

Webinar

ULI NEXT Europe: What's NEXT in Urban Living?

Date: July 23, 2020

00:00:00 --> 00:00:03: I'm ready. Yep.

00:00:26 --> 00:00:29: Eva Martha will give us a sign when we when

00:00:29 --> 00:00:30: we get started.

00:00:35 --> 00:00:38: It started now we just have already started.

00:00:38 --> 00:00:45: It started, yeah. OK, excellent then then let's welcome everybody.

00:00:45 --> 00:00:50: Hello everybody and welcome to the second webinar powered by

00:00:50 --> 00:00:51: ULI Next Group.

00:00:51 --> 00:00:54: The topic of today's webinar.

00:00:54 --> 00:00:57: If we can go to the next page.

00:00:57 --> 00:01:01: More to please the topic of today's webinar is what's

00:01:02 --> 00:01:03: next in Urban Living,

00:01:03 --> 00:01:08: which is object. Many people are interested at the moment,

00:01:08 --> 00:01:13: in particular considering the. COVID-19 crisis one.

00:01:13 --> 00:01:17: The concept of space, urban density,

00:01:17 --> 00:01:24: community and convenience has been put under pressure.

00:01:24 --> 00:01:27: As for those who may or may not know me,

00:01:27 --> 00:01:31: my name is collina Premier Cova and I'm a chair

00:01:31 --> 00:01:32: of your lie in Europe.

00:01:32 --> 00:01:37: Next group and real estate development director at Patricia.

00:01:37 --> 00:01:41: I'm really delighted to be part of today's discussion as

00:01:41 --> 00:01:45: it's not only of interest for me personally,

00:01:45 --> 00:01:48: but for my team is currently we are running a

00:01:48 --> 00:01:53: couple of large scale inner city residential schemes across Europe,

00:01:53 --> 00:01:55: but it's also part of.

00:01:55 --> 00:01:59: A DNA of our company to Patricia Storage is 35

00:01:59 --> 00:02:04: years ago in the residential space in Germany and overtime

00:02:04 --> 00:02:09: we expanded our presence across Europe with office is now

00:02:09 --> 00:02:14: in 24 countries and managing 45 billion euros in assets
00:02:14 --> 00:02:15: under management.

00:02:15 --> 00:02:20: Just a couple of thoughts why the topic of urban
00:02:20 --> 00:02:24: living is also relevant for our company and a few
00:02:24 --> 00:02:27: initiatives that we've been doing.

00:02:27 --> 00:02:29: Recently
00:02:29 --> 00:02:33: so, uh, to help us structure our investment,
00:02:33 --> 00:02:37: investments, thinking and to make informed decisions,
00:02:37 --> 00:02:41: we have launched a Living Cities index which allows us
00:02:41 --> 00:02:45: to track a performance of 120 cities in Europe and
00:02:45 --> 00:02:50: rank them in terms of their attractiveness on a long
00:02:50 --> 00:02:56: term. Looking at indicators such as economic and
demographic performance
00:02:56 --> 00:02:59: but also innovative capacity of the cities.

00:02:59 --> 00:03:07: Talent and technology and liquidity of liquidity of respective
market.

00:03:07 --> 00:03:11: But that said, the the that's not only a point
00:03:11 --> 00:03:16: which is only relevant for us internally is also something
00:03:16 --> 00:03:19: that we see on the investor side.

00:03:19 --> 00:03:22: The Invest investors stand to look,
00:03:22 --> 00:03:25: take Moran, cities view and the sector view,
00:03:25 --> 00:03:30: and so last year we've launched upon European living cities
00:03:30 --> 00:03:35: for font with targeting 1 billion of assets targeting 1
00:03:35 --> 00:03:37: billion or yours.

00:03:37 --> 00:03:41: Of which 20% how is invested across sectors such as
00:03:41 --> 00:03:42: student housing,
00:03:42 --> 00:03:44: code, living and senior living.

00:03:44 --> 00:03:48: So for me today for would be interesting to hear
00:03:48 --> 00:03:51: from the speakers and from the audience,
00:03:51 --> 00:03:56: weather, weather as whether they see an opportunity for
also,

00:03:56 --> 00:03:59: for for appan, European development,
00:03:59 --> 00:04:02: living cities, strategy, as we all know,
00:04:02 --> 00:04:06: the product is becoming really scars and the appetite of
00:04:06 --> 00:04:07: investors.

00:04:07 --> 00:04:11: Is still still there and we are delightful if we
00:04:11 --> 00:04:13: can go to the next slide,
00:04:13 --> 00:04:16: Eva. Um?

00:04:16 --> 00:04:21: We are delighted we are delighted to have today with
00:04:21 --> 00:04:26: us a truly global of a panel with speakers from
00:04:26 --> 00:04:33: you as Asia and Europe representing various sectors from
investors.

00:04:33 --> 00:04:37: Developers and operators in Student Housing Co.

00:04:37 --> 00:04:41: Living and senior living in a couple of minutes we

00:04:42 --> 00:04:46: will get to the introductions but just a couple of

00:04:46 --> 00:04:49: housekeeping rules before we get started,

00:04:49 --> 00:04:51: we.

00:04:51 --> 00:04:56: The audience will be muted throughout the whole session of

00:04:56 --> 00:04:57: this of Abner.

00:04:57 --> 00:05:00: But we kindly ask you to use the Q&A button

00:05:00 --> 00:05:04: function at the bottom of your screen of your screen

00:05:04 --> 00:05:07: to raise your questions and to engage with us the

00:05:07 --> 00:05:11: speakers and to make this event really interactive.

00:05:11 --> 00:05:15: There will be there will be a time at the

00:05:15 --> 00:05:18: adult in the last part of this webinar for when

00:05:18 --> 00:05:23: we will answer or try to answer all your questions.

00:05:23 --> 00:05:28: The webinar is is being recorded and recording will be

00:05:28 --> 00:05:31: available on the ULI Knowledge Finder.

00:05:31 --> 00:05:35: Uh. And so the value in art today is is

00:05:35 --> 00:05:40: really a result of a collaborative effort of various next

00:05:40 --> 00:05:45: groups in Europe and we are grateful for the contribution

00:05:45 --> 00:05:49: of Rob Mallow Co, chair of Fuel Line,

00:05:49 --> 00:05:51: Next UK Group, and Xiu Tian,

00:05:51 --> 00:05:55: founding member of Next Group in Portugal.

00:05:57 --> 00:06:00: To get to get started as we said,

00:06:00 --> 00:06:04: we would like to keep this describing our interactive and

00:06:04 --> 00:06:08: would like to do also here and learn the perspective

00:06:08 --> 00:06:11: of the audience on the on the topic of urban

00:06:11 --> 00:06:13: living. So we've we've have.

00:06:13 --> 00:06:16: We would like to do a quick call with you

00:06:16 --> 00:06:19: and we have prepared three questions.

00:06:19 --> 00:06:22: If we can get them on the screen.

00:06:22 --> 00:06:24: Excellent so question number one,

00:06:24 --> 00:06:27: do you anticipate the demand for.

00:06:27 --> 00:06:31: Urban living is likely to change within the next three

00:06:31 --> 00:06:34: to five years due to concerns about density.

00:06:34 --> 00:06:36: Post COVID-19.

00:06:36 --> 00:06:40: Answer number one increase decrease no changes.

00:06:40 --> 00:06:43: Please proceed with voting.

00:06:53 --> 00:06:56: OK.

00:06:56 --> 00:07:01: OK, it's interesting results, and I'm sure that the speakers

00:07:01 --> 00:07:05: will have thoughts to share and comment on this.

00:07:05 --> 00:07:10: OK, 56% of audience believes that the demand for urban

00:07:11 --> 00:07:16: living is likely to change and is likely to decrease.

00:07:16 --> 00:07:18: 33% no changes and 11%

00:07:18 --> 00:07:23: increase interesting results. OK, let's get to the next question.

00:07:31 --> 00:07:35: Question #2 in which sectors do expect to see the

00:07:35 --> 00:07:40: largest increase of investment capital allocation in the next three

00:07:41 --> 00:07:42: to five years?

00:07:42 --> 00:07:47: Traditional multifamily, built around the answer number B Student Housing

00:07:48 --> 00:07:48: Co.

00:07:48 --> 00:07:52: Living or senior living. Please proceed with voting.

00:08:01 --> 00:08:03: OK. Kiss

00:08:12 --> 00:08:16: K very interesting 0% in student housing.

00:08:16 --> 00:08:20: A slight slight expectation of increase in Co living.

00:08:20 --> 00:08:25: Senior living just one third and traditional multifamily is the

00:08:25 --> 00:08:28: largest increase of investment capital.

00:08:28 --> 00:08:31: OK, let's move to the next one.

00:08:31 --> 00:08:32: The third question.

00:08:38 --> 00:08:40: Can we get question? Yeah,

00:08:40 --> 00:08:43: thank you. So now we will be looking more on

00:08:43 --> 00:08:44: expansion also.

00:08:44 --> 00:08:48: Which is the greatest challenge for expansion of the alternative

00:08:48 --> 00:08:50: sectors in Europe?

00:08:50 --> 00:08:55: Regulatory constraints, lease structures, data transparency in terms of underwriting

00:08:55 --> 00:08:56: and pricing,

00:08:56 --> 00:08:59: the deals, lack of quality operators,

00:08:59 --> 00:09:04: availability of capital technology. Familiarity with the product.

00:09:04 --> 00:09:06: Please proceed with voting.

00:09:25 --> 00:09:27: OK.

00:09:27 --> 00:09:29: We can get the results up on the screen.

00:09:31 --> 00:09:36: Quite quite diverse. Diverse spread spread responses,

00:09:36 --> 00:09:40: regulatory constraints on planning and zoning laws seem to be

00:09:41 --> 00:09:42: an issue for expansion,

00:09:42 --> 00:09:45: or at least one of the challenges.

00:09:45 --> 00:09:50: Let's, let's hear the thoughts of speakers and comments in

00:09:50 --> 00:09:52: just in a couple of seconds.

00:09:52 --> 00:09:56: At this moment we would like to close to close

00:09:56 --> 00:09:59: the pool and I would like to hand over the

00:09:59 --> 00:10:01: panel to see UTAZU.

00:10:01 --> 00:10:04: Here, see you holds an urban of planning a degree

00:10:04 --> 00:10:08: and the real state degree from Cornell University.

00:10:08 --> 00:10:11: She has a lot of experience and being in Asia,

00:10:11 --> 00:10:15: she's been working there on a number of projects for

00:10:15 --> 00:10:19: Goldman Sachs and recently moved into Europe where she started

00:10:19 --> 00:10:22: her own real estate development firm qualities.

00:10:22 --> 00:10:26: So I'm sure you will be also willing to engage

00:10:26 --> 00:10:29: with the speakers and share her views and on the

00:10:29 --> 00:10:31: results of the poll.

00:10:31 --> 00:10:33: See you welcome. And please,

00:10:33 --> 00:10:36: the floor is yours is yours.

00:10:36 --> 00:10:40: Thank you galina. Thank you for the introduction,

00:10:40 --> 00:10:42: very interesting results from the poor.

00:10:42 --> 00:10:45: I think our speakers account not way to share some

00:10:45 --> 00:10:47: opinions on their results.

00:10:47 --> 00:10:51: I'll just do quickly around of introduction of our speakers

00:10:52 --> 00:10:54: are handed to Nigel first.

00:10:54 --> 00:10:57: Sure, thank you. So my name is Nigel Allsopp.

00:10:57 --> 00:11:00: I'm head of research at greystar for those unaware of

00:11:00 --> 00:11:05: Greystar where a global and rental housing platform with vertically

00:11:05 --> 00:11:09: integrated which means we're an investor and operator and the

00:11:09 --> 00:11:13: developer we've been going in the US since 90.

00:11:13 --> 00:11:17: Three opened our first European Office in London in 2013.

00:11:17 --> 00:11:21: An hour about 57,000 units in Europe and I'd like

00:11:21 --> 00:11:25: to thank you for having me on the discussion.

00:11:25 --> 00:11:30: Thank you, thank you and Jacob Child from common.

00:11:30 --> 00:11:33: Great, thank you. See you excited to be here and

00:11:33 --> 00:11:37: to share more about urban housing and what's coming next.

00:11:37 --> 00:11:39: My name is Jake shy.

00:11:39 --> 00:11:41: I've been I work with comment.

00:11:41 --> 00:11:44: I've been on the team for about four and a

00:11:44 --> 00:11:45: half years.

00:11:45 --> 00:11:48: Started when we were a small ten person company in

00:11:48 --> 00:11:52: early 2016 and I lead our expansion efforts outside the

00:11:52 --> 00:11:56: United States with a focus on Europe and Canada.

00:11:56 --> 00:11:59: Common is we launched as a Co living business in

00:11:59 --> 00:12:03: 2015 and we've developed an expertise in that space.

00:12:03 --> 00:12:07: And we have since grown and evolved to manage Co

00:12:07 --> 00:12:12: living units alongside conventional apartments and we have a number

00:12:12 --> 00:12:16: of brands were a platform business with a family of

00:12:16 --> 00:12:21: brands that focus on full stack management and were pureplay

00:12:21 --> 00:12:22: manager.

00:12:22 --> 00:12:27: We don't own any real estate venture bank business.

00:12:27 --> 00:12:30: To date we have about 3000 units open and another

00:12:31 --> 00:12:32: 15,000 under development,

00:12:32 --> 00:12:37: mostly in the US with some in Canada and in

00:12:37 --> 00:12:38: Europe.

00:12:38 --> 00:12:42: Thank you and Reggie from Hamlet and reduce base in

00:12:42 --> 00:12:42: Singapore.

00:12:42 --> 00:12:46: Thank you Sir. Yes, I am based in Singapore.

00:12:46 --> 00:12:47: My name is Rajiv ketchup.

00:12:47 --> 00:12:52: I'm CFO at Hamlet. I've been at the company for

00:12:52 --> 00:12:53: about a year now.

00:12:53 --> 00:12:57: And were responsible for finance strategy,

00:12:57 --> 00:13:01: investments and in legal.

00:13:01 --> 00:13:05: Hamlet is or used to be a coliving operator that's

00:13:05 --> 00:13:09: really morphed in the last year into a living in

00:13:09 --> 00:13:10: lifestyle platform.

00:13:10 --> 00:13:15: We have 7000 units across six countries which include

00:13:15 --> 00:13:21: Japan,

00:13:15 --> 00:13:21: Singapore, Hong Kong, Australia, Malaysia and Thailand.

00:13:21 --> 00:13:25: And we've essentially taken our Co living experience in our

00:13:26 --> 00:13:29: operator experience to build a community and a set of

00:13:29 --> 00:13:33: digital services around our user experience.

00:13:33 --> 00:13:36: So I'm happy to join the panel and offer the

00:13:36 --> 00:13:37: Asian experience.

00:13:37 --> 00:13:40: Although most of my career has been in the US

00:13:40 --> 00:13:43: but but definitely been a fun,

00:13:43 --> 00:13:46: fun time so far here and happy to talk a

00:13:46 --> 00:13:49: little bit more about that on the panel.

00:13:49 --> 00:13:53: Great, well thanks for the speakers are joining us today

00:13:53 --> 00:13:57: and we're talking about the residential sector on the living

00:13:57 --> 00:14:00: questions that we're trying to answer in the urban centers

00:14:00 --> 00:14:04: across the world today. And I think that the questions

00:14:04 --> 00:14:07: related to urban living is not a new question.

00:14:07 --> 00:14:09: We've been talking about it for a long time.

00:14:09 --> 00:14:13: Mainly the problems that we're facing in the city center

00:14:13 --> 00:14:16: is there are three three issues that we're trying to

00:14:16 --> 00:14:19: address with this alternative class of shared.

00:14:19 --> 00:14:21: Living in the Urban center,

00:14:21 --> 00:14:25: number one is the increasing affordability issue in the city

00:14:25 --> 00:14:26: center.

00:14:26 --> 00:14:29: A lot of people cannot afford to find.

00:14:29 --> 00:14:32: The optimal place to live or they're living in,
00:14:32 --> 00:14:36: especially in Asia and in a lot of other urban
00:14:36 --> 00:14:36: centers,
00:14:36 --> 00:14:40: it's very crowded and people cannot pay for a decent
00:14:40 --> 00:14:45: place to live when they first develop their professional lives.
00:14:45 --> 00:14:47: And the second problem is.
00:14:47 --> 00:14:51: Um is that there is also an increasing question in
00:14:51 --> 00:14:53: the mental health issue in urban center,
00:14:53 --> 00:14:56: so people are talking about social isolation.
00:14:56 --> 00:14:59: They don't know their neighbors nowadays,
00:14:59 --> 00:15:02: and it's hard to find a place to me and
00:15:02 --> 00:15:04: chat with people in their living,
00:15:04 --> 00:15:07: day-to-day living. And the third question is,
00:15:07 --> 00:15:09: there's a lack of product,
00:15:09 --> 00:15:13: lack of standardized product that offer people a hassle free
00:15:13 --> 00:15:16: solution when they first moved to a new location.
00:15:16 --> 00:15:18: So these are not new questions.
00:15:18 --> 00:15:21: But lately we are so zoomed in to those questions
00:15:21 --> 00:15:25: because we've been stuck at home and everybody is looking
00:15:25 --> 00:15:26: at what was my next move.
00:15:26 --> 00:15:29: What do I want for my living?
00:15:29 --> 00:15:33: So these are the questions we want to discuss today
00:15:33 --> 00:15:36: with the speakers and we want to look at the
00:15:36 --> 00:15:37: effect of the pandemics,
00:15:37 --> 00:15:41: but also more on the general trajectory of how the
00:15:41 --> 00:15:45: alternative living sector has changed the residential sector.
00:15:45 --> 00:15:48: So if the speakers can share with us some concrete
00:15:48 --> 00:15:50: data from the past five years,
00:15:50 --> 00:15:54: how shared living in city centres has changed the residential
00:15:54 --> 00:15:57: sector from the student housing perspective?
00:15:57 --> 00:16:00: From the coliving perspective and also how?
00:16:00 --> 00:16:04: You know our audience. Think the most likely in capital
00:16:04 --> 00:16:09: investment to increase in the IS in the traditional built
00:16:09 --> 00:16:13: around sector so we can touch upon on the traditional
00:16:13 --> 00:16:16: units as well. So if our speaker can offer some
00:16:16 --> 00:16:18: opinions on these issues.
00:16:18 --> 00:16:21: Sure, so happy they kick their one offset.
00:16:21 --> 00:16:24: I guess the two the three topics we need to
00:16:24 --> 00:16:26: cover their really affordability mental health or Wellness in
00:16:26 --> 00:16:31: work
00:16:31 --> 00:16:32: and convenience.
00:16:32 --> 00:16:36: I think that the first the affordability issue is fundamentally

00:16:36 --> 00:16:38: it's a matter of economics,
00:16:38 --> 00:16:42: right? You've just got more people trying to fit onto
00:16:42 --> 00:16:43: ever smaller plots of land.
00:16:43 --> 00:16:46: And to me it seems the only way to really
00:16:46 --> 00:16:49: address that challenge is with shared space.
00:16:49 --> 00:16:51: So we know that whilst.
00:16:51 --> 00:16:54: Everyone knows about the trends of urbanization,
00:16:54 --> 00:16:57: population growth, but the run rates of those in most
00:16:57 --> 00:17:00: countries are about about half a percent to one,
00:17:00 --> 00:17:03: 1% depending where you are in Europe.
00:17:03 --> 00:17:06: When you look at the growth of single person households
00:17:06 --> 00:17:09: in Europe that actually accelerates to its around 3 to
00:17:09 --> 00:17:10: 4%
00:17:10 --> 00:17:11: in lots of other countries.
00:17:11 --> 00:17:15: So more and more people are living alone.
00:17:15 --> 00:17:18: Which itself is not the most efficient use of land,
00:17:18 --> 00:17:21: and something which I think coliving addresses.
00:17:21 --> 00:17:23: But it comes what comes with that.
00:17:23 --> 00:17:26: I think a whole host of other problems.
00:17:26 --> 00:17:29: So for example, on the mental health side of things,
00:17:29 --> 00:17:32: something like 52% of lenders report report,
00:17:32 --> 00:17:36: feeling alone and that numbers rising every single year and
00:17:36 --> 00:17:39: have been studies to show I'm not health expert.
00:17:39 --> 00:17:42: You'll probably find out as we go through this panel,
00:17:42 --> 00:17:44: but being lonely in a city.
00:17:44 --> 00:17:47: Over the long term can decrease your life by a
00:17:47 --> 00:17:48: number of years.
00:17:48 --> 00:17:51: In fact, it's thought to be equivalent to smoking 15
00:17:51 --> 00:17:53: cigarettes a day throughout your life.
00:17:53 --> 00:17:56: And if you're learning throughout your life,
00:17:56 --> 00:17:58: so I think you know both Co living spaces,
00:17:58 --> 00:18:02: multifamily, and student housing spaces where there's a kind
of
00:18:02 --> 00:18:05: managed community and I can talk more about that later
00:18:05 --> 00:18:05: on.
00:18:05 --> 00:18:09: They really addressed those concerns.
00:18:09 --> 00:18:12: About Wellness and then on the convenience side for me
00:18:12 --> 00:18:13: for our offering,
00:18:13 --> 00:18:17: at least this is the biggest change from the the
00:18:17 --> 00:18:18: existing product.
00:18:18 --> 00:18:21: So you know, for many maybe Americans have come to
00:18:21 --> 00:18:24: London to work on some comment.

00:18:24 --> 00:18:27: There probably found that you know they've gone from a
00:18:27 --> 00:18:31: poor building purpose built in the US to maybe a
00:18:31 --> 00:18:34: drafty conversion with no on site management.
00:18:34 --> 00:18:36: For us. The real differentiator,
00:18:36 --> 00:18:40: I think with the competition is the convenient side of
00:18:40 --> 00:18:41: things.
00:18:41 --> 00:18:44: The most interesting example I've seen of that is actually
00:18:44 --> 00:18:44: went.
00:18:44 --> 00:18:48: See one of our assets in called the Chelsea in
00:18:48 --> 00:18:52: New York and they had this really interesting.
00:18:52 --> 00:18:55: A service called Hello Alfred Identive other people on the
00:18:55 --> 00:18:56: call have heard of this,
00:18:56 --> 00:19:00: but I was kind of amazed by its base like
00:19:00 --> 00:19:00: Imagine if.
00:19:00 --> 00:19:06: You you had a Butler by Uber?
00:19:06 --> 00:19:09: This service does is they can kind of take out
00:19:09 --> 00:19:09: the trash.
00:19:09 --> 00:19:13: Walk the dog through all these sorts of things which
00:19:13 --> 00:19:16: really just there to make your life a lot more
00:19:16 --> 00:19:16: convenient.
00:19:16 --> 00:19:18: The interesting thing for us,
00:19:18 --> 00:19:21: you know when I asked how much that costs,
00:19:21 --> 00:19:22: I was told it's free,
00:19:22 --> 00:19:26: but of course nothing's for free what it does for
00:19:26 --> 00:19:29: us is it massively increases retention and then the last
00:19:29 --> 00:19:30: thing I'll say.
00:19:30 --> 00:19:33: One of the things we have in all of our
00:19:33 --> 00:19:36: buildings is we have a Community manager and.
00:19:36 --> 00:19:38: Is like the name would suggest the object there,
00:19:38 --> 00:19:41: and they're incentivized to do so is to get people
00:19:41 --> 00:19:42: to to know one another.
00:19:42 --> 00:19:44: And so I think within someone moving in,
00:19:44 --> 00:19:46: there's a target within 90 days of even if they
00:19:46 --> 00:19:47: live alone,
00:19:47 --> 00:19:49: that they have to have met so many other people
00:19:49 --> 00:19:51: within their building at social events.
00:19:51 --> 00:19:55: And that's really to alleviate this concern about loneliness
00:19:55 --> 00:19:57: and
00:19:55 --> 00:19:57: try and build communities and all of those things you
00:19:57 --> 00:20:00: can't really do certain you came out of Europe in
00:20:00 --> 00:20:03: traditional rental housing, you really need this.
00:20:03 --> 00:20:07: This particular bill to rent type product and something that's

00:20:07 --> 00:20:10: unique managed very specifically by specialized operator.

00:20:15 --> 00:20:19: So I'll leave it there for someone else to chime

00:20:19 --> 00:20:19: in.

00:20:19 --> 00:20:23: Yeah, so so Greystar has been developing a lot of

00:20:23 --> 00:20:27: assets and it's a developer operator and an investor,

00:20:27 --> 00:20:32: right? And I think that recently you've already gone some

00:20:32 --> 00:20:36: data on how things are changing or not changing during

00:20:36 --> 00:20:38: the pandemics and how.

00:20:38 --> 00:20:42: How are things now with with your leasing in Europe

00:20:42 --> 00:20:42: over?

00:20:42 --> 00:20:46: OK, well I can't give too much away about that.

00:20:46 --> 00:20:50: I would measure, but it's it's surprising actually so.

00:20:50 --> 00:20:53: I think we can say is interesting stuff to cooperate

00:20:53 --> 00:20:56: this out from samples the last day or so is

00:20:56 --> 00:20:57: the what we can see.

00:20:57 --> 00:21:00: So first maybe to deal with this student housing so

00:21:00 --> 00:21:04: student housing was the one where I think people are

00:21:04 --> 00:21:05: most concerned over.

00:21:05 --> 00:21:08: Certainly when you look at the share price of names

00:21:08 --> 00:21:09: like Unite GCP,

00:21:09 --> 00:21:10: they were down like 40%

00:21:10 --> 00:21:13: in April. These are the student housing specialists,

00:21:13 --> 00:21:16: kind of in line with some of the retail names

00:21:16 --> 00:21:18: which was quite surprising.

00:21:18 --> 00:21:22: However, I think that kind of surprised to the upside

00:21:22 --> 00:21:23: where we are now.

00:21:23 --> 00:21:26: Is kind of on word like say we would like

00:21:26 --> 00:21:27: say 5 to 10%

00:21:27 --> 00:21:29: behind where we were last year,

00:21:29 --> 00:21:32: but with the same kind of rental rates.

00:21:32 --> 00:21:37: So student housing is obviously highly contingent on

00:21:37 --> 00:21:38: universities opening

00:21:38 --> 00:21:40: up in autumn,

00:21:40 --> 00:21:43: but that's kind of on track.

00:21:40 --> 00:21:43: It is very dependent of course on a guest two

00:21:44 --> 00:21:45: single factors.

00:21:45 --> 00:21:47: So whether or not people can travel,

00:21:47 --> 00:21:50: and that's down to.

00:21:50 --> 00:21:53: You know, travel restrictions, visa restrictions,

00:21:53 --> 00:21:56: and stuff like it's highly sensitive to that and some

00:21:56 --> 00:22:00: buildings are more sensitive to international students and

others.

00:22:00 --> 00:22:02: And the other thing, of course,
 00:22:02 --> 00:22:04: is whether not the campus is open.
 00:22:04 --> 00:22:07: But that, I think is is kind of on track,
 00:22:07 --> 00:22:10: and I think that's going to surprise to the upside
 00:22:10 --> 00:22:12: next year as we go through,
 00:22:12 --> 00:22:14: you know, the the troughs of unemployment.
 00:22:14 --> 00:22:18: And will people remember? I think that student housing is
 00:22:18 --> 00:22:19: somewhat a cyclical,
 00:22:19 --> 00:22:23: if not countercyclical on the multifamily side of things.
 00:22:23 --> 00:22:26: There again, we're just slightly behind where we would have
 00:22:26 --> 00:22:27: been last year.
 00:22:27 --> 00:22:30: So on rent collections now for Q1 were about the
 00:22:30 --> 00:22:32: mid call at the mid 90s.
 00:22:32 --> 00:22:34: A lot of our buildings between 90-95%.
 00:22:34 --> 00:22:37: Dish, which is marginally down on last year.
 00:22:37 --> 00:22:40: Similarly, when you look at the Q2,
 00:22:40 --> 00:22:44: rents are on track to hit about the same kind
 00:22:44 --> 00:22:48: of levels I expect as unemployment peaks.
 00:22:48 --> 00:22:50: You know that will increase,
 00:22:50 --> 00:22:53: but you know, compare that with commercial real estate
 where
 00:22:53 --> 00:22:56: something like 1/5 of rents are still outstanding from the
 00:22:56 --> 00:22:57: first quarter.
 00:22:57 --> 00:22:59: So in a word operation it's it's.
 00:22:59 --> 00:23:02: It's been pretty resilient through the pandemic.
 00:23:02 --> 00:23:04: Yeah, thus far.
 00:23:04 --> 00:23:07: So I'll come in Hamlet are both just that your
 00:23:07 --> 00:23:11: operating brands and one is based in the US and
 00:23:11 --> 00:23:14: the other one is based in Asia and Jake.
 00:23:14 --> 00:23:17: I know you joined the company since 2016,
 00:23:17 --> 00:23:19: but the company common starting in 2016.
 00:23:19 --> 00:23:23: How are things changing the past four years?
 00:23:23 --> 00:23:28: How's the Co living sector interrupting the regular residential
 multifamily
 00:23:28 --> 00:23:29: sector?
 00:23:29 --> 00:23:31: Mainly in the US? Right,
 00:23:31 --> 00:23:34: yeah, thank you. So I think you know touching on
 00:23:34 --> 00:23:38: the 1st question that you asked and kind of weaving
 00:23:38 --> 00:23:39: it into that.
 00:23:39 --> 00:23:43: You talk about affordability and I think that that's been
 00:23:43 --> 00:23:46: that's very much a global issue in most major cities
 00:23:47 --> 00:23:48: I've seen around the world.
 00:23:48 --> 00:23:52: Their incomes have not been rising as fast as rents

00:23:52 --> 00:23:53: have been rising,

00:23:53 --> 00:23:56: so the cost to live in cities has outpaced the

00:23:56 --> 00:23:59: amount that people can afford to pay.

00:23:59 --> 00:24:02: And so the idea of living with roommates.

00:24:02 --> 00:24:05: It has been a way for individuals to create a

00:24:05 --> 00:24:09: product for themselves that's more affordable and you know,

00:24:09 --> 00:24:13: common very much didn't invent the idea of living with

00:24:13 --> 00:24:13: roommates.

00:24:13 --> 00:24:17: Rather, our position in the housing market has been to

00:24:17 --> 00:24:22: institutionalized enhance the experience of that for both real estate

00:24:22 --> 00:24:23: developers and for renters,

00:24:23 --> 00:24:27: and that was really how we started was to help

00:24:27 --> 00:24:31: solve the affordability issue through enhanced shared living.

00:24:31 --> 00:24:36: And over the course of that.

00:24:36 --> 00:24:40: Process have really seen that there is an institutional and

00:24:40 --> 00:24:44: a renter appetite for this type of managed product within

00:24:44 --> 00:24:47: the US where I would say that it didn't exist

00:24:47 --> 00:24:50: in the same way before going back to 2016 the

00:24:50 --> 00:24:51: types of developers,

00:24:51 --> 00:24:55: the types of investors and lenders that we were working

00:24:55 --> 00:24:58: with were more family office type as opposed to the

00:24:58 --> 00:25:02: types of developers and investors that we're working with today

00:25:02 --> 00:25:05: which are large global institutions.

00:25:05 --> 00:25:06: And I think there's been a.

00:25:06 --> 00:25:12: Shift in institutional appetite from Class A more luxury multifamily

00:25:12 --> 00:25:14: towards an interest in affordability.

00:25:14 --> 00:25:17: And when I say affordability,

00:25:17 --> 00:25:21: I really mean like targeting the middle of the market

00:25:21 --> 00:25:25: as opposed to continuing to develop Class A multifamily and

00:25:25 --> 00:25:27: a locations in Tier 1 cities.

00:25:27 --> 00:25:32: You're seeing folks start to invest and build in cities

00:25:32 --> 00:25:35: that are more affordable to live in in the US

00:25:35 --> 00:25:36: like Nashville,

00:25:36 --> 00:25:39: Atlanta. Austin

00:25:39 --> 00:25:42: and so.

00:25:42 --> 00:25:45: Affordability is a crucial part of what we do and

00:25:45 --> 00:25:49: what we focus on is providing a top quality experience

00:25:49 --> 00:25:53: that's also affordable to the middle market that's done through

00:25:53 --> 00:25:57: sharing and more broadly, there's just been increased

00:25:57 --> 00:25:58: appetite on
the demand side.

00:25:58 --> 00:26:02: You know where we're seeing about 20,000 plus leads a
month to live in about.

00:26:02 --> 00:26:04: 2000 shared suites that we have open right now and
so I think affordability is a huge challenge.

00:26:07 --> 00:26:10: That cities will continue to face before covid and continuing
afterwards.

00:26:14 --> 00:26:15: It's all based on supply and demand like Nigel was
saying.

00:26:19 --> 00:26:20: And so that's that's something that I think is of
crucial importance to continue to focus on,
especially during covid where people are spending a lot more
time at home.

00:26:20 --> 00:26:23: So having a quality experience at home is important.
We kind of pause there.

00:26:23 --> 00:26:25: Anan. Just emphasize that our focus has been on providing
high quality experiences for people in the home that's also
affordable through shared living.

00:26:25 --> 00:26:29: Yeah, and Rajeev and Asia I know that not only
you know,
you're now creating brand and you're providing high-quality
shared living
in very dense urban centers.

00:26:29 --> 00:26:30: And I also wanted to know a little bit more
about how your resident members interact with each other
and
the kind of platform and opportunities,
common areas that you design and provide for people,
residents to have a more socially connected experience.

00:26:30 --> 00:26:33: Perfect yeah, you know we we operate in some of
the most expensive countries for real estate standpoint per
square
foot.

00:26:33 --> 00:26:34: So from an affordability standpoint and and you know,
creating you know klase experiences.

00:26:34 --> 00:26:39: That's sort of been the key tenants of of what
would Hamlet was founded on in terms of Co living
and the experiences that we set from a social standpoint.
Hammer was built kind of like traditional Thatcher,
but has morphed into, you know,
a set of services in the set of community that
sort of builds around it and so you know pre

00:27:59 --> 00:28:03: covid a lot of emphasis was given to our common
00:28:03 --> 00:28:08: spaces or common areas to make sure that they were.
00:28:08 --> 00:28:10: That they were set up in a way that sort
00:28:10 --> 00:28:14: of pushed collaboration and pushed social interactions and a lot
00:28:14 --> 00:28:18: of our community events were centered within buildings for.
00:28:18 --> 00:28:21: So, for example, we have 12 buildings in Singapore and
00:28:21 --> 00:28:25: each one of them had their own building manager and
00:28:25 --> 00:28:26: event managers post covid.
00:28:26 --> 00:28:29: I think what's changed is the demand in terms of
00:28:29 --> 00:28:33: how we utilize those spaces and so our members are
00:28:33 --> 00:28:34: pushing for more.
00:28:34 --> 00:28:38: You know, coworking type environments within our common
spaces.
00:28:38 --> 00:28:40: As opposed to, you know,
00:28:40 --> 00:28:44: socialization so that they could really create a nice separation
00:28:44 --> 00:28:46: between work and work and home.
00:28:46 --> 00:28:49: And so we're starting to rethink a lot of our
00:28:49 --> 00:28:53: experiences for our members according to what's sort of
transpired
00:28:53 --> 00:28:55: with Covid and in what you know,
00:28:55 --> 00:28:59: the immediate short to medium term future will look like
00:28:59 --> 00:29:00: from a community standpoint.
00:29:00 --> 00:29:04: We've built a ton of digital tools that really help
00:29:04 --> 00:29:08: members socialize and get to know their neighbors to sort
00:29:08 --> 00:29:11: of help combat isolation within urban cities.
00:29:11 --> 00:29:14: And it's especially more important now as you know you
00:29:14 --> 00:29:18: have an exaggerated view on separation or in isolation
throughout
00:29:18 --> 00:29:19: the day,
00:29:19 --> 00:29:22: making sure that your digitally connected to friends,
00:29:22 --> 00:29:25: but also people who are physically in the same space
00:29:25 --> 00:29:26: as you,
00:29:26 --> 00:29:30: is incredibly important in something that we're we're driving
through
00:29:30 --> 00:29:33: our app and through a bunch of our services.
00:29:35 --> 00:29:40: Yeah, so um, I wanted to understand because Greystar is
00:29:40 --> 00:29:44: kind of three entities in one where you're the developer,
00:29:44 --> 00:29:49: investor and operator were asked to call Living Brands
Hamlet
00:29:49 --> 00:29:51: and comment there.
00:29:51 --> 00:29:54: Leading brands in operating Co living properties.
00:29:54 --> 00:29:59: So Co living is it's an operational intensive asset class

00:29:59 --> 00:30:04: and it has certainly changed dynamic between investors developer,

00:30:04 --> 00:30:08: their own building owners. And operators I wanted to see

00:30:08 --> 00:30:12: each speaker's view on how this dynamic has changed.

00:30:12 --> 00:30:16: Also, Jake touched on. The institutional investor has also shifted

00:30:16 --> 00:30:19: interest from multifamily to Co.

00:30:19 --> 00:30:23: Living properties and also how you see going forward is

00:30:23 --> 00:30:28: a key to a successful partnership between all three very

00:30:28 --> 00:30:30: important parties in real estate.

00:30:30 --> 00:30:33: Sure, so maybe I'll start that one off.

00:30:33 --> 00:30:35: I think it goes without saying with it with any

00:30:35 --> 00:30:36: partnership.

00:30:36 --> 00:30:37: Well, actually, first, you know,

00:30:37 --> 00:30:40: we compare it with commercial real estate.

00:30:40 --> 00:30:42: The added, whereas before you may have just had,

00:30:42 --> 00:30:44: you know.

00:30:44 --> 00:30:48: The developer and investor may be a very light touch

00:30:48 --> 00:30:48: operator.

00:30:48 --> 00:30:51: That kind of clip the rent it once you move

00:30:51 --> 00:30:53: into the rental housing space.

00:30:53 --> 00:30:57: It's very different. I think you know the operations side

00:30:58 --> 00:31:01: of things is crucial to value creation.

00:31:01 --> 00:31:02: And So what that means,

00:31:02 --> 00:31:03: I think, is that you know,

00:31:03 --> 00:31:06: investors have to get more comfortable in their sort of

00:31:06 --> 00:31:09: when they do their due diligence processes,

00:31:09 --> 00:31:11: underwriting the capabilities of the operators,

00:31:11 --> 00:31:15: understanding their track records, understanding what really counts for driving

00:31:15 --> 00:31:16: performance,

00:31:16 --> 00:31:19: the operational level it goes without saying with all these

00:31:19 --> 00:31:22: things that people everyone needs to be aligned.

00:31:22 --> 00:31:24: So that doesn't mean just kind of commercially,

00:31:24 --> 00:31:27: but it also means in in terms of the product.

00:31:27 --> 00:31:29: So one of the benefits of working with some like

00:31:29 --> 00:31:31: Grey Star is vertically integrated.

00:31:31 --> 00:31:34: Is that the? You know that you may need different

00:31:34 --> 00:31:37: kind of capital for the development as to what you

00:31:37 --> 00:31:40: actually need for the standing investment.

00:31:40 --> 00:31:42: So you need to get those things aligned as it

00:31:42 --> 00:31:44: relates to the product as well.

00:31:44 --> 00:31:47: So the finished product and the service offering.

00:31:47 --> 00:31:50: So the operations they need to be quite aligned as

00:31:50 --> 00:31:53: well because you know something that I've found since I

00:31:53 --> 00:31:56: moved to Gray started over a year ago is how

00:31:56 --> 00:31:59: specific some of the building requirements are for us or

00:31:59 --> 00:32:02: level of service often a big thing about what we

00:32:02 --> 00:32:02: do.

00:32:02 --> 00:32:04: Is providing people with them in it?

00:32:04 --> 00:32:06: And that's a service thing,

00:32:06 --> 00:32:09: but that also requires space to be configured in a

00:32:09 --> 00:32:10: certain way,

00:32:10 --> 00:32:12: so it's not just a commercial agreement,

00:32:12 --> 00:32:15: the actual product itself needs to be aligned with the

00:32:15 --> 00:32:16: service offering,

00:32:16 --> 00:32:19: and then I think the last thing I would say

00:32:19 --> 00:32:21: is that you know you need to have between the

00:32:21 --> 00:32:25: three of you a shared vision about the platform you're

00:32:25 --> 00:32:28: trying to create, which so we had this with Golden

00:32:28 --> 00:32:30: welcome with the IQ platform.

00:32:30 --> 00:32:32: I think you need to have a shared vision of

00:32:32 --> 00:32:35: operations is something which creates value,

00:32:35 --> 00:32:37: not just. I think you know it can be seen

00:32:37 --> 00:32:40: by some fishing real estate investors perhaps is just in

00:32:40 --> 00:32:42: terms of risk and it's just payroll.

00:32:42 --> 00:32:45: It's just an aggravation, it's just operational risk,

00:32:45 --> 00:32:48: whereas if you look at it from a sale like

00:32:48 --> 00:32:49: Anekwe honest point,

00:32:49 --> 00:32:51: if you maybe how I look at it.

00:32:51 --> 00:32:54: I think you know you have to really describe some

00:32:54 --> 00:32:56: franchise value to the operations,

00:32:56 --> 00:32:59: something that makes the thing worth more than the sum

00:32:59 --> 00:33:00: of its parts.

00:33:00 --> 00:33:04: And that that for investors I think is again slightly

00:33:04 --> 00:33:04: different,

00:33:04 --> 00:33:07: because normally if you looked at portfolio you look at

00:33:07 --> 00:33:10: just the sum of all the red book valuations and

00:33:10 --> 00:33:13: if it was just a just a plain income producing

00:33:13 --> 00:33:16: commercial building, that might be a valid way of looking

00:33:16 --> 00:33:17: at things.

00:33:17 --> 00:33:19: But as it relates to rental housing,

00:33:19 --> 00:33:23: you really have to start attributing value to the operating

00:33:23 --> 00:33:24: platform as well.

00:33:24 --> 00:33:26: I think so really, except dummy alignment,

00:33:26 --> 00:33:30: shared vision and you know shared view of value.

00:33:30 --> 00:33:32: Yeah, I think both are dragon.

00:33:32 --> 00:33:37: Jacob would agree that the networking the network effect of

00:33:37 --> 00:33:41: Co living brand is really one of the most important

00:33:41 --> 00:33:45: negotiation power that the operation though branch pass in this

00:33:45 --> 00:33:49: in this trail and I wanted to hear your your

00:33:49 --> 00:33:54: view and how's how has it been working with developers

00:33:54 --> 00:33:57: and owners in it's in your expansion plan.

00:33:57 --> 00:34:01: And you. We also a question of Jake and if

00:34:01 --> 00:34:04: you can also tell us a bit how important is

00:34:04 --> 00:34:08: the proximity of operator in to the asset and to

00:34:08 --> 00:34:14: be close to the investor in terms of geographic presence.

00:34:14 --> 00:34:17: Great, so happy to tackle both of those and I

00:34:17 --> 00:34:20: want to just also clarify how the Co living world

00:34:20 --> 00:34:24: has evolved in the United States because I think it's

00:34:24 --> 00:34:27: been on a different trajectory than in Europe from a

00:34:27 --> 00:34:30: zoning and regulatory point of view where and also a

00:34:30 --> 00:34:34: user experience and how it's integrated in buildings,

00:34:34 --> 00:34:37: columning has evolved to be a really a unit type

00:34:37 --> 00:34:40: within the broader multifamily umbrella.

00:34:40 --> 00:34:42: Just like you have studios,

00:34:42 --> 00:34:44: one bedroom apartments, 2 bedroom apartments.

00:34:44 --> 00:34:48: You can also have micro units and Co living suites

00:34:48 --> 00:34:48: that.

00:34:48 --> 00:34:50: For us are typically shared suites,

00:34:50 --> 00:34:54: think it's helpful to define what the unit type could

00:34:54 --> 00:34:55: look like.

00:34:55 --> 00:34:58: You know we work with about 11 different unit types

00:34:58 --> 00:35:02: in general that we can implement depending on the zoning

00:35:02 --> 00:35:05: regulatory regulations as well as the.

00:35:05 --> 00:35:08: Preference of the developer and also take into account local

00:35:08 --> 00:35:11: demand and so Co living is very much a unit

00:35:11 --> 00:35:12: type within multifamily,

00:35:12 --> 00:35:15: and that's part of how common has evolved to manage

00:35:15 --> 00:35:19: multifamily properties that incorporate conventional units as well.

00:35:19 --> 00:35:22: Things like studios, one and two bedroom apartments.

00:35:22 --> 00:35:25: So I just wanted to make that distinction so when

00:35:25 --> 00:35:29: I was talking bout institutional capital going towards coliving it's

00:35:29 --> 00:35:33: also going towards traditional multi family in the US.

00:35:33 --> 00:35:36: Housing is a bright spot that seeing increased capital.

00:35:36 --> 00:35:40: Flow and coloring is a subset within that.

00:35:40 --> 00:35:45: Separately, I would say that operations are critically important for

00:35:45 --> 00:35:47: both coliving conventional apartments,

00:35:47 --> 00:35:51: student housing and that there was calm and had the

00:35:51 --> 00:35:55: opportunity to really put together a structure that was different

00:35:56 --> 00:36:00: than conventional operators that we'd seen in the market today.

00:36:00 --> 00:36:03: We did that by bringing in best in class kind

00:36:03 --> 00:36:07: of thought leaders from various different industries,

00:36:07 --> 00:36:10: both within real estate from the Grey Stars.

00:36:10 --> 00:36:15: Related top institutional management world and paired them up with

00:36:15 --> 00:36:18: folks from you know top technology companies,

00:36:18 --> 00:36:23: Facebook, Dropbox, etc. And we retooled how the operations of

00:36:23 --> 00:36:27: a property will work through a combination of centralized teams,

00:36:27 --> 00:36:32: an localized teams and with a high degree of specialization

00:36:32 --> 00:36:32: in roles.

00:36:32 --> 00:36:37: And I'll give you some specific examples that has allowed

00:36:37 --> 00:36:43: us to decrease operating expenses significantly and also increase building

00:36:43 --> 00:36:44: performance.

00:36:44 --> 00:36:48: So we have a centralized hub that we just launched

00:36:48 --> 00:36:49: in Atlanta,

00:36:49 --> 00:36:53: which will house our centralized team going forward and that

00:36:54 --> 00:36:57: will be for roles like member experience,

00:36:57 --> 00:37:02: customer success, inside sales and I'll show that share the

00:37:02 --> 00:37:06: side by side comparison and so with the typical manager

00:37:06 --> 00:37:11: you'll have a leasing specialist who's onsite who's responsible for

00:37:11 --> 00:37:15: marketing a property generating leads.

00:37:15 --> 00:37:18: Fielding leads as they come in scheduling tours,

00:37:18 --> 00:37:22: touring people through properties. Once they get there following up

00:37:22 --> 00:37:22: with them,

00:37:22 --> 00:37:25: signing leases, and working on renewals.

00:37:25 --> 00:37:28: And so anytime that that individual who's at the property

00:37:28 --> 00:37:30: is doing one of those tasks,

00:37:30 --> 00:37:33: it means that they can't do any of the other

00:37:33 --> 00:37:36: ones 'cause you can't do two things at once,

00:37:36 --> 00:37:39: and So what Commons done is we've broken that entire

00:37:39 --> 00:37:42: cycle apart on the leasing side and centralized what we
00:37:42 --> 00:37:45: could and specialized where we could.
00:37:45 --> 00:37:46: And we've used technology to.
00:37:46 --> 00:37:50: Enhance efficiency so we have an inside sales team where
00:37:50 --> 00:37:53: if you apply to live at comment on our website
00:37:53 --> 00:37:55: and you're a qualified,
00:37:55 --> 00:37:59: it's a qualified application. You know around the time that
00:37:59 --> 00:38:01: you want to move and your income levels,
00:38:01 --> 00:38:05: somebody will call you within 5 to 10 minutes and
00:38:05 --> 00:38:09: that lead will get routed through an internal architecture that
00:38:09 --> 00:38:13: we built and customized through Salesforce to land at an
00:38:13 --> 00:38:16: inside sales reps. Kind of top of their funnel so
00:38:16 --> 00:38:17: that they can.
00:38:17 --> 00:38:21: Just sit there and call people all day so they're
00:38:21 --> 00:38:22: calling you too.
00:38:22 --> 00:38:25: Educate you on comments product and also schedule a tour
00:38:25 --> 00:38:26: for you.
00:38:26 --> 00:38:29: The leasing specialist who's on site in Commons model just
00:38:29 --> 00:38:30: tours all day.
00:38:30 --> 00:38:33: Their schedule is booked for them they show up.
00:38:33 --> 00:38:35: They tore people through the building.
00:38:35 --> 00:38:38: We have 1/3 function which is also centralized that the
00:38:38 --> 00:38:42: leasing specialist and the leasing specialist will follow.
00:38:42 --> 00:38:43: Or is a leasing admin.
00:38:43 --> 00:38:46: The leasing admin will follow up with you after your
00:38:46 --> 00:38:50: tour if you've expressed interest in actually signing a lease
00:38:50 --> 00:38:52: and then they'll send you a digital lease.
00:38:52 --> 00:38:54: If you do want to move forward and.
00:38:54 --> 00:38:57: And execute that. They'll run the credit check.
00:38:57 --> 00:38:59: They'll validate you as a potential applicant,
00:38:59 --> 00:39:02: and then if you qualify from income from an income
00:39:02 --> 00:39:04: perspective in credit perspective,
00:39:04 --> 00:39:07: we'll send you a lease that you could sign within
00:39:07 --> 00:39:08: a few minutes on line.
00:39:08 --> 00:39:11: 'cause it's all digital. And then you know you'll move
00:39:11 --> 00:39:14: in to the property and somebody on the Member experience
00:39:14 --> 00:39:17: team will start to engage with you to ensure that
00:39:17 --> 00:39:18: you're having you know, help.
00:39:18 --> 00:39:21: Best ensure you're having a great experience,
00:39:21 --> 00:39:24: and so that's one example of how we've restructured
00:39:24 --> 00:39:27: operations.
00:39:24 --> 00:39:27: In a way that I haven't quite seen other operators

00:39:27 --> 00:39:29: do it that is enhancing the experience in the perform

00:39:29 --> 00:39:32: the experience for the renters in the performance financially of

00:39:32 --> 00:39:36: the buildings and also the experience for the owners of

00:39:36 --> 00:39:39: the properties 'cause we take into account all of those

00:39:39 --> 00:39:39: things.

00:39:39 --> 00:39:43: And so, with respect to Galeana your question about how

00:39:43 --> 00:39:46: important is the proximity to the investor?

00:39:46 --> 00:39:50: This all ties into our strategy around how will roll

00:39:50 --> 00:39:54: out in other international markets and how we roll out

00:39:54 --> 00:39:58: across the cities that were coming to in the United

00:39:58 --> 00:40:00: States.

00:40:00 --> 00:40:04: We will set will set up a similar centralized hub

00:40:04 --> 00:40:04: in Europe.

00:40:04 --> 00:40:06: And that will be across serve.

00:40:06 --> 00:40:08: So we'll have two centralized hubs,

00:40:08 --> 00:40:10: one in Atlanta, one in Europe,

00:40:10 --> 00:40:13: in a place that we have not yet announced.

00:40:13 --> 00:40:17: An those will both cross serve all the properties between

00:40:17 --> 00:40:18: Europe and North America,

00:40:18 --> 00:40:20: and we will have, you know,

00:40:20 --> 00:40:24: a European headquarters that will also have some executive functions

00:40:24 --> 00:40:28: and a number of other functions that are necessary alongside

00:40:28 --> 00:40:29: the centralized teams.

00:40:29 --> 00:40:33: And it allows us to keep staffline at the property

00:40:33 --> 00:40:33: level.

00:40:33 --> 00:40:36: And also you know. So that's important,

00:40:36 --> 00:40:39: but I think you can't have a building and not

00:40:39 --> 00:40:41: have anybody who's on site.

00:40:41 --> 00:40:43: That's not what I'm what I'm suggesting,

00:40:43 --> 00:40:46: but I think we can limit that from cost and

00:40:46 --> 00:40:49: performance perspective in a way that enhances,

00:40:49 --> 00:40:53: enhances the market or in a hint enhances the entire

00:40:53 --> 00:40:55: experience for all stakeholders.

00:40:55 --> 00:40:58: And therefore you know we need less people close to

00:40:58 --> 00:40:59: the asset.

00:40:59 --> 00:41:03: The proximity of the asset to the investor is kind

00:41:03 --> 00:41:07: of more of an investor decision than an operator decision.

00:41:07 --> 00:41:10: And that's how we've been approaching and looking at the

00:41:10 --> 00:41:10: world.

00:41:13 --> 00:41:17: Yeah, and I see how that you're also a venture

00:41:17 --> 00:41:21: backed company and in terms of your venture investors,

00:41:21 --> 00:41:25: venture capital investors and measures in real estate,
00:41:25 --> 00:41:29: the owners developer that you're interacting with.
00:41:29 --> 00:41:34: How's the relationship partnership has been and and was
you
00:41:34 --> 00:41:35: think that?
00:41:35 --> 00:41:38: You know it's a key to success that Hamlet has
00:41:38 --> 00:41:40: been operating in Asia,
00:41:40 --> 00:41:44: and your interaction with the land owners and and the
00:41:44 --> 00:41:45: operational team.
00:41:45 --> 00:41:50: Yep cool, yeah we are venture backed were primarily backed
00:41:50 --> 00:41:52: by Sequoia Capital.
00:41:52 --> 00:41:56: And you know when when Hamlet started in 2016 it
00:41:56 --> 00:41:58: was primarily mom and pops,
00:41:58 --> 00:42:02: renting, renting out their their apartments to us,
00:42:02 --> 00:42:05: and it was leases, you know,
00:42:05 --> 00:42:09: Fast forward to 2020 and we've actually not taken on
00:42:09 --> 00:42:11: a single lease in 2020.
00:42:11 --> 00:42:17: We've on boarded most of our stock through management
contracts
00:42:17 --> 00:42:19: or profit sharing mechanisms.
00:42:19 --> 00:42:22: That sort of been a big innovation.
00:42:22 --> 00:42:24: Or not really an innovation,
00:42:24 --> 00:42:26: but a big shift in in the markets,
00:42:26 --> 00:42:29: in in our part of the world where we're now
00:42:29 --> 00:42:33: focused on essentially driving value from a take rate and
00:42:33 --> 00:42:38: increasing our gross margin in our profitability within our
business.
00:42:38 --> 00:42:40: And then the same for profit.
00:42:40 --> 00:42:43: Share all that's been done to affectively give the you
00:42:43 --> 00:42:44: know,
00:42:44 --> 00:42:48: share profits back to the landlord when things are working
00:42:48 --> 00:42:51: in and and you know when this high volumes but
00:42:51 --> 00:42:55: in D risking our platform from an occupancy standpoint so
00:42:55 --> 00:42:58: we don't know. Unger have occupancy risk in the in
00:42:58 --> 00:43:01: the business and so covid can happen and it won't
00:43:01 --> 00:43:05: really drive too much of a material change or shift
00:43:05 --> 00:43:09: in. In our business, our unit economics what we've found
00:43:09 --> 00:43:12: through Covid from you know the beginning of this year
00:43:12 --> 00:43:16: through now is that landlords are looking at more innovative
00:43:16 --> 00:43:18: ways to market their property,
00:43:18 --> 00:43:22: specifically in the service apartment asset class in the hotel
00:43:23 --> 00:43:25: asset class where they're trying to,
00:43:25 --> 00:43:29: you know, forsake yield for long term cash flow.

00:43:29 --> 00:43:32: So they don't mind less points on a per day
00:43:32 --> 00:43:35: average spend for longer term spend cycles,
00:43:35 --> 00:43:39: right? And so we're seeing a lot of properties come
00:43:39 --> 00:43:42: our way that used to be hotels who used to
00:43:42 --> 00:43:46: be serviced apartments that now want to be reconfigured to
00:43:46 --> 00:43:50: Co living or living in general.
00:43:50 --> 00:43:52: And what's really cool about those deals is,
00:43:52 --> 00:43:55: you know the landlord is willing to put in the
00:43:55 --> 00:43:58: yields the CapEx of the apartment in order to drive
00:43:58 --> 00:43:59: some of this change.
00:43:59 --> 00:44:02: And so that's been a massive shift in terms of
00:44:02 --> 00:44:06: our relationships with our landlords over over the last three
00:44:06 --> 00:44:07: or four years,
00:44:07 --> 00:44:09: but especially in the last six months.
00:44:12 --> 00:44:16: OK so I have one last question before I open
00:44:17 --> 00:44:20: the floor to the audience.
00:44:20 --> 00:44:23: We in the beginning of the poll.
00:44:23 --> 00:44:25: Our audience think that in the future,
00:44:25 --> 00:44:29: because of the pandemic, our our desire to live in
00:44:29 --> 00:44:33: urban center will decrease and I wanted to know from
00:44:33 --> 00:44:34: your experience,
00:44:34 --> 00:44:39: especially dealing with the design of the new spaces.
00:44:39 --> 00:44:43: Has it been any materialized changes that you are going
00:44:43 --> 00:44:47: to implement in your new projects to make sure that
00:44:47 --> 00:44:51: people feel more comfortable living in the city center offer
00:44:51 --> 00:44:54: more space? Is space to work from home and also
00:44:54 --> 00:44:58: space to outdoor space for people to feel less.
00:44:58 --> 00:45:03: You know, trapped when there when they they cannot leave
00:45:03 --> 00:45:05: their houses.
00:45:05 --> 00:45:07: Yes, it maybe I'll start with this piece of examples
00:45:07 --> 00:45:08: out.
00:45:08 --> 00:45:11: There were some questions there on sort of densification as
00:45:11 --> 00:45:11: well.
00:45:11 --> 00:45:13: I think like you know,
00:45:13 --> 00:45:15: I've read a lot of articles in the newspapers about
00:45:15 --> 00:45:18: this idea that we're going to move to the country,
00:45:18 --> 00:45:20: but the I think the problem we face,
00:45:20 --> 00:45:23: particularly Europe, is that you know as things stood as
00:45:23 --> 00:45:24: they were,
00:45:24 --> 00:45:27: there was a shortage of housing where everyone lived.
00:45:27 --> 00:45:28: At this point in time,
00:45:28 --> 00:45:31: there's certainly not the capacity for everyone to suddenly

move

00:45:32 --> 00:45:32: to the country.

00:45:32 --> 00:45:35: So I take the point that there is.

00:45:35 --> 00:45:38: Increasing demand to live, perhaps a little bit further out

00:45:38 --> 00:45:40: of town or perhaps in the suburbs.

00:45:40 --> 00:45:43: But I think that adjustment will happen in valuation.

00:45:43 --> 00:45:47: It won't actually change. I think where people live and

00:45:47 --> 00:45:47: you know,

00:45:47 --> 00:45:51: there's there's lots of other sort of interesting things from

00:45:51 --> 00:45:52: sort of history.

00:45:52 --> 00:45:55: I mean, this, this pandemic is certainly the the worst

00:45:55 --> 00:45:57: for a very long time,

00:45:57 --> 00:46:00: but you look at the you know the rapid urbanization

00:46:00 --> 00:46:01: of the United States,

00:46:01 --> 00:46:05: particularly NYC that came after the 191918 flu.

00:46:05 --> 00:46:08: And in some Italian city states they sort of densified

00:46:08 --> 00:46:10: like after after the playground.

00:46:10 --> 00:46:13: So I don't think that I wouldn't call it like

00:46:13 --> 00:46:14: the end of the city,

00:46:14 --> 00:46:16: but I think they just meant evaluation.

00:46:16 --> 00:46:19: I think that people are going to be more concerned

00:46:19 --> 00:46:20: now about.

00:46:20 --> 00:46:23: I mean I guess there are two things to really

00:46:23 --> 00:46:23: consider.

00:46:23 --> 00:46:26: Firstly is like the actual practical requirements.

00:46:26 --> 00:46:29: Now working from home. So for us,

00:46:29 --> 00:46:33: what that means is we're thinking more about.

00:46:33 --> 00:46:36: The we have standard furniture packs for a lot of

00:46:36 --> 00:46:39: our buildings and we're thinking now about or how can

00:46:39 --> 00:46:42: we change those furniture packs within the layouts that we

00:46:42 --> 00:46:46: have so that there's always you know adequate workspace

00:46:46 --> 00:46:49: within

00:46:46 --> 00:46:49: the apartment itself and then in the common areas like

00:46:49 --> 00:46:50: the residents.

00:46:50 --> 00:46:53: Lounge is how can we make those more friendly places

00:46:53 --> 00:46:56: to live the other thing to work sorry the other

00:46:56 --> 00:46:57: thing so for myself.

00:46:57 --> 00:47:00: I live in a large apartment building is I think

00:47:00 --> 00:47:03: when you're cooped up in your flat on sort of.

00:47:03 --> 00:47:05: Webinars an all day long you kind of want some

00:47:05 --> 00:47:09: outdoor space and certainly seen a lot more folks venture

00:47:09 --> 00:47:11: outside into the communal areas.

00:47:11 --> 00:47:13: But in order to have the confidence to do that
 00:47:13 --> 00:47:16: so we have things like resident lounges,
 00:47:16 --> 00:47:19: gyms, and stuff that you need to have much more
 00:47:19 --> 00:47:21: like scene is having Hans cleaning.
 00:47:21 --> 00:47:24: You need to have much more attention on those kinds
 00:47:24 --> 00:47:26: of things and then as well some of the social
 00:47:26 --> 00:47:28: activities that we always do.
 00:47:28 --> 00:47:31: Our community managers run. Those are things are a
 welcome
 00:47:31 --> 00:47:34: relief to people that are sort of working.
 00:47:34 --> 00:47:36: At home and during this pandemic,
 00:47:36 --> 00:47:39: but again, we've had to rethink those a little.
 00:47:39 --> 00:47:42: So in one nice example we've got is we used
 00:47:42 --> 00:47:45: to do things like cinema nights and drinks and pizza
 00:47:45 --> 00:47:47: nights and stuff like that.
 00:47:47 --> 00:47:51: But now somebody developments. We have more outdoor
 activities like
 00:47:51 --> 00:47:55: nature walks at some of Arsenal buildings at the edge
 00:47:55 --> 00:47:55: of London,
 00:47:55 --> 00:47:58: even things like watercolor classes,
 00:47:58 --> 00:48:01: things which you can, which can be done to build
 00:48:01 --> 00:48:02: the community,
 00:48:02 --> 00:48:04: but in a sort socially distance way,
 00:48:04 --> 00:48:06: an environment that's. Hygiene it,
 00:48:06 --> 00:48:08: but people are confident they can.
 00:48:08 --> 00:48:12: They can cohabit with other people so there's a kind
 00:48:12 --> 00:48:16: of headlines of how we thought about managing the
 pandemic
 00:48:16 --> 00:48:17: in the short term.
 00:48:20 --> 00:48:23: Yeah, and I also know that the Co living brands
 00:48:23 --> 00:48:26: are focusing on how to provide enough for a good
 00:48:26 --> 00:48:29: living condition with very limited spaces,
 00:48:29 --> 00:48:32: so I wanted to hear both of your opinion on
 00:48:32 --> 00:48:36: how the design is changing in the future and housing
 00:48:36 --> 00:48:39: requirements of your residence been changing.
 00:48:39 --> 00:48:42: Yeah, so you know 4 first Singapore we.
 00:48:42 --> 00:48:46: We don't have the luxury of the countryside it's it's
 00:48:46 --> 00:48:49: kind of old City and the same could be said
 00:48:49 --> 00:48:50: for Hong Kong in Tokyo.
 00:48:50 --> 00:48:54: But for city cities where we are for example Sydney,
 00:48:54 --> 00:48:58: where where there is a countryside we are taking starting
 00:48:58 --> 00:49:01: to take that into account a little bit.
 00:49:01 --> 00:49:04: Although I do think that you know the audiences is

00:49:04 --> 00:49:06: sort of a short term sentiment,
00:49:06 --> 00:49:10: not necessarily a long term view.
00:49:10 --> 00:49:12: In terms of what we're doing,
00:49:12 --> 00:49:14: you know within our spaces we haven't.
00:49:14 --> 00:49:16: We haven't been, you know,
00:49:16 --> 00:49:20: we haven't gotten feedback yet that you know the spaces
00:49:20 --> 00:49:23: are small or or or you know folks you know
00:49:23 --> 00:49:24: folks need to.
00:49:24 --> 00:49:26: You know need need more space.
00:49:26 --> 00:49:29: All of a sudden they're living the exact same place,
00:49:29 --> 00:49:33: but what we have been told as I highlighted earlier,
00:49:33 --> 00:49:34: is.
00:49:34 --> 00:49:37: If they're going to be spending most of their time
00:49:37 --> 00:49:38: in the building,
00:49:38 --> 00:49:41: they'd like to be able to separate the place that
00:49:41 --> 00:49:44: they work from the place that they live without actually
00:49:44 --> 00:49:44: living,
00:49:44 --> 00:49:47: leaving the community, or leaving the building.
00:49:47 --> 00:49:51: And so we're working to retool our common spaces to
00:49:51 --> 00:49:54: allow for a lot more work in collaboration.
00:49:54 --> 00:49:56: Bumping up Wi-Fi. Doing a bunch of other things too
00:49:56 --> 00:49:59: to make sure that's a really good user experience while
00:49:59 --> 00:50:02: staying safe and staying isolated for for the most part.
00:50:02 --> 00:50:04: So that's something that we are actively working on.
00:50:09 --> 00:50:11: Great, happy to jump in falling Rajeev.
00:50:11 --> 00:50:14: So yeah I think just to echo what Riggi was
00:50:14 --> 00:50:15: saying.
00:50:15 --> 00:50:18: It's important to 1st consider what kind of data we're
00:50:18 --> 00:50:19: getting today.
00:50:19 --> 00:50:23: From the demand side in the United States where we
00:50:23 --> 00:50:26: have properties open in about 9 different markets at the
00:50:26 --> 00:50:30: moment and will be launching a couple others before the
00:50:30 --> 00:50:33: end of the year and to date we haven't seen
00:50:33 --> 00:50:36: a drop off at all in demand for either.
00:50:36 --> 00:50:39: You know common managers like I was saying a bunch
00:50:39 --> 00:50:39: of.
00:50:39 --> 00:50:43: A number of different unit types ranging from micro units,
00:50:43 --> 00:50:46: conventional apartments to shared suites,
00:50:46 --> 00:50:48: and we haven't seen a drop off across any of
00:50:48 --> 00:50:53: those unit typology's we've actually seen demand increase
00:50:53 --> 00:50:55: significantly for
units that are more affordable,

00:50:55 --> 00:50:59: as there's potentially more economic.

00:50:59 --> 00:51:03: The economic downturn is definitely hit number of different folks

00:51:03 --> 00:51:07: and pushed more people who were stretching for the top

00:51:07 --> 00:51:09: of the market into the middle of the market.

00:51:09 --> 00:51:13: The middle of the market was already underserved and just

00:51:13 --> 00:51:14: some data.

00:51:14 --> 00:51:16: As an example, in June of this year,

00:51:16 --> 00:51:19: we signed the largest number of leases we've ever signed

00:51:19 --> 00:51:22: in a month over 250 leases between,

00:51:22 --> 00:51:26: you know we're getting. Consistently over 20,000 leads a month

00:51:26 --> 00:51:27: to live in.

00:51:27 --> 00:51:30: You know, total portfolio about 3000 units that are mostly

00:51:30 --> 00:51:31: stabilized assets,

00:51:31 --> 00:51:35: so there's only a small handful of available units at

00:51:35 --> 00:51:36: any in any given month,

00:51:36 --> 00:51:39: so demand is well outstripping supply.

00:51:39 --> 00:51:42: That's increased from an average of about 15,000 a month

00:51:42 --> 00:51:43: in 2019,

00:51:43 --> 00:51:46: so demands wrapped. It ramped up the ability to sign

00:51:46 --> 00:51:46: leases,

00:51:46 --> 00:51:49: has ramped up that's across micro units,

00:51:49 --> 00:51:52: conventional apartments and shared suites.

00:51:52 --> 00:51:54: I think a big part of that has come down

00:51:54 --> 00:51:59: to the thoughtful design that has already been incorporated into

00:51:59 --> 00:51:59: the unit.

00:51:59 --> 00:52:03: We have an inhouse design and architecture team of about

00:52:03 --> 00:52:07: 20 to 30 different architects who have been working with

00:52:07 --> 00:52:10: us for a period of time with various different feedback

00:52:10 --> 00:52:14: loops incorporated between our operations and leasing team in our

00:52:15 --> 00:52:18: Member experience team back to the design team that we've

00:52:18 --> 00:52:22: rolled into set of brand standards to ensure that any

00:52:22 --> 00:52:26: development that gets built that Carmen is going to manage

00:52:26 --> 00:52:29: incorporates a great bridge between.

00:52:29 --> 00:52:33: Density and economics, as well as the member experience.

00:52:33 --> 00:52:37: What were what were we are incorporating going forward and

00:52:37 --> 00:52:40: where anything has changed is around,

00:52:40 --> 00:52:44: you know? Probably more of an emphasis on what we've

00:52:44 --> 00:52:48: been doing in the past and making it bigger with

00:52:48 --> 00:52:51: respect to community space outside of the units,
 00:52:51 --> 00:52:55: we've always been of the mind that affordability is the
 00:52:55 --> 00:52:59: best amenity and that people come to comment for the
 00:52:59 --> 00:53:00: affordability,
 00:53:00 --> 00:53:04: but they stay for the community and the convenience,
 00:53:04 --> 00:53:06: and so emphasizing you know,
 00:53:06 --> 00:53:10: Community spaces that are built for working at home is
 00:53:10 --> 00:53:12: really important.
 00:53:12 --> 00:53:13: We were already doing that,
 00:53:13 --> 00:53:16: but now what if we have a choice between making
 00:53:16 --> 00:53:20: the gym bigger or making the shared workspace bigger and
 00:53:20 --> 00:53:24: we will perhaps consider more leaning towards shared
 workspace and
 00:53:24 --> 00:53:29: then designing with flexibility in mind is also important
 because
 00:53:29 --> 00:53:32: you know you want to be able to manipulate the
 00:53:32 --> 00:53:36: space to serve multiple functions like a clubhouse lounge that
 00:53:36 --> 00:53:39: you would feel comfortable having a dinner party in,
 00:53:39 --> 00:53:42: but then also working in during the day and.
 00:53:42 --> 00:53:44: With respect to like bigger picture,
 00:53:44 --> 00:53:48: are we changing unit type apologies and seeing big changes
 00:53:48 --> 00:53:51: and design for projects that are still under development two
 00:53:51 --> 00:53:55: to four years away from being delivered haven't really seen
 00:53:55 --> 00:53:58: that yet, and I think that you know not not
 00:53:58 --> 00:54:02: in the States and not in the projects that I've
 00:54:02 --> 00:54:03: been involved in.
 00:54:03 --> 00:54:07: Not, you know. I think folks are still assuming that
 00:54:07 --> 00:54:08: we are going to.
 00:54:08 --> 00:54:11: Move past Covid from a building design perspective,
 00:54:11 --> 00:54:15: you know, at least in the residential projects that I've
 00:54:15 --> 00:54:15: seen,
 00:54:15 --> 00:54:19: have not yet seen like big sweeping change to account
 00:54:19 --> 00:54:22: for something that exists today that I think we're all
 00:54:22 --> 00:54:25: hoping will not be a part of our story for
 00:54:25 --> 00:54:27: so much longer. Yeah, Jake guys,
 00:54:27 --> 00:54:32: very interesting perspective. We've all talked just about the
 inner
 00:54:32 --> 00:54:34: the spaces and how they're gonna change in,
 00:54:34 --> 00:54:37: uh, from inside out and the design.
 00:54:37 --> 00:54:39: We just got a question from the audience.
 00:54:39 --> 00:54:42: Asking the panel of what is the ideal location for
 00:54:42 --> 00:54:43: was in the city.
 00:54:43 --> 00:54:46: Doesn't need to be a city center Ridge.

00:54:46 --> 00:54:48: If you're you're you are in the city.

00:54:48 --> 00:54:50: You said you most of your properties are in the

00:54:50 --> 00:54:51: city.

00:54:51 --> 00:54:54: How do you choose your locations?

00:54:54 --> 00:54:57: I will choose our locations based off the data of

00:54:57 --> 00:55:00: leads that we're getting on a monthly basis.

00:55:00 --> 00:55:03: So similar to common, we get about 1516 thousand leads

00:55:03 --> 00:55:06: a month and there for various locations,

00:55:06 --> 00:55:09: some of which you know we have quite a bit

00:55:09 --> 00:55:10: of which we don't have,

00:55:10 --> 00:55:14: which is actually help us pivot into this living platform.

00:55:14 --> 00:55:18: But that's essentially how we start to build data around

00:55:18 --> 00:55:19: around our locations.

00:55:19 --> 00:55:22: I'd say it was very easy to start with the

00:55:22 --> 00:55:23: city center,

00:55:23 --> 00:55:27: but as as. Folks are looking for more affordable housing

00:55:27 --> 00:55:31: and we're not changing our typographies on on the unit

00:55:31 --> 00:55:31: types.

00:55:31 --> 00:55:36: You know, location helps bring affordability into into greater

00:55:36 --> 00:55:38: emphasis

00:55:38 --> 00:55:41: and and perspective,

00:55:41 --> 00:55:43: and so we're not necessarily relegated to the city.

00:55:43 --> 00:55:48: So in Singapore, for example,

00:55:48 --> 00:55:49: you've got the central business district where the majority of

00:55:49 --> 00:55:53: our locations are based,

00:55:53 --> 00:55:57: but we're starting to move out of that into,

00:55:57 --> 00:56:01: you know, more affordable. Locations that are 1015 twenty

00:56:01 --> 00:56:03: 30

00:56:03 --> 00:56:08: kilometers away from are from the sense from the center

00:56:08 --> 00:56:12: but offer the exact same experience.

00:56:12 --> 00:56:12: The exact same community and the exact same service.

00:56:12 --> 00:56:15: Yeah, we've seen a few questions from the audience to

00:56:15 --> 00:56:20: Rob,

00:56:20 --> 00:56:21: can you? We should move this to Q&A.

00:56:21 --> 00:56:24: Thanks gives you. Yeah, I think too since we're limited

00:56:24 --> 00:56:28: on time,

00:56:28 --> 00:56:33: I'm going to just skip around with the questions.

00:56:33 --> 00:56:34: The first one is how many works.

00:56:34 --> 00:56:38: And the questions in the poll we had the attendees

00:56:38 --> 00:56:42: respond.

00:56:42 --> 00:56:44: That was about 20 people.

00:56:44 --> 00:56:46: Next we have a question of regulation.

00:56:42 --> 00:56:48: In Europe, is a different zoning and regulations that vary
00:56:48 --> 00:56:51: from country to country.
00:56:51 --> 00:56:53: Could be a problem. Is it just a matter of
00:56:53 --> 00:56:57: time till the market absorbs the co living concept?
00:56:59 --> 00:57:02: Yeah, panelists could address that.
00:57:02 --> 00:57:03: I could take that. I mean,
00:57:03 --> 00:57:07: I've been spending about the last 18 months really
00:57:07 --> 00:57:11: focused on European expansion for comment and was
00:57:11 --> 00:57:14: actually going
00:57:14 --> 00:57:18: to move to London in March of 2020 to launch
00:57:18 --> 00:57:21: our European headquarters there. And so I've seen
00:57:21 --> 00:57:25: regulations in
00:57:25 --> 00:57:28: a number of different markets and it is one of
00:57:28 --> 00:57:31: the biggest differences between Europe and America is how
00:57:31 --> 00:57:34: the
00:57:34 --> 00:57:38: regulatory environment has evolved in the US,
00:57:38 --> 00:57:41: Carmen has projects and pipeline coming online in 20.
00:57:41 --> 00:57:43: Over 20 cities, not one of those cities,
00:57:43 --> 00:57:46: has specific regulation for Co living like I was saying
00:57:46 --> 00:57:49: before,
00:57:49 --> 00:57:52: Coliving hat is very much a unit type within the
00:57:52 --> 00:57:54: multifamily umbrella,
00:57:54 --> 00:57:57: both from a zoning and regulations standpoint,
00:57:57 --> 00:58:01: and from a like unit fundamental standpoint,
00:58:01 --> 00:58:05: and so that's been the case in the United States.
00:58:05 --> 00:58:06: What you've seen in Europe,
00:58:06 --> 00:58:11: and I think this speaks to the launch of some
00:58:11 --> 00:58:13: of the 1st and largest coliving schemes in Europe you
00:58:13 --> 00:58:19: had.
00:58:19 --> 00:58:22: You had a product type that lean towards a micro
00:58:22 --> 00:58:26: unit,
00:58:26 --> 00:58:30: something very small compared to a conventional apartment
00:58:30 --> 00:58:34: that was
00:58:34 --> 00:58:37: also leased on a nightly basis,
00:58:37 --> 00:58:40: and so that looks quite different fundamentally from
00:58:40 --> 00:58:44: multifamily unit,
00:58:44 --> 00:58:48: and so it seems like that was that's my impression
00:58:48 --> 00:58:52: of part of why Co living in Europe has evolved
00:58:52 --> 00:58:56: to require special zoning and a special use class for
00:58:56 --> 00:59:00: that type of that. Product type within the Coliving umbrella
00:59:00 --> 00:59:04: and I do think that it is one of the
00:59:04 --> 00:59:08: challenges of Co living expanding across Europe,
00:59:08 --> 00:59:12: but it's something that we've started to see some real

00:58:44 --> 00:58:46: progress in movement on,
 00:58:46 --> 00:58:50: particularly in London where official I haven't yet seen official
 00:58:50 --> 00:58:53: planning guidance or not guidance,
 00:58:53 --> 00:58:57: but official planning policy for Co living there is guidance
 00:58:57 --> 00:58:57: available,
 00:58:57 --> 00:59:02: but different boroughs have started to approve housing
 schemes.
 00:59:02 --> 00:59:05: For Co living as opposed to like say,
 00:59:05 --> 00:59:08: a sweet generous type zoning class and I think that
 00:59:08 --> 00:59:11: that's something that's going to continue,
 00:59:11 --> 00:59:15: you know. And then other markets in Europe are certainly
 00:59:15 --> 00:59:17: interested in building for Co living,
 00:59:17 --> 00:59:20: and I've seen a number of schemes that have been
 00:59:20 --> 00:59:24: approved as well across a number of different countries.
 00:59:24 --> 00:59:26: So it's starting. It's an issue,
 00:59:26 --> 00:59:30: but I think it's getting better.
 00:59:30 --> 00:59:33: Thank you Jake. One more quick question.
 00:59:33 --> 00:59:35: We can try to grab.
 00:59:35 --> 00:59:39: Are there any opportunities that you see in either specifically
 00:59:39 --> 00:59:44: hotel conversion or possibly the purchase properties under
 replacement costs
 00:59:44 --> 00:59:47: so you see out there in the market?
 00:59:50 --> 00:59:53: Certainly, so it is something that I know aren't or
 00:59:53 --> 00:59:57: design team have looked at and hotels are certainly that
 00:59:57 --> 00:59:58: it there's there's.
 00:59:58 --> 01:00:01: It's feasible. It's saying saying we looked at you would
 01:00:01 --> 01:00:05: think that I'm think further down the line there might
 01:00:05 --> 01:00:08: be some distressed opportunities where you can get it kind
 01:00:08 --> 01:00:12: of below replacement cost. So that's something we've we've
 looked
 01:00:12 --> 01:00:13: at in passing.
 01:00:13 --> 01:00:17: There haven't been any opportunities have come forward as
 yet,
 01:00:17 --> 01:00:19: but maybe that's a matter of time.
 01:00:19 --> 01:00:23: Um and I mean I saw wonder myself actually like
 01:00:23 --> 01:00:28: just I was cycling around central London yesterday.
 01:00:28 --> 01:00:31: Whether we start looking at commercial real estate as well,
 01:00:31 --> 01:00:34: I know that.
 01:00:34 --> 01:00:37: Example like in the US Brookfield for one who certainly
 01:00:37 --> 01:00:41: looked at converting retail so shopping centers to residential,
 01:00:41 --> 01:00:43: which sounds pretty crazy now,
 01:00:43 --> 01:00:46: but I think if you said to people in Brooklyn
 01:00:46 --> 01:00:49: or New York 3040 years ago that we be converting

01:00:49 --> 01:00:52: warehouses into multi million pound apartments,
01:00:52 --> 01:00:56: they think we're equally crazy then I think there's the
01:00:56 --> 01:00:59: whole you know this really goes to the heart of
01:00:59 --> 01:01:01: what the UI is is about.
01:01:01 --> 01:01:03: This whole pandemic really throws into question,
01:01:03 --> 01:01:06: I think like the best and highest use of urban
01:01:06 --> 01:01:06: land,
01:01:06 --> 01:01:08: and I think so in answer the question,
01:01:08 --> 01:01:10: yes, we looked at hotel,
01:01:10 --> 01:01:14: but I think there's other sectors to look at as
01:01:14 --> 01:01:15: well.
01:01:15 --> 01:01:18: Yeah, from a from a hundreds standpoint.
01:01:18 --> 01:01:22: Um, you know our. We're almost exclusively looking at hotel
01:01:22 --> 01:01:23: conversions,
01:01:23 --> 01:01:27: service Department conversions, and even commercial car
car park spaces
01:01:28 --> 01:01:31: that are now being reutilized as well as other commercial
01:01:32 --> 01:01:32: spaces.
01:01:32 --> 01:01:36: And so there's quite a bit of reproach repurposing that
01:01:36 --> 01:01:39: could be done to drive efficiency in terms of real
01:01:39 --> 01:01:43: estate while keeping pricing low in central air.
01:01:43 --> 01:01:46: So there's quite a bit of that activity.
01:01:46 --> 01:01:46: At least in Asia.
01:01:49 --> 01:01:53: Thank you, thanks, both of you considering the time.
01:01:53 --> 01:01:55: I think we have to wrap things up.
01:01:55 --> 01:01:59: I want to 1st thank our speakers for providing their
01:01:59 --> 01:02:05: insights today and really it's residential is an interesting
sector
01:02:05 --> 01:02:08: which will see how it progress is going forward.
01:02:08 --> 01:02:12: Secondly they keep an eye out to everybody.
01:02:12 --> 01:02:15: Keep an eye out for future next programs.
01:02:15 --> 01:02:19: In September there's gonna be a technology.
01:02:19 --> 01:02:22: Next program coming up. The date hasn't been set yet,
01:02:22 --> 01:02:25: but it should be set shortly.
01:02:25 --> 01:02:30: Thanks everyone, have a great have a great day and
01:02:30 --> 01:02:31: be safe.
01:02:31 --> 01:02:33: Thanks very much. Thank you,
01:02:33 --> 01:02:35: thank you. Take care.

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