

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
is more than
00:26:20 --> 00:26:20: 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
00:40:59 --> 00:41:04: this graph just shows you how different countries are doing.
00:41:04 --> 00:41:07: It is important to remember this is a pandemic.
00:41:07 --> 00:41:09: We could.
00:41:09 --> 00:41:13: Do a really good job vaccinating in the United States,
00:41:13 --> 00:41:18: but we still are concerned about importation of disease from
00:41:18 --> 00:41:20: of infection from other countries.
00:41:20 --> 00:41:25: And there are countries that may not start vaccinating for
00:41:25 --> 00:41:26: another two years.
00:41:26 --> 00:41:30: So you know, we have to be aware that we
00:41:30 --> 00:41:33: this is a global community.
00:41:33 --> 00:41:36: We had some good news just this morning that at
00:41:36 --> 00:41:40: least according to a press release from Pfizer,
00:41:40 --> 00:41:44: they're vaccine works really well in kids 12 to 16.
00:41:44 --> 00:41:47: Because if we're going to reach herd immunity,
00:41:47 --> 00:41:49: we need to get that 20%
00:41:49 --> 00:41:52: 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
00:56:26 --> 00:56:27: forward,
00:56:27 --> 00:56:30: thoughts? Well, first up, I'm with oh and that that
00:56:30 --> 00:56:32: cities are not dead.
00:56:32 --> 00:56:35: And that will be visible in where we see capital
00:56:36 --> 00:56:37: flows in 2021,
00:56:37 --> 00:56:39: because there are bargains to be had.
00:56:39 --> 00:56:43: As people have declared, the urban apartment is dead,
00:56:43 --> 00:56:47: the office is dead. There will be buying opportunities.
00:56:47 --> 00:56:49: Maybe it come out of that.
00:56:49 --> 00:56:53: And so I'm seeing global clients that are are engaged
00:56:53 --> 00:56:54: in that.
00:56:54 --> 00:56:59: However, global portfolios are dominated by the two property 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
01:07:34 --> 01:07:36: through.
01:07:36 --> 01:07:40: We'll call it the 2020 experience.
01:07:40 --> 01:07:41: So then what is the one word you think of
01:07:41 --> 01:07:43: looking forward?
01:07:43 --> 01:07:46: Optimism. I like how travel hit that button.
01:07:46 --> 01:07:50: Everybody is really looking forward to travel.
01:07:50 --> 01:07:53: I bet you that's personal travel and not business travel.
01:07:53 --> 01:07:55: 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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