Event Session

Proptech & AI

Date: February 25???26, 2025

00:00:00 --> 00:00:02:	Well, it's good to see all of you here, and
00:00:02 --> 00:00:05:	I certainly hoped you enjoyed the general session and the
00:00:05 --> 00:00:06:	earlier session.
00:00:06 --> 00:00:10:	We're here to talk really about, well, prop tech and
00:00:10 --> 00:00:13:	AI, and I've been doing this for quite some time.
00:00:13 --> 00:00:16:	My name is Tom Toomey, and I can tell you
00:00:16 --> 00:00:20:	from our early discussions about this panel and what we're
00:00:20 --> 00:00:23:	going to cover, I have found 4 great panelists that
00:00:23 --> 00:00:26:	I think have a lot of applicability to the topic.
00:00:26 --> 00:00:29:	We'll give you ideas about where to go, what works,
00:00:29 --> 00:00:30:	what doesn't.
00:00:31 --> 00:00:33:	And so given the size of the audience, it's going
00:00:33 --> 00:00:35:	to be a very intimate session.
00:00:35 --> 00:00:39:	Don't stop, interrupt us and we'll keep covering the topics
00:00:39 --> 00:00:40:	together.
00:00:40 --> 00:00:42:	OK, so we've got about an hour and I want
00:00:43 --> 00:00:45:	to get into it very quickly out of the gate.
00:00:45 --> 00:00:49:	So the question we were propose is why innovation and
00:00:50 --> 00:00:50:	housing.
00:00:51 --> 00:00:51:	OK.
00:00:51 --> 00:00:54:	And I want to thank Sheba for furnishing this slide
00:00:54 --> 00:00:57:	because I could never have done that, although I could
00:00:57 --> 00:01:00:	give it to my grandchildren and they could probably tell
00:01:00 --> 00:01:01:	me what it really means.
00:01:02 --> 00:01:03:	But it's extraordinary.
00:01:04 --> 00:01:06:	And and so I wanted to kick it off and
00:01:06 --> 00:01:09:	and instead of the normal me tried to read BIOS.
00:01:09 --> 00:01:11:	I think one of my panelists said that sounds like
00:01:11 --> 00:01:12:	obituaries.

00:01:13 --> 00:01:15:	Why don't I turn to them and give them a
00:01:15 --> 00:01:16:	chance to introduce themselves?
00:01:16 --> 00:01:18:	So I'll start at the far end and Sheba, if
00:01:18 --> 00:01:20:	you will introduce yourself to the audience.
00:01:22 --> 00:01:23:	Thank you so much, Tom.
00:01:23 --> 00:01:26:	I actually used AI for that, so I have to
00:01:26 --> 00:01:27:	give credit where it's due.
00:01:28 --> 00:01:29:	Good afternoon, everyone.
00:01:29 --> 00:01:33:	I'm Sheba Ross, I'm a partner and global practice director
00:01:33 --> 00:01:33:	at HKS.
00:01:34 --> 00:01:36:	So we're a team of architects and I lead our
00:01:36 --> 00:01:38:	cities and communities practice.
00:01:38 --> 00:01:42:	And cities and communities is a fundamentally hinged actually in
00:01:42 --> 00:01:45:	urban design, but we look at urban planning and geospatial
00:01:46 --> 00:01:49:	analytics, immersive engagement, and it's really interesting.
00:01:49 --> 00:01:52:	My background is architecture.
00:01:52 --> 00:01:57:	I, I finished my architecture in India and very interestingly,
00:01:57 --> 00:02:00:	it was my visit to rural India that got me
00:02:00 --> 00:02:02:	very interested in urban design.
00:02:03 --> 00:02:06:	And since then it's just been a, a beautiful journey
00:02:06 --> 00:02:09:	of looking at the space between buildings.
00:02:09 --> 00:02:12:	And so today I sit at this panel.
00:02:12 --> 00:02:16:	I'm just an urban designer looking at a city that
00:02:16 --> 00:02:21:	needs housing and asking that perhaps design could actually be
00:02:21 --> 00:02:22:	the answer.
00:02:25 --> 00:02:27:	Hi everyone I'm Abe Krueger.
00:02:27 --> 00:02:29:	I'm the Co founder of SK Collaborative.
00:02:29 --> 00:02:33:	We are green building healthy housing and building enclosure consultants.
00:02:34 --> 00:02:37:	So we're third party verifiers making sure buildings are built
00:02:37 --> 00:02:37:	well.
00:02:38 --> 00:02:41:	About half of our work is affordable, half is market
00:02:41 --> 00:02:44:	rate and we have active projects in 14 states, US
00:02:44 --> 00:02:46:	Virgin Islands and Puerto Rico.
00:02:46 --> 00:02:48:	So we kind of go wherever and everywhere.
00:02:49 --> 00:02:51:	About 90% is multifamily.
00:02:51 --> 00:02:53:	So that's the space we tend to play in the
00:02:53 --> 00:02:56:	most though 10% is going to be single family.
00:02:56 --> 00:02:57:	It's like commercial.
00:02:57 --> 00:02:58:	It's the other stuff, yeah.
00:03:01 --> 00:03:02:	Hi, everyone.

00:03:02 --> 00:03:05:	I'm Jay Richard, you Vice President.
00:03:05 --> 00:03:10:	Of tech and innovation with Jamestown headquartered here in Atlanta
00:03:10 --> 00:03:16:	where design focused vertically integrated management, investment and service provider
00:03:16 --> 00:03:18:	with over 40 years of experience.
00:03:19 --> 00:03:23:	Some of our noteworthy projects that you all have might
00:03:23 --> 00:03:26:	have visited or heard of include One Time Square and
00:03:26 --> 00:03:30:	Chelsea Markets in New York City, Industry City in Brooklyn,
00:03:30 --> 00:03:35:	NY, Ghirardelli Square in San Francisco, Ponce City Market right
00:03:35 --> 00:03:36:	here in Atlanta.
00:03:37 --> 00:03:41:	We also have the innovation and design buildings in Boston
00:03:41 --> 00:03:45:	and Lisbon and Groot, Handel's Good Bow and Rotterdam in
00:03:45 --> 00:03:46:	the Netherlands.
00:03:46 --> 00:03:48:	I'm so really excited to be here.
00:03:49 --> 00:03:52:	Our team has done a lot of amazing projects in
00:03:52 --> 00:03:56:	this space, ranging from pilots and deployments, as well as
00:03:56 --> 00:03:59:	our own instance internally in our company with our chat.
00:04:00 --> 00:04:04:	JT from Open AI is ChatGPT, which is really exciting.
00:04:04 --> 00:04:06:	So I'm really excited to be here with the panel
00:04:06 --> 00:04:08:	and talk shop and get to know you all and
00:04:09 --> 00:04:09:	everyone here.
00:04:10 --> 00:04:10:	Thank you for having me.
00:04:12 --> 00:04:13:	I'm Atticus LeBlanc.
00:04:13 --> 00:04:16:	I'm the founder and CEO of a company called Pad
00:04:16 --> 00:04:16:	Split.
00:04:16 --> 00:04:19:	We are A2 sided marketplace that creates access to private
00:04:19 --> 00:04:22:	rooms and shared rentals for the 50% of people who
00:04:22 --> 00:04:23:	can't afford the rent.
00:04:24 --> 00:04:26:	And then on the other side you have generally owner
00:04:27 --> 00:04:30:	operator rental property owners who make more money by renting
00:04:30 --> 00:04:32:	out those rooms to people who wouldn't be able to
00:04:33 --> 00:04:34:	qualify for anything.
00:04:34 --> 00:04:37:	So making housing both more affordable and more profitable simultaneously.
00:04:37 --> 00:04:40:	Think like Airbnb for permanent affordable housing.
00:04:42 --> 00:04:43:	Tom Toomey, I'm your host.
00:04:44 --> 00:04:48:	Let's see Chairman and CEO of United Dominion, so our
00:04:48 --> 00:04:53:	UDR Inc, if you will, about 60,000 apartment homes across
00:04:53 --> 00:04:54:	the nation.
00:04:55 --> 00:04:58:	And I've been investing in tech for probably about 25

00:04:58 --> 00:04:59:	years.
00:04:59 --> 00:05:02:	So I can tell you good and bad ideas about
00:05:02 --> 00:05:05:	it, innovation, we'll get into some of that and what
00:05:05 --> 00:05:07:	I see on the horizon and some of the questions
00:05:07 --> 00:05:10:	we have to face in the opportunities and challenges.
00:05:11 --> 00:05:14:	But before I do that, you've met us, let me
00:05:14 --> 00:05:17:	take a moment and see if I can discern from
00:05:18 --> 00:05:19:	the group who you are.
00:05:20 --> 00:05:22:	Now, I can't pass around a mic and give each
00:05:22 --> 00:05:24:	of you 5 minutes to introduce yourself, but if you
00:05:24 --> 00:05:27:	could tell me a little bit about your professional background.
00:05:27 --> 00:05:29:	So if you would raise your hand if you're one
00:05:29 --> 00:05:32:	of these things or multiple of these things, who in
00:05:32 --> 00:05:33:	the audience is developers?
00:05:36 --> 00:05:39:	Who is in charge of their tech for their company?
00:05:42 --> 00:05:42:	Hire them.
00:05:47 --> 00:05:48:	Let's see beyond that.
00:05:48 --> 00:05:53:	Government officials, former football players.
00:05:56 --> 00:05:58:	Let's see investors.
00:06:00 --> 00:06:01:	No investors.
00:06:02 --> 00:06:04:	Let's go next door and see who we can find.
00:06:04 --> 00:06:06:	Let's see property management.
00:06:07 --> 00:06:09:	So if you didn't answer your question, you have to.
00:06:09 --> 00:06:11:	Now tell me who you are.
00:06:11 --> 00:06:13:	Do you want to go through the list again?
00:06:14 --> 00:06:14:	Let's not do that.
00:06:14 --> 00:06:17:	So seriously, let's move on to this question.
00:06:17 --> 00:06:19:	Why innovation and housing?
00:06:19 --> 00:06:20:	Why is it important?
00:06:21 --> 00:06:23:	What is the you can see from the diverse group,
00:06:23 --> 00:06:25:	we each have a different perspective.
00:06:25 --> 00:06:29:	So I think as people go through that question, and
00:06:29 --> 00:06:32:	I'll start with Abe to give us that and then
00:06:32 --> 00:06:35:	we'll turn to Atticus J and then Sheba.
00:06:36 --> 00:06:38:	Each of them have some slides they want to go
00:06:38 --> 00:06:40:	through to try to answer that question.
00:06:40 --> 00:06:44:	Don't hesitate to just raise your hand and we'll stop
00:06:45 --> 00:06:46:	and field questions.
00:06:47 --> 00:06:49:	So with that, when I kick it off to Abe
00:06:49 --> 00:06:51:	and why innovation in housing?
00:06:51 --> 00:06:52:	Yeah, great question.
00:06:52 --> 00:06:55:	So what we see in kind of when we're talking

00:06:55 --> 00:06:58:	to developers, you know, the biggest issues are, you know,
00:06:58 --> 00:07:01:	there's a housing shortage, there's a housing affordability crisis in
00:07:01 --> 00:07:04:	the US So we need more supply, we need more
00:07:04 --> 00:07:04:	housing.
00:07:05 --> 00:07:06:	So that's one issue.
00:07:06 --> 00:07:08:	The other is just the cost of the housing, right,
00:07:09 --> 00:07:11:	whether it's the labor of the material cost, the land
00:07:11 --> 00:07:13:	cost, the cost of housing is very high.
00:07:14 --> 00:07:17:	The other thing here in Atlanta, so we're based here,
00:07:17 --> 00:07:20:	is we have, you know, the unfortunate distinction of being
00:07:20 --> 00:07:22:	one of the cities in the country with the highest
00:07:22 --> 00:07:23:	rates of energy burden.
00:07:24 --> 00:07:28:	So our population is spending a very high percentage of
00:07:28 --> 00:07:30:	their income on utility bills.
00:07:31 --> 00:07:34:	And just like the rental burden is percent of your
00:07:34 --> 00:07:37:	income going towards your housing, energy burden is the percent
00:07:38 --> 00:07:41:	of your income going towards your energy bills, whether that's
00:07:41 --> 00:07:42:	electric or gas.
00:07:43 --> 00:07:44:	And so we're in the top five.
00:07:44 --> 00:07:46:	And depending on how you slice and dice the data,
00:07:47 --> 00:07:48:	we might be the top 1.
00:07:49 --> 00:07:51:	And so, you know, that math is pretty easy.
00:07:51 --> 00:07:55:	It's increase the income or reduce your utility bills.
00:07:55 --> 00:07:58:	So we spend a lot of time working with developers
00:07:58 --> 00:08:01:	and property owners on how do we reduce the energy
00:08:01 --> 00:08:05:	bills and advising municipalities on things like weatherization programs to
00:08:05 --> 00:08:07:	improve the energy efficiency of homes.
00:08:08 --> 00:08:10:	And unfortunately, people are always like, well, what's the new
00:08:10 --> 00:08:11:	tech?
00:08:11 --> 00:08:12:	How do we do this?
00:08:12 --> 00:08:15:	And it's like, yeah, there's no silver bullet, but it's
00:08:15 --> 00:08:19:	really exciting to see all the innovations that is happening
00:08:19 --> 00:08:24:	around different construction technologies, whether we call it contact or
00:08:24 --> 00:08:25:	real tech or prop tech.
00:08:26 --> 00:08:28:	And so that's the space like we'd love to play
00:08:28 --> 00:08:31:	in, but a lot of the time it's not glamorous
00:08:31 --> 00:08:31:	things.

00:08:31 --> 00:08:35:	It's just build it right and then get it verified.
00:08:35 --> 00:08:39:	So one of our mantras is trust but verify.
00:08:40 --> 00:08:44:	So unfortunately, there's a lot of just quality of construction
00:08:44 --> 00:08:48:	issues out there, whether it's poor code enforcement or just
00:08:49 --> 00:08:50:	poor oversight in general.
00:08:52 --> 00:08:54:	I always invite the panelists to question each other.
00:08:54 --> 00:08:56:	Is there anything from the group?
00:08:57 --> 00:08:58:	So let me ask 1.
00:08:58 --> 00:09:02:	So you mentioned energy bills and then so give me
00:09:02 --> 00:09:04:	a little bit if I said 10 years ago rent
00:09:04 --> 00:09:08:	was 1500, what was the corresponding utility bill and where
00:09:08 --> 00:09:11:	has it gone in the last 10 years?
00:09:11 --> 00:09:13:	So it's going to really depend on where you are.
00:09:13 --> 00:09:14:	You are.
00:09:14 --> 00:09:16:	So like in Georgia, we used to be one of
00:09:16 --> 00:09:20:	the states with some of the lowest electric rates in
00:09:20 --> 00:09:21:	the country.
00:09:21 --> 00:09:24:	People would always hold up Atlanta and say, or Georgia
00:09:24 --> 00:09:27:	and say, like Georgia Power's rates are so low.
00:09:27 --> 00:09:30:	And over the last five years, Georgia Power, sorry if
00:09:31 --> 00:09:34:	they're saying from the utility here, has made a very
00:09:34 --> 00:09:37:	concerted effort to get our rates into the top ten
00:09:37 --> 00:09:38:	in the nation.
00:09:38 --> 00:09:41:	And so we've built a new nuclear power plant and
00:09:41 --> 00:09:45:	every single year, sometimes multiple times per year, our rates
00:09:45 --> 00:09:47:	have been increasing steadily.
00:09:48 --> 00:09:51:	And when you look at who that is impacting, it
00:09:51 --> 00:09:56:	is lower income, it's minority communities disproportionately being impacted by
00:09:56 --> 00:09:56:	that.
00:09:57 --> 00:10:00:	So that story of escalating utility rates isn't the same
00:10:00 --> 00:10:04:	everywhere around the country, but in Georgia, especially Georgia Power
00:10:04 --> 00:10:08:	customers, you're talking about over 40% increase in rates for
00:10:08 --> 00:10:08:	many people.
00:10:09 --> 00:10:12:	40% over that window of time, Yeah, we've done some
00:10:13 --> 00:10:15:	work at UDR and you take Dallas as a market
00:10:16 --> 00:10:18:	that we have some concentration in.
00:10:19 --> 00:10:21:	And I would tell you the rents 10 years ago,
00:10:21 --> 00:10:24:	we're averaging 1300 now average about 1900.
00:10:25 --> 00:10:28:	But the utility bills gone from $90.00 a month to

Time	Text
00:10:29 --> 00:10:29:	220.
00:10:30 --> 00:10:34:	And if you don't think the 220 represents A headwind
00:10:34 --> 00:10:37:	against your rent potential, you're wrong.
00:10:38 --> 00:10:41:	And we see that pressure from our residents.
00:10:41 --> 00:10:43:	But what we haven't found in the industry as a
00:10:43 --> 00:10:45:	transparent way to communicate that.
00:10:46 --> 00:10:51:	And I've even tried crazy things like I'll guarantee your
00:10:51 --> 00:10:55:	utility bill and of course then I get the hot
00:10:55 --> 00:10:57:	water heater burner of lifetime.
00:10:57 --> 00:11:00:	I'm like, you have to literally be taking 27 hours
00:11:00 --> 00:11:03:	a shower to get your AC bill on that or
00:11:03 --> 00:11:03:	your power.
00:11:03 --> 00:11:04:	So.
00:11:04 --> 00:11:08:	Where just on that note, like there are some developers
00:11:08 --> 00:11:12:	who are one, looking at including the utility bills in
00:11:12 --> 00:11:15:	the rent one just from a simplicity standpoint, 2 also
00:11:15 --> 00:11:19:	just to make sure that they're helping the residents, but
00:11:19 --> 00:11:23:	also with the solar incentives that may or may not
00:11:23 --> 00:11:24:	still be here tomorrow.
00:11:26 --> 00:11:29:	A lot of developers are looking to doing master meter
00:11:29 --> 00:11:31:	electric because of the way the tax credits are now
00:11:31 --> 00:11:33:	getting structured around electricity.
00:11:33 --> 00:11:36:	So there is really great incentives to just Max out
00:11:36 --> 00:11:39:	on the property as much as on site renewables.
00:11:39 --> 00:11:42:	So we're seeing some really creative business models and business
00:11:42 --> 00:11:46:	cases for actually going back to like master metered, whereas
00:11:46 --> 00:11:49:	the trend for the last couple decades has been going
00:11:49 --> 00:11:50:	to everything sub metered.
00:11:50 --> 00:11:51:	Attic.
00:11:51 --> 00:11:51:	Guess you were.
00:11:51 --> 00:11:51:	Going to ask.
00:11:52 --> 00:11:54:	Yeah, I was just going to say, I mean, so
00:11:54 --> 00:11:57:	we have 18,000 units now on the platform, medium and
00:11:57 --> 00:12:00:	income is $27,600 a year for our residents.
00:12:00 --> 00:12:01:	Utilities are required to be included.
00:12:02 --> 00:12:04:	And that was something that I set out very early
00:12:04 --> 00:12:07:	as a requirement for anyone who listed on the platform
00:12:07 --> 00:12:09:	simply because of the alignment of incentives.
00:12:09 --> 00:12:13:	And a tenant never has the capacity to make energy
00:12:13 --> 00:12:15:	infrastructure investments, right.
00:12:15 --> 00:12:18:	And So what I saw at a lot of facilities

00:12:18 --> 00:12:21:	over my 20 year career managing housing was, was pretty
00:12:21 --> 00:12:25:	common to see apartment operators put in incandescent 60 Watt
00:12:25 --> 00:12:28:	bulbs, even though a nine Watt LED would ultimately be
00:12:28 --> 00:12:30:	much more cost effective.
00:12:30 --> 00:12:32:	But if they weren't paying the bill, there was no
00:12:32 --> 00:12:35:	real incentive alignment for them to make that very simple
00:12:35 --> 00:12:38:	cost effective improvement, much less something like solar.
00:12:39 --> 00:12:42:	And so I think the transparency and pricing is, is
00:12:42 --> 00:12:43:	a key element.
00:12:43 --> 00:12:45:	It's not just about housing supply.
00:12:46 --> 00:12:48:	And oh, by the way, like quick note, we have
00:12:48 --> 00:12:50:	more housing supply on a per capita basis than we've
00:12:50 --> 00:12:52:	had at any point in U.S.
00:12:52 --> 00:12:52:	history.
00:12:53 --> 00:12:56:	And by that I mean like if you divide population
00:12:56 --> 00:12:59:	by square footage, what you'll find is we're using way
00:13:00 --> 00:13:03:	more square foot per person than we did 10/20/50 a
00:13:03 --> 00:13:04:	hundred years ago.
00:13:05 --> 00:13:08:	And in doing so, like we don't think just about
00:13:08 --> 00:13:10:	the supply aspect.
00:13:10 --> 00:13:11:	It's also the access part.
00:13:11 --> 00:13:14:	And when I say access, I mean inclusion of utilities
00:13:14 --> 00:13:16:	so that people don't have to pay security deposits or
00:13:16 --> 00:13:18:	utility deposits to be able to get into properties.
00:13:18 --> 00:13:21:	We don't require any security deposits in order to move
00:13:21 --> 00:13:25:	in, but including Wi-Fi, laundry, we provide access to telemedicine
00:13:25 --> 00:13:28:	for all of our residents who who might need it
00:13:28 --> 00:13:30:	on time, rent reporting to credit bureaus so we can
00:13:30 --> 00:13:32:	see an increase in FICO scores.
00:13:33 --> 00:13:37:	But bundled into one very simple, transparent payment that ultimately
00:13:37 --> 00:13:41:	doesn't just address the supply problem with taking advantage of
00:13:41 --> 00:13:45:	that space that's already out there, but making payments much
00:13:45 --> 00:13:47:	more simple for the the residents themselves.
00:13:49 --> 00:13:50:	Question for the audience.
00:13:50 --> 00:13:54:	How many of you are facing some ESG carbon tax
00:13:54 --> 00:14:00:	fine penalties standards in your portfolio, so you're aware to
00:14:00 --> 00:14:06:	the sensitivity of the nature that they're coming for us,
00:14:06 --> 00:14:06:	OK.

00:14:07 --> 00:14:09:	And it started out on the West Coast, but it's
00:14:09 --> 00:14:11:	in Boston, NY, Colorado.
00:14:11 --> 00:14:15:	This aspect of your carbon footprint costing the owners money,
00:14:15 --> 00:14:16:	it's coming.
00:14:17 --> 00:14:20:	And then you look at the real dollars and the
00:14:20 --> 00:14:22:	real fines, your assets just got devalued.
00:14:22 --> 00:14:24:	If you don't think about that element.
00:14:25 --> 00:14:27:	So why don't we move on and Atticus, why don't
00:14:27 --> 00:14:30:	you tell us a little bit about your your question,
00:14:30 --> 00:14:32:	the question and a little bit about the answer?
00:14:32 --> 00:14:33:	Yeah.
00:14:33 --> 00:14:36:	Well, I, I will be clear that I am not
00:14:36 --> 00:14:38:	the the hero of of this story.
00:14:38 --> 00:14:39:	We are a marketplace.
00:14:39 --> 00:14:41:	So we set up the rails for people to really
00:14:41 --> 00:14:43:	create their own stories and make their own choices.
00:14:43 --> 00:14:45:	If you could go ahead and start the start the
00:14:45 --> 00:14:45:	video.
00:14:49 --> 00:14:50:	Sorry I caught you off guard.
00:14:50 --> 00:14:58:	We don't have sound.
00:15:04 --> 00:15:05:	One more time.
00:15:06 --> 00:15:09:	I am born and raised, My name is my name
00:15:09 --> 00:15:11:	is Amber Bailey and we are here in my home.
00:15:12 --> 00:15:14:	I am born and raised from Atlanta, GA, raised by
00:15:14 --> 00:15:15:	my grandparents pretty much.
00:15:15 --> 00:15:17:	So that's where my wisdom comes in.
00:15:18 --> 00:15:20:	We end up moving and basically I'm out on my
00:15:20 --> 00:15:20:	own.
00:15:21 --> 00:15:23:	Not too long ago I ended up losing my grandfather.
00:15:24 --> 00:15:25:	Losing him was really hard.
00:15:26 --> 00:15:29:	Somehow I wanted to do something for him.
00:15:29 --> 00:15:32:	You know, he always, he always pushed me no matter
00:15:32 --> 00:15:32:	what.
00:15:32 --> 00:15:34:	I stayed working.
00:15:34 --> 00:15:36:	I always was able to get to work and handle
00:15:36 --> 00:15:38:	my business, but I didn't really have an exact place
00:15:38 --> 00:15:38:	to stay.
00:15:39 --> 00:15:41:	So every other day, maybe 2-3 days, I'll sleep in
00:15:41 --> 00:15:43:	my car and then sometimes I'll ask a friend to
00:15:43 --> 00:15:44:	stay over just to scratch out.
00:15:45 --> 00:15:47:	And she actually invited me over to take a shower

00:15:47 --> 00:15:50:	because she knew about all the hard times.
00:15:50 --> 00:15:51:	And she was like, I got a pass split.
00:15:51 --> 00:15:53:	I was like, what is that?
00:15:53 --> 00:15:56:	And then we literally signed up one for me.
00:15:56 --> 00:15:57:	I mean, that's where it started.
00:15:57 --> 00:16:01:	And so I walked in the room and immediately felt
00:16:01 --> 00:16:04:	a sense of like a deep breath, like just being
00:16:04 --> 00:16:07:	able to like, have somewhere to go, you know?
00:16:08 --> 00:16:09:	Yeah.
00:16:09 --> 00:16:14:	And like, after so long, that feeling was just the
00:16:14 --> 00:16:19:	best feeling just being able to cleaning up.
00:16:19 --> 00:16:20:	I cleaned up all night.
00:16:20 --> 00:16:22:	I literally put all my stuff up that same night
00:16:22 --> 00:16:24:	to get myself comfortable.
00:16:24 --> 00:16:26:	And so I had to go to work and I
00:16:26 --> 00:16:29:	just woke up and I was just at peace to
00:16:29 --> 00:16:32:	experience actually being homeless and to the next day having
00:16:33 --> 00:16:35:	home kind of start thinking about what I want to
00:16:36 --> 00:16:38:	do and what I need to do for myself in
00:16:38 --> 00:16:38:	my life.
00:16:39 --> 00:16:42:	And that's when I said, you know what cleaning and
00:16:42 --> 00:16:46:	cleaning business Heather came in and I started pointing out
00:16:46 --> 00:16:47:	everything I do.
00:16:47 --> 00:16:49:	I said, I realize the batteries, we need batteries here.
00:16:49 --> 00:16:52:	A couple months later, she gave me my first job.
00:16:52 --> 00:16:54:	Now I have work.
00:16:54 --> 00:16:58:	And so now today working for Heather and everything she's
00:16:58 --> 00:17:01:	pretty much done for me has created my whole business
00:17:01 --> 00:17:01:	plan.
00:17:02 --> 00:17:03:	I love to make a difference.
00:17:04 --> 00:17:05:	I love to help.
00:17:05 --> 00:17:07:	Unfortunately, I really do love to clean.
00:17:07 --> 00:17:09:	I can't help it when we clean this Just be
00:17:09 --> 00:17:10:	in touch with a little love.
00:17:11 --> 00:17:12:	They need the house to be loved so they can
00:17:12 --> 00:17:14:	feel how I felt when I was in mine.
00:17:14 --> 00:17:18:	You know my name is Amber Bailey, so.
00:17:24 --> 00:17:27:	So I share this story really just to represent like
00:17:27 --> 00:17:31:	this was a coordinated effort from both Amber and her
00:17:31 --> 00:17:32:	host Heather.
00:17:33 --> 00:17:35:	I am very fortunate in my role that I get

00:17:35 --> 00:17:38:	to see hundreds and thousands of of these stories play
00:17:38 --> 00:17:39:	out every day.
00:17:39 --> 00:17:41:	But I saw a couple eyebrows raised when I mentioned
00:17:41 --> 00:17:43:	that we have more supply than we ever had.
00:17:43 --> 00:17:46:	Like you don't read that anywhere, but this is what
00:17:46 --> 00:17:47:	I'm referring to.
00:17:47 --> 00:17:50:	As you think about how many dining rooms are sitting
00:17:50 --> 00:17:52:	empty, how many extra bedrooms are available.
00:17:53 --> 00:17:56:	If you think, if you look at the National Income
00:17:56 --> 00:18:00:	Housing Coalition estimate, which is probably the most conservative on
00:18:00 --> 00:18:03:	the shortage of 7.3 million homes, the the estimate of
00:18:04 --> 00:18:08:	empty unused bedrooms is somewhere between 32,000,000 and 113,000,000 across
00:18:08 --> 00:18:09:	the country.
00:18:09 --> 00:18:12:	And so you could effectively solve that access problem or
00:18:12 --> 00:18:15:	that supply problem tomorrow, but the access problem is also
00:18:15 --> 00:18:15:	what we solve.
00:18:15 --> 00:18:18:	And we do that by line incentives and showing how
00:18:18 --> 00:18:21:	it's both more profitable for an investor to rent out
00:18:22 --> 00:18:25:	that formal dining room that's currently derived like creating no
00:18:25 --> 00:18:28:	net revenue for the for the property as well as
00:18:28 --> 00:18:31:	removing all barriers entry for people like Amber.
00:18:32 --> 00:18:35:	8% of our residents actually are moved directly from being
00:18:35 --> 00:18:38:	unsheltered on house situation.
00:18:38 --> 00:18:42:	16% have been in shelter transitional facilities, and then another
00:18:42 --> 00:18:44:	33% are moving out of families, are moving out of
00:18:44 --> 00:18:46:	living with families.
00:18:46 --> 00:18:49:	And so since 2018, here's basically what we've done.
00:18:49 --> 00:18:51:	This is from last week.
00:18:51 --> 00:18:54:	So we're now at 18,000 and three units, I think,
00:18:54 --> 00:18:56:	but we've housed over 41,000 people.
00:18:56 --> 00:18:59:	Again, median incomes $27,600 a year.
00:18:59 --> 00:19:03:	They report saving 366 bucks a month, 366 bucks a
00:19:03 --> 00:19:06:	month, so equivalent of $131 million.
00:19:06 --> 00:19:09:	And then if you look at what it typically costs,
00:19:09 --> 00:19:11:	at least in the Sunbelt for a new unit to
00:19:11 --> 00:19:15:	be built for a one bedroom apartment at $250,000, it's
00:19:15 --> 00:19:16:	4 1/2 billion dollars.
00:19:17 --> 00:19:20:	We haven't taken any government funding today and we've seen

00:19:20 --> 00:19:21:	a number of members that have graduated.
00:19:22 --> 00:19:24:	In Amber's case, she lived in her room for four
00:19:24 --> 00:19:26:	years before getting her own place and starting her own
00:19:26 --> 00:19:26:	business.
00:19:27 --> 00:19:29:	But we've also seen members go all the way through
00:19:29 --> 00:19:32:	full cycle where they are moving from membership even to
00:19:32 --> 00:19:35:	becoming not just homeowners but also operators on on the
00:19:35 --> 00:19:36:	platform as well.
00:19:36 --> 00:19:40:	And we've been pretty consistent around 90% of residents that
00:19:40 --> 00:19:41:	would would refer a friend.
00:19:43 --> 00:19:45:	Quite an inspiring story.
00:19:45 --> 00:19:46:	Questions.
00:19:48 --> 00:19:49:	How did you get started in this?
00:19:49 --> 00:19:51:	You mentioned 2018, you, you look like you've been around
00:19:51 --> 00:19:52:	a little bit longer than that.
00:19:52 --> 00:19:52:	What?
00:19:53 --> 00:19:53:	Are you trying to say?
00:19:54 --> 00:19:54:	I'm just.
00:19:56 --> 00:19:58:	Saying I kind of fell into the the rent by
00:19:58 --> 00:19:59:	the rent business.
00:19:59 --> 00:20:03:	I actually was a commercial land broker in 2007 when
00:20:03 --> 00:20:06:	everything evaporated and I had a newborn son and my
00:20:06 --> 00:20:09:	wife who wanted to stop working and I need to
00:20:09 --> 00:20:12:	figure out a way to make a living so.
00:20:12 --> 00:20:15:	I started buying houses really, really cheaply in around the
00:20:15 --> 00:20:17:	Atlanta area and saw these rooming houses.
00:20:18 --> 00:20:21:	My degree was in in urban studies, but I've never
00:20:21 --> 00:20:24:	heard the term rooming houses outside of like 1920s New
00:20:24 --> 00:20:25:	York tenements.
00:20:25 --> 00:20:28:	And I saw them everywhere when I was traveling these
00:20:28 --> 00:20:31:	neighborhoods and just ended up in a situation where there
00:20:31 --> 00:20:34:	was a vacant property that we we purchased that was
00:20:34 --> 00:20:36:	next to a rooming house.
00:20:36 --> 00:20:39:	They were getting foreclosed and evicted and asked if they
00:20:39 --> 00:20:41:	could come to our rooms for me in my house
00:20:41 --> 00:20:43:	and was experimenting from 2009 onward.
00:20:43 --> 00:20:47:	And this was really the culmination of of that experience
00:20:47 --> 00:20:51:	where I wrote an application to an ideas competition.
00:20:51 --> 00:20:54:	And yeah, that was 2017.
00:20:54 --> 00:21:00:	Amazing story and technology innovating and helping you.
00:21:00 --> 00:21:05:	I can only imagine it's able to help connect, so

00:21:05 --> 00:21:09:	to speak, the owner and the operator and monitor.
00:21:10 --> 00:21:10:	Services, yeah.
00:21:10 --> 00:21:13:	I mean, it's important, especially when you're serving people who
00:21:13 --> 00:21:15:	are vulnerable to be able to, to serve them super,
00:21:15 --> 00:21:16:	super quickly.
00:21:16 --> 00:21:19:	So from the time that they apply, application usually takes
00:21:19 --> 00:21:20:	just a couple of minutes.
00:21:20 --> 00:21:21:	It costs $19.00.
00:21:21 --> 00:21:22:	They moved in within 48 hours.
00:21:22 --> 00:21:25:	So 65% of all applicants move in within 48 hours.
00:21:26 --> 00:21:29:	And then we give the ability to transfer from anyone
00:21:29 --> 00:21:32:	room, whether it's across the street, across town or across
00:21:32 --> 00:21:35:	the country, across all 18,000 options and just be able
00:21:35 --> 00:21:38:	to do that with that level of speed where our
00:21:38 --> 00:21:40:	median time to refill room is 7 days.
00:21:40 --> 00:21:44:	So the technology really empowers a lot of that capability.
00:21:44 --> 00:21:46:	Then we also collect the payments we're collecting weekly.
00:21:47 --> 00:21:50:	But in the example I showed earlier with six rooms,
00:21:50 --> 00:21:53:	you're talking about 25 payments per per month per one
00:21:53 --> 00:21:54:	house.
00:21:54 --> 00:21:56:	And that becomes untenable if you're not left in technology.
00:21:57 --> 00:21:59:	And then all the other social roommate issues, Johnny stole
00:21:59 --> 00:22:01:	my peanut butter, etcetera.
00:22:01 --> 00:22:04:	There's lots of back end technology there as well.
00:22:05 --> 00:22:05:	Fabulous.
00:22:07 --> 00:22:10:	Anybody want to offer up some units for just?
00:22:12 --> 00:22:12:	Come talk to me after.
00:22:13 --> 00:22:14:	Philadelphia, I need some help.
00:22:15 --> 00:22:17:	Next up, we've got Jay.
00:22:18 --> 00:22:21:	Yes, so I just have fancy pictures for you all
00:22:21 --> 00:22:23:	for my for my segments here.
00:22:23 --> 00:22:27:	But just going back to the question about why innovation
00:22:27 --> 00:22:29:	and housing and as a developer, and I have a
00:22:29 --> 00:22:33:	lot of experience being on the property management side of
00:22:33 --> 00:22:33:	things.
00:22:33 --> 00:22:36:	And you know, what I do with on the tech
00:22:36 --> 00:22:41:	and innovation side, you know, it's really important for, for
00:22:41 --> 00:22:45:	our group that we actually invest in real estate startups
00:22:45 --> 00:22:48:	and tech funds and to be able to build a
00:22:48 --> 00:22:53:	network of tech partners that support our initiative for thought
00:22:53 --> 00:22:54:	leadership.

00:22:54 --> 00:22:57:	And a huge, I'm sure you all could agree that's,
00:22:57 --> 00:23:01:	you know, one of the important business cases is to
00:23:01 --> 00:23:05:	drive NOI and through technology and our partnerships with our
00:23:05 --> 00:23:09:	firms and partners that we've been able to be very
00:23:09 --> 00:23:09:	successful.
00:23:09 --> 00:23:13:	And you know what beautiful way than to layer this
00:23:13 --> 00:23:14:	into the multifamily space.
00:23:14 --> 00:23:17:	And So what you're looking at here on the screen
00:23:17 --> 00:23:19:	is not too far from here over by Pond City
00:23:19 --> 00:23:20:	Market is Signal House.
00:23:20 --> 00:23:24:	It's a 20 plus story multi family residential with affordable
00:23:24 --> 00:23:26:	housing and 168 total units here.
00:23:26 --> 00:23:30:	And we integrated technology to make this a totally seamless
00:23:30 --> 00:23:34:	experience for our residents where all of the communications and
00:23:35 --> 00:23:39:	building access work orders, etcetera are all through an app.
00:23:40 --> 00:23:41:	And where does it start?
00:23:41 --> 00:23:44:	It starts with internally with the property management team.
00:23:45 --> 00:23:48:	As you may know, it's change management is tough, especially
00:23:48 --> 00:23:51:	in this day and age with so many technologies in
00:23:51 --> 00:23:51:	the marketplace.
00:23:52 --> 00:23:55:	But from our perspective, you know, we've been able to
00:23:55 --> 00:24:00:	pilot several different initiatives and softwares and such different assets.
00:24:00 --> 00:24:03:	And for this particular multifamily asset, the team was just
00:24:03 --> 00:24:07:	very excited just given the connectivity and our location and
00:24:07 --> 00:24:10:	being by so many different types of businesses in the
00:24:10 --> 00:24:13:	tech sector that it was important to be cutting edge
00:24:13 --> 00:24:15:	and forward thinking.
00:24:15 --> 00:24:18:	And so to get that buy in from the property
00:24:18 --> 00:24:19:	to team was incredible.
00:24:19 --> 00:24:22:	And from there, you know they were able to easily
00:24:22 --> 00:24:24:	adopt this technology.
00:24:24 --> 00:24:27:	One of the platforms we use is called Lively and
00:24:27 --> 00:24:31:	that's an opportunity there for integrating your access control, you
00:24:31 --> 00:24:33:	know on boarded the concierge team as well.
00:24:34 --> 00:24:36:	And this gets you, you know all the access to
00:24:37 --> 00:24:40:	the amenities and meeting room spaces in this building as
00:24:40 --> 00:24:43:	well as communication for in the work orders for the
00:24:44 --> 00:24:45:	engineers and so forth.

00:24:45 --> 00:24:48:	And so it's a very successful pilot and has now
00:24:48 --> 00:24:51:	been instituted as you know the norm for our residents
00:24:51 --> 00:24:54:	that live in this space and with the connection to
00:24:55 --> 00:24:58:	the Beltline and what we've built here is just phenomenal.
00:25:01 --> 00:25:05:	Secondly, this is another asset that we have here in
00:25:05 --> 00:25:09:	the Tribeca neighborhood 88 Leonard's same situation here where we
00:25:09 --> 00:25:13:	also adopted Lively and another tool called highly as well
00:25:13 --> 00:25:14:	for our lease up.
00:25:14 --> 00:25:15:	You know from a Gen.
00:25:16 --> 00:25:19:	AI perspective, there are new platforms out there that leverage
00:25:19 --> 00:25:22:	this technology to really take away the heavy lifting.
00:25:22 --> 00:25:25:	I think normally when we think from a multi family
00:25:25 --> 00:25:28:	and leasing perspective, when you talk to prospects and they
00:25:28 --> 00:25:30:	want to book a tour, the chat bot on the
00:25:30 --> 00:25:33:	bottom right hand of the screen is their form of
00:25:33 --> 00:25:33:	AI.
00:25:33 --> 00:25:36:	But these tools like highly take it a step further
00:25:36 --> 00:25:40:	where we're actually digging deeper and we're doing automated drip
00:25:40 --> 00:25:41:	campaigns.
00:25:41 --> 00:25:44:	When the prospect is interested in touring, there's a carefully
00:25:44 --> 00:25:47:	curated e-mail that is being sent or text message to
00:25:47 --> 00:25:49:	that prospect about their experience of the tour.
00:25:49 --> 00:25:52:	What questions did they have even all the way through
00:25:52 --> 00:25:55:	the process of when they become a resident of the
00:25:55 --> 00:25:58:	apartment community where we follow up through the platform?
00:25:58 --> 00:25:59:	Just asking.
00:25:59 --> 00:26:00:	Them, you know.
00:26:00 --> 00:26:02:	About their experience, what more can we do better?
00:26:02 --> 00:26:06:	I think having those touch points from a resident perspective
00:26:06 --> 00:26:08:	is key, especially in this day and age.
00:26:08 --> 00:26:10:	I know we want to talk to a human, but
00:26:10 --> 00:26:12:	not humans are available 24/7.
00:26:12 --> 00:26:16:	So this is another platform to sort of fill that
00:26:16 --> 00:26:18:	void and be available for that guest.
00:26:19 --> 00:26:23:	And especially when it comes to renewal periods where you
00:26:23 --> 00:26:27:	want to keep that retention and that resident utilizing these
00:26:27 --> 00:26:31:	platforms are paramount to keep your occupancy as high as
00:26:31 --> 00:26:32:	possible.
00:26:35 --> 00:26:38:	And last but not least, just the screenshots of three

00:26:38 --> 00:26:41:	of the platforms here that we used the two again
00:26:41 --> 00:26:44:	for the multifamily perspective, Lively and highly AI are two
00:26:44 --> 00:26:48:	that we've rolled out all across our multifamily assets.
00:26:48 --> 00:26:51:	And in the third instance, we actually built our own
00:26:51 --> 00:26:54:	instance, as I mentioned in my intro called Chat JT,
00:26:54 --> 00:26:57:	which is our own internal ChatGPT instance.
00:26:57 --> 00:27:00:	We spent a lot of time, money and energy with
00:27:00 --> 00:27:04:	our tech and innovation team in collaboration with our digital
00:27:04 --> 00:27:08:	transformation and data teams to really curate our own instance
00:27:08 --> 00:27:10:	where we integrated our own style guide.
00:27:11 --> 00:27:13:	And so as rudimentary as it sounds, I use this
00:27:13 --> 00:27:16:	everyday just to craft emails, right?
00:27:16 --> 00:27:18:	And then you can go a step further of creating
00:27:18 --> 00:27:22:	LinkedIn articles and posts and then going another deep layer
00:27:22 --> 00:27:23:	deeper.
00:27:23 --> 00:27:26:	We're going in our next iteration to be able to
00:27:26 --> 00:27:30:	update or upload lease abstractions and spreadsheets to be able
00:27:30 --> 00:27:34:	to help us decipher more information better, faster and smarter
00:27:34 --> 00:27:37:	and more collaborative across the organization.
00:27:37 --> 00:27:41:	So this is a huge initiative that we started two
00:27:41 --> 00:27:42:	or three years ago.
00:27:42 --> 00:27:45:	And I'm happy to share with you all that our
00:27:45 --> 00:27:48:	adoption rate has increased year over year and we netted
00:27:48 --> 00:27:53:	over triple digits in utilization last quarter, which is fantastic.
00:27:53 --> 00:27:56:	And so it just proves that, you know, through the
00:27:56 --> 00:27:59:	processes that we implemented and structure that we put in
00:27:59 --> 00:28:02:	place that this was a huge value add for our
00:28:02 --> 00:28:03:	organization.
00:28:03 --> 00:28:05:	So I know this is going to become a key
00:28:05 --> 00:28:07:	topic and as we dive a little bit more into
00:28:07 --> 00:28:10:	the AI piece that we have this experience here for
00:28:10 --> 00:28:12:	us and it's been, it's been great.
00:28:13 --> 00:28:15:	So excited to learn more about that and share that
00:28:15 --> 00:28:15:	as well.
00:28:15 --> 00:28:15:	Well.
00:28:17 --> 00:28:17:	Thanks.
00:28:18 --> 00:28:18:	Yes.
00:28:50 --> 00:29:05:	No, thank you that.
00:29:05 --> 00:29:07:	That's a really great question and I'm happy to talk

00:29:07 --> 00:29:08:	offline more about that.
00:29:08 --> 00:29:10:	But I would love to take that as a personal
00:29:11 --> 00:29:13:	take away to our ESG team, especially because we do
00:29:13 --> 00:29:16:	have partners that help us throughout that process.
00:29:17 --> 00:29:19:	And I too am curious if they have leveraged a
00:29:19 --> 00:29:23:	form of, of AI, whether it's through our partners platform
00:29:23 --> 00:29:26:	or a third party that has helped, you know, find
00:29:26 --> 00:29:30:	those answers through scouring those multitude of documents.
00:29:30 --> 00:29:33:	Because it can be very overwhelming on one person, right?
00:29:33 --> 00:29:35:	Or the team to be able to, you know, discover,
00:29:35 --> 00:29:38:	you know, are we getting the right tax incentives or
00:29:38 --> 00:29:40:	whatnot from reviewing these documents?
00:29:40 --> 00:29:43:	And so I don't have an exact answer, but I'm
00:29:43 --> 00:29:45:	happy to take that as a take away for us
00:29:45 --> 00:29:45:	you.
00:29:45 --> 00:29:47:	Should check with Pronto if you haven't already.
00:29:48 --> 00:29:48:	Pronto.
00:29:48 --> 00:29:49:	OK, there you go.
00:29:51 --> 00:29:51:	Perfect.
00:29:52 --> 00:29:54:	Already in the in the house.
00:29:58 --> 00:30:01:	I'm sorry, could you stand and explain to the audience?
00:30:01 --> 00:30:01:	Because we.
00:30:22 --> 00:30:23:	I'll speak louder for that.
00:30:24 --> 00:30:27:	We we basically automate and create the AI for affordable
00:30:27 --> 00:30:31:	housing compliance, which includes tax credit but also Section 8
00:30:32 --> 00:30:32:	local programs.
00:30:33 --> 00:30:36:	And our bread and butter is making it exactly the
00:30:36 --> 00:30:37:	way your agency or.
00:30:37 --> 00:30:38:	Company likes it to be.
00:30:40 --> 00:30:41:	I'm so glad you were here when I gave that.
00:30:42 --> 00:30:42:	Out.
00:30:42 --> 00:30:42:	That's awesome.
00:30:44 --> 00:30:46:	That's spearfishing to the excellent degree.
00:30:47 --> 00:30:49:	And I think we all have a lesson to learn
00:30:49 --> 00:30:50:	from this.
00:30:50 --> 00:30:52:	There is a solution to your problem.
00:30:53 --> 00:30:56:	And one of my questions later will be asking panelists
00:30:56 --> 00:30:58:	what are theirs challenges.
00:30:58 --> 00:31:00:	And I hope you're thinking about what are your challenges
00:31:00 --> 00:31:02:	and maybe we have some of those answers.

00:31:03 --> 00:31:06:	We can't always beam in the vendor to solve it
00:31:06 --> 00:31:09:	right on the spot, but we'll do our best.
00:31:09 --> 00:31:11:	So last up is Sheba, if you will.
00:31:16 --> 00:31:19:	You know, when Tom was asking this question to us,
00:31:19 --> 00:31:22:	I was reminded, I'm not sure whether you've seen this
00:31:22 --> 00:31:25:	cartoon where somebody proclaims, you know, did you know that
00:31:25 --> 00:31:26:	oxygen was discovered?
00:31:27 --> 00:31:29:	Does anyone know when oxygen was discovered?
00:31:30 --> 00:31:31:	You don't think about that stuff, right?
00:31:32 --> 00:31:35:	But oxygen was discovered in 1774.
00:31:35 --> 00:31:38:	And so there's this cartoon that says, did you know
00:31:38 --> 00:31:39:	that oxygen was discovered in 1774?
00:31:40 --> 00:31:42:	And then another person is like, whoa, what did they
00:31:42 --> 00:31:43:	breathe before that?
00:31:45 --> 00:31:46:	There's a flaw, right?
00:31:46 --> 00:31:53:	And that the discovery of something doesn't indicate its use
00:31:53 --> 00:31:54:	or need, right?
00:31:54 --> 00:31:56:	We were always breathing in oxygen.
00:31:56 --> 00:31:57:	We just didn't know it.
00:31:58 --> 00:32:01:	And when we think about housing again, like as you
00:32:01 --> 00:32:04:	think about the evolution of housing or housing today, is
00:32:04 --> 00:32:08:	there's a huge difference between what was happening even 50
00:32:08 --> 00:32:10:	years back, 10 years back versus now.
00:32:10 --> 00:32:14:	But it's just our discovery, our awareness, our change in
00:32:14 --> 00:32:19:	behaviour, our change in perception, the definitions of family has
00:32:19 --> 00:32:22:	changed and hence housing has changed.
00:32:22 --> 00:32:25:	So what can we as designers and what can we
00:32:25 --> 00:32:29:	do with technology that could get us to this future?
00:32:29 --> 00:32:33:	For my case is a group of, you know, courageous,
00:32:33 --> 00:32:35:	curious ideators.
00:32:36 --> 00:32:39:	I can think of this artificial intelligence piece of it
00:32:39 --> 00:32:40:	hinged on intelligence.
00:32:40 --> 00:32:42:	And so the first thing is to zoom out and
00:32:42 --> 00:32:43:	think about the system.
00:32:43 --> 00:32:47:	Intelligence is actually to understand at the macro level what
00:32:47 --> 00:32:49:	are the patterns.
00:32:49 --> 00:32:53:	It's not just about how big should the housing be,
00:32:53 --> 00:32:57:	it is what should the housing be, right?
00:32:57 --> 00:32:59:	Like where, why?
00:32:59 --> 00:33:01:	And so one of the first things we do here

00:33:01 --> 00:33:04:	is actually understand our livability index.
00:33:05 --> 00:33:06:	And that's been really interesting.
00:33:06 --> 00:33:10:	Our curiosity is tapping into technology to save the different
00:33:10 --> 00:33:11:	facets of livability.
00:33:11 --> 00:33:15:	Livability is not just about having a place where you
00:33:15 --> 00:33:17:	can stay that it is about community.
00:33:18 --> 00:33:22:	It's about connectivity, it's about access, it's about opportunity and
00:33:22 --> 00:33:24:	even about the environment.
00:33:24 --> 00:33:28:	When you map that and say, where can we thrive,
00:33:28 --> 00:33:32:	we take on a different role when the charge is
00:33:32 --> 00:33:35:	to place housing in real estate.
00:33:35 --> 00:33:38:	And then when you think about the outcome you want,
00:33:38 --> 00:33:40:	if you want to start with the end in mind,
00:33:40 --> 00:33:41:	what is the outcome?
00:33:41 --> 00:33:44:	You don't want to just offer a place to stay.
00:33:44 --> 00:33:46:	You want communities to thrive.
00:33:46 --> 00:33:48:	You want to have a sense of belonging.
00:33:49 --> 00:33:52:	And then you backtrack and say, then what should design
00:33:52 --> 00:33:52:	do?
00:33:53 --> 00:33:55:	And I think that's why I'm in this panel because
00:33:55 --> 00:33:57:	the big question is what can design do?
00:33:57 --> 00:34:00:	So that first thing is systemic intelligence and then I
00:34:00 --> 00:34:03:	want to take you through this second intelligence, which is
00:34:03 --> 00:34:05:	adaptive intelligence.
00:34:05 --> 00:34:09:	And this is where the magic begins in terms of
00:34:09 --> 00:34:11:	tapping into automation.
00:34:11 --> 00:34:14:	You know, you know, us architects, all our softwares as
00:34:14 --> 00:34:15:	part of the animal Kingdom.
00:34:15 --> 00:34:18:	We have the rhino, we have the grasshopper, we have
00:34:18 --> 00:34:21:	the ladybug I introduced to you Giraffe.
00:34:21 --> 00:34:25:	Giraffe is one of our most the latest technology that
00:34:25 --> 00:34:29:	we tap into where we're taking geospatial data, where we're
00:34:29 --> 00:34:33:	thinking about the trends at play, you know, like your
00:34:33 --> 00:34:36:	access to open space, what what are your natural assets?
00:34:36 --> 00:34:39:	What's the synergy of land use?
00:34:39 --> 00:34:42:	And then you start building your scenarios.
00:34:42 --> 00:34:46:	Because as architects and designers, we can no longer just
00:34:46 --> 00:34:50:	be sitting behind our screens thinking just about a snapshot
00:34:50 --> 00:34:50:	of time.
00:34:51 --> 00:34:55:	We have to be designing for a dynamic future.
00:34:55 --> 00:35:00:	And softwares like Giraffe help us simultaneously to say, you

00:35:00 --> 00:35:03:	know, if we change this from a mix of 80%,
00:35:03 --> 00:35:07:	I'm making these numbers up 80% two-bedroom.
00:35:07 --> 00:35:10:	And then the rest is, you know, 3 bedroom with
00:35:10 --> 00:35:13:	sprinkle in someone bedroom and you want to shift that
00:35:13 --> 00:35:16:	and say, no, our definition of family is changing.
00:35:16 --> 00:35:18:	We need to have more 1 bedrooms and we have
00:35:19 --> 00:35:21:	to change the number of three bedrooms.
00:35:21 --> 00:35:25:	Dynamic modelling helps us to do that without having to
00:35:25 --> 00:35:27:	go back to our drawing boards.
00:35:27 --> 00:35:29:	And then on the side, you see that we are
00:35:29 --> 00:35:33:	capturing and layering GIS data because again, we don't want
00:35:33 --> 00:35:36:	to go only by what happened, you know, 10 years
00:35:36 --> 00:35:36:	back.
00:35:36 --> 00:35:38:	We want to be able to adapt.
00:35:38 --> 00:35:43:	So that's that aspect of adaptive intelligence.
00:35:44 --> 00:35:48:	And then that brings me to a different scale, which
00:35:48 --> 00:35:52:	is if this will cooperate, but maybe you could just
00:35:52 --> 00:35:53:	click next.
00:35:55 --> 00:35:57:	This is a different scale, right, With coming back from
00:35:57 --> 00:36:00:	urban planning and going to something as intimate as your
00:36:00 --> 00:36:00:	home.
00:36:00 --> 00:36:06:	We are currently working with the FDA on imagining your
00:36:06 --> 00:36:09:	home as your healthcare hub.
00:36:10 --> 00:36:13:	So this is, again, the redefinition of the fact that
00:36:13 --> 00:36:16:	home is not just where you stay, it is where
00:36:16 --> 00:36:17:	you can actually stay healthy.
00:36:18 --> 00:36:22:	And I'm not sure whether you're familiar with this statistic,
00:36:22 --> 00:36:25:	but 60% of your health outcome depends on your zip
00:36:26 --> 00:36:26:	code.
00:36:28 --> 00:36:32:	And what that's saying is that your zip code is
00:36:32 --> 00:36:36:	more important for mortality than your genetic code.
00:36:36 --> 00:36:41:	So all the vegetables you're eating very good, but that's
00:36:41 --> 00:36:45:	not really going to determine like where you live could
00:36:45 --> 00:36:47:	mean that you have a longer life.
00:36:47 --> 00:36:50:	And those of us in this room have the power
00:36:50 --> 00:36:51:	to influence that.
00:36:51 --> 00:36:54:	So when we get into this conversation of looking at
00:36:54 --> 00:36:58:	our homes beyond, you know, just their primary need as
00:36:58 --> 00:37:01:	we're working with the FDA today, we are looking at
00:37:01 --> 00:37:02:	real life scenarios.
00:37:02 --> 00:37:06:	What you see there is US using 3DS Max and

00:37:06 --> 00:37:12:	Blender to simulate the environment of someone who's fighting, having
00:37:12 --> 00:37:17:	diabetes and their home is less about where you stay
00:37:17 --> 00:37:21:	and it's more about prevention or treatment.
00:37:21 --> 00:37:25:	Look at the boxes of all the different medication, right?
00:37:25 --> 00:37:30:	And using this technology to actually imagine the next layer
00:37:30 --> 00:37:32:	of design intervention that's needed.
00:37:32 --> 00:37:35:	How do we design not just for an ideal state,
00:37:35 --> 00:37:36:	but for an everyday state?
00:37:37 --> 00:37:40:	And that's where my friends, I know we're talking about
00:37:40 --> 00:37:44:	artificial intelligence, but that's where human intelligence comes into play.
00:37:44 --> 00:37:48:	Artificial intelligence doesn't hold a candle to our lived experiences
00:37:48 --> 00:37:50:	like, you know, to what we have to hear.
00:37:51 --> 00:37:54:	And you see there that we develop personas and we
00:37:54 --> 00:37:58:	connect personas and using our technology, we connect them to
00:37:58 --> 00:38:02:	understand what the environment it really has to be.
00:38:02 --> 00:38:06:	So this is how we tackle the different scales of
00:38:06 --> 00:38:13:	adopting artificial intelligence, looking at the natural context, but always
00:38:13 --> 00:38:17:	asking what can design do Thoughts, questions.
00:38:19 --> 00:38:21:	I'm trying to figure out how she got a picture
00:38:21 --> 00:38:21:	of my apartment.
00:38:24 --> 00:38:26:	Then I looked at it and I said, I don't
00:38:26 --> 00:38:27:	see an empty tequila bottle.
00:38:27 --> 00:38:30:	So that's must be my neighbors not buying so quite
00:38:30 --> 00:38:34:	impressive, I mean extraordinary all of you and I'm very
00:38:34 --> 00:38:35:	grateful for that.
00:38:35 --> 00:38:39:	So I didn't I'll tell you about UDR, how many
00:38:39 --> 00:38:44:	people in the room have over 20,000 apartment homes, apartment
00:38:44 --> 00:38:47:	homes under their domain portfolio.
00:38:47 --> 00:38:50:	So it's probably not the same scalability.
00:38:50 --> 00:38:54:	I have about 60,000 and one time managed 387,000.
00:38:55 --> 00:38:59:	So I've always been interested in operating acumen and and
00:38:59 --> 00:39:03:	a UDR in about 2017, which you know, you've been
00:39:03 --> 00:39:06:	doing it as long as I have.
00:39:06 --> 00:39:08:	You get to ask really tough questions of your team.
00:39:09 --> 00:39:12:	And I asked him the tough question said what if
00:39:12 --> 00:39:13:	nobody showed up?
00:39:13 --> 00:39:16:	What would it take for us to become a fully

00:39:16 --> 00:39:18:	self-service business model?
00:39:19 --> 00:39:19:	Why?
00:39:20 --> 00:39:23:	You can see it the airlines, the auto, all the
00:39:23 --> 00:39:29:	other industries have moved farther and farther into automation slash
00:39:29 --> 00:39:30:	self-service.
00:39:31 --> 00:39:33:	And if we can figure out how to make the
00:39:33 --> 00:39:36:	customer happier quicker, which is a lot of the answer
00:39:36 --> 00:39:39:	is, is can we anticipate and meet their needs before
00:39:40 --> 00:39:41:	they become an issue.
00:39:41 --> 00:39:45:	So we started on that journey in 2017 and concluded
00:39:45 --> 00:39:50:	the first was our leasing staff were actually not needed.
00:39:50 --> 00:39:54:	In fact, our customer didn't like our leasing staff saw
00:39:55 --> 00:39:58:	of them in the light of similar to a used
00:39:58 --> 00:39:59:	car salesman and.
00:40:00 --> 00:40:03:	Everybody's like you can't get rid of the leasing staff.
00:40:04 --> 00:40:05:	I said, well, let's just put it out to a
00:40:05 --> 00:40:05:	test.
00:40:06 --> 00:40:11:	Let's offer to a customer, here's a map, there's a
00:40:11 --> 00:40:15:	key go tour or you can go with the leasing
00:40:15 --> 00:40:18:	agent, 95% pick the map.
00:40:19 --> 00:40:22:	OK, like game over, let's figure that out.
00:40:22 --> 00:40:23:	And it started us on a journey of self-service.
00:40:24 --> 00:40:30:	And along that we've uncovered a different aspect of self-service.
00:40:30 --> 00:40:31:	There are three levels of it.
00:40:31 --> 00:40:34:	The first, most businesses look at it and your banks
00:40:34 --> 00:40:36:	are the first to line up.
00:40:36 --> 00:40:39:	They just look at it as a cost cutting measure.
00:40:40 --> 00:40:45:	More advanced companies, Southwest Airlines, some more advanced.
00:40:46 --> 00:40:50:	Amazon really looked at it and said, no, it's customer
00:40:50 --> 00:40:51:	service.
00:40:52 --> 00:40:54:	Can we advance customer service?
00:40:54 --> 00:40:58:	In our industry, 50% turnover is the norm.
00:40:58 --> 00:41:00:	What's customer service really worth?
00:41:01 --> 00:41:03:	And the truth is I have the data to prove
00:41:03 --> 00:41:03:	it.
00:41:04 --> 00:41:06:	Normal turnover should be 25%.
00:41:07 --> 00:41:09:	The other 25% is our fault.
00:41:10 --> 00:41:15:	Failures on our part do the cash flow that for
00:41:15 --> 00:41:20:	us as an enterprise is the equivalent of about 140
00:41:20 --> 00:41:23:	million in cash flow got times 20.

00:41:23 --> 00:41:25:	You can do the math, it's a lot of money.
00:41:26 --> 00:41:29:	So we've been focused on that a great deal and
00:41:29 --> 00:41:33:	what we found and we're now at over 800 miss
00:41:33 --> 00:41:36:	800 million pieces of data on our customers.
00:41:37 --> 00:41:40:	And you can ask, we track people from the day
00:41:40 --> 00:41:42:	they contact us on the website to the day they
00:41:42 --> 00:41:42:	move.
00:41:43 --> 00:41:46:	And every given day, we're collecting about a million data
00:41:46 --> 00:41:49:	points off our customer base, traffic base, etcetera.
00:41:51 --> 00:41:52:	You can go now.
00:41:52 --> 00:41:55:	Computing power is capable of predicting outcomes.
00:41:55 --> 00:41:58:	It's just simple machine learning and patterns.
00:41:58 --> 00:41:59:	I'm like, it's not that hard.
00:41:59 --> 00:42:03:	When somebody sends you a text, text message in all
00:42:03 --> 00:42:04:	caps, they're pissed.
00:42:05 --> 00:42:06:	You ought to do something.
00:42:07 --> 00:42:11:	But seriously, we figured out the right wording, the right
00:42:11 --> 00:42:15:	sequencing and then by individual asset, we look at our
00:42:15 --> 00:42:19:	patterns on a 3D spatial element and we can figure
00:42:19 --> 00:42:21:	out where our issues are.
00:42:22 --> 00:42:26:	And surprising enough, it's the tenant that doesn't complain.
00:42:27 --> 00:42:31:	And many times is the person who is the problem,
00:42:31 --> 00:42:33:	noise, dog, etcetera, etcetera.
00:42:33 --> 00:42:37:	And the eight people around them say I've had enough
00:42:37 --> 00:42:40:	and you lose 8 people when you should have had
00:42:40 --> 00:42:40:	one issue.
00:42:41 --> 00:42:44:	So we're in the what I call the 5th inning
00:42:44 --> 00:42:45:	of that.
00:42:45 --> 00:42:49:	Where does it lead ultimately the business model if 50%
00:42:49 --> 00:42:53:	turnover were to become 30%, how many more units do
00:42:53 --> 00:42:57:	I need to leave, what pricing mechanism do I have?
00:42:57 --> 00:43:01:	What's my throughput life cycle of cash flow and profitability
00:43:01 --> 00:43:02:	per customer?
00:43:03 --> 00:43:07:	And and I think the industry will eventually move to
00:43:07 --> 00:43:12:	profitability margin per customer, OK, which can be very high,
00:43:12 --> 00:43:16:	can be enhanced on a service level as well.
00:43:16 --> 00:43:20:	So that's where we're playing a lot with I don't
00:43:20 --> 00:43:25:	call it AII, call it simple common sense and constituent
00:43:25 --> 00:43:28:	service and trying to find the optimal point.
00:43:29 --> 00:43:33:	But we operate on a different scale, doesn't apply to
00:43:33 --> 00:43:36:	this audience, but it gives you some breath of we're

00:43:36 --> 00:43:40:	just five people exploring this question of why should we
00:43:40 --> 00:43:45:	care about innovation and housing and what are the opportunities?
00:43:45 --> 00:43:47:	And so hopefully we can learn from each other.
00:43:48 --> 00:43:49:	And so I'm a learning topic.
00:43:49 --> 00:43:52:	I wanted to ask each of our panelists first give
00:43:52 --> 00:43:55:	you a chance to ask questions, but then I wanted
00:43:55 --> 00:43:58:	to ask a question and, and 1st up, I'm always
00:43:58 --> 00:44:01:	about what's next and where's the future.
00:44:02 --> 00:44:05:	And so the question I would propose is tell me
00:44:05 --> 00:44:08:	where do you where, if you had to place a
00:44:08 --> 00:44:11:	bet on innovation technology over the next 5 to 10
00:44:11 --> 00:44:14:	years, where would you lean into I?
00:44:17 --> 00:44:19:	Mean, I, I like to say the room is the
00:44:19 --> 00:44:20:	new apartment, right?
00:44:20 --> 00:44:24:	I mean, I, we're, we're here at an affordability conference.
00:44:24 --> 00:44:29:	We've talked a lot about supply shortages, especially now in
00:44:29 --> 00:44:33:	the current federal paradigm that we're in.
00:44:35 --> 00:44:38:	I think most people recognize that the funding is not
00:44:38 --> 00:44:40:	there to, to create the supply and fill the gap.
00:44:41 --> 00:44:44:	And with all the technologies that are out there, you
00:44:44 --> 00:44:47:	still don't have the funding to be able to meet
00:44:47 --> 00:44:48:	that gap.
00:44:49 --> 00:44:51:	And so the answer to me becomes pretty straightforward.
00:44:51 --> 00:44:53:	And it's a technology problem, right?
00:44:53 --> 00:44:55:	How do you, how do you build trust in a
00:44:55 --> 00:44:58:	community to the point where we were 100 years ago
00:44:58 --> 00:45:01:	where it was pretty normal for people to take in
00:45:01 --> 00:45:01:	borders?
00:45:03 --> 00:45:05:	And I've been on that train for the last 10
00:45:05 --> 00:45:08:	years, whether it's, and that's involved a lot of technology,
00:45:08 --> 00:45:09:	right?
00:45:09 --> 00:45:13:	We're completely automated for move insurance, no showings and I
00:45:14 --> 00:45:17:	just think we're going to continue to see that trend
00:45:17 --> 00:45:19:	push in that direction.
00:45:21 --> 00:45:24:	But when I ask, I'll ask the the room here,
00:45:24 --> 00:45:27:	OK, well, for those of you who have extra space
00:45:27 --> 00:45:31:	in whatever your living condition is, how many people want
00:45:31 --> 00:45:35:	to move in a stranger to that space like nobody,
00:45:35 --> 00:45:36:	right, nobody.
00:45:36 --> 00:45:39:	OK, now how about if I said your sister or

00:45:39 --> 00:45:42:	a family member or the son or daughter of one
00:45:42 --> 00:45:44:	of your best friends or the little old lady who
00:45:45 --> 00:45:46:	sits in the front Pew at church?
00:45:47 --> 00:45:50:	Like all of a sudden just removing the stranger element
00:45:50 --> 00:45:52:	is a new form of underwriting.
00:45:52 --> 00:45:53:	Completely right?
00:45:54 --> 00:45:56:	Not FICO, not how much do you earn?
00:45:57 --> 00:45:58:	Nothing else.
00:45:58 --> 00:45:59:	But it's the relationship.
00:45:59 --> 00:46:02:	And so where I think like there's real power in
00:46:02 --> 00:46:04:	technology is when you go on LinkedIn and you can
00:46:04 --> 00:46:07:	say, oh, I have a connection and these 5 or
00:46:07 --> 00:46:08:	10 or 50 people are related.
00:46:08 --> 00:46:11:	All of a sudden you like that person's not a
00:46:11 --> 00:46:11:	stranger.
00:46:12 --> 00:46:16:	And when you can start making those connections and building
00:46:16 --> 00:46:19:	that trust as an underwriting tool, I think that absolutely
00:46:19 --> 00:46:23:	changes the game in a way that doesn't require anyone
00:46:23 --> 00:46:26:	to build new with modular or 3D printing or require
00:46:26 --> 00:46:28:	Litec for new construction.
00:46:28 --> 00:46:29:	Like any of those things.
00:46:29 --> 00:46:31:	Because you've just built a new relationship and the only
00:46:31 --> 00:46:33:	thing that you needed to prove was you have a
00:46:33 --> 00:46:34:	connection to this person.
00:46:37 --> 00:46:38:	You like his thesis?
00:46:38 --> 00:46:38:	Yes.
00:46:40 --> 00:46:41:	Raise your hand.
00:46:43 --> 00:46:43:	Yeah.
00:46:43 --> 00:46:44:	I mean, it's extraordinary.
00:46:44 --> 00:46:48:	I mean, you've said 32,000,000 empty bedrooms and I'm thinking
00:46:48 --> 00:46:50:	through vacancy that I already have second.
00:46:51 --> 00:46:54:	Yeah, some occupied unit and some numbers a winner and,
00:46:54 --> 00:46:58:	and just the capacities already there and for cities that
00:46:58 --> 00:47:02:	don't have the dollars or time to build lovely neighborhoods,
00:47:02 --> 00:47:04:	you can solve a lot of the problems.
00:47:04 --> 00:47:07:	So I, I, I I've got to figure out a
00:47:07 --> 00:47:09:	way to get you a bigger platform.
00:47:10 --> 00:47:12:	Yeah, appreciate it, capital.
00:47:14 --> 00:47:14:	So.
00:47:15 --> 00:47:21:	Fellow panelists, I think for me, data and data governance
00:47:21 --> 00:47:22:	is huge.

00:47:22 --> 00:47:24:	We're working through this challenge right now.
00:47:24 --> 00:47:28:	And as we adopt more of the technologies and generative
00:47:28 --> 00:47:33:	AI continues to evolve, I think the first step, especially
00:47:33 --> 00:47:37:	those that are thinking about leaning into leveraging AI for
00:47:37 --> 00:47:41:	their business or for your departments, data is paramount.
00:47:41 --> 00:47:43:	You know, we have data everywhere.
00:47:43 --> 00:47:47:	It's on your desktop, it's on your phone, it's drive,
00:47:47 --> 00:47:49:	it's a multitude of laces.
00:47:49 --> 00:47:51:	And how are we going to be able to take
00:47:51 --> 00:47:53:	all of this and make sense of it if it's
00:47:53 --> 00:47:55:	living in all these different places?
00:47:55 --> 00:47:58:	And so, you know, it's, it's something to take back
00:47:58 --> 00:48:01:	to the team and with leadership and to discuss, you
00:48:01 --> 00:48:04:	know, having these really tough and challenging conversations of, you
00:48:05 --> 00:48:07:	know, if we want to get into this game and
00:48:07 --> 00:48:09:	be set up for success for the future, you know,
00:48:10 --> 00:48:12:	we have to understand what is our data?
00:48:12 --> 00:48:13:	Where is it coming from?
00:48:13 --> 00:48:14:	How is it being distributed and communicated?
00:48:14 --> 00:48:16:	And what is the end goal?
00:48:16 --> 00:48:18:	And so with all of these data and data points
00:48:18 --> 00:48:21:	and all of these things everywhere, it's important to really
00:48:21 --> 00:48:23:	take that step back and understand, you know, who can
00:48:23 --> 00:48:25:	we work with to be able to sort of audit
00:48:25 --> 00:48:26:	and inventory.
00:48:26 --> 00:48:29:	And then be able to this sort of like funnel
00:48:29 --> 00:48:31:	so that we can eventually have this sort of single
00:48:32 --> 00:48:34:	source of truth and then be able to make those,
00:48:34 --> 00:48:38:	you know, better, faster, smarter decisions with the technology or
00:48:38 --> 00:48:42:	technologies, plural, because there's so many that is either going
00:48:42 --> 00:48:45:	to not only impact your department, but the organization as
00:48:45 --> 00:48:46:	a whole.
00:48:46 --> 00:48:48:	So I think, you know, when I think about the
00:48:48 --> 00:48:51:	future near term and what we're doing right now in
00:48:51 --> 00:48:54:	our organization is really looking at the data a lot
00:48:54 --> 00:48:57:	more closely and understanding also the external data that we're
00:48:58 --> 00:49:01:	receiving, whether we're reading, you know, the blogs and looking
00:49:01 --> 00:49:03:	at GIS data and so forth like that.

00:49:03 --> 00:49:05:	It's a very important there.
00:49:05 --> 00:49:07:	So a lot of homework to be done and it's
00:49:07 --> 00:49:10:	not going to be done overnight, but it's going to
00:49:10 --> 00:49:11:	take some time.
00:49:11 --> 00:49:14:	But you know, gratefully, if there's a team that's motivated
00:49:14 --> 00:49:16:	to champion this with leadership and to take that next
00:49:16 --> 00:49:19:	step, you know that'll be in the right path for
00:49:19 --> 00:49:19:	success.
00:49:20 --> 00:49:22:	How many have had problems with their data, finding it,
00:49:22 --> 00:49:24:	collecting it, controlling it?
00:49:27 --> 00:49:30:	I'll tell you one of our early endeavors was the
00:49:30 --> 00:49:33:	failure to recognize we weren't capturing all of it.
00:49:34 --> 00:49:37:	And then so I think 1 vendor helped us lot
00:49:37 --> 00:49:40:	called Omni Channel, which if you look at any given
00:49:40 --> 00:49:43:	way, we were looking at a community and say how
00:49:43 --> 00:49:46:	many different channels can a customer interact with us.
00:49:47 --> 00:49:51:	And then Oh well, if you miss four or five
00:49:51 --> 00:49:55:	of them in any given community, it's 30 plus different
00:49:55 --> 00:49:59:	ways of capturing data rather that's a tour the web,
00:49:59 --> 00:50:00:	etcetera, etcetera.
00:50:01 --> 00:50:04:	And so we found that vendor to help us collect
00:50:04 --> 00:50:05:	it.
00:50:05 --> 00:50:09:	Then what we found, the next problem was who owned
00:50:09 --> 00:50:12:	the data and then trying to get it back from
00:50:12 --> 00:50:17:	the vendors who are capturing it became an interesting negotiation.
00:50:17 --> 00:50:20:	OK, Then we finally said we're going to just set
00:50:20 --> 00:50:23:	up our own, so to speak, data cube and pump
00:50:23 --> 00:50:26:	everything through there and wave our hand.
00:50:26 --> 00:50:29:	And you can imagine which finger at the people who
00:50:29 --> 00:50:31:	didn't want to give us something we thought we owned.
00:50:32 --> 00:50:36:	And and then that gave us the capability of saying
00:50:37 --> 00:50:41:	now we know and somewhere that along the question is,
00:50:41 --> 00:50:44:	do you know too much, OK.
00:50:44 --> 00:50:47:	And then how do you create a balance of what
00:50:47 --> 00:50:50:	you know and what you should act on?
00:50:51 --> 00:50:55:	And that's created an interesting dilemma in some cases, in
00:50:55 --> 00:50:57:	a lot of cases, so.
00:50:59 --> 00:51:02:	Yeah, I'm going to take it in a totally different
00:51:02 --> 00:51:04:	direction and that is for our on site inspections and
00:51:04 --> 00:51:05:	verification.
00:51:05 --> 00:51:08:	So we get asked all the time, like is it

00:51:08 --> 00:51:10:	enough just to design it to earn lead?
00:51:11 --> 00:51:13:	Can we just design it to achieve Energy Star or
00:51:13 --> 00:51:15:	the green building program?
00:51:16 --> 00:51:18:	And we're like that that's kind of step one is
00:51:18 --> 00:51:19:	design it, right?
00:51:19 --> 00:51:20:	But Step 2 is the verification.
00:51:21 --> 00:51:23:	And because of this pushback, we actually went back and
00:51:23 --> 00:51:26:	looked at 30 projects that we provided green building certification
00:51:26 --> 00:51:27:	on.
00:51:27 --> 00:51:30:	And we ultimately wrote a white paper looking at the
00:51:30 --> 00:51:32:	value of the third party verification process.
00:51:32 --> 00:51:35:	And we found that of the 30 projects, 29 we
00:51:35 --> 00:51:39:	identified failures on site that had to be corrected and
00:51:39 --> 00:51:40:	we're corrected.
00:51:40 --> 00:51:44:	There was that one Unicorn where everything was perfect, but
00:51:44 --> 00:51:47:	the other 29, there was some issue that we found.
00:51:47 --> 00:51:50:	And in most cases, it was around a dozen issues
00:51:50 --> 00:51:55:	that we found on the building enclosure or waterproofing consulting
00:51:55 --> 00:51:56:	side.
00:51:56 --> 00:51:59:	We looked at 25 projects and of those, every single
00:51:59 --> 00:52:02:	one we found an issue that needed to be corrected.
00:52:03 --> 00:52:06:	And so to where's tech come into this, it is
00:52:06 --> 00:52:08:	expensive to get boots on the ground.
00:52:08 --> 00:52:12:	And so one of the nice things about COVID was
00:52:12 --> 00:52:16:	it actually pushed us to work on remote virtual video
00:52:16 --> 00:52:17:	inspections.
00:52:17 --> 00:52:20:	And so most of the green building programs came up
00:52:20 --> 00:52:24:	with acceptable protocols to follow where you have the project
00:52:24 --> 00:52:27:	assistant Superintendent walk around the site.
00:52:27 --> 00:52:30:	And sometimes it's as simple as just FaceTime on their
00:52:30 --> 00:52:30:	phone.
00:52:31 --> 00:52:35:	But we're seeing companies like on three developing headsets, we're
00:52:35 --> 00:52:38:	seeing companies work on augmented reality where you're standing there
00:52:38 --> 00:52:41:	with your Google glasses or whatever and you can see
00:52:41 --> 00:52:44:	the plans, you can see the structural plans and you're
00:52:44 --> 00:52:45:	looking at the framing.
00:52:46 --> 00:52:48:	And so I would say in the 10 year horizon,

00:52:48 --> 00:52:52:	I'm really excited about those kind of augmented reality opportunities
00:52:52 --> 00:52:55:	where you can stand there and really see, did they
00:52:55 --> 00:52:58:	build this at all of the way it was supposed
00:52:58 --> 00:52:58:	to be built?
00:52:59 --> 00:53:02:	And then are there ways that you can, you know,
00:53:02 --> 00:53:05:	zoom in a remote expert to help verify what was
00:53:05 --> 00:53:06:	going on on site?
00:53:08 --> 00:53:13:	Shiba yeah, I was thinking that, you know, something that
00:53:13 --> 00:53:18:	is really unraveling is about unexpected partnerships.
00:53:18 --> 00:53:21:	You know, like I had shared that HKS is working
00:53:22 --> 00:53:22:	with the FDA.
00:53:22 --> 00:53:26:	I mean, imagine FDA reaching out to an architecture organization,
00:53:26 --> 00:53:26:	right?
00:53:26 --> 00:53:32:	But bringing in two pieces, health and housing together.
00:53:32 --> 00:53:35:	So similarly, right now we're partnering with the Brain Health
00:53:35 --> 00:53:36:	Institute.
00:53:36 --> 00:53:37:	And why?
00:53:37 --> 00:53:41:	Because improving cognitive health is really important.
00:53:41 --> 00:53:45:	Like when you think about ROI and you know, Atticus,
00:53:45 --> 00:53:49:	you hit on it, that ROI was typically all about
00:53:49 --> 00:53:49:	dollars.
00:53:50 --> 00:53:52:	Like, you know, and, and today, yes, we are trying
00:53:52 --> 00:53:54:	to maximize, we're trying to make the economics work.
00:53:55 --> 00:54:00:	But with aspects of data and technology and artificial intelligence,
00:54:00 --> 00:54:03:	I think we can in a comfortable way shift the
00:54:03 --> 00:54:08:	ROI from dollars to aspects of social well-being, you know,
00:54:08 --> 00:54:10:	with equity, health and Wellness.
00:54:10 --> 00:54:14:	And those things happen through unexpected partnerships.
00:54:14 --> 00:54:17:	So the fact that we can partner with say, Brain
00:54:17 --> 00:54:22:	Health Institute, again, you're still solving the fundamental problem of
00:54:22 --> 00:54:25:	health, but you're taking on a different lens, a different
00:54:25 --> 00:54:28:	point of view with the AARP, right?
00:54:28 --> 00:54:32:	We're thinking about longevity cities because again, like I'm keenly
00:54:32 --> 00:54:35:	sensitive to the fact that those of us in this
00:54:35 --> 00:54:39:	room have the power to influence more than what our
00:54:39 --> 00:54:41:	desk job actually demands of us.
00:54:42 --> 00:54:47:	And connecting those unexpected dots is where the excitement is

00:54:48 --> 00:54:51:	for the future anybody working towards.
00:54:52 --> 00:55:00:	Please, I'll just, I'll just go for it anyway.
00:55:03 --> 00:55:04:	Love everything.
00:55:04 --> 00:55:06:	I've heard about 200 positive points of technology.
00:55:07 --> 00:55:08:	What's something you looked at closely?
00:55:08 --> 00:55:09:	Very innovative.
00:55:09 --> 00:55:09:	And you said no.
00:55:10 --> 00:55:14:	To that I said no.
00:55:14 --> 00:55:16:	To I, I'll tell you a different story, which is
00:55:16 --> 00:55:17:	similar.
00:55:18 --> 00:55:22:	What I found and I've been investing in tech for
00:55:22 --> 00:55:26:	25 years and I've done a lot of startups formed
00:55:26 --> 00:55:28:	3-4 funds now to invest in it.
00:55:29 --> 00:55:32:	The old adage and we always approach tech from how
00:55:32 --> 00:55:35:	is it going to enhance our cash flows, our customer
00:55:35 --> 00:55:36:	experience.
00:55:37 --> 00:55:42:	And and what I found after 25 years is the
00:55:42 --> 00:55:47:	shelf life of the product has not been a 510
00:55:47 --> 00:55:49:	year aspect, OK.
00:55:50 --> 00:55:53:	Technology is moving so fast that a lot of my
00:55:53 --> 00:55:58:	investments got wiped out because somebody chimed up two years
00:55:58 --> 00:56:02:	later and did it in the garage and therefore wiped
00:56:02 --> 00:56:03:	me out.
00:56:03 --> 00:56:06:	And I'd like you know, I've started one of the
00:56:06 --> 00:56:10:	nation's first bulk purchasing warehousing aspects.
00:56:10 --> 00:56:15:	I've invested in a manufacturing housing company and what I
00:56:15 --> 00:56:20:	failed, all of them were out of business within five
00:56:20 --> 00:56:24:	years by the disruptive nature of technology.
00:56:25 --> 00:56:29:	So what it taught me was an ongoing reliance on
00:56:29 --> 00:56:32:	the marketplace and not my business model.
00:56:33 --> 00:56:36:	So use what's in the marketplace, bring it in, expect
00:56:36 --> 00:56:39:	the shelf life to be about 3 years and then
00:56:39 --> 00:56:40:	on to the next.
00:56:40 --> 00:56:45:	And don't get married to building stuff that's going to
00:56:45 --> 00:56:45:	die.
00:56:47 --> 00:56:51:	As you probably know, Michael, I get inundated with emails
00:56:51 --> 00:56:54:	every single day and I probably turned down a new
00:56:54 --> 00:56:57:	HR management system literally every day.
00:56:59 --> 00:57:01:	But I mean, there are plenty examples.
00:57:01 --> 00:57:04:	I mean, there's a company called Rentley that comes to
00:57:04 --> 00:57:07:	mind that where you you have an automated tour, but

00:57:07 --> 00:57:09:	you can go in and put in your information.
00:57:09 --> 00:57:12:	Well, lo and behold, a lot of people use that
00:57:12 --> 00:57:13:	to squat in houses.
00:57:14 --> 00:57:16:	Unfortunately, we we were never on that train.
00:57:17 --> 00:57:19:	I get asked a lot of questions given our income
00:57:20 --> 00:57:23:	demographic about, oh what about if people can pay at
00:57:23 --> 00:57:25:	Walmart or a convenience store?
00:57:25 --> 00:57:29:	That technology has existed for a long time, but we
00:57:29 --> 00:57:32:	offered it in 2017 and pretty quickly moved on to
00:57:32 --> 00:57:36:	fully electronic payments because guess what?
00:57:36 --> 00:57:37:	So did the rest of the payment industry.
00:57:37 --> 00:57:39:	And even though 40% of our people often don't have
00:57:40 --> 00:57:42:	bank accounts, they still have access to electronic payments.
00:57:43 --> 00:57:47:	And so I think it's it's probably just a question
00:57:47 --> 00:57:51:	of understanding one, what is necessary and aligned with whatever
00:57:51 --> 00:57:54:	your vision happens to be because there's a lot out
00:57:54 --> 00:57:57:	there and what is a distraction.
00:57:57 --> 00:58:00:	But then also what's on the wrong end of the
00:58:00 --> 00:58:02:	wave and is just not going to be relevant and
00:58:03 --> 00:58:06:	you are going to have real technical infrastructure and depth
00:58:06 --> 00:58:09:	built around whatever that solution happens to be.
00:58:10 --> 00:58:13:	And it's going to be irrelevant in a year or
00:58:13 --> 00:58:13:	two.
00:58:16 --> 00:58:17:	Mistakes.
00:58:17 --> 00:58:19:	You never made one, so I get it.
00:58:19 --> 00:58:21:	We've made fun, I think, on that same topic.
00:58:21 --> 00:58:25:	You know, I think about this analogy of like kissing
00:58:25 --> 00:58:28:	frogs, you know, when it comes to like let's just
00:58:28 --> 00:58:32:	say building management software as an example, You know, in
00:58:32 --> 00:58:36:	our experience, I'm not going to throw anyone under the
00:58:36 --> 00:58:39:	bus, but you know, it doesn't, it goes back to
00:58:39 --> 00:58:43:	you, the objectives and does it align and it's not
00:58:43 --> 00:58:44:	a one-size-fits-all.
00:58:44 --> 00:58:46:	Of course we'd love to have a one stop shop
00:58:46 --> 00:58:48:	1 throat to choke to be able to roll out
00:58:48 --> 00:58:49:	for our entire portfolio, right?
00:58:49 --> 00:58:51:	But that's just not the case.
00:58:51 --> 00:58:54:	What may work X product at our Los Angeles asset
00:58:54 --> 00:58:56:	may not work for our Atlanta assets.
00:58:57 --> 00:58:59:	You know, every team is different, the demographic is different,

00:58:59 --> 00:59:00:	the market's different.
00:59:00 --> 00:59:03:	So, you know, we do our due diligence and we
00:59:03 --> 00:59:06:	really heavily involved our teams both with IT legal and
00:59:06 --> 00:59:07:	compliance.
00:59:07 --> 00:59:10:	We have a checklist that we go through to vets.
00:59:10 --> 00:59:13:	You know, what comes into our inbox, Who do we
00:59:13 --> 00:59:16:	meet at conferences like these to start that dialogue?
00:59:16 --> 00:59:18:	And, you know, if it's worthy, do we then go
00:59:18 --> 00:59:21:	through that diligence process to make sure like, OK, is
00:59:21 --> 00:59:23:	this going to check all our boxes?
00:59:23 --> 00:59:25:	And you know, most of the time it is a
00:59:25 --> 00:59:27:	success, but then, you know, you go through that trial
00:59:27 --> 00:59:30:	or you roll it out after that first year, things
00:59:30 --> 00:59:30:	change, right?
00:59:30 --> 00:59:33:	Either somebody ends up buying them out or they go
00:59:33 --> 00:59:34:	out of business after a couple years.
00:59:35 --> 00:59:38:	There's a myriad of different scenarios that can happen.
00:59:38 --> 00:59:41:	But in our past, yet we've, we've had failures and
00:59:41 --> 00:59:45:	mistakes with, you know, even with pilots too.
00:59:45 --> 00:59:46:	And so the best thing we can do is just
00:59:46 --> 00:59:47:	like lessons learned.
00:59:48 --> 00:59:51:	We also, you know, rely heavily on our peers, industry
00:59:51 --> 00:59:54:	colleagues and going to events like this to to learn
00:59:54 --> 00:59:56:	and knowledge share as well.
00:59:56 --> 00:59:59:	And so, you know, we have this master document where
00:59:59 --> 01:00:02:	we keep tab of all of our meetings and vendors
01:00:02 --> 01:00:06:	and all the statuses and stories that go along with
01:00:06 --> 01:00:06:	that.
01:00:06 --> 01:00:08:	And so, you know, we're an open book there when
01:00:08 --> 01:00:09:	it comes to like, well.
01:00:10 --> 01:00:11:	You know who do you like for building?
01:00:11 --> 01:00:14:	Management and then we're happy to share our stories from
01:00:14 --> 01:00:16:	that experience as well.
01:00:16 --> 01:00:18:	So, you know, it just depends.
01:00:18 --> 01:00:19:	And you know, yeah, you've got to kiss a lot
01:00:19 --> 01:00:22:	of frogs to find that perfect one, or you've got
01:00:22 --> 01:00:22:	the capital.
01:00:22 --> 01:00:23:	Build it.
01:00:25 --> 01:00:29:	I think with building products and innovation, it's the fundamentals
01:00:29 --> 01:00:29:	of the why.
01:00:30 --> 01:00:33:	And so like making sure you're solving the right problem.

01:00:33 --> 01:00:38:	And sometimes there's like the additional benefit is the real
01:00:38 --> 01:00:38:	driver.
01:00:38 --> 01:00:41:	And I'll give the example like Watersons toilets, right?
01:00:41 --> 01:00:43:	When low flow toilets first came out, they didn't work
01:00:44 --> 01:00:45:	well and so everyone hated them.
01:00:46 --> 01:00:49:	And now Watersense, it's got a flow rate.
01:00:49 --> 01:00:50:	So there's a performance metric.
01:00:50 --> 01:00:52:	So you have to hit a certain flow for your
01:00:52 --> 01:00:54:	shower head, your faucet, your toilet.
01:00:54 --> 01:00:57:	But then there is also a metric of it's got
01:00:57 --> 01:00:57:	to work.
01:00:58 --> 01:01:00:	So like for toilets, they had to come up with
01:01:00 --> 01:01:04:	a whole bowl evacuation testing procedure of how do you
01:01:04 --> 01:01:05:	get stuff out of the bowl?
01:01:05 --> 01:01:06:	Tell us more.
01:01:06 --> 01:01:10:	And so it's like, lo and behold, like Watersense labeled
01:01:10 --> 01:01:14:	fixtures actually perform better than just standard fixtures because of
01:01:14 --> 01:01:16:	this, but at a lower flow rate.
01:01:17 --> 01:01:19:	And so it's like those sorts of lessons I find
01:01:20 --> 01:01:22:	so interesting or like Huber Zips sheathing where it was
01:01:23 --> 01:01:26:	like some of the early adopters were big production single
01:01:26 --> 01:01:28:	family builders, very cost conscious.
01:01:28 --> 01:01:30:	And you're like, why are you using a premium product?
01:01:31 --> 01:01:34:	And they're like, we don't have house wrap flapping in
01:01:34 --> 01:01:37:	the wind with potential buyers walking our communities.
01:01:37 --> 01:01:39:	Like that was the big selling feature.
01:01:39 --> 01:01:41:	It just looked cleaner and better.
01:01:42 --> 01:01:44:	And it was like there were all these additional benefits
01:01:44 --> 01:01:44:	too.
01:01:44 --> 01:01:46:	But like for them it was we want our sales
01:01:46 --> 01:01:50:	team happy and the people walking the site thinking this
01:01:50 --> 01:01:51:	is a a good product.
01:01:52 --> 01:01:54:	Much like paper straws, Actually.
01:01:56 --> 01:01:58:	I'm going to actually answer the question outside of this
01:01:58 --> 01:01:58:	field.
01:01:58 --> 01:02:03:	I think, you know, technology that creates music for me
01:02:03 --> 01:02:07:	is a sore spot because I feel that that's very
01:02:08 --> 01:02:10:	close to human creativity.
01:02:10 --> 01:02:14:	I don't think can be matched with artificial intelligence.
01:02:14 --> 01:02:17:	But so if technology can do my laundry so that
01:02:17 --> 01:02:20:	I have the time to actually spend on creating music

01:02:20 --> 01:02:22:	would be precious.
01:02:22 --> 01:02:26:	And when you compare that to the work that we
01:02:26 --> 01:02:30:	do, it is about all the tools that under the
01:02:30 --> 01:02:32:	name of creativity, right?
01:02:32 --> 01:02:34:	Like we've been testing a lot of tools that would
01:02:34 --> 01:02:35:	automatically layout.
01:02:35 --> 01:02:38:	Like you have 100 acres, you know what units you
01:02:39 --> 01:02:41:	want and it'll automatically layout.
01:02:41 --> 01:02:44:	But what is it laying out a giant parking lot
01:02:45 --> 01:02:47:	with a few buildings around it?
01:02:47 --> 01:02:50:	And that is not the kind of communities that we
01:02:50 --> 01:02:51:	want to build.
01:02:51 --> 01:02:55:	And that's why I have much hope that human intelligence
01:02:55 --> 01:02:56:	will prevail.
01:02:58 --> 01:03:00:	Another question, please.
01:03:01 --> 01:03:03:	And we have one in the back.
01:03:06 --> 01:03:07:	Hello.
01:03:07 --> 01:03:07:	OK.
01:03:07 --> 01:03:08:	Hi.
01:03:08 --> 01:03:09:	My name is Isabel Friedo.
01:03:09 --> 01:03:11:	I'm a junior at Georgia State.
01:03:12 --> 01:03:16:	And I heard earlier about the capital stack and how
01:03:16 --> 01:03:19:	there isn't a bridge for that.
01:03:19 --> 01:03:22:	And I was wondering if you've explored like defy lending
01:03:22 --> 01:03:26:	decentralized finance like through blockchain and like maybe not in
01:03:26 --> 01:03:28:	pertains to or in regards to like.
01:03:29 --> 01:03:32:	Affordable housing because there's like a lot of red tape,
01:03:32 --> 01:03:34:	but just like the general idea about that, like providing
01:03:34 --> 01:03:35:	insights.
01:03:36 --> 01:03:39:	For for me less so on the funding side, we're,
01:03:39 --> 01:03:41:	we're generally pretty capital efficient.
01:03:41 --> 01:03:44:	We need to raise money for payroll at at times,
01:03:44 --> 01:03:48:	but thankfully we're, we're in a pretty good position there.
01:03:48 --> 01:03:52:	But definitely in terms of just payment rails generally, I'll,
01:03:52 --> 01:03:55:	I'll give an example like Stripe for, for those of
01:03:55 --> 01:03:59:	you who've heard of the company Stripe, you're charged effectively
01:04:00 --> 01:04:01:	2.75% on transactions.
01:04:01 --> 01:04:04:	Most of our transactions are credit or debit card because
01:04:04 --> 01:04:07:	they're instant, because we can't really wait the seven days
01:04:07 --> 01:04:09:	under ACH for those payments to clear because so many

01:04:09 --> 01:04:10:	of them would default.
01:04:11 --> 01:04:14:	Well, that 2.75% is ultimately passed through the consumer.
01:04:15 --> 01:04:17:	Now, could you use Zelle?
01:04:17 --> 01:04:19:	Could you use cash app, which is actually more expensive?
01:04:20 --> 01:04:22:	Or is there a world in which something like blockchain
01:04:22 --> 01:04:23:	makes sense?
01:04:23 --> 01:04:24:	Yes, absolutely.
01:04:24 --> 01:04:25:	I think there is.
01:04:26 --> 01:04:28:	I don't know that we're that close to be honest,
01:04:28 --> 01:04:32:	either from a cultural acceptance perspective or just from a,
01:04:32 --> 01:04:32:	a wired option.
01:04:32 --> 01:04:34:	Like if we told people, hey, you have to do
01:04:34 --> 01:04:36:	this, then I, I don't really think you'd see it.
01:04:37 --> 01:04:40:	The other thing that I'll that I'll point out that
01:04:40 --> 01:04:41:	is is helpful.
01:04:42 --> 01:04:46:	So for for our residents, we allow them effectively almost
01:04:46 --> 01:04:50:	a line of credit up to $300.00 and we're evaluating
01:04:50 --> 01:04:54:	whether or not it makes sense to rather than putting
01:04:54 --> 01:04:57:	that on a host or landlord to have to absorb
01:04:57 --> 01:05:00:	that potential $300.00 flexibility stage.
01:05:01 --> 01:05:04:	Can we, can we take on that same responsibility as
01:05:04 --> 01:05:08:	a company and ultimately create a micro line of credit
01:05:08 --> 01:05:11:	for these customers that we know are paying on a
01:05:11 --> 01:05:14:	consistent basis even though they have no FICO score?
01:05:15 --> 01:05:18:	And so we have data that really no one else
01:05:18 --> 01:05:18:	does.
01:05:18 --> 01:05:22:	But in in that sense probably more on the decentralized
01:05:22 --> 01:05:28:	finance, less on the blockchain, but both are probable eventualities.
01:05:29 --> 01:05:32:	One last question, young man in the back.
01:05:48 --> 01:05:54:	Vendors and sorry technology stack, can y'all talk through some
01:05:54 --> 01:05:58:	of your decision making on when you go with the
01:05:59 --> 01:06:04:	sort of like typing versus with like partnering with someone
01:06:04 --> 01:06:10:	about innovating or considering building your own product, just what
01:06:11 --> 01:06:16:	some of the sort of decision points are for evaluating
01:06:16 --> 01:06:20:	that and and when it's a good idea versus?
01:06:25 --> 01:06:25:	Yeah.
01:06:26 --> 01:06:28:	I mean, I think to something that Abe and Sheba
01:06:28 --> 01:06:31:	had said earlier, I mean, it's about outcomes and the
01:06:31 --> 01:06:34:	human experience to a large degree as a compass for
01:06:34 --> 01:06:37:	making those types of decisions from our perspective.

01:06:37 --> 01:06:39:	The only thing I would say is if it's really,
01:06:39 --> 01:06:41:	really important and fundamental and your business is going to
01:06:41 --> 01:06:44:	die if this thing goes away, invest in boring stuff,
01:06:44 --> 01:06:44:	right?
01:06:44 --> 01:06:45:	That's where you invest in it.
01:06:45 --> 01:06:49:	Like why would you strike and not some slightly cheaper
01:06:49 --> 01:06:53:	off the shelf product because we're doing $120 million in
01:06:53 --> 01:06:57:	transactions annually right now and if all of a sudden
01:06:57 --> 01:07:01:	that company shut down, we'd be in really, really big
01:07:01 --> 01:07:02:	trouble.
01:07:02 --> 01:07:07:	So if it's a marginal increase in profitability or value
01:07:07 --> 01:07:12:	of the customer, you have to evaluate that against does
01:07:12 --> 01:07:13:	everything die?
01:07:13 --> 01:07:16:	And if if there's a chance that everything dies, then
01:07:16 --> 01:07:18:	you invest in the boring incumbents.
01:07:19 --> 01:07:23:	And if there's something so disruptive and better for the
01:07:23 --> 01:07:26:	customer that it's worth taking that innovative bet on, then
01:07:27 --> 01:07:29:	then I think that's the general framework.
01:07:29 --> 01:07:29:	I.
01:07:30 --> 01:07:33:	Tell you what I started about six years ago was
01:07:33 --> 01:07:35:	a fund called RET.
01:07:36 --> 01:07:40:	They're based in Utah and we have about 200 LP's
01:07:40 --> 01:07:44:	representing about 3 million units.
01:07:45 --> 01:07:49:	And what we create as a forum of products where
01:07:49 --> 01:07:53:	of the 200 any given time 10 people are testing
01:07:53 --> 01:07:53:	a product.
01:07:54 --> 01:07:58:	They share what is working and not working.
01:07:58 --> 01:08:01:	And so we make as a decision what are the
01:08:01 --> 01:08:05:	test results from those and would we invest or not.
01:08:05 --> 01:08:08:	And what we found is of the 200, you can
01:08:08 --> 01:08:10:	go any direction you want.
01:08:10 --> 01:08:14:	You don't have to, but there is a cooperativeness of
01:08:14 --> 01:08:15:	information.
01:08:15 --> 01:08:18:	We all share our experiences and our failures.
01:08:18 --> 01:08:21:	And then we go and make an investment and say
01:08:21 --> 01:08:24:	you need to make these changes or we're not here
01:08:24 --> 01:08:25:	for you.
01:08:25 --> 01:08:29:	And and so we've created kind of a tech community
01:08:29 --> 01:08:32:	to try to wield the power of just trying to
01:08:32 --> 01:08:35:	sort through 200 requests a week.
01:08:35 --> 01:08:36:	I've got this product.

01:08:36 --> 01:08:37:	You should use it.
01:08:38 --> 01:08:40:	So if you ever want to reach out to them,
01:08:40 --> 01:08:41:	please reach out to me.
01:08:42 --> 01:08:43:	I'll put you in contact with them.
01:08:43 --> 01:08:47:	But that's who we've we just got tired of trying
01:08:47 --> 01:08:50:	to sort through all of this to come up with
01:08:50 --> 01:08:54:	answers and that we were losing the leverage of our
01:08:54 --> 01:08:58:	unit count to modify the product and hopefully recover our
01:08:58 --> 01:08:59:	investment.
01:09:00 --> 01:09:04:	So with that, first thanks to all my panelists.
01:09:10 --> 01:09:11:	Two thick quick things.
01:09:11 --> 01:09:14:	I know cocktails are out there, but first, did we
01:09:14 --> 01:09:14:	add value?
01:09:16 --> 01:09:16:	OK, raise your hand.
01:09:16 --> 01:09:20:	That's so I appreciate that feedback when you get your
01:09:20 --> 01:09:21:	evaluation form.
01:09:21 --> 01:09:24:	The second we're always hey, I got to normally I'd
01:09:24 --> 01:09:27:	say I buy drinks, but I already did.
01:09:28 --> 01:09:32:	The other side of that is, is give us ideas
01:09:32 --> 01:09:36:	at you'll lie about what you want to engage with,
01:09:36 --> 01:09:40:	OK, because we're only as good as we are listening
01:09:40 --> 01:09:44:	to the members, the people that show up at these
01:09:44 --> 01:09:48:	conferences to evolve the agenda to give you value.
01:09:49 --> 01:09:51:	You're taking a day of your life, you're spending it
01:09:51 --> 01:09:52:	here.
01:09:52 --> 01:09:54:	You should be able to walk home with some value
01:09:54 --> 01:09:55:	and opportunity.
01:09:55 --> 01:09:57:	And we want to make sure that happens.
01:09:57 --> 01:10:02:	So with that, enjoy cocktails and thank you.