
00:50:36 --> 00:50:40: that is absolutely attributed to the island wide focus on
00:50:40 --> 00:50:44: on on the environmental and social governance elements.
00:50:44 --> 00:50:48: I think. I think that's that's that's a definite and
00:50:48 --> 00:50:50: from a plot sale perspective.
00:50:50 --> 00:50:54: You know elsewhere in the market.
00:50:54 --> 00:51:00: Landlords are achieving potentially 1800 dirham per square
metre GFA
00:51:00 --> 00:51:01: on on on plot sales.
00:51:01 --> 00:51:06: Whereas you know the last two developers we sold two
00:51:06 --> 00:51:09: over between 2300 and 2500 and wait.
00:51:09 --> 00:51:14: Yeah and when we ask the the the the developers
00:51:14 --> 00:51:16: you know it,
00:51:16 --> 00:51:21: it seems to us that there's a combination of things
00:51:21 --> 00:51:24: and and and and I mentioned it.
00:51:24 --> 00:51:27: Earlier are we believe that are you know,
00:51:27 --> 00:51:30: we have several unique selling points but one is of
00:51:30 --> 00:51:34: course the the the ESG element of the island,
00:51:34 --> 00:51:38: the the, the environmental considerations that developer
needs to put
00:51:38 --> 00:51:38: in place.
00:51:38 --> 00:51:41: But it's also the quality of the public realm,
00:51:41 --> 00:51:43: the connectivity you know, effectively,
00:51:43 --> 00:51:47: the climate controlled nature of the the island master plan
00:51:47 --> 00:51:50: that you can walk from one asset to the next
00:51:50 --> 00:51:53: without having to step foot outside.
00:51:53 --> 00:51:56: And the fact that. These developers can tap into that
00:51:56 --> 00:51:58: connectivity as well,
00:51:58 --> 00:52:01: so it's a number of factors that are effectively allowing
00:52:01 --> 00:52:03: us to command a premium,
00:52:03 --> 00:52:07: and I think it's become more important with COVID as
00:52:07 --> 00:52:08: as as as as vencent had
00:52:08 --> 00:52:11: highlighted that connectivity if I think about Canary Wharf.

00:52:11 --> 00:52:13: If I think about Toronto,

00:52:13 --> 00:52:16: I think about what they've been doing recently.

00:52:16 --> 00:52:18: Think about DFC with Gate Ave.

00:52:18 --> 00:52:21: Yes, I think it's that that that connectivity is very

00:52:21 --> 00:52:22: important.

00:52:22 --> 00:52:26: I have a question for you Ben on the Q&A.

00:52:26 --> 00:52:29: Wanting to hear about your new come your meet your

00:52:29 --> 00:52:33: new amenity space niche and also your your activation of

00:52:33 --> 00:52:35: your of your of your public spaces.

00:52:35 --> 00:52:37: I guess you've got the winter guard,

00:52:37 --> 00:52:40: the summer garden. Just want to hear a little bit

00:52:40 --> 00:52:43: about what that means for your development.

00:52:44 --> 00:52:48: Yes, so we're we're huge believers in the power of

00:52:48 --> 00:52:52: place and the importance of that face to face connection.

00:52:52 --> 00:52:56: We, from the outset planned this building with a beautiful

00:52:56 --> 00:52:57: summer guard.

00:52:57 --> 00:53:01: Took inspiration from the Winter Garden in Brookfield Place,

00:53:01 --> 00:53:05: New York, essentially. To attend it on its head,

00:53:05 --> 00:53:08: it's it's really the. It's a beautiful two and a

00:53:08 --> 00:53:11: half 1000 square meter garden space,

00:53:11 --> 00:53:14: fully grown trees. It's got a a 31 meter high

00:53:15 --> 00:53:15: ceiling.

00:53:15 --> 00:53:19: Operable walls, so it's really at the heart and and

00:53:19 --> 00:53:21: public realm it's open.

00:53:21 --> 00:53:27: 365 days a year, 24/7 so it's it's a space

00:53:27 --> 00:53:32: for people and we have a team of dedicated.

00:53:32 --> 00:53:36: Professionals that are looking after the arts and cultural

00:53:36 --> 00:53:37: programming

00:53:37 --> 00:53:40: of the building.

00:53:37 --> 00:53:40: It's a big part of the DNA of Brookfield,

00:53:40 --> 00:53:44: and our placemaking ethos. They've brought on all sorts of

00:53:44 --> 00:53:45: wonderful events.

00:53:45 --> 00:53:52: Live music, art. Fashion and many more to come.

00:53:52 --> 00:53:56: And then we've developed this space designed by Pallavi

00:53:56 --> 00:53:56: Dean

00:53:56 --> 00:53:56: from RAW,

00:53:56 --> 00:53:59: which we call niche essentially.

00:53:59 --> 00:54:03: We see the way that the works work day was

00:54:03 --> 00:54:08: evolving was you need to provide the before the during

00:54:08 --> 00:54:10: the after of work events.

00:54:10 --> 00:54:13: Just about that. I'm sitting at your desk.

00:54:13 --> 00:54:17: It's about the time. Mentally enriching yourself and and and

00:54:17 --> 00:54:22: the time of associations coming together time of times of

00:54:22 --> 00:54:22: learning.

00:54:22 --> 00:54:26: So we've created a space that we think will be

00:54:26 --> 00:54:29: a wonderful little differentiate.

00:54:29 --> 00:54:31: It's only a small compact space,

00:54:31 --> 00:54:34: but it's, uh, we programming it.

00:54:34 --> 00:54:39: We've had multiple events. We had marketsmith the endurance athletes

00:54:39 --> 00:54:40: speaking about.

00:54:40 --> 00:54:43: Motivation and and and you know,

00:54:43 --> 00:54:47: essentially his travels. We've had sketching classes we've had Mohammed

00:54:48 --> 00:54:48: from my farm,

00:54:48 --> 00:54:52: talking about bio farming and seed workshops.

00:54:52 --> 00:54:55: We've had meditation all sorts of wonderful speakers,

00:54:55 --> 00:54:58: Omar from Millboro and Orange hospitality.

00:54:58 --> 00:55:01: Who's gonna do a wonderful Persian restaurant,

00:55:01 --> 00:55:04: but his journey in creating his little empire,

00:55:04 --> 00:55:09: which is, you know, he's about to take over the

00:55:09 --> 00:55:11: Nobu site in Barkley Square.

00:55:11 --> 00:55:15: So another device success story venturing out into other parts

00:55:15 --> 00:55:19: of the world but learning about people and about how

00:55:19 --> 00:55:19: they've.

00:55:19 --> 00:55:24: That you know their journeys and and really mental enrichment.

00:55:24 --> 00:55:28: So we feel it's critical to to offer this within

00:55:28 --> 00:55:29: the ecosystem.

00:55:29 --> 00:55:32: UM, Arts clubs is another addition to that,

00:55:32 --> 00:55:36: so. It's it makes for a wonderful,

00:55:36 --> 00:55:39: wonderful environment that you know.

00:55:39 --> 00:55:41: It positively improves People's Daily lives.

00:55:41 --> 00:55:44: It it's it has a big influence on the way

00:55:44 --> 00:55:45: that they work,

00:55:45 --> 00:55:49: who the people they are and and the connections they

00:55:49 --> 00:55:51: make with the community.

00:55:51 --> 00:55:51: Max,

00:55:51 --> 00:55:54: and that's why we're running out of time,

00:55:54 --> 00:55:58: so I'm just going to throw one last question out

00:55:58 --> 00:55:59: to Vassar if I may,

00:55:59 --> 00:56:02: but you know? Six months ago,

00:56:03 --> 00:56:06: nine months ago, I think a lot of people were

00:56:06 --> 00:56:09: riding off high density CBD's no one wanted to take

00:56:09 --> 00:56:11: the tube anymore.

00:56:11 --> 00:56:13: No one wanted to use public transit.
00:56:13 --> 00:56:15: No one wanted to ride elevators.
00:56:15 --> 00:56:18: They were going to be the ghost towns of the
00:56:18 --> 00:56:19: future.
00:56:19 --> 00:56:22: You know you, you've been on some panels recently with
00:56:22 --> 00:56:24: your CBD cohorts.
00:56:24 --> 00:56:27: You've been talking to us here in the Gulf.
00:56:27 --> 00:56:30: What's your feeling is? Is is the CBD coming back
00:56:31 --> 00:56:32: or is it there still?
00:56:32 --> 00:56:36: Seems to me listen to these gentlemen still quite relevant,
00:56:36 --> 00:56:38: but is that a global feeling or or is or
00:56:38 --> 00:56:40: what's your sense there?
00:56:42 --> 00:56:43: Yeah, I think well
00:56:43 --> 00:56:47: coming back, uh. To come back,
00:56:47 --> 00:56:48: you have to go away
00:56:48 --> 00:56:52: first, so I think you know it's it was,
00:56:52 --> 00:56:55: let's say off for a number of months,
00:56:55 --> 00:56:57: but clearly it's not the
00:56:57 --> 00:56:59: end of a business districts.
00:56:59 --> 00:57:01: It will be very different most probably.
00:57:02 --> 00:57:05: Uh, we can see, you know,
00:57:05 --> 00:57:09: with the landlords with tenants or having different
expectations
00:57:09 --> 00:57:14: and so on that the transformation that I was mentioning
00:57:14 --> 00:57:18: just at the end of my presentation are still at
00:57:18 --> 00:57:18: play.
00:57:18 --> 00:57:21: But these transformations, to be
00:57:21 --> 00:57:23: honest, are not related to COVID,
00:57:23 --> 00:57:26: it's just you know, uh,
00:57:26 --> 00:57:26: the
00:57:26 --> 00:57:31: following of transformation that had already initiated before
the pandemic.
00:57:31 --> 00:57:33: And what we're really seeing
00:57:33 --> 00:57:36: is this acceleration that was referring to.
00:57:36 --> 00:57:40: So you know, it's a following the same direction that
00:57:40 --> 00:57:42: we're seeing already,
00:57:42 --> 00:57:44: but for sure I mean so.
00:57:44 --> 00:57:47: So businesses tricked are still,
00:57:47 --> 00:57:52: you know, alive, but. Uhm?
00:57:52 --> 00:57:54: Really the they are going to be
00:57:54 --> 00:57:56: quite different in a number of years.
00:57:56 --> 00:58:00: Through these transformations and and I'm seeing a lot of

00:58:00 --> 00:58:05: questions and interest from local authorities managing these are operating

00:58:05 --> 00:58:06: this business district,

00:58:06 --> 00:58:08: so at the district

00:58:08 --> 00:58:12: level, right? So I'm not talking about the landlord and

00:58:12 --> 00:58:13: building level,

00:58:13 --> 00:58:18: but at the district level many questions and thinking around

00:58:18 --> 00:58:21: how to make this happen and how to control what's

00:58:22 --> 00:58:24: happening and how to you know,

00:58:24 --> 00:58:27: have the right planning strategy.

00:58:27 --> 00:58:29: Uhm, so it would be no,

00:58:29 --> 00:58:32: and everybody is quite still learning around you.

00:58:32 --> 00:58:35: What's the right way to go and how to?

00:58:35 --> 00:58:37: What's the right balance between quality and cost,

00:58:37 --> 00:58:41: optimization and so on? Including ourselves,

00:58:41 --> 00:58:43: I shouldn't say that because I'm a consultant,

00:58:43 --> 00:58:47: so I'm supposed to have answers to everything.

00:58:47 --> 00:58:51: But, uh, you know, it's everybody is pretty much still

00:58:51 --> 00:58:53: learning and doing its best to.

00:58:53 --> 00:58:57: You know, find the right solutions as the right sustainable

00:58:57 --> 00:58:57: solutions.

00:58:57 --> 00:59:01: Thinking long term sustainability and being attractive for employees and

00:59:01 --> 00:59:02: people.

00:59:02 --> 00:59:04: Because it's not only for businesses,

00:59:04 --> 00:59:06: it's also for the people.

00:59:07 --> 00:59:11: Well, I think that that that's a good way to

00:59:11 --> 00:59:11: close.

00:59:11 --> 00:59:15: Thank you Vanessa. And certainly if it's from the learning

00:59:15 --> 00:59:15: process,

00:59:15 --> 00:59:19: they could do no worse than give a call to

00:59:19 --> 00:59:22: Ali Fakhri and Ben McGregor and and said,

00:59:22 --> 00:59:26: learn from their experience and their investments and their

00:59:26 --> 00:59:27: and

00:59:26 --> 00:59:27: their hard work.

00:59:27 --> 00:59:30: Thank you gentlemen. All three of you for for,

00:59:30 --> 00:59:34: for sharing your insights with our Middle East chapter and

00:59:34 --> 00:59:37: thank you ULI for hosting us and thanks.

00:59:37 --> 00:59:40: You want, I think we'll get a recording of this

00:59:40 --> 00:59:42: on the website at some point,

00:59:42 --> 00:59:44: and they're really, really proud to have a posted this

00:59:44 --> 00:59:46: panel with all of you.

00:59:46 --> 00:59:48: Thank you very

00:59:48 --> 00:59:49: much thank thank
00:59:49 --> 00:59:50: you, bye thank
00:59:50 --> 00:59:52: you, thanks thank you thanks bye.

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