

# Webinar

## Real Estate???'s Pandemic Year

Date: March 31, 2021

00:00:04 --> 00:00:07: I'm Rachel mcCleery. I'm senior vice president for you allies,  
 00:00:07 --> 00:00:12: building healthy places initiative and I'm pleased to welcome you  
 00:00:12 --> 00:00:13: to this webinar.  
 00:00:13 --> 00:00:16: It's hard to believe, but almost exactly a year ago  
 00:00:16 --> 00:00:17: today,  
 00:00:17 --> 00:00:20: you will, I held its first coronavirus webinar dubs,  
 00:00:20 --> 00:00:24: confronting COVID-19, we thought to help you align Members and  
 00:00:24 --> 00:00:26: others navigate the ongoing crisis.  
 00:00:26 --> 00:00:28: The world was shutting down.  
 00:00:28 --> 00:00:31: An real estate leaders were asking what they needed to  
 00:00:31 --> 00:00:34: do to help slow the spread of the virus and  
 00:00:34 --> 00:00:38: trying to understand the ongoing impacts on their businesses and  
 00:00:38 --> 00:00:41: their cities. And today we are one year in many  
 00:00:41 --> 00:00:45: of us have been working remotely for over a year.  
 00:00:45 --> 00:00:48: We're navigating shuttered schools and daycares.  
 00:00:48 --> 00:00:52: We've donned masks, upgraded ventilation and filtration systems in our  
 00:00:52 --> 00:00:53: buildings,  
 00:00:53 --> 00:00:55: offered rent concessions to tenants,  
 00:00:55 --> 00:00:58: and sought respite in the outdoors.  
 00:00:58 --> 00:01:03: And many people, like myself,  
 00:01:03 --> 00:01:04: have lost friends and family members and loved ones to  
 00:01:04 --> 00:01:06: this virus.  
 00:01:06 --> 00:01:11: In the summer of last year,  
 00:01:11 --> 00:01:14: protests for racial justice barked needed conversations about systemic racism  
 00:01:14 --> 00:01:14: and about the role of the real estate industry and

00:01:14 --> 00:01:17: perpetuating systemic inequality and what needs to be done to  
00:01:17 --> 00:01:20: move the country in the industry forward.  
00:01:20 --> 00:01:22: So it's been a year of change,  
00:01:22 --> 00:01:25: an upheaval today vaccines are on the horizon,  
00:01:25 --> 00:01:27: an in arms, and in some cities life is almost  
00:01:28 --> 00:01:28: back to normal.  
00:01:28 --> 00:01:31: So this web and R is providing an opportunity for  
00:01:32 --> 00:01:32: reflection,  
00:01:32 --> 00:01:36: for thinking through the impacts of the past year on  
00:01:36 --> 00:01:38: the industry and on communities.  
00:01:38 --> 00:01:40: And where we are going from here.  
00:01:40 --> 00:01:44: So welcome, we're glad you've joined us today and let's  
00:01:44 --> 00:01:44: begin.  
00:01:44 --> 00:01:48: Next slide. This webinar is organized by the Urban Land  
00:01:48 --> 00:01:52: Institute Research you'll I as a research and education  
nonprofit  
00:01:52 --> 00:01:55: dedicated to shaping the future of the built environment for  
00:01:55 --> 00:01:58: transformative impact in communities worldwide.  
00:01:58 --> 00:02:01: Long time you will, I members will note that we've  
00:02:01 --> 00:02:04: changed our mission statement and for those of you who  
00:02:04 --> 00:02:05: are new to you,  
00:02:05 --> 00:02:07: well, I welcome we're glad you're here.  
00:02:07 --> 00:02:10: The Web and R is being recorded and will share  
00:02:10 --> 00:02:13: a recording with all participants and on our website.  
00:02:13 --> 00:02:17: We're also planning and urban land article summarizing  
insights from  
00:02:17 --> 00:02:18: the web and R.  
00:02:18 --> 00:02:21: Please use the Q&A box rather than the chat for  
00:02:21 --> 00:02:22: questions.  
00:02:22 --> 00:02:25: You can also up vote questions in the Q&A that  
00:02:25 --> 00:02:26: you like.  
00:02:26 --> 00:02:30: Next, slide and please continue to introduce yourself using  
the  
00:02:30 --> 00:02:31: chat function,  
00:02:31 --> 00:02:35: so I manage the building healthy places initiative which is  
00:02:35 --> 00:02:37: working to health and social equity.  
00:02:37 --> 00:02:40: Mainstream considerations in real estate practice.  
00:02:40 --> 00:02:45: We do this by cultivating champions for HealthEquity driving  
industry,  
00:02:45 --> 00:02:50: change towards health and social equity and making  
communities healthier.  
00:02:50 --> 00:02:53: And more equitable. Next slide.

00:02:53 --> 00:02:56: We hope you'll check out our three new reports hot  
00:02:56 --> 00:02:58: off the virtual presses,  
00:02:58 --> 00:03:01: the pandemic, and the public realm explores how cities are  
00:03:01 --> 00:03:05: adapting public spaces in an era of social distancing,  
00:03:05 --> 00:03:09: small vehicles, big impact highlights how developers and  
cities are  
00:03:09 --> 00:03:13: maximizing the benefits of micro mobility and change for  
good.  
00:03:13 --> 00:03:16: Summarizes a two year long partnership on Health with You  
00:03:16 --> 00:03:18: Alive District councils.  
00:03:18 --> 00:03:22: Next slide. And now I'm pleased to introduce our esteemed  
00:03:22 --> 00:03:23: moderator for today,  
00:03:23 --> 00:03:27: Collette English Dixon. Collette is executive director of the  
Marshall  
00:03:27 --> 00:03:31: Bennett Institute of Real Estate at Roosevelt University in  
Chicago.  
00:03:31 --> 00:03:35: She has more than 30 years and investment management  
with  
00:03:35 --> 00:03:37: a focus on commercial real estate investing.  
00:03:37 --> 00:03:40: Her experience also includes property development,  
00:03:40 --> 00:03:44: an asset management prior to her current role at Roosevelt  
00:03:44 --> 00:03:44: University.  
00:03:44 --> 00:03:48: She was executive director for transactions at PGM Real  
Estate,  
00:03:48 --> 00:03:52: formerly known as PREI a business unit of Prudential  
Financial  
00:03:53 --> 00:03:57: and a Co leader of Peoria's National Investment dispositions  
program,  
00:03:57 --> 00:04:00: Collette. Please take it away.  
00:04:00 --> 00:04:03: Thanks Rachel, so happy to be here and so glad  
00:04:03 --> 00:04:05: to see so many people from you all.  
00:04:05 --> 00:04:09: I joining us for this very timely and interesting topic.  
00:04:09 --> 00:04:11: I want to take a second and just kind of  
00:04:11 --> 00:04:14: give you a little bit of the lay of the  
00:04:14 --> 00:04:17: land here first to introduce our speakers first.  
00:04:17 --> 00:04:21: Mary ledgin. Mary is is the senior managing director and  
00:04:21 --> 00:04:24: director of Global Investment Research for Heitmann.  
00:04:24 --> 00:04:26: She is a partner in the firm and holds a  
00:04:27 --> 00:04:28: seat on its investment,  
00:04:28 --> 00:04:31: valuation and Global Management committees.  
00:04:31 --> 00:04:34: Additionally, she was a global trustee of Vuelie.  
00:04:34 --> 00:04:38: She has chaired you, allies Chicago District Council.  
00:04:38 --> 00:04:41: She sits on the board of ULI Center for Sustainability  
00:04:41 --> 00:04:43: and Economic Performance,

00:04:43 --> 00:04:45: has served as chair of Priya,  
00:04:45 --> 00:04:50: President of the National Council of Real Estate Investment  
Fiduciaries  
00:04:50 --> 00:04:54: and as president of the Real Estate Research Institute.  
00:04:54 --> 00:04:56: Also, joining us today is Owen Thomas.  
00:04:56 --> 00:05:00: Owen is a chief executive officer of Boston Properties.  
00:05:00 --> 00:05:04: He is also a director of Lehman Brothers Holdings and  
00:05:04 --> 00:05:07: has served as its first chairman from 2012 until 2013  
00:05:07 --> 00:05:10: when he joined Boston Properties.  
00:05:10 --> 00:05:12: He is the global chairman of ULIA,  
00:05:12 --> 00:05:14: director of the UI Foundation,  
00:05:14 --> 00:05:18: a director of the Real Estate Roundtable and a member  
00:05:18 --> 00:05:21: of the Executive Board of Narrate and then also Catherine  
00:05:22 --> 00:05:25: Choisi who is associate professor of management.  
00:05:25 --> 00:05:29: Policy and community. Health and Epidemiology at the  
University of  
00:05:29 --> 00:05:31: Texas Health Science Center at Houston.  
00:05:31 --> 00:05:34: She holds appointments in the management,  
00:05:34 --> 00:05:36: policy and Community Health Department,  
00:05:36 --> 00:05:38: as well as the Epidemiology.  
00:05:38 --> 00:05:40: A word I could not pronounce before.  
00:05:40 --> 00:05:44: At last year, Human Genetics and Environmental Sciences  
Department at  
00:05:44 --> 00:05:45: the University.  
00:05:45 --> 00:05:48: She is a executive board member of the American Public  
00:05:48 --> 00:05:52: Health Association and active in the Public Health Practice  
community  
00:05:52 --> 00:05:53: in Houston.  
00:05:53 --> 00:05:55: Having served through both the H1N1 crisis.  
00:05:55 --> 00:05:59: And the Hurricane Katrina events so welcome to my  
esteemed  
00:05:59 --> 00:06:03: panelists and we're really looking forward to our conversation  
today  
00:06:03 --> 00:06:05: about where we are.  
00:06:05 --> 00:06:07: A year in after Cobett next slide.  
00:06:07 --> 00:06:11: Please Diana. So we're going to structure this conversation  
and  
00:06:11 --> 00:06:12: pretty much for parts.  
00:06:12 --> 00:06:14: Kind of. Where have we been?  
00:06:14 --> 00:06:16: And then, where are we now?  
00:06:16 --> 00:06:19: Which is a really good question because we are all  
00:06:19 --> 00:06:20: in the same place.  
00:06:20 --> 00:06:23: That's for certain. Where are we going?  
00:06:23 --> 00:06:26: And then we're going to look to have some dialogue

00:06:26 --> 00:06:26: and.

00:06:26 --> 00:06:29: Q&A At the end. The webinar is due to end

00:06:29 --> 00:06:30: at 2:15 eastern.

00:06:30 --> 00:06:34: I guess that's eleven that's 11:15 West Coast time.

00:06:34 --> 00:06:37: Hope that you can stay with us until the end.

00:06:37 --> 00:06:40: We're going to do some polling questions.

00:06:40 --> 00:06:43: We're going to have some word cloud formations,

00:06:43 --> 00:06:47: so we hope that you will stay active and engaged

00:06:47 --> 00:06:49: with us through this process.

00:06:49 --> 00:06:53: So let's start first. With our polling questions.

00:06:56 --> 00:06:59: Well, see where? Where are you located and what is

00:07:00 --> 00:07:01: your professional role?

00:07:01 --> 00:07:04: So just pick one and we're going to move on

00:07:04 --> 00:07:05: from there and then.

00:07:05 --> 00:07:08: We also want you to add in the chat.

00:07:08 --> 00:07:11: One word you think about when you reflect on the

00:07:11 --> 00:07:14: past year and we're going to create a word cloud

00:07:14 --> 00:07:16: from your responses.

00:07:16 --> 00:07:20: So put the single word in the chat and take

00:07:20 --> 00:07:24: a moment and please answer our polling questions.

00:07:24 --> 00:07:27: Thank you. So.

00:07:27 --> 00:07:28: Where have we been?

00:07:32 --> 00:07:34: I think we'll move on to the next slide where

00:07:34 --> 00:07:36: everybody fills in the blanks.

00:07:36 --> 00:07:37: I think Diana. That's OK.

00:07:39 --> 00:07:41: Oh, look at where we're going.

00:07:41 --> 00:07:42: We have a pretty good distribution.

00:07:45 --> 00:07:47: Don't have a lot of people from Midwest,

00:07:47 --> 00:07:48: so maybe Mary and I needed to Gen up a

00:07:48 --> 00:07:50: little more few more people to dial in it from

00:07:51 --> 00:07:51: the Midwest,

00:07:51 --> 00:07:54: but. Great representation around the country.

00:08:00 --> 00:08:02: It looks like we've got.

00:08:02 --> 00:08:08: Bout 16% developers 19% designers.

00:08:08 --> 00:08:10: 19% finance investor is 14%

00:08:10 --> 00:08:14: marketing and then a bunch of other roles as well.

00:08:14 --> 00:08:18: So well, looks like we have some great words for

00:08:18 --> 00:08:19: the word cloud too,

00:08:19 --> 00:08:22: so I'm looking forward to that.

00:08:22 --> 00:08:25: So thanks everybody for participating so.

00:08:25 --> 00:08:27: The past year.

00:08:27 --> 00:08:29: I know we don't want to.

00:08:29 --> 00:08:31: We really don't want to harp on this too much.  
00:08:31 --> 00:08:34: Might think it is important to just kind of think  
00:08:34 --> 00:08:37: about kind of what we've been through collectively and use  
00:08:37 --> 00:08:39: that as the foundation for where we're going.  
00:08:39 --> 00:08:41: So where have we been?  
00:08:41 --> 00:08:44: Next next slide, please.  
00:08:44 --> 00:08:45: One more.  
00:08:47 --> 00:08:50: So think about a little bit more than a year  
00:08:50 --> 00:08:53: ago as we were coming through the Holidays in 2019,  
00:08:53 --> 00:08:56: it was all good. The economy seemed to be growing  
00:08:56 --> 00:08:56: the industry,  
00:08:56 --> 00:08:59: the real estate industry was doing very,  
00:08:59 --> 00:09:02: very well. Most cities seeing a lot of good growth,  
00:09:02 --> 00:09:05: a lot of leasing, a lot of transactions and then  
00:09:05 --> 00:09:08: all of a sudden in January we started having this  
00:09:08 --> 00:09:11: heightened awareness about a covid infection.  
00:09:11 --> 00:09:14: In the first one was found in the United States.  
00:09:14 --> 00:09:19: That continuing evolution and turmoil raised after January  
00:09:19 --> 00:09:23: 2020,  
00:09:19 --> 00:09:23: leading to this lockdown, which when we think about it,  
00:09:23 --> 00:09:25: it's March 31st and in Chicago.  
00:09:25 --> 00:09:27: That is exactly 375 days ago.  
00:09:27 --> 00:09:30: It seems like forever, but it really wasn't.  
00:09:30 --> 00:09:34: We really thought that this lockdown was two weeks long.  
00:09:34 --> 00:09:38: Most people left their offices thinking we flatten the curve  
00:09:39 --> 00:09:41: and we'd be back in the office by May.  
00:09:41 --> 00:09:45: Well, not so much. We wound up pretty much going  
00:09:45 --> 00:09:46: through it.  
00:09:46 --> 00:09:50: What a total rocky summer of social upheaval and unrest  
00:09:50 --> 00:09:54: result from a result of a lot of very negative  
00:09:54 --> 00:09:57: interactions between citizens and policemen.  
00:09:57 --> 00:10:01: We had a fall that was defined by the virus  
00:10:01 --> 00:10:02: resurgence.  
00:10:02 --> 00:10:05: Then we get into the election and we had a  
00:10:05 --> 00:10:07: winner of drama.  
00:10:07 --> 00:10:11: I mean, it was a true cascade of unimaginable events,  
00:10:11 --> 00:10:16: one after the other. During the course of 2020.  
00:10:16 --> 00:10:18: So where does that lead us?  
00:10:18 --> 00:10:19: Where did that leave us?  
00:10:19 --> 00:10:22: Next slide, please.  
00:10:22 --> 00:10:25: It left us with skyrocketing unemployment,  
00:10:25 --> 00:10:28: especially during the second quarter of 2020.

00:10:28 --> 00:10:33: A worldwide recession. Retail bankruptcies that continue to this day

00:10:33 --> 00:10:36: an increase of loans that had to go into special

00:10:36 --> 00:10:40: servicing and workouts just due to their inability to pay

00:10:40 --> 00:10:44: their mortgages. Our multi housing eviction moratoriums,

00:10:44 --> 00:10:49: which are continuing and have just most recently been extended

00:10:49 --> 00:10:49: by the CDC.

00:10:49 --> 00:10:53: We had GDP down 3 1/2 percent at the end

00:10:53 --> 00:10:54: of the year,

00:10:54 --> 00:10:57: but we had an S&P 500 that was up 16%.

00:10:57 --> 00:11:03: So interesting disconnect there. 29 million cases and more than

00:11:03 --> 00:11:10: 540,000 deaths in the United States and trillions in stimulus

00:11:10 --> 00:11:12: dollars and tax relief.

00:11:12 --> 00:11:17: So. When you think about where it left us,

00:11:17 --> 00:11:20: generally the question is what has it done for you.

00:11:20 --> 00:11:23: So another round of polling questions,

00:11:23 --> 00:11:26: right quick?

00:11:26 --> 00:11:28: How have you been working over the past year?

00:11:28 --> 00:11:31: And have you saw it for your buildings?

00:11:31 --> 00:11:33: Any of the new certifications?

00:11:33 --> 00:11:38: The new Wellness certifications? We're hearing a lot about those.

00:11:38 --> 00:11:41: There's branding showing up on buildings,

00:11:41 --> 00:11:45: noting that they are part of a Wellness program.

00:11:45 --> 00:11:48: Love to hear what's going on in your space,

00:11:48 --> 00:11:52: so please, please respond to those.

00:11:52 --> 00:11:53: So as we continue.

00:11:55 --> 00:11:59: Why to turn to Catherine and want to talk about

00:11:59 --> 00:12:04: kind of key takeaways from the health care side of

00:12:04 --> 00:12:07: what we have been through this year?

00:12:09 --> 00:12:11: Catherine, can we turn over to you?

00:12:11 --> 00:12:13: Yes.

00:12:13 --> 00:12:15: So it has been quite a year.

00:12:15 --> 00:12:18: If you remember a year ago we were talking about

00:12:18 --> 00:12:21: a novel virus we had never seen this particular type

00:12:22 --> 00:12:23: of coronavirus before,

00:12:23 --> 00:12:26: but we've learned a lot about it during the past

00:12:26 --> 00:12:27: year.

00:12:27 --> 00:12:30: We learned that we can prevent transmission of this virus

00:12:31 --> 00:12:33: with non pharmaceutical interventions,

00:12:33 --> 00:12:37: NPI masks, physical distancing, environmental sanitation.

00:12:37 --> 00:12:39: But we learned that fomites,  
00:12:39 --> 00:12:43: which are environmental services that can be contaminated.  
00:12:43 --> 00:12:47: With infectious agents are not as important in transmission  
as  
00:12:47 --> 00:12:48: we first thought,  
00:12:48 --> 00:12:52: so no need to sanitize your groceries when you bring  
00:12:52 --> 00:12:53: them home,  
00:12:53 --> 00:12:55: we learned that some people,  
00:12:55 --> 00:12:58: those who are older, those with comorbid conditions,  
00:12:58 --> 00:13:02: were more likely to have severe outcomes or die from  
00:13:02 --> 00:13:03: the virus.  
00:13:03 --> 00:13:05: We learned that about 40%  
00:13:05 --> 00:13:08: of people who are infected don't have symptoms.  
00:13:08 --> 00:13:11: That means it's makes it much harder to control the  
00:13:12 --> 00:13:12: virus.  
00:13:12 --> 00:13:14: If people don't know that.  
00:13:14 --> 00:13:19: They are infected. We're learning that the virus affects more  
00:13:19 --> 00:13:21: than just the lungs.  
00:13:21 --> 00:13:24: It seems to be able to affect most any air.  
00:13:24 --> 00:13:27: Any organ system in your body,  
00:13:27 --> 00:13:31: and because of that we're learning about what we call  
00:13:31 --> 00:13:33: long haulers.  
00:13:33 --> 00:13:37: Those people who recover from the acute infection but have  
00:13:37 --> 00:13:42: long term health effects from from the infection.  
00:13:42 --> 00:13:45: We have learned that there are social.  
00:13:45 --> 00:13:50: Effects that communities of color were disproportionately  
affected for a  
00:13:50 --> 00:13:52: number of reasons.  
00:13:52 --> 00:13:56: They were more likely to get infected because they were  
00:13:56 --> 00:14:00: more likely to have jobs where they were exposed less  
00:14:00 --> 00:14:04: likely to have health care and other barriers that were  
00:14:04 --> 00:14:08: there beforehand. This pandemic just really emphasized  
them.  
00:14:08 --> 00:14:13: We have seen a political division over simple things like  
00:14:13 --> 00:14:17: wearing a mask that we probably would not have predicted  
00:14:17 --> 00:14:18: ahead of time.  
00:14:18 --> 00:14:23: Children's education has been really disrupted and there's a  
lot  
00:14:23 --> 00:14:26: of an ongoing debate about which is worse,  
00:14:26 --> 00:14:30: the virus or what's happened to their education.  
00:14:30 --> 00:14:36: Unlike other respiratory infections where children are a major  
transmitter  
00:14:36 --> 00:14:37: of the disease,



00:14:37 --> 00:14:40: that does not seem to be the case with this.  
00:14:40 --> 00:14:44: With this virus, we've seen a lot of mental health  
00:14:44 --> 00:14:45: effects,  
00:14:45 --> 00:14:49: both from economic circumstances, from loneliness from.  
00:14:49 --> 00:14:53: Fear and these effects may last for decades.  
00:14:53 --> 00:14:56: And then of course, the economic effects.  
00:14:56 --> 00:15:00: So we have learned a lot during the past year,  
00:15:00 --> 00:15:04: but we've also had worldwide 128 million cases,  
00:15:04 --> 00:15:09: of which almost 3,000,000 have been in the United States.  
00:15:09 --> 00:15:12: the United States has four point 4%  
00:15:12 --> 00:15:16: of the US population, but we've had about 25%  
00:15:16 --> 00:15:18: of the cases and 20%  
00:15:18 --> 00:15:22: of the deaths. So we have not done a real  
00:15:22 --> 00:15:26: good job about controlling the virus.  
00:15:26 --> 00:15:28: So if you look back over this past year and  
00:15:28 --> 00:15:31: the learnings from this experience for health care,  
00:15:31 --> 00:15:34: what would be like your two key takeaways from that?  
00:15:40 --> 00:15:44: That's hard to say again that that this is a  
00:15:44 --> 00:15:45: a new virus,  
00:15:45 --> 00:15:49: but we're going to see more of them in the  
00:15:49 --> 00:15:50: future,  
00:15:50 --> 00:15:52: and we need to be better.  
00:15:52 --> 00:15:55: Ready to address iPad Pandemic.  
00:15:55 --> 00:16:00: This virus is has a lot of features that make  
00:16:00 --> 00:16:05: it likely to spread the fact that even though the  
00:16:05 --> 00:16:06: the mortality rate.  
00:16:06 --> 00:16:08: Is higher than with flu,  
00:16:08 --> 00:16:12: it's still not smallpox where one out of three people  
00:16:12 --> 00:16:13: die.  
00:16:13 --> 00:16:15: What that means is that you can it.  
00:16:15 --> 00:16:18: It facilitates transmission of the virus.  
00:16:18 --> 00:16:23: Again, the fact that we have so many asymptomatic  
infections  
00:16:23 --> 00:16:26: also facilitates transmission of the virus.  
00:16:26 --> 00:16:30: So this was in many senses a perfect pandemic.  
00:16:30 --> 00:16:32: If you think about perfect,  
00:16:32 --> 00:16:36: not as good, but perfect as had the characteristics to  
00:16:36 --> 00:16:37: have major.  
00:16:37 --> 00:16:41: Effects in many many different areas.  
00:16:41 --> 00:16:45: Thanks, Catherine, really appreciate that.  
00:16:45 --> 00:16:49: Now turning a bit too like global Capital and Mary  
00:16:49 --> 00:16:49: Ledgin.

00:16:49 --> 00:16:54: So Mary, you know what is your takeaway on 2020?  
00:16:54 --> 00:16:57: Thanks Colette, I'm at work through this slide a little  
00:16:57 --> 00:17:00: bit and give you some of my thoughts.  
00:17:00 --> 00:17:04: Collect captured it beautifully. The rapidity of the change we  
00:17:04 --> 00:17:08: were expecting a an OK economic year late in the  
00:17:08 --> 00:17:09: economic cycle.  
00:17:09 --> 00:17:13: We were 12 years into an economic expansion in the  
00:17:13 --> 00:17:13: US.  
00:17:13 --> 00:17:18: I end. Overnight it changed with that coronavirus,  
00:17:18 --> 00:17:22: pushing up the globe and the US with it into  
00:17:22 --> 00:17:23: recession.  
00:17:23 --> 00:17:25: With that came political change,  
00:17:25 --> 00:17:29: the outcome affecting the US or the election effect in  
00:17:29 --> 00:17:31: the US could well be meaningful.  
00:17:31 --> 00:17:35: It it may well be that buds for coronavirus there  
00:17:35 --> 00:17:38: would be a different administration in the White House,  
00:17:38 --> 00:17:42: and that's going to ripple around the globe.  
00:17:42 --> 00:17:45: There are still places for voting as to come and  
00:17:45 --> 00:17:49: how well countries did in the handling initially of the  
00:17:49 --> 00:17:52: pandemic as well as the rollout of vaccines is going  
00:17:52 --> 00:17:56: to have political repercussions.  
00:17:56 --> 00:18:00: We had a gigantic work from home experiment that broadly  
00:18:00 --> 00:18:01: did well it,  
00:18:01 --> 00:18:04: but it is fair to say it did better in  
00:18:04 --> 00:18:09: places like the US and within those households within the  
00:18:09 --> 00:18:13: US that had room for simultaneously virtual work.  
00:18:13 --> 00:18:17: Virtual school, virtual medicine. It's much easier in a place  
00:18:17 --> 00:18:21: where the home size is larger than it is.  
00:18:21 --> 00:18:23: For instance in Hong Kong,  
00:18:23 --> 00:18:27: which we're representing in the middle of the 2nd row.  
00:18:27 --> 00:18:30: Where my colleagues in both our Hong Kong and our  
00:18:30 --> 00:18:33: Tokyo office were back to work as soon as they  
00:18:33 --> 00:18:34: could,  
00:18:34 --> 00:18:38: because home sizes simply don't allow for everything.  
00:18:38 --> 00:18:43: Another surprise has been how well countries learned  
00:18:44 --> 00:18:45: lessons from  
00:18:44 --> 00:18:45: past recessions.  
00:18:45 --> 00:18:49: This recession is unlike any I have ever seen in  
00:18:49 --> 00:18:50: its rapidity,  
00:18:50 --> 00:18:52: its onset, what triggered it.  
00:18:52 --> 00:18:56: But there are things we have learned from past sessions  
00:18:56 --> 00:19:00: and those were on display Europe as an example was

00:19:00 --> 00:19:05: very concerned about not spending too much in the aftermath

00:19:05 --> 00:19:09: of what we call the global financial crisis of 2007

00:19:09 --> 00:19:10: through 2009.

00:19:10 --> 00:19:15: And that likely lessened the rate at which the European

00:19:15 --> 00:19:16: economies recovered.

00:19:16 --> 00:19:19: They've learned that lesson well,

00:19:19 --> 00:19:23: and they have been part of this global fiscal and

00:19:23 --> 00:19:29: monetary policy intended to limit the damage or the scarring

00:19:29 --> 00:19:31: economically of the pandemic.

00:19:31 --> 00:19:35: And then, finally, I'm going to talk about that picture

00:19:35 --> 00:19:36: in the bottom right,

00:19:36 --> 00:19:39: which is as a person that's focused on in part

00:19:39 --> 00:19:41: of my life on climate change,

00:19:41 --> 00:19:44: climate risk, an ESG. I was really concerned that the

00:19:44 --> 00:19:47: pandemic was going to SAP up all of our attention

00:19:47 --> 00:19:49: and push an existential crisis,

00:19:49 --> 00:19:54: one existential crisis, pushing another existential crisis that

the back

00:19:54 --> 00:19:55: pages of the newspaper,

00:19:55 --> 00:19:58: or however it is that you get your news.

00:19:58 --> 00:20:00: But of course that was not to be had,

00:20:00 --> 00:20:01: and so we had some.

00:20:01 --> 00:20:05: Awful intersections of pandemic as well as tragedies from the

00:20:06 --> 00:20:07: physical realm.

00:20:07 --> 00:20:10: Natural disasters that had caused people to have to band

00:20:10 --> 00:20:14: together under even more complicated circumstances.

00:20:14 --> 00:20:16: Given the pandemic asked.

00:20:19 --> 00:20:23: So Mary two key takeaways on the global capital side.

00:20:23 --> 00:20:26: From what we what? We've gone through in the last

00:20:26 --> 00:20:27: year.

00:20:27 --> 00:20:30: Well, the first is evident if we had a slide

00:20:30 --> 00:20:34: up that showed transaction activity globally and look at how

00:20:34 --> 00:20:36: transaction activities stopped.

00:20:36 --> 00:20:40: Basically in the second quarter as firms and individuals were

00:20:40 --> 00:20:44: trying to figure out how do you do due diligence?

00:20:44 --> 00:20:46: How do you select the new manager?

00:20:46 --> 00:20:49: How do you buy an asset when you can't visit

00:20:49 --> 00:20:49: it?

00:20:49 --> 00:20:52: So that caused, among other factors,

00:20:52 --> 00:20:54: that caused a basic stop.

00:20:54 --> 00:20:57: The transaction activity starting in April.

00:20:57 --> 00:21:02: What's amazing is how quickly we saw capital formation to  
00:21:02 --> 00:21:06: begin to take advantage of what buyers now know is  
00:21:06 --> 00:21:09: one of the single best points in the cycle to  
00:21:09 --> 00:21:14: deploy capital. This isn't to say that they're deploying capital  
00:21:14 --> 00:21:16: evenly across property types.  
00:21:16 --> 00:21:21: There's some winners that are the recipients of capital.  
00:21:21 --> 00:21:26: Think logistics or industrial. Think datacenters think self  
storage and  
00:21:26 --> 00:21:30: then their sectors where the question marks are out there  
00:21:30 --> 00:21:33: and there hasn't been as much capital slow but the  
00:21:33 --> 00:21:37: fourth quarter. I think by itself in the US was  
00:21:37 --> 00:21:40: the single greatest fourth quarter ever.  
00:21:40 --> 00:21:42: Maybe that was the month of December.  
00:21:42 --> 00:21:45: Whatever it was. By contrast,  
00:21:45 --> 00:21:49: in 2008 and 2009 transaction activity was down markedly for  
00:21:49 --> 00:21:52: two years for the freeze to begin to.  
00:21:52 --> 00:21:54: This go round it to quarters.  
00:21:56 --> 00:22:00: An amazing recovery from the transaction side for sure.  
00:22:00 --> 00:22:05: Thanks Mary. So in office properties CBD's Boston  
properties.  
00:22:05 --> 00:22:10: What are you? What are your key takeaways from what  
00:22:10 --> 00:22:12: happened last year?  
00:22:12 --> 00:22:13: Yeah.  
00:22:13 --> 00:22:17: Well. You know, I think all of us that have  
00:22:17 --> 00:22:20: been involved in investing for years have.  
00:22:20 --> 00:22:22: And when we have our risk committees,  
00:22:22 --> 00:22:26: we all pandemic is something that was always raised by  
00:22:26 --> 00:22:27: risk managers and others.  
00:22:27 --> 00:22:30: And I think those of us that hadn't experienced it  
00:22:30 --> 00:22:34: maybe didn't appreciate the destructive power of what a  
pandemic  
00:22:34 --> 00:22:37: was all about and what the destructive power of it  
00:22:37 --> 00:22:39: is. And so you know,  
00:22:39 --> 00:22:42: that's a big learning from 2020 when you think about  
00:22:42 --> 00:22:44: not only the important human loss,  
00:22:44 --> 00:22:49: but the economic loss. And the income disparities that were  
00:22:49 --> 00:22:54: laid bare and the outcries for more social and racial  
00:22:54 --> 00:22:55: justice.  
00:22:55 --> 00:22:57: And I think in the future there's going to be  
00:22:57 --> 00:22:59: tremendous focus on Pandemic.  
00:22:59 --> 00:23:01: And when we hear about a virus starting somewhere in  
00:23:02 --> 00:23:03: some far off land,  
00:23:03 --> 00:23:04: that's going to have a lot more.

00:23:04 --> 00:23:07: It's going to have a lot more impact on markets  
00:23:07 --> 00:23:08: going forward.  
00:23:08 --> 00:23:10: There's no question about it.  
00:23:10 --> 00:23:13: So that's one. And then Mary talked about this.  
00:23:13 --> 00:23:16: I think the ability for many parts of the economy  
00:23:16 --> 00:23:17: limit,  
00:23:17 --> 00:23:20: but not all. Many parts of the economy to operate  
00:23:20 --> 00:23:20: virtually.  
00:23:20 --> 00:23:23: I mean as frustrating as it has been.  
00:23:23 --> 00:23:26: You know, we've been able to report our numbers.  
00:23:26 --> 00:23:30: I hear, you know, we've been high able to hire  
00:23:30 --> 00:23:31: people.  
00:23:31 --> 00:23:33: Not great or perfect by any stretch,  
00:23:33 --> 00:23:35: but you can as one of our customers said,  
00:23:35 --> 00:23:38: you can do a lot of downhill work virtually.  
00:23:38 --> 00:23:41: It's harder to do uphill work virtually,  
00:23:41 --> 00:23:44: but it is happening and I think that's a that's  
00:23:44 --> 00:23:46: a surprise for a lot of people.  
00:23:46 --> 00:23:49: And then I think the last thing is the incredible  
00:23:49 --> 00:23:52: amount of liquid ITI that has been injected into the  
00:23:52 --> 00:23:56: system by the Treasury and the Federal Reserve System.  
00:23:56 --> 00:23:59: That is something that did not exist in the global  
00:23:59 --> 00:24:02: financial crisis and generally doesn't exist when we have a  
00:24:02 --> 00:24:03: recession,  
00:24:03 --> 00:24:06: and I think that's been very helpful for companies and  
00:24:06 --> 00:24:08: companies that were basically closed.  
00:24:08 --> 00:24:10: You know, in terms of their business,  
00:24:10 --> 00:24:13: were able to raise debt capital in March and April  
00:24:13 --> 00:24:16: of this year and to work themselves through this crisis.  
00:24:16 --> 00:24:17: And I think you know,  
00:24:17 --> 00:24:19: there's other impacts to it.  
00:24:19 --> 00:24:21: Look at the multiples that you see in the stock  
00:24:21 --> 00:24:22: market.  
00:24:22 --> 00:24:24: The whole emergence of Spacks.  
00:24:24 --> 00:24:27: Mary talked about the resurgence of investing in real estate,  
00:24:27 --> 00:24:29: and I think this. You know,  
00:24:29 --> 00:24:31: liquidity, binge if you will is going to have some  
00:24:31 --> 00:24:31: impact,  
00:24:31 --> 00:24:35: has and will continue to have impact on the real  
00:24:35 --> 00:24:36: estate markets.  
00:24:36 --> 00:24:37: Great, thanks a lot. Oh,  
00:24:37 --> 00:24:39: and we have the response.

00:24:39 --> 00:24:42: We have the responses from our first polling questions.  
00:24:42 --> 00:24:43: Diana, you want to share those?  
00:24:45 --> 00:24:47: So it looks like 46%  
00:24:47 --> 00:24:51: of our attendees are working completely remotely like the Wezen  
00:24:51 --> 00:24:51: office.  
00:24:51 --> 00:24:54: I think many of us are having that question.  
00:24:54 --> 00:24:58: We haven't seen our offices meaningfully since like March,  
00:24:58 --> 00:25:01: but we do seem to have a few people.  
00:25:01 --> 00:25:04: 28% of the people, or at least part time in  
00:25:04 --> 00:25:04: the office.  
00:25:04 --> 00:25:07: And I know we've spoken with Owen and he's been  
00:25:08 --> 00:25:10: back in his office since July,  
00:25:10 --> 00:25:13: which has been wild and then the second question around  
00:25:13 --> 00:25:16: Covid related Wellness certifications.  
00:25:16 --> 00:25:20: Clearly, most people either aren't doing it or don't think  
00:25:20 --> 00:25:20: it applies,  
00:25:20 --> 00:25:24: which is an interesting outcome because there has been a  
00:25:24 --> 00:25:25: lot of discussion.  
00:25:25 --> 00:25:28: I know on the property management sides about how to  
00:25:28 --> 00:25:32: give tenants that comfort that everything is good to come  
00:25:32 --> 00:25:32: back,  
00:25:32 --> 00:25:36: and it's interesting to know that the adoption of Wellness  
00:25:36 --> 00:25:39: certifications hasn't quite taken hold in the industry as a  
00:25:39 --> 00:25:40: whole.  
00:25:40 --> 00:25:43: So thank you very much for responding to those questions.  
00:25:43 --> 00:25:47: Really do appreciate it. So we're going to actually now.  
00:25:47 --> 00:25:49: That's enough talking about the past.  
00:25:49 --> 00:25:50: We have to talk about kind of.  
00:25:50 --> 00:25:52: Where are we? And where we going?  
00:25:52 --> 00:25:54: Because at the end of the day,  
00:25:54 --> 00:25:58: this is an industry that's always talking about the future  
00:25:58 --> 00:26:01: and we need to think about kind of how the  
00:26:01 --> 00:26:05: past has informed our present and will be informing our  
00:26:05 --> 00:26:08: future. But first, a couple of polling questions.  
00:26:10 --> 00:26:13: A question around office occupancies in your city.  
00:26:13 --> 00:26:16: Actually, vacancies is probably the answer.  
00:26:16 --> 00:26:20: Is office vacancies approximate? Hopefully your occupancy  
00:26:20 --> 00:26:20: is more than  
00:26:20 --> 00:26:23: 10%,  
00:26:20 --> 00:26:23: so let's focus on vacancy here and also a note  
00:26:23 --> 00:26:26: about what you think or how well you think your

00:26:26 --> 00:26:29: local community has been doing with managing that crisis,  
00:26:29 --> 00:26:32: including the current roll out on the vaccines.  
00:26:32 --> 00:26:35: So while you guys are answering those questions,  
00:26:35 --> 00:26:38: we're going to move on with our conversation and I'm  
00:26:38 --> 00:26:41: going to talk to I want marry you talk about  
00:26:41 --> 00:26:41: kind of.  
00:26:41 --> 00:26:44: What is going on in the present right now?  
00:26:44 --> 00:26:47: What are you seeing in the industry as we've now  
00:26:47 --> 00:26:49: turned the corner into 2021?  
00:26:49 --> 00:26:52: And I think now 1/4 and we're actually at the  
00:26:52 --> 00:26:55: end of the first quarter of this year.  
00:26:55 --> 00:26:57: There has been a lot to talk about.  
00:26:57 --> 00:27:01: So Mary. Collect and as I look at this chart,  
00:27:01 --> 00:27:04: which members of my team created six months ago,  
00:27:04 --> 00:27:08: I'm realizing it's time for me to update it because  
00:27:08 --> 00:27:11: there been some meaningful changes.  
00:27:11 --> 00:27:13: But go with me for a second.  
00:27:13 --> 00:27:17: We created this typology of the property types we invest  
00:27:17 --> 00:27:19: in and how were their fundamentals,  
00:27:19 --> 00:27:24: the supply and demand, particularly demand side affected by  
00:27:24 --> 00:27:29: the  
00:27:29 --> 00:27:33: pandemic on the left are those four property types where.  
00:27:33 --> 00:27:38: Pandemic accelerated existing trends, the winners and that  
00:27:38 --> 00:27:39: for the  
00:27:39 --> 00:27:43: upper 3 the industrial sector data centers and single family  
00:27:43 --> 00:27:48: rentals.  
00:27:48 --> 00:27:49: These were sectors that we're seeing really good tenant or  
00:27:49 --> 00:27:52: occupier demand fundamentals prior to the onset before we  
00:27:52 --> 00:27:56: even  
00:27:56 --> 00:28:00: knew the name.  
00:28:00 --> 00:28:04: Covid industrial logistics. Wherever you are,  
00:28:04 --> 00:28:08: it was benefiting from our shift to online shopping.  
00:28:08 --> 00:28:12: Of course that accelerated during the pandemic.  
00:28:12 --> 00:28:13: Data centers, they've been immense beneficiaries of our shift  
00:28:13 --> 00:28:16: to  
00:28:16 --> 00:28:19: a more digital world over the last decade or two.  
00:28:19 --> 00:28:21: Horse that intensified during the pandemic and then single  
00:28:21 --> 00:28:25: family  
00:28:25 --> 00:28:29: rentals,  
00:28:29 --> 00:28:33: which have been around for a long time prior to  
00:28:33 --> 00:28:37: the global financial crisis.  
00:28:37 --> 00:28:41: This number sticks in my brain.  
00:28:41 --> 00:28:45: There were eleven million households in the United States

renting  
00:28:25 --> 00:28:27: a single family home,  
00:28:27 --> 00:28:29: so that's 15 years ago.  
00:28:31 --> 00:28:34: New thing, but what is new is the idea of  
00:28:34 --> 00:28:39: actually doing purpose built single family rentals houses with  
three  
00:28:39 --> 00:28:43: and four bedrooms in grade school districts and my firm  
00:28:43 --> 00:28:48: has been involved in in buying and building those kinds  
00:28:48 --> 00:28:51: of properties and then operating them digitally.  
00:28:51 --> 00:28:55: And we've seen a remarkable boost in demand as those  
00:28:55 --> 00:28:59: the quest for personal space was an element of the  
00:28:59 --> 00:29:03: of the dynamics over the last 12 months.  
00:29:03 --> 00:29:08: Another gal where the pandemic has accelerated the rate of  
00:29:08 --> 00:29:09: bankruptcy,  
00:29:09 --> 00:29:13: less visible in 2021 and was in 2020 when we  
00:29:13 --> 00:29:18: had remarkable numbers of of chain announcements of  
bankruptcy,  
00:29:18 --> 00:29:23: some of them liquidating, others of them meaningfully,  
00:29:23 --> 00:29:28: reducing their store count. What I would say though is  
00:29:28 --> 00:29:32: the news out of the retail sector is,  
00:29:32 --> 00:29:34: what would Monty Python say?  
00:29:34 --> 00:29:39: Not dead yet, right? What the pandemic demonstrated for  
some  
00:29:40 --> 00:29:40: retailers,  
00:29:40 --> 00:29:45: particularly those that operate in a on line on hand,  
00:29:45 --> 00:29:50: held an in person modes the omnichannel retailers.  
00:29:50 --> 00:29:55: They were the retailers that were best able to pivot  
00:29:55 --> 00:29:59: to meet the customer of the customer wanted to be  
00:29:59 --> 00:30:01: met during the pandemic,  
00:30:01 --> 00:30:04: so they were able like target to do to shift  
00:30:04 --> 00:30:07: from or to shift into buy online.  
00:30:07 --> 00:30:12: Pick up in store with that horrible acronym Focus which  
00:30:12 --> 00:30:13: was up last night.  
00:30:13 --> 00:30:18: Check something like 270% year over year for those people  
00:30:18 --> 00:30:22: for whom either delivery was too slow or they wanted  
00:30:22 --> 00:30:23: to see.  
00:30:23 --> 00:30:27: Something before it was it they took possession of it.  
00:30:27 --> 00:30:30: Retail will survive the pandemic,  
00:30:30 --> 00:30:35: particularly for those retailers that operate in multiple  
channels.  
00:30:35 --> 00:30:38: That being said, one of the outcomes of this is  
00:30:38 --> 00:30:41: going to be a lot of repurposing of the vacant  
00:30:42 --> 00:30:42: retail.



00:30:42 --> 00:30:46: That was the result of the pandemic moving into the  
00:30:46 --> 00:30:48: next column one column in from the left.  
00:30:48 --> 00:30:53: Their sectors where we saw initial meaningful impact and the  
00:30:53 --> 00:30:56: outlook for them is a little mixed student housing.  
00:30:56 --> 00:31:00: Who would have thought that in the spring when campus  
00:31:00 --> 00:31:01: is closed down,  
00:31:01 --> 00:31:05: center students home that the occupancy in the fall would  
00:31:05 --> 00:31:06: only be down up?  
00:31:06 --> 00:31:10: Point or two from the prior fall that was amazing  
00:31:10 --> 00:31:10: to us.  
00:31:10 --> 00:31:15: We underwrote our portfolio, made meaningful write downs in  
it  
00:31:15 --> 00:31:19: in the spring and we've been doing some writeups.  
00:31:19 --> 00:31:21: As for students, the some students,  
00:31:21 --> 00:31:25: the value of an in person education was underscored by  
00:31:25 --> 00:31:26: the pandemic.  
00:31:26 --> 00:31:30: Remind you. Many of them are back on campus in  
00:31:30 --> 00:31:31: hybrid mode.  
00:31:31 --> 00:31:34: Not going to classes necessarily full time,  
00:31:34 --> 00:31:36: but trying to glean some level.  
00:31:36 --> 00:31:39: Of the collegiate experience. By contrast,  
00:31:39 --> 00:31:42: senior housing is wearing 2 black eyes,  
00:31:42 --> 00:31:45: but you'd think that a sector that was set up  
00:31:45 --> 00:31:49: to care for the most fragile members of our population  
00:31:49 --> 00:31:51: would have done better.  
00:31:51 --> 00:31:54: There are some indigenous reasons for that.  
00:31:54 --> 00:31:58: Some some instances where they were not well served by  
00:31:58 --> 00:31:59: provision of PPE,  
00:31:59 --> 00:32:03: but it is a sector that had meaningful impacts.  
00:32:03 --> 00:32:06: It's a vacancy is now the highest on record since  
00:32:06 --> 00:32:07: the 1980s,  
00:32:07 --> 00:32:11: when record keeping began. That will come down,  
00:32:11 --> 00:32:13: because indeed the need is there,  
00:32:13 --> 00:32:17: but it's a sector where meaningful reform is necessary.  
00:32:17 --> 00:32:19: And then of course, hospitality.  
00:32:19 --> 00:32:23: This is a sector where we're seeing a rebound now,  
00:32:23 --> 00:32:25: rebound lead, not by business travel,  
00:32:25 --> 00:32:28: but instead by leisure travel,  
00:32:28 --> 00:32:30: as the pent up demand is great.  
00:32:30 --> 00:32:33: Moving to the right of 1 column,  
00:32:33 --> 00:32:36: these are sectors that had a hit in the spring  
00:32:36 --> 00:32:37: in the US,

00:32:37 --> 00:32:40: but little long term change apartments.  
00:32:40 --> 00:32:46: One exception, their urban apartments are seeing meaningful declines in  
00:32:46 --> 00:32:49: occupancy relative to this time last year.  
00:32:49 --> 00:32:51: Pre pandemic, that's two dynamics.  
00:32:51 --> 00:32:54: One is a lot of those tenants moved home with  
00:32:54 --> 00:32:55: parents.  
00:32:55 --> 00:32:58: They were immobile there, many of them young,  
00:32:58 --> 00:33:01: so in a position where moving out of an apartment  
00:33:01 --> 00:33:03: isn't as big a deal as it would be for  
00:33:03 --> 00:33:03: me.  
00:33:03 --> 00:33:06: And so for many of them it was a chance  
00:33:06 --> 00:33:10: either to reduce their costs by doubling up with somebody.  
00:33:10 --> 00:33:12: Get a free ride by moving home,  
00:33:12 --> 00:33:15: or moving to where they'd always wanted to live.  
00:33:15 --> 00:33:17: One of the members of my staff has spent a  
00:33:17 --> 00:33:19: peripatetic year.  
00:33:19 --> 00:33:20: He's in New Orleans now.  
00:33:20 --> 00:33:22: Always wanted to live in New Orleans.  
00:33:22 --> 00:33:24: Didn't want to do it permanently,  
00:33:24 --> 00:33:26: but it's part of his roundabout way to make his  
00:33:26 --> 00:33:27: way back to Chicago,  
00:33:27 --> 00:33:30: where he'll be full time next week.  
00:33:30 --> 00:33:33: I love storage. This is the stuff that got hit  
00:33:33 --> 00:33:35: hard at the beginning of the recession.  
00:33:35 --> 00:33:38: That's typical. And as is typical,  
00:33:38 --> 00:33:40: but maybe a little accelerated.  
00:33:40 --> 00:33:42: This time we saw a rebound in demand,  
00:33:42 --> 00:33:47: both for businesses where there are businesses that are  
00:33:47 --> 00:33:48: putting  
00:33:48 --> 00:33:51: goods in storage.  
00:33:48 --> 00:33:51: Maybe it's a business that closed one branch out of  
00:33:51 --> 00:33:55: a 2 branch operation and put some stuff into storage  
00:33:55 --> 00:33:59: and we're seeing the effects of those pandemic moves by  
00:33:59 --> 00:34:03: households. Where some stuff went into storage while  
00:34:03 --> 00:34:07: somebody is  
00:34:03 --> 00:34:07: making their way around the country or living in their  
00:34:07 --> 00:34:08: fantasy place.  
00:34:08 --> 00:34:11: But we also have seen people take the contents of  
00:34:11 --> 00:34:14: a second bedroom out and to create a Home Office,  
00:34:14 --> 00:34:17: and that stuff is ended up in storage.  
00:34:17 --> 00:34:20: So it's a sector that's had a really strong spring  
00:34:20 --> 00:34:21: spring,

00:34:21 --> 00:34:25: summer and fall and then family medical office historically really

00:34:25 --> 00:34:29: stable sector because people get no matter what the economic

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

00:34:30 --> 00:34:32: And a lot of the demand for thing.

00:34:32 --> 00:34:35: Once Doctor is related to the aging of the US

00:34:35 --> 00:34:36: population,

00:34:36 --> 00:34:37: which is going to happen,

00:34:37 --> 00:34:40: whether there's a recession or not.

00:34:40 --> 00:34:43: What was a little weird in the spring was we

00:34:43 --> 00:34:46: had doctors that were deemed to be non essential who

00:34:46 --> 00:34:51: couldn't see their patients and therefore we had ophthalmologists requesting

00:34:51 --> 00:34:54: rent relief. We had dentists requesting rent relief,

00:34:54 --> 00:34:58: never experienced that in 20 years of medical office investment

00:34:58 --> 00:35:00: but by the summer that had gone away,

00:35:00 --> 00:35:03: I'm going to let Owen talk about the 4th category

00:35:03 --> 00:35:07: which is office where there's definitely been some implications of

00:35:07 --> 00:35:10: this great work from home experiment that he's really close

00:35:10 --> 00:35:12: to. , to turn it over to him.

00:35:15 --> 00:35:18: Great doing in the office world these days,

00:35:18 --> 00:35:21: yeah. So you know I'll divide I think we're going

00:35:21 --> 00:35:24: to talk about the future so I'm going to talk

00:35:24 --> 00:35:27: about the present and you know the truth is the

00:35:27 --> 00:35:31: everyone wants to call the ball on work from home

00:35:31 --> 00:35:34: and the impact on the office markets and the truth

00:35:34 --> 00:35:37: of it is right now you can't tell because all

00:35:37 --> 00:35:41: the cities where we operate were a coastal gateway company.

00:35:41 --> 00:35:43: None of them are open.

00:35:43 --> 00:35:46: I think the maximum capacity allowed in all the cities

00:35:46 --> 00:35:49: where we operate today is about 50%.

00:35:49 --> 00:35:52: So, so it's hard to determine most companies at this

00:35:52 --> 00:35:55: point they're starting to reopen their offices.

00:35:55 --> 00:35:57: You know, we heard last week,

00:35:57 --> 00:36:01: you know Microsoft Uber. Others are reopening their offices,

00:36:01 --> 00:36:03: but they haven't formed yet.

00:36:03 --> 00:36:05: Their return to Work Policy's.

00:36:05 --> 00:36:08: So it's just too early to tell exactly what's going

00:36:08 --> 00:36:09: to happen.

00:36:09 --> 00:36:11: But I have some views on that,  
00:36:11 --> 00:36:14: which I'll share for the future discussion.  
00:36:14 --> 00:36:17: The other things that I can tell you that are  
00:36:17 --> 00:36:17: going on now,  
00:36:17 --> 00:36:20: office tenants are paying their rent.  
00:36:20 --> 00:36:22: You know we've been collecting 99%  
00:36:22 --> 00:36:25: of office rents? Do you know over our fifty million  
00:36:25 --> 00:36:28: plus square foot portfolio over the last year?  
00:36:28 --> 00:36:31: So that's obviously very positive.  
00:36:31 --> 00:36:33: The impact on the our company has been more in  
00:36:33 --> 00:36:35: the variable income streams,  
00:36:35 --> 00:36:36: so it's been things like parking.  
00:36:36 --> 00:36:39: You know, if people aren't coming to the office,  
00:36:39 --> 00:36:42: they're not using parking, so that went down an our  
00:36:42 --> 00:36:45: many of our retail customers suffered through the pandemic  
and  
00:36:45 --> 00:36:46: we've made.  
00:36:46 --> 00:36:50: We've done lease amendments and and adjustments to try to  
00:36:50 --> 00:36:53: help them survive through this crisis so that we've had  
00:36:53 --> 00:36:57: some variable income streams that have impacted the  
company.  
00:36:57 --> 00:36:59: Leasing is not dead. We leased in 2020.  
00:36:59 --> 00:37:03: Sixty percent of the space that we normally would,  
00:37:03 --> 00:37:06: so our volumes were over 3,000,000 square feet for the  
00:37:06 --> 00:37:10: year and the weighted average lease term of those leases  
00:37:10 --> 00:37:11: was eight years.  
00:37:11 --> 00:37:14: So there's this narrative out there that you know the  
00:37:14 --> 00:37:16: leasing markets completely dead,  
00:37:16 --> 00:37:19: and everybody's doing short term renewals.  
00:37:19 --> 00:37:24: That's not completely true, and certainly not the experience  
we've  
00:37:24 --> 00:37:26: had in the company.  
00:37:26 --> 00:37:28: The other things that are going on this I talked  
00:37:28 --> 00:37:31: a little bit about the cities and the regulations.  
00:37:31 --> 00:37:34: This most recent stimulus package will be very helpful to  
00:37:34 --> 00:37:37: the budgets for the cities where we operate,  
00:37:37 --> 00:37:40: so there's been a lot of understandable concern about city  
00:37:40 --> 00:37:40: budget,  
00:37:40 --> 00:37:42: new taxes and things like that.  
00:37:42 --> 00:37:45: And again, going back to my prior theme about Liquid  
00:37:45 --> 00:37:45: ITI,  
00:37:45 --> 00:37:49: this new stimulus package, or it's going to be very  
00:37:49 --> 00:37:51: helpful to the cities where we operate.

00:37:51 --> 00:37:55: The other thing that's happening that's interesting is usually when

00:37:55 --> 00:37:56: you have a downturn,

00:37:56 --> 00:37:59: you have distress, you know their rents go down,

00:37:59 --> 00:38:02: rent slow down and owners are over leveraged and they

00:38:02 --> 00:38:05: have to sell things and there's distress,

00:38:05 --> 00:38:06: seeing very little if any,

00:38:06 --> 00:38:08: of that in the office world.

00:38:08 --> 00:38:12: There are actually many transactions that are occurring.

00:38:12 --> 00:38:16: It's generally with buildings that have long weighted average lease

00:38:16 --> 00:38:16: terms,

00:38:16 --> 00:38:19: and the cap rates that are being experienced are pre

00:38:19 --> 00:38:23: covid and the buyer is getting a discount because the

00:38:23 --> 00:38:25: financing costs are lower.

00:38:25 --> 00:38:27: If you have buildings that have a lot of roll

00:38:27 --> 00:38:27: over,

00:38:27 --> 00:38:30: there tends to be disagreements about where rents are an

00:38:31 --> 00:38:31: where lease up is,

00:38:31 --> 00:38:35: and so there's not that many transactions in that space.

00:38:35 --> 00:38:37: And given my comments about liquid ITI,

00:38:37 --> 00:38:40: the owners are able to refinance and hold on because

00:38:40 --> 00:38:42: they are confident about the future.

00:38:42 --> 00:38:44: So again, very limited distress,

00:38:44 --> 00:38:47: but we are seeing some transaction volume and then the

00:38:48 --> 00:38:50: other thing that's happening in our space is.

00:38:50 --> 00:38:54: I would say increasing activity in the life science sector

00:38:54 --> 00:38:57: so you know we're very active in Boston and San

00:38:57 --> 00:39:02: Francisco and have land and buildings that are attractive to

00:39:02 --> 00:39:05: life science customers, both lab and office.

00:39:05 --> 00:39:07: And that's been a very active area,

00:39:07 --> 00:39:11: and we've announced several new developments in the whole Life

00:39:12 --> 00:39:16: Science Lab field in the last couple of months because

00:39:16 --> 00:39:17: of that tenant demand.

00:39:17 --> 00:39:21: I would imagine that actually the outcome of the kovit

00:39:22 --> 00:39:22: experience.

00:39:22 --> 00:39:24: Let's just call it that.

00:39:24 --> 00:39:28: Let's call it experience. I don't wanna call it a

00:39:28 --> 00:39:29: disaster.

00:39:29 --> 00:39:32: Let's just say it's an experience.

00:39:32 --> 00:39:35: Has definitely set the stage for Bio Med,

00:39:35 --> 00:39:39: life Sciences, tendencies to find a need to expand.

00:39:39 --> 00:39:43: I mean the benefits of a robust bio Med industry  
00:39:43 --> 00:39:48: has definitely been evidenced by the rapid delivery of a  
00:39:48 --> 00:39:50: vaccine into a global platform.  
00:39:50 --> 00:39:54: So I guess you would assume you would say that  
00:39:54 --> 00:39:58: that is absolutely showing itself as being a path for  
00:39:58 --> 00:39:58: growth.  
00:39:58 --> 00:40:02: I would. I mean, I think all of the new  
00:40:02 --> 00:40:03: science and.  
00:40:03 --> 00:40:06: You know Catherine should probably comment on this,  
00:40:06 --> 00:40:09: but I think the new science that's out there is.  
00:40:09 --> 00:40:12: I mean, the life science sector was already quite active  
00:40:12 --> 00:40:15: prior to covid an I think all of the new  
00:40:15 --> 00:40:18: technologies and Sciences that are coming forward as part of  
00:40:18 --> 00:40:23: the pandemic are increasing. This demand for lab space.  
00:40:23 --> 00:40:27: Thanks so Catherine. Let's talk about kind of what is  
00:40:27 --> 00:40:30: the present situation as far as you know,  
00:40:30 --> 00:40:35: the Health Sciences and you know how we're operating right  
00:40:35 --> 00:40:37: now in healthcare.  
00:40:37 --> 00:40:41: Yeah well, the good news and we actually have quite  
00:40:41 --> 00:40:42: a bit of it.  
00:40:42 --> 00:40:46: There are seven vaccines around the world that have been  
00:40:46 --> 00:40:49: approved for full use in the United States.  
00:40:49 --> 00:40:55: We have three extremely efficacious vaccines under  
00:40:55 --> 00:40:59: emergency use authorizations,  
00:40:59 --> 00:41:04: and the goal is to get to herd immunity and  
00:41:04 --> 00:41:07: this graph just shows you how different countries are doing.  
00:41:07 --> 00:41:09: It is important to remember this is a pandemic.  
00:41:09 --> 00:41:13: We could.  
00:41:13 --> 00:41:18: Do a really good job vaccinating in the United States,  
00:41:18 --> 00:41:20: but we still are concerned about importation of disease from  
00:41:20 --> 00:41:25: of infection from other countries.  
00:41:25 --> 00:41:26: And there are countries that may not start vaccinating for  
00:41:26 --> 00:41:30: another two years.  
00:41:30 --> 00:41:33: So you know, we have to be aware that we  
00:41:33 --> 00:41:36: this is a global community.  
00:41:36 --> 00:41:40: We had some good news just this morning that at  
00:41:40 --> 00:41:44: least according to a press release from Pfizer,  
00:41:44 --> 00:41:47: they're vaccine works really well in kids 12 to 16.  
00:41:47 --> 00:41:49: Because if we're going to reach herd immunity,  
00:41:49 --> 00:41:52: we need to get that 20%  
00:41:52 --> 00:41:54: of the population. That's underage.  
00:41:52 --> 00:41:54: 16 vaccinated, so you know,

00:41:54 --> 00:41:58: pending release of the actual data so that scientists can  
00:41:58 --> 00:42:01: look at it outside of the company.  
00:42:01 --> 00:42:04: This is this is potentially very good news.  
00:42:04 --> 00:42:07: We also had good news last week.  
00:42:07 --> 00:42:14: From CDC showing that people who had been vaccinated.  
00:42:14 --> 00:42:18: Did not appear to get infected because that has been  
00:42:18 --> 00:42:20: a concern that even.  
00:42:20 --> 00:42:23: I mean, it's great news for you if you don't  
00:42:23 --> 00:42:24: get sick.  
00:42:24 --> 00:42:29: If you're vaccinated, but could you have an asymptomatic  
infection  
00:42:29 --> 00:42:31: and transmit it to somebody else?  
00:42:31 --> 00:42:35: We but we still don't know how long immunity lasts.  
00:42:35 --> 00:42:39: Is it going to be necessary to have boosters every  
00:42:39 --> 00:42:39: year?  
00:42:39 --> 00:42:42: And then there are the variants,  
00:42:42 --> 00:42:45: and right now we're really in a race.  
00:42:45 --> 00:42:48: Between vaccinating people and the variance,  
00:42:48 --> 00:42:53: there are three that we are particularly concerned about in  
00:42:53 --> 00:42:54: the United States,  
00:42:54 --> 00:42:58: it's the B117 that was first seen in Great Britain,  
00:42:58 --> 00:43:01: and they, I guess the United Kingdom,  
00:43:01 --> 00:43:05: not necessarily Great Britain.  
00:43:05 --> 00:43:11: And this particular variant is not only more infectious,  
00:43:11 --> 00:43:15: but also appears to cause more serious symptoms.  
00:43:15 --> 00:43:20: It is not unexpected that we have variants.  
00:43:20 --> 00:43:25: Corona virus is a RNA virus which means that mutations  
00:43:25 --> 00:43:28: in the genome happen fairly quickly,  
00:43:28 --> 00:43:34: so this isn't unexpected, but we don't want the virus  
00:43:34 --> 00:43:36: to get ahead of us.  
00:43:36 --> 00:43:40: And so that's why you know there's a really big  
00:43:40 --> 00:43:42: push to vaccinate everybody.  
00:43:42 --> 00:43:47: The politicalization of immunization, where we see you know,  
00:43:47 --> 00:43:51: at first we were concerned that it was communities of  
00:43:51 --> 00:43:55: colors that have color that were vaccine hesitant.  
00:43:55 --> 00:43:58: Now it looks like it's GOP men are the ones  
00:43:58 --> 00:44:00: who are most hesitant,  
00:44:00 --> 00:44:04: and so that's that's a concern to reach herd immunity.  
00:44:04 --> 00:44:06: We have to get to about 85%  
00:44:06 --> 00:44:10: of the population immune. There are a lot of myths  
00:44:10 --> 00:44:14: out there on social media about the vaccine that is  
00:44:14 --> 00:44:17: leading to some of this vaccine hesitancy.

00:44:17 --> 00:44:21: But we also have barriers to vaccination the,  
00:44:21 --> 00:44:24: you know, the vaccines been out for what,  
00:44:24 --> 00:44:29: now, three months, and so that providers health  
Department's hospitals,  
00:44:29 --> 00:44:34: community centers are getting better at reducing some of  
those  
00:44:34 --> 00:44:35: barriers.  
00:44:35 --> 00:44:39: But there they are still there and that is something  
00:44:39 --> 00:44:40: we have to keep.  
00:44:40 --> 00:44:44: In mind and then the issue of vaccine nationalism.  
00:44:44 --> 00:44:48: This has come up in the United States where we  
00:44:48 --> 00:44:53: have we expect to have enough vaccine to vaccinate  
everybody  
00:44:53 --> 00:44:55: plus more vaccine,  
00:44:55 --> 00:44:58: and the question is do we hold on to that  
00:44:59 --> 00:45:02: in case a second or a booster doses do is  
00:45:02 --> 00:45:04: needed in a year?  
00:45:04 --> 00:45:07: Or do we give that to countries that are not  
00:45:07 --> 00:45:12: vaccinating anybody and that's that's going to be in?  
00:45:12 --> 00:45:14: Big issue because as I said,  
00:45:14 --> 00:45:17: this is a global pandemic and you know,  
00:45:17 --> 00:45:19: as we say in public health,  
00:45:19 --> 00:45:22: there's no peeing section in the pool.  
00:45:22 --> 00:45:24: We're all in it together,  
00:45:24 --> 00:45:26: so a lot of good news out there.  
00:45:26 --> 00:45:30: We never thought I never thought we would have a  
00:45:30 --> 00:45:31: vaccine so quickly.  
00:45:31 --> 00:45:35: We would have been happy with a vaccine that prevents  
00:45:35 --> 00:45:36: that was 50%  
00:45:36 --> 00:45:38: efficacious. Instead, these are 95.  
00:45:38 --> 00:45:43: There's been talk about Johnson and Johnson not being as  
00:45:43 --> 00:45:43: good.  
00:45:43 --> 00:45:45: It's still a really good vaccine,  
00:45:45 --> 00:45:49: and that's that really provides some hope going forward.  
00:45:49 --> 00:45:52: We just have to get vaccine into arms.  
00:45:52 --> 00:45:55: Oh, absolutely. I know in Chicago we're trying our best  
00:45:55 --> 00:45:57: to get him into arms.  
00:45:57 --> 00:46:00: It is definitely not as easy a process as you  
00:46:00 --> 00:46:01: would like to think,  
00:46:01 --> 00:46:04: but I do appreciate how far we have come,  
00:46:04 --> 00:46:06: how quickly we have gotten there.  
00:46:06 --> 00:46:08: So we're going to actually take a moment.  
00:46:08 --> 00:46:12: We're going to look at the answers from our most



00:46:12 --> 00:46:13: recent polling questions,  
00:46:13 --> 00:46:15: so office vacancy in my city.  
00:46:15 --> 00:46:17: 11 to 30 percent. 60%  
00:46:17 --> 00:46:19: of you are in that true double digit.  
00:46:19 --> 00:46:23: Almost scary level of vacancies and hopefully we're going to  
00:46:23 --> 00:46:26: see some recovery if onz answer around leasing activity is  
00:46:26 --> 00:46:29: is seen in other markets and most people are saying  
00:46:29 --> 00:46:32: that their governments are kind of in the middle of  
00:46:32 --> 00:46:35: the pack in their their work around the virus and  
00:46:35 --> 00:46:37: the rolling out of the vaccine.  
00:46:37 --> 00:46:40: I'm not quite sure of middle of the pack means  
00:46:40 --> 00:46:41: they're doing OK,  
00:46:41 --> 00:46:43: but not great, or they could be doing a lot  
00:46:43 --> 00:46:44: worse.  
00:46:44 --> 00:46:46: But I'm OK with what they're doing.  
00:46:46 --> 00:46:48: Not quite sure what that is,  
00:46:48 --> 00:46:50: but one question has come up that was about the  
00:46:51 --> 00:46:51: variance.  
00:46:51 --> 00:46:54: And actually I think I'm going to ask part of  
00:46:54 --> 00:46:57: that question to oh it because the question is since  
00:46:57 --> 00:47:00: the variance seemed to be hitting young people.  
00:47:00 --> 00:47:04: More quickly or more aggressively than older people,  
00:47:04 --> 00:47:07: do you have any concern about?  
00:47:07 --> 00:47:10: How that may affect office occupancy of tenants to have  
00:47:11 --> 00:47:11: younger.  
00:47:11 --> 00:47:15: Populations. You know, as far as their comfort in coming  
00:47:15 --> 00:47:17: back to the office space.  
00:47:17 --> 00:47:18: Yeah, I I haven't focused.  
00:47:18 --> 00:47:22: I wouldn't say I would necessarily focused on the age  
00:47:22 --> 00:47:23: aspect,  
00:47:23 --> 00:47:26: but the week to get employers to do what they  
00:47:26 --> 00:47:27: want to do,  
00:47:27 --> 00:47:30: which is to reopen their offices and go back to  
00:47:30 --> 00:47:32: some form of in person work.  
00:47:32 --> 00:47:36: They have to conclude that the environment is safe.  
00:47:36 --> 00:47:38: An if you have the virus out there,  
00:47:38 --> 00:47:41: whether it's a new variant or an old variant,  
00:47:41 --> 00:47:42: or no matter what age,  
00:47:42 --> 00:47:45: if that you can get more readily infected by going  
00:47:45 --> 00:47:46: to the office.  
00:47:46 --> 00:47:49: I don't think employers are going to open so so  
00:47:49 --> 00:47:52: I do think getting the virus under control,

00:47:52 --> 00:47:56: getting people vaccinated is absolutely critical to a pathway to  
00:47:56 --> 00:47:58: return to the office at this juncture.  
00:47:58 --> 00:48:01: Well, I'm looking forward to getting back to the office,  
00:48:01 --> 00:48:04: so I'm hoping the variants are things we can handle  
00:48:04 --> 00:48:06: with the little tweaks to the vaccine.  
00:48:06 --> 00:48:07: So just for the essence of time,  
00:48:07 --> 00:48:11: we're going to talk about where we going.  
00:48:11 --> 00:48:12: What's what's next? So we do?  
00:48:12 --> 00:48:14: I mean there is this.  
00:48:14 --> 00:48:16: You know we're walking into this.  
00:48:16 --> 00:48:19: The rest of this year with some cautious optimism,  
00:48:19 --> 00:48:23: right? We've got all these vaccines that have been distributed.  
00:48:23 --> 00:48:26: We've got additional vaccines being pursued.  
00:48:26 --> 00:48:30: We have restrictions being loosened for gathering social gatherings,  
00:48:30 --> 00:48:33: business gatherings, people, just having a drink,  
00:48:33 --> 00:48:36: or people going back to work pluses and minuses on  
00:48:36 --> 00:48:40: those we do have the variance that Catherine mentioned that  
00:48:40 --> 00:48:41: we're trying to.  
00:48:41 --> 00:48:44: With probably an uneven global recovery,  
00:48:44 --> 00:48:47: although Mary is saying there's some real strength that you  
00:48:47 --> 00:48:47: know,  
00:48:47 --> 00:48:52: countries are stepping into their recovery efforts more aggressively than  
00:48:52 --> 00:48:54: they did during the Great Recession.  
00:48:54 --> 00:48:58: And Fortunately it looks like the commercial real estate industry  
00:48:58 --> 00:48:59: is set to rebound,  
00:48:59 --> 00:49:01: which is wonderful.  
00:49:01 --> 00:49:04: Pulling questions for Part 3 for audience.  
00:49:07 --> 00:49:09: You predict that we will reach herd immunity by the  
00:49:09 --> 00:49:10: end of this year.  
00:49:10 --> 00:49:14: Yes or no. And your thoughts on the pandemic?  
00:49:14 --> 00:49:16: Will it dramatically change growth patterns,  
00:49:16 --> 00:49:18: not changing anything or, hey,  
00:49:18 --> 00:49:21: you know, just like everything else when it's over,  
00:49:21 --> 00:49:24: we're going to get back to the way it was.  
00:49:24 --> 00:49:26: So please do that. And then in the chat,  
00:49:26 --> 00:49:29: Please note the one word you think of when you  
00:49:29 --> 00:49:31: look forward to the coming year.  
00:49:31 --> 00:49:33: So not what you just experienced,

00:49:33 --> 00:49:36: but how you feel about going forward.

00:49:36 --> 00:49:38: So the polling questions please.

00:49:38 --> 00:49:39: And then a chat word.

00:49:39 --> 00:49:41: So oh, and let's talk about going forward.

00:49:46 --> 00:49:47: Where are we going to go?

00:49:47 --> 00:49:50: Our cities dead? Our cities gotta rebound,

00:49:50 --> 00:49:53: you know Chicago? I can still walk down most streets

00:49:53 --> 00:49:56: in the seat in the loop and cross against the

00:49:56 --> 00:49:58: light and not worry about getting hit by a car.

00:49:58 --> 00:50:02: I don't think that's a good thing.

00:50:02 --> 00:50:05: So what do you think is really the future for

00:50:05 --> 00:50:10: urban investment and office properties as we look at the

00:50:10 --> 00:50:10: 2022?

00:50:10 --> 00:50:14: Cities are not dead. They will come back urban.

00:50:14 --> 00:50:16: The urbanization trend will continue.

00:50:16 --> 00:50:20: It has survived pandemics, an other crises in the past,

00:50:20 --> 00:50:24: and it will survive this one.

00:50:24 --> 00:50:27: I think the headlines around the work from home in

00:50:27 --> 00:50:31: the office are very different from the conversations that we're

00:50:31 --> 00:50:34: having with decision makers and our customers,

00:50:34 --> 00:50:37: and frankly just individuals in our in our lives about

00:50:37 --> 00:50:40: their interest in returning to the office.

00:50:40 --> 00:50:42: You know, the first thing I would say is this

00:50:43 --> 00:50:46: is a very different recession because actually most of our

00:50:46 --> 00:50:49: customers are actually doing really well.

00:50:49 --> 00:50:52: You know they've added employees there most of the time.

00:50:52 --> 00:50:56: You have a recession. Companies business is harmed.

00:50:56 --> 00:50:57: They have to layoff people.

00:50:57 --> 00:51:00: They need less space and so the recovery is all

00:51:00 --> 00:51:02: about the economic recovery.

00:51:02 --> 00:51:05: This time actually, many of our customers have been hiring

00:51:05 --> 00:51:06: people.

00:51:06 --> 00:51:08: They've added people. So the whole?

00:51:08 --> 00:51:10: Is how are you going to use the office as

00:51:10 --> 00:51:11: opposed to,

00:51:11 --> 00:51:13: you know? Do you not have the people to go

00:51:13 --> 00:51:14: back to it?

00:51:14 --> 00:51:17: So that's a super interesting difference.

00:51:17 --> 00:51:21: Second thing is I am convinced based on my conversations,

00:51:21 --> 00:51:25: is that business leaders generally or I would say almost

00:51:25 --> 00:51:28: always want to go back to in person work.

00:51:28 --> 00:51:33: They think their companies are suffering in their

competitiveness from  
00:51:33 --> 00:51:37: not being able to collaborate to be more inventive to  
00:51:37 --> 00:51:38: onboard new employees.  
00:51:38 --> 00:51:41: All of these things you know they're happening,  
00:51:41 --> 00:51:46: but they're not happening in as constructive away and many  
00:51:46 --> 00:51:49: of our you know in a lot of the companies  
00:51:49 --> 00:51:50: that we serve in our.  
00:51:50 --> 00:51:53: Buildings you know, this is the key to their success  
00:51:53 --> 00:51:57: is collaboration amongst talented professionals to be creative  
on their  
00:51:57 --> 00:51:59: solutions for their customers.  
00:51:59 --> 00:52:02: So they want that. But the workers you know they've  
00:52:02 --> 00:52:04: now experienced work from home and I think they want  
00:52:05 --> 00:52:06: to go back as well,  
00:52:06 --> 00:52:08: but they want a hybrid model so that's what I  
00:52:08 --> 00:52:10: think the future is going to be.  
00:52:10 --> 00:52:13: There will be more work from home post pandemic than  
00:52:13 --> 00:52:14: pre pandemic,  
00:52:14 --> 00:52:16: but it's going to be in a hybrid model and  
00:52:16 --> 00:52:19: I think a lot of business leaders that I talked  
00:52:19 --> 00:52:19: to.  
00:52:19 --> 00:52:21: This is what they're worried about.  
00:52:21 --> 00:52:23: They're less worried about, well,  
00:52:23 --> 00:52:25: I save space. They're worried about.  
00:52:25 --> 00:52:27: Look right now. I know what I need to do  
00:52:27 --> 00:52:29: in terms of communicating with my teams.  
00:52:29 --> 00:52:32: 'cause everybody's virtual, but when we go hybrid,  
00:52:32 --> 00:52:33: how's that going to work?  
00:52:33 --> 00:52:36: If you're not in the office and you miss out  
00:52:36 --> 00:52:36: on something,  
00:52:36 --> 00:52:39: you know what's the? How is that going to work  
00:52:39 --> 00:52:42: between those employees that are in the office and out  
00:52:42 --> 00:52:42: of the office?  
00:52:42 --> 00:52:45: And then you go down this whole discussion about?  
00:52:45 --> 00:52:47: Well, if you're going to go to hybrid,  
00:52:47 --> 00:52:49: can you save space and to do that you need  
00:52:49 --> 00:52:52: to schedule everyone on when they can be out of  
00:52:52 --> 00:52:52: the office.  
00:52:52 --> 00:52:54: 'cause if everybody is out on Friday,  
00:52:54 --> 00:52:56: you're not going to save any space.  
00:52:56 --> 00:53:00: And you were going to go to non fixed workstations.  
00:53:00 --> 00:53:03: 'cause that's what you would have to do to save

00:53:03 --> 00:53:03: space.

00:53:03 --> 00:53:08: Gensler did some interesting surveys on this and they employees

00:53:08 --> 00:53:09: that they

00:53:09 --> 00:53:11: serve aid from across the world.

00:53:11 --> 00:53:15: You know, they they. Definitely the majority definitely wanted a

00:53:15 --> 00:53:16: hybrid work model,

00:53:16 --> 00:53:18: but 90% wanted up their own desk and only two

00:53:18 --> 00:53:21: thirds 2/3 of them said they would not trade their

00:53:21 --> 00:53:24: own desk for a work from home benefit.

00:53:24 --> 00:53:26: So anyway, I thought that was an interesting fact.

00:53:26 --> 00:53:30: I do think there will be administrative jobs that companies

00:53:30 --> 00:53:32: may conclude that can be done more.

00:53:32 --> 00:53:34: You know, in other words,

00:53:34 --> 00:53:38: an individual doesn't necessarily need to collaborate so much with

00:53:38 --> 00:53:39: their colleagues.

00:53:39 --> 00:53:42: And so I think that is where work from home

00:53:42 --> 00:53:45: could have a bigger impact on office demand is for

00:53:45 --> 00:53:49: customers or buildings that are housing more administrative Staffs.

00:53:49 --> 00:53:52: I think that will have a bigger impact.

00:53:52 --> 00:53:56: The other thing that I would say about the future

00:53:56 --> 00:53:57: just to finish up here.

00:53:57 --> 00:54:00: You know, if I do think of companies are going

00:54:00 --> 00:54:04: to conclude that a secret an important part of their

00:54:04 --> 00:54:08: success is getting their employees back to the office and

00:54:08 --> 00:54:12: collaborating in person. And I do think as a property

00:54:12 --> 00:54:12: owner,

00:54:12 --> 00:54:16: it's our job to help serve those leaders and helping

00:54:16 --> 00:54:17: them do that.

00:54:17 --> 00:54:18: So how do we do it?

00:54:18 --> 00:54:19: Do that. First of all,

00:54:19 --> 00:54:23: health security. You talked about this earlier?

00:54:23 --> 00:54:26: You know we're getting most of our buildings fit well

00:54:26 --> 00:54:27: certified.

00:54:27 --> 00:54:30: I took my first business trip this week.

00:54:30 --> 00:54:33: The captain of the plane came out and explained to

00:54:33 --> 00:54:35: all of us how many air recharges we were experiencing

00:54:36 --> 00:54:36: during the flight,

00:54:36 --> 00:54:39: and all I could think to myself is this is

00:54:39 --> 00:54:39: going to be us.

00:54:39 --> 00:54:42: You know, as a landlord we're going to be doing  
00:54:42 --> 00:54:43: this as well.  
00:54:43 --> 00:54:45: 'cause I think the employees that are coming back in  
00:54:45 --> 00:54:47: little business leaders,  
00:54:47 --> 00:54:50: certainly in determining whether it's safe to come back are  
00:54:50 --> 00:54:52: going to want to understand all those things.  
00:54:52 --> 00:54:55: So we are, we have become more health security experts.  
00:54:55 --> 00:54:57: We have a detailed health security plan.  
00:54:57 --> 00:55:00: This is going to help us help our customers bring  
00:55:00 --> 00:55:01: their employees back.  
00:55:01 --> 00:55:03: I also think easier commutes.  
00:55:03 --> 00:55:06: You know we're seeing more a much higher percentage of  
00:55:06 --> 00:55:09: tour activity in Manhattan today is in Midtown.  
00:55:09 --> 00:55:12: Then it was pre pandemic and I think that's because  
00:55:12 --> 00:55:13: it's single.  
00:55:13 --> 00:55:17: Stop commuting, you know, double stop commuting is more  
challenging  
00:55:17 --> 00:55:19: and I think employers are saying look,  
00:55:19 --> 00:55:22: I gotta have locations where it's just easier for more  
00:55:22 --> 00:55:24: and more people to come to the office.  
00:55:24 --> 00:55:27: And then when you get there it has to be  
00:55:27 --> 00:55:27: Gray.  
00:55:27 --> 00:55:29: You know it's gotta have great amenities.  
00:55:29 --> 00:55:32: It's gotta be a good experience.  
00:55:32 --> 00:55:34: Were all things that were important before,  
00:55:34 --> 00:55:36: and I think employers are going to have to make  
00:55:37 --> 00:55:38: it great inside their space.  
00:55:38 --> 00:55:41: But we as a landlord need to participate in that  
00:55:41 --> 00:55:44: in terms of the experience in the neighborhoods and the  
00:55:44 --> 00:55:47: amenities that we provide to the customers in our buildings,  
00:55:47 --> 00:55:49: so I think that's A and then the last thing  
00:55:49 --> 00:55:52: I would say I just think there's an enormous pent  
00:55:52 --> 00:55:54: up demand for social engagement.  
00:55:54 --> 00:55:56: And by the way, there's huge resources that are pent  
00:55:56 --> 00:55:58: up for this as well,  
00:55:58 --> 00:56:00: because people haven't been spending money,  
00:56:00 --> 00:56:04: and they've been getting. Stimulus checks from the  
government,  
00:56:04 --> 00:56:08: and so I think you're going to see an enormous  
00:56:08 --> 00:56:10: resurgence of restaurants,  
00:56:10 --> 00:56:12: retail and in person engagement.  
00:56:12 --> 00:56:14: You know, going into the fall,  
00:56:14 --> 00:56:16: as as we reopen. Well,

00:56:16 --> 00:56:18: I'm looking forward to that myself.  
00:56:18 --> 00:56:21: So just to keep this moving along.  
00:56:21 --> 00:56:26: So Mary, Capital Markets, Capital Investment Global Fund flows going forward,  
00:56:26 --> 00:56:27: thoughts? Well, first up, I'm with oh and that that  
00:56:27 --> 00:56:30: cities are not dead.  
00:56:30 --> 00:56:32: And that will be visible in where we see capital  
00:56:32 --> 00:56:35: flows in 2021,  
00:56:36 --> 00:56:37: because there are bargains to be had.  
00:56:37 --> 00:56:39: As people have declared, the urban apartment is dead,  
00:56:39 --> 00:56:43: the office is dead. There will be buying opportunities.  
00:56:43 --> 00:56:47: Maybe it come out of that.  
00:56:47 --> 00:56:49: And so I'm seeing global clients that are are engaged  
00:56:49 --> 00:56:53: in that.  
00:56:53 --> 00:56:54: However, global portfolios are dominated by the two property  
00:56:54 --> 00:56:59: types  
00:56:59 --> 00:57:03: that have been the hardest hit in this downturn.  
00:57:03 --> 00:57:05: Maybe the two of the three hardest hit,  
00:57:05 --> 00:57:09: so they're dominated by office and their dominated by retail,  
00:57:09 --> 00:57:13: and they likely want to put some ballast into their  
00:57:13 --> 00:57:14: portfolio,  
00:57:14 --> 00:57:17: and so we're seeing a real interest in those sectors  
00:57:17 --> 00:57:19: like a medical office,  
00:57:19 --> 00:57:22: for example, where the there is no link between office  
00:57:22 --> 00:57:27: tenant demand in medical office settings and the broader economy.  
00:57:27 --> 00:57:30: So they want to have that ballast in their portfolio.  
00:57:30 --> 00:57:34: They want to have some self storage in their portfolio.  
00:57:34 --> 00:57:37: In order to be a counter against the next downturn,  
00:57:37 --> 00:57:41: we should always be preparing for the next downturn and  
00:57:41 --> 00:57:44: how we think about our portfolios.  
00:57:44 --> 00:57:47: There are other investors that are.  
00:57:47 --> 00:57:50: Non US investors that are learning the geography of the  
00:57:50 --> 00:57:53: US again because for many of them,  
00:57:53 --> 00:57:57: their historical approach has been the five or six saltwater  
00:57:57 --> 00:57:57: markets.  
00:57:57 --> 00:58:00: Maybe you put Chicago in that group.  
00:58:00 --> 00:58:03: There also known as the Gateway Market and I'm with  
00:58:03 --> 00:58:03: Owen.  
00:58:03 --> 00:58:06: I think New York City is coming back but it's  
00:58:06 --> 00:58:09: gonna take awhile and so in the Meanwhile,

00:58:09 --> 00:58:13: some of these investors are interested in going somewhere else

00:58:13 --> 00:58:16: and a lot of those somewhere else is our place

00:58:17 --> 00:58:18: is like a Raleigh Durham.

00:58:18 --> 00:58:21: They have done really well in this downturn.

00:58:21 --> 00:58:24: I think it's office rents are up year over year

00:58:24 --> 00:58:25: rather than down,

00:58:25 --> 00:58:27: which they are most every place.

00:58:27 --> 00:58:29: Be careful in these markets.

00:58:29 --> 00:58:31: They're not deep and there could be a lot of

00:58:31 --> 00:58:33: development there.

00:58:33 --> 00:58:35: Same with the apartment dynamics.

00:58:35 --> 00:58:38: The apartments that have done best in this downturn have

00:58:38 --> 00:58:40: been garden apartments,

00:58:40 --> 00:58:42: which are typically in suburban settings.

00:58:42 --> 00:58:45: Be careful, some of those suburbs are really NIMBY run

00:58:46 --> 00:58:49: and therefore part of the success has been because there

00:58:49 --> 00:58:51: hasn't been a lot of new supply.

00:58:51 --> 00:58:54: But some locations are prone to a lot of new

00:58:54 --> 00:58:55: apartment supply.

00:58:55 --> 00:58:59: So question to those that think that because a property

00:58:59 --> 00:59:03: in a specific location did well in the covid times,

00:59:03 --> 00:59:06: it's not necessarily going to predict how well it will

00:59:06 --> 00:59:10: be doing five years from now when supply has ramped

00:59:10 --> 00:59:13: up or two years from now when supply is ramped

00:59:13 --> 00:59:18: up because one of the dynamics observable in the capital

00:59:18 --> 00:59:20: market right now collect.

00:59:20 --> 00:59:24: Is all of these insights from past recessions are guiding

00:59:24 --> 00:59:28: decision making today that capital that says hey how about

00:59:28 --> 00:59:31: you develop early in an economic recovery.

00:59:31 --> 00:59:34: You'll be the first new product to deliver and that

00:59:34 --> 00:59:38: means we are not necessarily going to see a pause

00:59:38 --> 00:59:43: in development which has historically allowed markets to

00:59:43 --> 00:59:45: come back

00:59:43 --> 00:59:45: into balance. So in some sectors,

00:59:45 --> 00:59:49: like apartments, we could actually see really good demand

00:59:49 --> 00:59:50: being

00:59:49 --> 00:59:50: offset.

00:59:50 --> 00:59:51: Buy a lot of new supply.

00:59:55 --> 00:59:58: Thanks mate, really appreciate that and just to bring us

00:59:58 --> 01:00:00: home on kind of closing the loop on,

01:00:00 --> 01:00:03: you know where we going.

01:00:03 --> 01:00:06: Catherine, where are we going Healthwise?



01:00:08 --> 01:00:11: Well, my crystal ball is not totally infallible,  
01:00:11 --> 01:00:14: and as I said, we have a lot of good  
01:00:14 --> 01:00:14: news.  
01:00:14 --> 01:00:16: The vaccine is is really it.  
01:00:16 --> 01:00:20: But basically what happens is going to depend on human  
01:00:20 --> 01:00:21: behavior.  
01:00:21 --> 01:00:24: Are we going to still take precautions?  
01:00:24 --> 01:00:27: I also traveled this weekend and I am in Texas  
01:00:27 --> 01:00:31: where the mask mandate was lifted a couple of weeks  
01:00:31 --> 01:00:33: ago in the Houston airport.  
01:00:33 --> 01:00:35: I saw quite a few people,  
01:00:35 --> 01:00:37: even if they had a mask on it was below  
01:00:37 --> 01:00:39: their nose or their mouth.  
01:00:39 --> 01:00:43: I'm not. Quite sure why they think their chin is  
01:00:43 --> 01:00:45: spreading the virus,  
01:00:45 --> 01:00:49: but so it's it. You know we have seen states  
01:00:49 --> 01:00:54: opening up against public health advice in many situations,  
01:00:54 --> 01:00:57: and so that is a concern and as well as  
01:00:57 --> 01:01:01: the variance and it's it's just gonna be a race  
01:01:01 --> 01:01:04: to see what happens and are we going to see  
01:01:04 --> 01:01:08: more variance. We will see more variants.  
01:01:08 --> 01:01:11: Are they going to be variants of concern?  
01:01:11 --> 01:01:16: Is the question we're we're doing well on getting people  
01:01:16 --> 01:01:17: vaccinated?  
01:01:17 --> 01:01:21: But as I mentioned, the hesitancy is still out there.  
01:01:21 --> 01:01:23: We will be wearing masks for awhile,  
01:01:23 --> 01:01:30: but hopefully wearing masks while we're traveling to see  
grandchildren  
01:01:30 --> 01:01:31: as I did.  
01:01:31 --> 01:01:37: And you know, being immune should open up our.  
01:01:37 --> 01:01:39: Put us at lower risk of doing some of the  
01:01:39 --> 01:01:41: things we want to do.  
01:01:41 --> 01:01:44: But we don't know how long immunity is going to  
01:01:44 --> 01:01:44: last,  
01:01:44 --> 01:01:47: so that's a question an in terms of schools.  
01:01:47 --> 01:01:51: We are hopeful that all of them will open in  
01:01:51 --> 01:01:53: the fall in person.  
01:01:53 --> 01:01:54: And but but in the end,  
01:01:54 --> 01:01:59: this virus will probably never disappear.  
01:01:59 --> 01:02:02: It's gonna be like flu that you know it is  
01:02:02 --> 01:02:07: in the population we we can't eradicate it for many  
01:02:07 --> 01:02:11: reasons and it's you know hopefully it will be like

01:02:11 --> 01:02:16: flu and we simply get vaccinated as often as necessary  
01:02:16 --> 01:02:18: to protect ourselves.  
01:02:18 --> 01:02:21: OK, with the annual flu vaccine and hopefully that will  
01:02:21 --> 01:02:24: come up with a great way to handle this one  
01:02:24 --> 01:02:27: as a regular part of kind of healthcare these days.  
01:02:27 --> 01:02:28: So a couple of things.  
01:02:28 --> 01:02:31: We got a couple of really good questions from the  
01:02:32 --> 01:02:35: audience which I'm going to throw out there as we  
01:02:35 --> 01:02:36: kind of round this out.  
01:02:36 --> 01:02:38: But first, while the poll results,  
01:02:38 --> 01:02:41: most people think we will reach herd immunity by the  
01:02:41 --> 01:02:42: end of this year,  
01:02:42 --> 01:02:46: so hopefully the 65% are saying yes are helping to  
01:02:46 --> 01:02:46: push the 85%  
01:02:46 --> 01:02:49: of the population we need to get vaccinated.  
01:02:49 --> 01:02:53: And most people 70% believe that the pandemic is not  
01:02:53 --> 01:02:57: changing things but accelerating trends that were already  
underway.  
01:02:57 --> 01:03:01: And many of those were trends that were talked about  
01:03:01 --> 01:03:05: both through Owen and Mary's comments around e-  
commerce and multi  
01:03:05 --> 01:03:06: channel retail.  
01:03:06 --> 01:03:08: And what's going on with office use.  
01:03:08 --> 01:03:12: So thank you very much for sharing your thoughts on  
01:03:12 --> 01:03:14: those two polling questions.  
01:03:14 --> 01:03:16: One question for the group to answer.  
01:03:16 --> 01:03:19: Anyone on the group, and I think especially this may  
01:03:19 --> 01:03:21: fall squarely into.  
01:03:21 --> 01:03:23: Your box Mary, but the question is,  
01:03:23 --> 01:03:26: can we leverage some of these recovery efforts to address  
01:03:26 --> 01:03:30: climate change and energy efficiency and diversity?  
01:03:30 --> 01:03:32: Equity and inclusion? While we're trying to,  
01:03:32 --> 01:03:34: you know, get rid of the Max,  
01:03:34 --> 01:03:36: get rid of the virus.  
01:03:36 --> 01:03:41: We certainly can, and that is visible in the infrastructure  
01:03:41 --> 01:03:45: bill that is getting prepared to be introduced into Congress.  
01:03:45 --> 01:03:48: The idea of a double bottom line,  
01:03:48 --> 01:03:51: right? We can put people to work in making our  
01:03:52 --> 01:03:55: communities less vulnerable to climate change,  
01:03:55 --> 01:03:58: particularly things like flooding or erosion.  
01:03:58 --> 01:04:03: How about we make our our homes more energy efficient,  
01:04:03 --> 01:04:06: reducing the amount of energy that's used to.

01:04:06 --> 01:04:09: Two up to heat and cool them and reducing carbon  
01:04:09 --> 01:04:11: at the same time.  
01:04:11 --> 01:04:14: So I I love the Biden ministrations focus on trying  
01:04:14 --> 01:04:16: to achieve two goals at once.  
01:04:16 --> 01:04:20: That gets really important to note that there are disparities  
01:04:20 --> 01:04:23: in what what communities are more vulnerable,  
01:04:23 --> 01:04:26: most vulnerable to climate change.  
01:04:26 --> 01:04:29: And sadly, you have the wealthy in a position to  
01:04:29 --> 01:04:33: get to higher ground quite literally as an industry.  
01:04:33 --> 01:04:36: We need to figure out how do we make certain  
01:04:36 --> 01:04:36: that.  
01:04:36 --> 01:04:41: This kind of locational bias that has advantage some people.  
01:04:41 --> 01:04:44: It does not persist in the era in which our  
01:04:44 --> 01:04:45: eyes are open to this.  
01:04:48 --> 01:04:48: Great.  
01:04:54 --> 01:04:57: Sorry, I thought I thought I unmuted myself.  
01:04:57 --> 01:05:00: I actually muted myself. I'm sorry about that and then  
01:05:01 --> 01:05:03: I think one question is coming about.  
01:05:03 --> 01:05:06: Are we seeing new trends and investment in public and  
01:05:06 --> 01:05:10: government sector as a result of the redeployment of capital  
01:05:10 --> 01:05:12: into different parts of the economy?  
01:05:12 --> 01:05:16: Haven't seen. Haven't heard very much about trends and  
investing  
01:05:16 --> 01:05:17: in public space,  
01:05:17 --> 01:05:20: public government space, but maybe marry you.  
01:05:20 --> 01:05:24: You're hearing something from other than infrastructure or  
ON is.  
01:05:24 --> 01:05:27: To the extent that there is office space occupied by  
01:05:27 --> 01:05:27: the GSA,  
01:05:27 --> 01:05:30: I mean, is there a trend that we're seeing in  
01:05:30 --> 01:05:31: that space,  
01:05:31 --> 01:05:32: utility or investment interest?  
01:05:34 --> 01:05:37: I'm not sure I would say there's been a pickup  
01:05:37 --> 01:05:39: in GSA requirements.  
01:05:39 --> 01:05:43: I mean, there definitely have been some cyber security  
requirements  
01:05:43 --> 01:05:46: that have increased tenant demand from the private sector.  
01:05:46 --> 01:05:49: For example, in the Washington DC area,  
01:05:49 --> 01:05:53: which has been a benefit to the real estate market.  
01:05:53 --> 01:05:56: But I do think I do think the stimulus plan  
01:05:56 --> 01:06:00: that the Biden administration just pushed through is an  
investment  
01:06:00 --> 01:06:01: in our cities.

01:06:01 --> 01:06:04: You know, some of that money has been geared towards  
01:06:04 --> 01:06:05: city budgets,  
01:06:05 --> 01:06:08: others been towards local infrastructure.  
01:06:08 --> 01:06:10: So I do think that is an investment in in  
01:06:10 --> 01:06:12: our cities and in real estate.  
01:06:15 --> 01:06:19: And the public transit aspect of that should be emphasized  
01:06:19 --> 01:06:20: as an L writer,  
01:06:20 --> 01:06:22: I am I. I'm exhilarated to be back on it  
01:06:22 --> 01:06:25: and encourage other people to come there,  
01:06:25 --> 01:06:27: clean their safe. They're running,  
01:06:27 --> 01:06:30: they're running trains that are as long as rush hour  
01:06:30 --> 01:06:32: trains throughout the day,  
01:06:32 --> 01:06:34: so I've had no trouble in my Mike.  
01:06:34 --> 01:06:36: I'm on on the CTA in Chicago.  
01:06:39 --> 01:06:42: So as we kind of bring this to a close,  
01:06:42 --> 01:06:45: I think it may be one new question I'm trying  
01:06:45 --> 01:06:47: to just make sure I have them.  
01:06:47 --> 01:06:48: No, I think we got him.  
01:06:48 --> 01:06:52: So before we close. We asked everybody to give us  
01:06:52 --> 01:06:55: a word at the beginning to kind of explain kind  
01:06:55 --> 01:06:59: of your thoughts around what happened last year and we  
01:06:59 --> 01:07:02: create a word cloud of that Ann looking at the  
01:07:02 --> 01:07:04: dominant words here.  
01:07:04 --> 01:07:08: Fascinating resilience, challenging, unpredictable, stressful.  
01:07:08 --> 01:07:10: Oh my goodness. Yes, pivoting,  
01:07:10 --> 01:07:14: and I think it's amazing how quickly so many businesses  
01:07:14 --> 01:07:17: and institutions pivoted when they need it to.  
01:07:17 --> 01:07:20: A year ago. Change opportunities I think.  
01:07:20 --> 01:07:23: You know the opportunities piece was a little hard to  
01:07:23 --> 01:07:24: see at the beginning,  
01:07:24 --> 01:07:26: but it's great that when you reflect back on it,  
01:07:26 --> 01:07:30: you see that there are opportunities that have come out  
01:07:30 --> 01:07:30: of that.  
01:07:30 --> 01:07:34: Actable stressful, challenging time that we've all gone  
through.  
01:07:34 --> 01:07:36: We'll call it the 2020 experience.  
01:07:36 --> 01:07:40: So then what is the one word you think of  
01:07:40 --> 01:07:41: looking forward?  
01:07:41 --> 01:07:43: Optimism. I like how travel hit that button.  
01:07:43 --> 01:07:46: Everybody is really looking forward to travel.  
01:07:46 --> 01:07:50: I bet you that's personal travel and not business travel.  
01:07:50 --> 01:07:53: But just thinking about a lot of other great words,

01:07:53 --> 01:07:56: but optimism and travel seem to be the strongest.  
01:07:56 --> 01:07:58: I'm not seeing a lot around dumb.  
01:07:58 --> 01:08:02: Getting together I see. Reinvention maybe we don't need to  
01:08:02 --> 01:08:03: reinvent.  
01:08:03 --> 01:08:05: We're just doing well how where we are,  
01:08:05 --> 01:08:09: but great engagement. Thank you everybody for participating  
in our  
01:08:09 --> 01:08:10: word cloud construction,  
01:08:10 --> 01:08:12: so to kind of tie a bow on this,  
01:08:12 --> 01:08:14: Rachel wants to make sure that I am not overtime  
01:08:14 --> 01:08:17: and I want to make sure I get everybody back  
01:08:17 --> 01:08:18: to the rest of their day.  
01:08:18 --> 01:08:21: I want to ask everybody on the panel a different  
01:08:21 --> 01:08:23: question than the one I told you I was going  
01:08:24 --> 01:08:26: to ask you rather than doing the Debbie Downer.  
01:08:26 --> 01:08:30: One of you know what's been the thing that keeps  
01:08:30 --> 01:08:30: you up.  
01:08:30 --> 01:08:36: What's the thing that inspires you looking forward coming out  
01:08:36 --> 01:08:37: of?  
01:08:37 --> 01:08:40: This experience. Be it personal,  
01:08:40 --> 01:08:43: professional, global, whatever that is.  
01:08:43 --> 01:08:45: What is what is inspiring you.  
01:08:45 --> 01:08:48: What is the inspiration?  
01:08:48 --> 01:08:51: We want to keep in mind and a positive angle  
01:08:51 --> 01:08:54: as we look to the other side of the tunnel,  
01:08:54 --> 01:08:56: Catherine. When you start this off.  
01:08:56 --> 01:09:01: Yeah, I think you mentioned at the start that you  
01:09:01 --> 01:09:02: couldn't pronounce,  
01:09:02 --> 01:09:06: maybe didn't know about Epidemiology a year ago.  
01:09:06 --> 01:09:10: I think the increased focus on public health,  
01:09:10 --> 01:09:15: which is not just infectious diseases but the health of  
01:09:15 --> 01:09:19: a community will hopefully lead to better funding.  
01:09:19 --> 01:09:22: It all comes down to money,  
01:09:22 --> 01:09:27: doesn't it? An recognition of the importance of this area.  
01:09:27 --> 01:09:32: So that's that's what I'm hoping for and I guess  
01:09:32 --> 01:09:34: is inspiring me.  
01:09:34 --> 01:09:37: Actually, Epidemiology was a word I actually understood it.  
01:09:37 --> 01:09:39: It was just saying it the right.  
01:09:39 --> 01:09:41: OK, you know, listening to Doctor Foul cheese say it  
01:09:41 --> 01:09:41: enough.  
01:09:41 --> 01:09:44: I really got the I got the weight combination of  
01:09:44 --> 01:09:45: syllables going,

01:09:45 --> 01:09:46: so they did it perfectly,  
01:09:46 --> 01:09:48: yes.  
01:09:48 --> 01:09:50: I went with inspiring you looking forward.  
01:09:50 --> 01:09:53: Well, I think I think you have to.  
01:09:53 --> 01:09:55: You know, as an as a positive,  
01:09:55 --> 01:09:57: optimistic person. I try to look at,  
01:09:57 --> 01:10:00: you know what Silver Linings came out of this and  
01:10:00 --> 01:10:00: what?  
01:10:00 --> 01:10:04: How are we all going to be better going forward?  
01:10:04 --> 01:10:05: And I do think you know.  
01:10:05 --> 01:10:08: Firstly, I do think we're going to have a robust  
01:10:08 --> 01:10:11: recovery for the reasons I mentioned.  
01:10:11 --> 01:10:13: And you know, being involved in all that as a  
01:10:14 --> 01:10:15: as a business person.  
01:10:15 --> 01:10:17: I'm very much looking forward to.  
01:10:17 --> 01:10:20: Second, I do think. A lot of the progress that's  
01:10:20 --> 01:10:24: been made in the whole area of social and racial  
01:10:24 --> 01:10:25: justice and diversity.  
01:10:25 --> 01:10:29: I think that is a big positive for business generally,  
01:10:29 --> 01:10:32: and I think that there's been major a major step  
01:10:32 --> 01:10:32: forward.  
01:10:32 --> 01:10:34: There's plenty more to do,  
01:10:34 --> 01:10:36: but I think taking advantage.  
01:10:36 --> 01:10:39: You know taking that to the next step is important.  
01:10:39 --> 01:10:42: And then what Mary said about climate?  
01:10:42 --> 01:10:45: I mean, I was really climates always been super important  
01:10:45 --> 01:10:48: to me personally and also to Boston properties.  
01:10:48 --> 01:10:52: And I was. Very nervous that the pandemic was going  
01:10:52 --> 01:10:53: to get us off.  
01:10:53 --> 01:10:55: That and I think look,  
01:10:55 --> 01:10:59: I do think that the Biden administration's election was a  
01:10:59 --> 01:11:00: big part of this shift,  
01:11:00 --> 01:11:03: but you know, I do think you know when.  
01:11:03 --> 01:11:06: I think now about the types of questions I get  
01:11:06 --> 01:11:07: from shareholders.  
01:11:07 --> 01:11:11: I mean we attend ESG conferences where that's really the  
01:11:11 --> 01:11:12: focus.  
01:11:12 --> 01:11:14: That's a big change and and you know,  
01:11:14 --> 01:11:18: taking pushing again that forward in the future is going  
01:11:18 --> 01:11:20: to be important.  
01:11:20 --> 01:11:22: Thanks, I went so merry.  
01:11:22 --> 01:11:24: When we get the last word kind of the last

01:11:24 --> 01:11:24: word,  
01:11:24 --> 01:11:26: so I don't know why I wrote down on a  
01:11:26 --> 01:11:28: note on one of my pages that I I wanted  
01:11:28 --> 01:11:30: to tell you all that I've been drinking out of  
01:11:30 --> 01:11:34: the good China over the last year.  
01:11:34 --> 01:11:36: Wraps together with this idea what?  
01:11:36 --> 01:11:38: What is a pandemic taught us.  
01:11:38 --> 01:11:39: The fleeting nature of life.  
01:11:39 --> 01:11:41: Live it the right way.  
01:11:41 --> 01:11:44: Live it with kindness. We have seen each others lives  
01:11:44 --> 01:11:45: on the screens.  
01:11:45 --> 01:11:48: Those of us that have been working remotely.  
01:11:48 --> 01:11:51: We've seen into our our colleagues homes.  
01:11:51 --> 01:11:53: We've seen their dogs, their kids or whatever.  
01:11:53 --> 01:11:57: I hope that there's something that carries over from that  
01:11:57 --> 01:11:58: intersection.  
01:11:58 --> 01:12:00: The human Ness of this experience.  
01:12:00 --> 01:12:03: So drink out of the good China 'cause life is  
01:12:03 --> 01:12:04: too short and.  
01:12:04 --> 01:12:07: And let's be better people.  
01:12:07 --> 01:12:11: Wonderful, so again many Many thanks to my panelists  
Catherine  
01:12:11 --> 01:12:11: Troisi,  
01:12:11 --> 01:12:15: Mary Ledgin, and Owen Thomas for joining me today on  
01:12:15 --> 01:12:16: our covid.  
01:12:16 --> 01:12:19: Where have we been and where are we going?  
01:12:19 --> 01:12:21: Seminar, thank you all for joining us.  
01:12:21 --> 01:12:24: Please take the good vibes from the room at the  
01:12:25 --> 01:12:27: Roaring 20s is at our doorstep.  
01:12:27 --> 01:12:29: Let's just make the best of it.  
01:12:29 --> 01:12:32: So thank you alive for hosting this and we look  
01:12:32 --> 01:12:36: forward to seeing everybody in Chicago in the fall.  
01:12:36 --> 01:12:38: So join us then. And in the meantime,  
01:12:38 --> 01:12:39: take care, be safe, be well.  
01:12:39 --> 01:12:41: Thanks everybody. Have a great afternoon.

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