

Webinar

Tenant-Owner Partnerships for Net Zero in Asia-Pacific

Date: December 18, 2025

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:01:27 --> 00:01:30: And a few housekeeping notes is that we'll be digging audience Q&A at the end.

00:01:30 --> 00:01:32: So please drop them into the Q&A chat as they come to mind.

00:01:32 --> 00:01:36: All right, so here's a quick.

00:01:36 --> 00:01:37: Look at what we'll dive into during this hour.

00:01:45 --> 00:01:47: So first, I'll start with a brief intro to ULI

00:01:50 --> 00:01:53: and then give an overview of our five part primer

00:01:53 --> 00:01:56: series, the tenant Primer series of tenant owner engagement, followed

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:03:12 --> 00:03:12: And this is where UL is real estate journey kicks in.

00:03:19 --> 00:03:23: And for net zero, seen here on the right side

00:03:23 --> 00:03:24: of the screen, tenant engagement is an important piece of

00:03:26 --> 00:03:29: the cycle.

00:03:29 --> 00:03:33: And we run this research through our decarbonisation

program that green the Greenprint community works closely with.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:15:02 --> 00:15:05: the reputation of the landlord, for example, are by no

00:15:05 --> 00:15:07: means insignificant.

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

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

00:15:11 --> 00:15:15: So they're looking at those key factors of location and cost, but they're also weighing up what are the benefits that the building provides in terms of talent, attraction, productivity,

00:15:25 --> 00:15:28: that type of thing for their staff.

00:15:28 --> 00:15:32: So it really is a kind of overall evaluation and

00:15:32 --> 00:15:37: as I say, sustainability technology and experience are are moving

00:15:37 --> 00:15:39: up the the league table.

00:15:40 --> 00:15:43: A good example of this, I think the Henderson in

00:15:43 --> 00:15:48: Hong Kong, tenants are definitely paying higher rents to occupy

00:15:48 --> 00:15:49: that building.

00:15:49 --> 00:15:52: And it's not really because of its location, it's not

00:15:52 --> 00:15:56: the best location in Hong Kong, but it does have

00:15:56 --> 00:15:57: a distinctive design.

00:15:57 --> 00:16:01: It's got fantastic amenities and it's highly certified.

00:16:01 --> 00:16:04: So clearly tenants are choosing to pay a bit of

00:16:04 --> 00:16:07: a premium for that kind of performance.

00:16:08 --> 00:16:12: So on the on the next slide, what I've done

00:16:12 --> 00:16:17: here is kind of summarize what we're seeing in new

00:16:17 --> 00:16:23: building design kind of range of of amenities and specifications

00:16:23 --> 00:16:28: that most of the Grade A buildings are being built to.

00:16:28 --> 00:16:28:

00:16:29 --> 00:16:31: So if I if I make reference to to real

00:16:32 --> 00:16:36: examples in Hong Kong, I've mentioned the Henderson High Sands

00:16:36 --> 00:16:39: Lee Garden 8 is, is very well specified Hong Kong

00:16:39 --> 00:16:43: land with their one Causeway Bay and right next to

00:16:43 --> 00:16:46: me here in Taikoo Place and two Taikoo Place from

00:16:46 --> 00:16:47: Swire.

00:16:47 --> 00:16:52: So these are all setting much higher standards in terms

00:16:52 --> 00:16:55: of amenities, specifications, ESG and IT.

00:16:57 --> 00:16:59: The evidence of that is basically what we call in

00:16:59 --> 00:17:00: the flight to quality.

00:17:00 --> 00:17:04: So that's resulting in quite a bifurcation of the market

00:17:04 --> 00:17:08: and forces owners of older buildings that maybe when they

00:17:08 --> 00:17:12: were built they were classified as grade A, but they've

00:17:12 --> 00:17:15: now dropped to kind of grade A minus or even

00:17:15 --> 00:17:15: grade B.

00:17:16 --> 00:17:19: So in order to protect the value of their buildings,

00:17:19 --> 00:17:23: they really have no choice but to upgrade them and

00:17:23 --> 00:17:26: try and retrofit as many of these kind of features and amenities as they can.

00:17:26 --> 00:17:28: So on the, on the next slide, I've just summarized

00:17:29 --> 00:17:32: the, you know, the main areas of upgrading as, as

00:17:32 --> 00:17:36: you would expect, you know, the key themes obviously align

00:17:36 --> 00:17:40: with what's important to, to tenants and occupiers.

00:17:40 --> 00:17:44: So sustainability is a, is a major area where landlords

00:17:45 --> 00:17:49: are upgrading their buildings to achieve sustainability certification.

00:17:49 --> 00:17:54: But also I'll show on a later slide, there's definitely

00:17:55 --> 00:17:58: some win, win opportunities with sustainability upgrades because obviously they've

00:18:03 --> 00:18:07: reduced energy consumption and that saving can potentially be shared

00:18:07 --> 00:18:09: between landlord and tenant.

00:18:09 --> 00:18:12: As I said, human experience, smart building technology.

00:18:12 --> 00:18:16: So we've probably all seen the growth of wide score

00:18:16 --> 00:18:18: and smart score around the region.

00:18:18 --> 00:18:23: So that's evidence that buildings are being built to or

00:18:23 --> 00:18:26: improving their technology capability.

00:18:27 --> 00:18:31: And then obviously flexibility tenants are really looking for, for

00:18:31 --> 00:18:33: more flexibility going forward.

00:18:34 --> 00:18:37: So on the next slide, I've, I've tried to articulate

00:18:38 --> 00:18:41: what I see as a, as potential win win solutions.

00:18:42 --> 00:18:45: And I think this as we were chatting just before

00:18:45 --> 00:18:49: we went live, the, the landlord tenant relationship has definitely

00:18:49 --> 00:18:51: evolved over recent years.

00:18:52 --> 00:18:55: So in simple terms, you could say, yes, the landlord

00:18:55 --> 00:18:58: is trying to achieve the highest rent and the tenant

00:18:58 --> 00:18:59: is trying to negotiate a lower rent.

00:19:00 --> 00:19:03: But as you can see, there are a number of

00:19:03 --> 00:19:07: areas where the goals or objectives of the landlord and

00:19:07 --> 00:19:09: tenant can be quite nicely matched.

00:19:10 --> 00:19:13: And by no coincidence that that follows areas such as

00:19:13 --> 00:19:19: human experience, whether it's attracting and retaining tenants or whether

00:19:19 --> 00:19:23: it's attracting and retaining talent and the brand of the

00:19:23 --> 00:19:28: building and, and obviously everything around ESG and reducing operating

00:19:28 --> 00:19:28: costs.

00:19:29 --> 00:19:33: And bearing in mind that, yeah, occupancy cost is still

00:19:33 --> 00:19:37: top of the list for tenants, I think there's a

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:20:34 --> 00:20:42: So basically these contain beneficial requirements, but

they're non binding

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

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

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

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

penalties for non

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:21:59 --> 00:22:03: Another example in Australia is that a major tenant in Brookfield's 680 George Street in Sydney.

00:22:07 --> 00:22:11: They've renewed their lease on the basis that they can break that lease early with no penalty if the landlord

00:22:11 --> 00:22:15: is unable to electrify the building by 2030 to align

00:22:15 --> 00:22:18: with their own net 0 carbon goals.

00:22:18 --> 00:22:21: So that's a quite, quite a major example.

00:22:21 --> 00:22:24: And then finally in Singapore, making some good progress with

00:22:25 --> 00:22:29: the Building Construction Authority providing green lease tool kits to

00:22:29 --> 00:22:35: encourage adoption.

00:22:35 --> 00:22:36: And also landlords can be awarded green mark points for

00:22:36 --> 00:22:40: implementing green leases, which I think will further

00:22:40 --> 00:22:45: incentivize the

00:22:45 --> 00:22:46: take up.

00:22:46 --> 00:22:49: So I think the, the, the future looks quite positive

00:22:50 --> 00:22:51: for green leases.

00:22:51 --> 00:22:53: And so back to you, Vidya.

00:22:54 --> 00:22:54: Yeah.

00:22:54 --> 00:22:55: Thank you, Andrew.

00:22:55 --> 00:22:57: I just have one quick, quick question actually.

00:22:57 --> 00:22:59: So the these leases?

00:22:59 --> 00:22:59: Right.

00:22:59 --> 00:23:02: In the markets that you're saying that we have these

00:23:02 --> 00:23:06: dark green leases, is this pressure coming from external factors

00:23:06 --> 00:23:07: like regulations?

00:23:09 --> 00:23:14: Regulations are are definitely accelerating the move in that direction.

00:23:14 --> 00:23:19: And as I say some, some markets, governments have been

00:23:19 --> 00:23:23: more robust, let's say in terms of the regulations.

00:23:25 --> 00:23:27: I would say that I mean, in a way it's

00:23:27 --> 00:23:31: quite onerous from a landlord's perspective to sign up to

00:23:31 --> 00:23:35: a certain road map for sustainability, not not knowing what

00:23:35 --> 00:23:39: the future holds in terms of macroeconomics and supply and

00:23:39 --> 00:23:40: demand, etcetera.

00:23:40 --> 00:23:44: So I can see that it's quite, you know, land

00:23:44 --> 00:23:47: landlords are a bit nervous to kind of sign up

00:23:47 --> 00:23:51: and also sign up to potential penalties or, or lease

00:23:51 --> 00:23:52: breaks.

00:23:52 --> 00:23:58: But I think as their own net 0 Carbon Rd.

00:23:58 --> 00:24:01: Maps are firmed up in there and they've committed to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:28:29 --> 00:28:32: these emerging values and making our malls a sustainable

00:28:32 --> 00:28:35: retail

00:28:35 --> 00:28:38: destination.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:36:29 --> 00:36:33: And essentially what we try to do when it comes to ESG or sustainability, we use kind of our in house approach, we call it PAG impact.

00:36:33 --> 00:36:37:

00:36:37 --> 00:36:40:

00:36:41 --> 00:36:44: Essentially we want to have impact in where we invest and where we can have sustainable long term value both for our investors and also for our environment and society.

00:36:44 --> 00:36:47:

00:36:47 --> 00:36:50: So for our private equity real assets and credit markets, these are very different asset classes.

00:36:50 --> 00:36:54:

00:36:54 --> 00:36:56:

00:36:56 --> 00:37:00: And for each investment or each asset class, we would have designed tailored frameworks on how we would embed sustainability

00:37:00 --> 00:37:04:

00:37:04 --> 00:37:05: in what we do.

00:37:07 --> 00:37:12: Whether it is setting decarbonisation targets for our portfolio companies

00:37:12 --> 00:37:16: or setting carbon reduction plans for each of our real estate assets.

00:37:16 --> 00:37:17:

00:37:18 --> 00:37:21: Those are things that, you know, we, we, we tailor

00:37:21 --> 00:37:23: according to kind of our investment needs and according to

00:37:24 --> 00:37:25: the mandates of the funds.

00:37:26 --> 00:37:30: But focusing on our operations, what happens in our offices,

00:37:30 --> 00:37:33: one of the commitments we've made is we, we want

00:37:33 --> 00:37:36: our office spaces to be energy efficient.

00:37:36 --> 00:37:39: And so one of the things that we focused on

00:37:39 --> 00:37:42: is making sure that what we have the hardware.

00:37:42 --> 00:37:45: So similar to Andrew, we have a lot of motion

00:37:45 --> 00:37:46: sensors in our office.

00:37:46 --> 00:37:49: So I need to be moving around otherwise the lights

00:37:49 --> 00:37:50: would turn off on me.

00:37:51 --> 00:37:54: So we have motion sensors, we have you know, energy

00:37:54 --> 00:37:57: efficient light lighting, etcetera.

00:37:57 --> 00:38:00: And So what we've additionally done is we've we've sought

00:38:00 --> 00:38:04: to obtain these lead certificates for interior spaces.

00:38:05 --> 00:38:06: Maybe we go to the next slide.

00:38:07 --> 00:38:11: So for our major offices, we've target to achieve a

00:38:11 --> 00:38:14: lead goal or above for our Hong Kong office and

00:38:14 --> 00:38:18: we've been able to obtain a, a platinum certificate for

00:38:18 --> 00:38:19: our Hong Kong office.

00:38:20 --> 00:38:23: I think in large part a big contributing factor to

00:38:23 --> 00:38:25: this is really the building selection.

00:38:25 --> 00:38:28: I think everyone would have heard from Andrew and Phoebe's

00:38:28 --> 00:38:32: sharing, you know, there's, there's, there's that collaboration.

00:38:32 --> 00:38:35: But also as tenant when we do choose our buildings,

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

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

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

00:40:31 --> 00:40:35: We would ask teams to optimize business travels if they can, you know, combine a couple meetings into one so they're not flying as often.

00:40:35 --> 00:40:38:

00:40:38 --> 00:40:40:

00:40:40 --> 00:40:45: We've also made a request on selecting flights with, with an option of sustainable aviation fuel to kind of promote

00:40:45 --> 00:40:49: the use of Safs in, in our business travels and

00:40:49 --> 00:40:52: all that we, we keep an account of.

00:40:53 --> 00:40:55: So we, we, we keep an account of you know,

00:40:55 --> 00:40:58: how many business trips, you know, the distances of these trips and how many of these trips have SA FS.

00:40:58 --> 00:41:01:

00:41:01 --> 00:41:04: And we do a calculation and, and we and we

00:41:04 --> 00:41:06: and we measure that footprint over time.

00:41:06 --> 00:41:09:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:42:26 --> 00:42:29: We have a Cafe, we have green walls in some of our offices.

00:42:29 --> 00:42:30: For example, in a Hong Kong office, we have a

00:42:30 --> 00:42:32: dedicated nursing room.

00:42:32 --> 00:42:33: So for the mothers that need a dedicated room, this

00:42:34 --> 00:42:37: is not just like a store room with, you know,

00:42:37 --> 00:42:40: walls all around.

00:42:40 --> 00:42:41: We actually found a location where there are windows and

00:42:41 --> 00:42:45: there's a, there's a sink and there's a refrigerator that,

00:42:45 --> 00:42:48: that has all the, all the essential facilities needed for,

00:42:49 --> 00:42:52: for, for mothers to use as, as they need for,

00:42:52 --> 00:42:55: for the nursing activities.

00:42:55 --> 00:42:57: So that's something that, you know, we, you know, we

00:42:57 --> 00:43:01: isolate this space out to do.

00:43:01 --> 00:43:02: We also isolate out a space for having a gym,

00:43:02 --> 00:43:05: a staff gym for some of our bigger offices.

00:43:05 --> 00:43:08: That's been kind of a staple for all new PHG

00:43:08 --> 00:43:12: offices, major offices in the region.

00:43:12 --> 00:43:15: And, and I think a big part of this is,

00:43:15 --> 00:43:17: you know, we see this as a differentiator for us

00:43:18 --> 00:43:21: as well too, when we compare or when potential talent

00:43:21 --> 00:43:24: is comparing peer-to-peer.

00:43:24 --> 00:43:26: Of course, you're not going to look at whether this

00:43:26 --> 00:43:29: company has a gym or not, But you know, when

00:43:29 --> 00:43:32: they're on boarded, when, when they get to enjoy a

00:43:32 --> 00:43:34: lot of these amenity features within the premises.

00:43:35 --> 00:43:37: I think that's something that really, you know, really, really

00:43:37 --> 00:43:40: strikes a chord with a lot of the staff here

00:43:40 --> 00:43:42: is that we have all these features.

00:43:42 --> 00:43:44: We promote a lot of Wellness.

00:43:44 --> 00:43:46: We promote a lot of, you know, you know, kind

00:43:46 --> 00:43:48: of extracurricular activities beyond just work.

00:43:48 --> 00:43:51: So you see here all these pictures here, there are

00:43:51 --> 00:43:54: no pictures of workstations because we, we, we, we have

00:43:54 --> 00:43:57: a lot of fun at, at our offices.

00:43:58 --> 00:43:59: And so that's something we, we try to strike that

00:44:00 --> 00:44:02: balance and I think staff appreciates that.

00:44:02 --> 00:44:04: And I think it is a differentiator when when we

00:44:04 --> 00:44:07: compare to peers in the region as well to so

00:44:07 --> 00:44:10: just to give everyone a little bit of flavour on

00:44:10 --> 00:44:13: kind of who we are and kind of what our

00:44:13 --> 00:44:15: expectations are in the in the spaces where we operate.

00:44:15 --> 00:44:19:

00:44:20 --> 00:44:22: So you know, throwing it back to vidya on any
00:44:22 --> 00:44:24: Q and as now I think.
00:44:24 --> 00:44:24: Yeah.
00:44:24 --> 00:44:26: That's, that's great.
00:44:26 --> 00:44:27: Thanks so much, Jonathan.
00:44:27 --> 00:44:30: It really like highlights and echoes, you know, the relationship
00:44:31 --> 00:44:34: aspect, you know, the landlord with Phoebe saying that, you
00:44:34 --> 00:44:37: know, it's all about a relationship they're having with the
00:44:37 --> 00:44:40: tenants and the tenants want to have like better relationships
00:44:40 --> 00:44:42: and provide better spaces for their employees.
00:44:42 --> 00:44:46: So I think like every level of these interactions and
00:44:46 --> 00:44:50: relationships, we are seeking to elevate more than just provide
00:44:50 --> 00:44:52: the basic or bare minimum.
00:44:52 --> 00:44:54: So that's really great.
00:44:54 --> 00:44:57: OK, so now I mean, I'll keep, I'll just jump
00:44:57 --> 00:44:59: into the panel discussion part of it.
00:45:00 --> 00:45:02: Just stop share for a little bit.
00:45:02 --> 00:45:06: And yeah, so Charles, and just adding to, you know,
00:45:06 --> 00:45:09: the question that you brought up was that, you know,
00:45:10 --> 00:45:13: you said when you shifted buildings, you had like a
00:45:13 --> 00:45:15: energy study done, right?
00:45:15 --> 00:45:17: Like, and you found that it was like 25% less.
00:45:17 --> 00:45:21: And that's a clear example of what landlord tenants are
00:45:21 --> 00:45:24: going to start asking landlords, right?
00:45:24 --> 00:45:26: And is this something that you approached?
00:45:27 --> 00:45:29: The owner and said, can you provide some data on
00:45:29 --> 00:45:32: the energy use of these buildings so then we can
00:45:32 --> 00:45:33: do some internal study.
00:45:35 --> 00:45:37: So if we're referring to kind of us as a
00:45:37 --> 00:45:41: tenant, I think when you know, just sharing from experience
00:45:41 --> 00:45:44: and maybe this touches on some of the relationship we
00:45:44 --> 00:45:47: have with with Swire and kind of the ongoing kind
00:45:47 --> 00:45:49: of that kind of that data sharing.
00:45:50 --> 00:45:53: So I think when we moved into this Hong Kong
00:45:53 --> 00:45:56: office, I don't think the GPP from solar properties was
00:45:56 --> 00:45:58: published yet or has, has been ready yet.
00:45:58 --> 00:46:01: So that wasn't I guess initially as but but I
00:46:01 --> 00:46:05: guess zooming out moving forward, I think when we do
00:46:05 --> 00:46:08: kind of, you know, move, move to new offices, there
00:46:08 --> 00:46:10: are certain policies.
00:46:10 --> 00:46:12: So for example, we do ask when we do look

00:46:12 --> 00:46:15: at new office spaces, whether the space has a green
00:46:15 --> 00:46:18: building credential, whether the base building has a green
building
00:46:18 --> 00:46:19: credential.

00:46:19 --> 00:46:22: And if they don't, we need to work with the
00:46:22 --> 00:46:24: landlord and really ask them, OK, what are your green
00:46:24 --> 00:46:25: features?

00:46:25 --> 00:46:28: You know what, you know, how can you support us
00:46:28 --> 00:46:32: in, you know, making some of these energy efficiency goals,
00:46:33 --> 00:46:33: etcetera.

00:46:33 --> 00:46:36: So across our offices, we do have a, a wider
00:46:36 --> 00:46:39: policy on when we select office spaces, we need to
00:46:40 --> 00:46:44: have these screen building credentials and then on an
ongoing
00:46:44 --> 00:46:44: basis.

00:46:45 --> 00:46:48: And this touches on, you know, using that GPP experience,
00:46:48 --> 00:46:52: it's some of the so, so besides monitoring and getting
00:46:52 --> 00:46:56: that data, I think another feature that maybe Phoebe didn't
00:46:56 --> 00:46:59: share, but we found quite useful is, you know, solar
00:46:59 --> 00:47:02: properties would provide free energy audit.

00:47:02 --> 00:47:04: And I don't know if they still do, but we
00:47:04 --> 00:47:05: enjoyed that.

00:47:06 --> 00:47:09: We enjoyed that special feature when that was given to
00:47:09 --> 00:47:09: us.

00:47:09 --> 00:47:12: We thought that was super helpful just in terms of,
00:47:12 --> 00:47:16: you know, you know, building service engineers coming to
our
00:47:16 --> 00:47:20: office after it's all fit out from an operational perspective,
00:47:20 --> 00:47:23: they walked around our office under our supervision and you
00:47:24 --> 00:47:26: know, just to see where we can improve.

00:47:26 --> 00:47:29: And I think having this free energy audit is quite
00:47:29 --> 00:47:31: is quite different.

00:47:31 --> 00:47:33: And it's really been one of the things where we're
00:47:33 --> 00:47:36: like, OK, let's join the GPP because we'll get, you
00:47:36 --> 00:47:39: know, we'll get reporting, but we'll also get this free
00:47:39 --> 00:47:41: energy audit, which is going to help us identify ways
where we can improve over time.

00:47:41 --> 00:47:43: So I think, I think having that, you know, special
00:47:46 --> 00:47:50: feature, having that kind of relation and that engagement with
00:47:50 --> 00:47:54: the property developer has been quite has been quite
instrumental
00:47:54 --> 00:47:57: in US kind of participating in this in, in this
00:47:57 --> 00:47:59: GPP pledge with Swire Properties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:50:59 --> 00:51:03: in our capacity, both programs or or just through internal engagement for the pledge.

00:51:04 --> 00:51:05: But there are also a lot of reasons where people

00:51:06 --> 00:51:09: don't sign up, right?

00:51:09 --> 00:51:10: Because sometimes you know, companies do not have enough demand

00:51:10 --> 00:51:15: power or resources or the lack of champion to vouch for participation in the program.

00:51:15 --> 00:51:19: Sometimes it's the senior management buy in.

00:51:19 --> 00:51:22: There's also the aspect of, you know global companies, international

00:51:22 --> 00:51:25: companies versus more local or Chinese companies which

00:51:25 --> 00:51:30:

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

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

power
00:53:38 --> 00:53:41: in the common areas, but also the tenant.
00:53:41 --> 00:53:45: So the transparency of that data availability and transparency of
00:53:45 --> 00:53:48: that data is a is a clear win win for
00:53:48 --> 00:53:48: for both.
00:53:48 --> 00:53:50: Parties, yeah.
00:53:50 --> 00:53:53: So that's like the biggest indicator for whether a tenant
00:53:53 --> 00:53:55: will join these programs or not.
00:53:56 --> 00:53:56: Yeah.
00:53:57 --> 00:54:00: So Andrew actually so I had a question for you
00:54:00 --> 00:54:02: was that, you know, because you have like this broad
00:54:02 --> 00:54:06: level market overview, what early signals are you seeing
that'll
00:54:06 --> 00:54:09: shape the landlord and tenant collaboration through 2026?
00:54:09 --> 00:54:12: So we know what what's been happening so far, but
00:54:12 --> 00:54:13: what's going to happen in 2026?
00:54:13 --> 00:54:16: And are there shifts in expectations?
00:54:16 --> 00:54:19: Are there pressure points that tenants or even owners should
00:54:19 --> 00:54:21: already be preparing for?
00:54:22 --> 00:54:22: I think.
00:54:22 --> 00:54:24: I think a couple of topics bring to mind.
00:54:24 --> 00:54:29: The first one we've kind of alluded to in this
00:54:29 --> 00:54:35: discussion with tenants being more requiring more granular
data.
00:54:35 --> 00:54:40: So asking a landlord whether the building has got green
00:54:40 --> 00:54:45: certification or not, you know, that's kind of history and
00:54:45 --> 00:54:50: tenants are now looking for quite granular energy use data.
00:54:50 --> 00:54:53: They're looking for what is the net 00 carbon road
00:54:53 --> 00:54:54: map for that building.
00:54:55 --> 00:54:59: So being a lot more technical in their questioning.
00:54:59 --> 00:55:02: And that also has an impact on on brokers and
00:55:02 --> 00:55:03: leasing agents.
00:55:04 --> 00:55:07: They need to be equally up to speed on these
00:55:07 --> 00:55:12: kind of requirements and and technical specifications to be
able
00:55:12 --> 00:55:15: to answer an ever increasing level of detail.
00:55:15 --> 00:55:21: I think from the tenants, I'd say the other evolving
00:55:21 --> 00:55:27: area, I think ESG is pretty well understood and known.
00:55:29 --> 00:55:32: Talking about the other elements of why tenants choose
buildings,
00:55:32 --> 00:55:34: the human experience.
00:55:34 --> 00:55:37: I, I, I recall when I moved to Hong Kong

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:59:30 --> 00:59:33: So in some of our Australia and New Zealand investments, what we have started to roll out is we've started

00:59:33 --> 00:59:36: to have these tenant ESG committees that we meet regularly.

00:59:36 --> 00:59:40: And so it goes with the whole concept of engagement.

00:59:40 --> 00:59:43: So not just a tenant survey, but really that engagement where you sit down at a table and everyone talks

00:59:43 --> 00:59:46: about, OK, what events should we do these upcoming, you

00:59:46 --> 00:59:49: know, months or quarterly events, etcetera.

00:59:49 --> 00:59:52: So you engage tenant on what they want.

00:59:52 --> 00:59:54: Maybe it's beyond just an environmental initiative maybe.

00:59:54 --> 00:59:57: And I think what we see in in our jurisdictions

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

01:00:04 --> 01:00:06: social side of things, so things related to Wellness, well-

01:00:06 --> 01:00:10: being,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

01:00:49 --> 01:00:50: engagement.

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

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

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

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

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

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

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

01:01:08 --> 01:01:12: So yeah, thank you for your participation.

01:01:12 --> 01:01:16: And lastly, I know we're we've across time, but there

01:01:16 --> 01:01:18: is a survey link in the chat and if the

01:01:18 --> 01:01:22: audience can take that, we be sure to improve your

01:01:22 --> 01:01:24: webinar experiences as well.

01:01:24 --> 01:01:26: So please do take that survey.

01:01:26 --> 01:01:29: But thank you everyone and have a good rest of

01:01:29 --> 01:01:29: the day.

01:01:30 --> 01:01:31: Thank you.

01:01:31 --> 01:01:31: Thank you.

01:01:33 --> 01:01:33: Bye.

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