

# Society of Property Researchers

## Newsletter

December 2020



**SOCIETY OF**  
PROPERTY  
RESEARCHERS

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*Reports written by Tim Horsey  
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### Upcoming events:

12 January 2021: Joint SPR/IPF Outlook for UK Property 2021 webinar

20 January 2021: Opportunities and challenges in repurposing retail parks webinar

29 January 2021: In Conversation – Andrew Smith, Hearthstone Investment Management (zoom)

3 February 2021: Cities webinar

9 February 2021: Joint SPR/IPF/INREV 2020 Nick Tyrrell Research Prize Winners Presentation webinar

11 February 2021: Repurposing redundant shopping centres and department stores webinar

11 March 2021: Risk and uncertainty in real estate webinar

*Sign up for events [here](#)*

*Catch up on past recorded events [here](#)*

## Society News

### Message from the Chair

What a year it has been and what a time to take on the role of Chair for the SPR! Thank you for sticking with us and it has been great to see so many of you virtually, especially those who we wouldn't otherwise have been able to catch up with had we been meeting in person.

Like you I suspect, I've really missed the celebrations at the end of the year particularly sharing a drink at the AGM and catching up with everyone at the Annual Dinner in person. However, I am delighted with the ability of the society to be able to adapt, hosting the AGM online and welcoming attendees from across the world. I'm also blown away by the response to the call for new committee members and am pleased to welcome eight new faces to the ranks.

Despite the challenges of the current time, there is light at the end of the tunnel with the vaccine being rolled out. And until we can return to more normal lifestyles, we will continue to bring you a selection of interesting webinars and socials.

### 33<sup>rd</sup> Annual General Meeting

12 November 2020

#### *Silver linings in an extraordinary year!*

Coronavirus restrictions meant that for the first time in its 33-year history, the SPR Annual General Meeting took the form of a virtual meeting. One instant benefit was that there was no difficulty in achieving a quorum, with 46 members logging into the Zoom meeting. Motions were carried using the 'raise your hand' function and questions could be asked via the 'chat' option, which also allowed members to comment on the proceedings.

SPR President **Andrew Smith** opened the meeting with a short introduction and congratulated the outgoing committee 'for keeping the show on the road in difficult circumstances'.

**Tom Duncan**, the outgoing committee chair, then reviewed the Society's activities over the past year. He began by suggesting that the last AGM, held at the Iron Duke pub in London's Mayfair, now felt like a lifetime ago. With coronavirus and the subsequent lockdown hitting the UK in March, the SPR was forced to make a rapid shift from physical to virtual events. But the committee quickly pivoted, starting its online offering

I am delighted that we have hosted some great thought-provoking webinars and started our new series of 'In Conversation's with senior researchers who have shared so much about their careers and insights into the industry. With a new start in 2021 I also look forward to being able to try some new formats along with the tried and tested and hope you will be able to join us.

As well as more of these In Conversation sessions, we have a packed webinar calendar for the New Year and will look to do in person events in whatever form we are allowed when things improve. Keep an eye out for emails from Rita or check out the events [here](#) to avoid missing out. Do remember you can catch up on events we have recorded on the website [here](#).

Hope you have a well-deserved break over Christmas after such a disrupted year and look forward to seeing you all virtually (and hopefully actually) in 2021.

Lucy Greenwood, SPR Chair 2020-21

with a series of four webinars on the virus's impact on different property sectors.



The lockdowns have clearly had a highly negative effect on the Society's ability to hold social events, though there were two virtual quizzes. Similarly, site visits were impossible for most of the year. But more positively, holding technical events online has led to larger audiences and the inclusion of those working

outside London. This undoubted benefit of the webinar format is something that the SPR plans to take forward by holding some meetings online once restrictions have been lifted.

The economic environment has contributed to a fall in membership by around 5% over the year (28 fewer members) – this was the largest annual fall that the Society has seen in the last 15 years. It also went part of the way to explaining the deficit of c. £7,600 incurred during the year, as was explained SPR Treasurer **James Purvis** in his presentation. Another reason was the loss of income from job adverts – there were 10 this year compared to the usual 20 or so. But he stressed that the Society's bank balance remains healthy and is now comparable to the 2012 level.

After five years in the role, James is passing the Treasurer's reins to his Tristan Capital Partners colleague **Ben Russell**, who explained that the SPR would be taking a cautious approach in its budget for the year to come. With so much uncertainty surrounding how long COVID-related restrictions would remain in place, the proposed accounts assumed that there would be no face-to-face events throughout the year, which also implied a lack of sponsorship income. Hopefully, the eventual outturn will be better, particularly if vaccines come through quickly and prove effective, but at present the Society is projecting a deficit of £12,000 based on these prudent assumptions. On this point former Chair **Oli Kummerfeldt** stressed that this kind of loss would not be sustainable the following year and that the committee would need to review the Society's operations if conditions remain as challenging.

Whatever the difficulties that next year may throw in the Society's path, incoming Chair **Lucy Greenwood** was very positive about what it could achieve in terms of bringing property researchers together and deepening their knowledge. There will be more virtual networking events, perhaps adding an online wine tasting to the quizzes that have already proved successful. Members will also be able to get to know some of their peers a little better through 'member spotlight' events, together with a number of interviews 'in conversation with' senior research figures. The first of these will feature **Alice Breheny**, Global Head of Research, Nuveen.

A motion to accept the proposed committee to take Society forward into 2021 was passed, with the addition of the following new members:

**Yi Wu**, Reading Business School  
**Stephanie Lin**, M&G Real Estate  
**Matthew Soffair**, Legal & General IM  
**Prohad Khan**, Capital Economics  
**Will Laing**, Savills

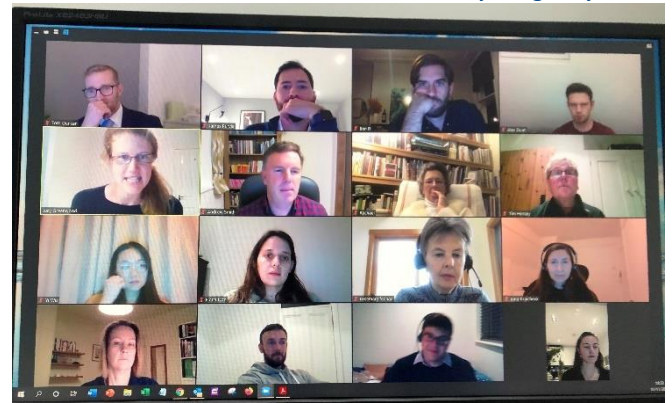
**Joanna Tano**, Cromwell Property Group  
**Siena Golan**, DWS  
**Oliver Kolodseike**, Colliers International

Those leaving the committee were thanked for their contributions:

**James Purvis**, Tristan Capital Partners  
**Oliver Kummerfeldt**, Schroders  
**David Chapman**, Cushman & Wakefield  
**Joel Suissa**, Remit Consulting

After the formal AGM business had come to a close, Lucy announced the winners of the two SPR Research Prizes. The open category was won by **Simon Wallace** and **Farhaz Miah** of DWS for their paper on *Last Hour Logistics*. Miah said that this was a real honour considering the number of exceptional papers submitted for the award, notably that by **Elaine Rossall** of JLL on *The impact of sustainability on value in Central London*, which gained second place. The under-30s prize was awarded to **Gaby Foord** and **Ed Hampson** of Savills for their report on *New Homes and Buyer Migration*, with **Jonathan Bayfield** of Aviva Investors taking second place for *London - the ultimate city of the future*

Finally, Andrew Smith presented the latest SPR Fellowship to **Rosemary Feenan**, in recognition of her illustrious career that started in town planning and went on to include periods at CACI, Chestertons and most notably at JLL, where she ultimately became Head of Global Research Programmes. Rosemary joined the meeting from Vancouver, Canada, where she is now Executive Vice President, Research for QuadReal. She said that she was 'proud, humbled and amazed' to be awarded the 2020 Fellowship, and continued by expounding her perspective on property research, noting that it had grown to encompass so many different kinds of people and disciplines since its beginnings in the 1980s and had now opened up fantastic possibilities for the future. The SPR acted as a springboard for this growth, but there was still more to for it to do – for instance getting to grips with the impact of PropTech. But researchers should also never lose sight of the fact that bricks and mortar still underlie everything they do.

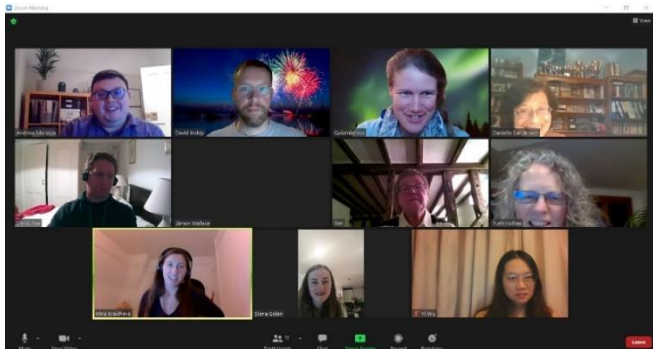


## Social Events

### Bonfire Night Quiz

5 November 2020

The Society's second virtual pub quiz of 2020 remained true to its tradition of intriguing questions and competitive participants. Some eight enthusiastic SPR members – split into three mixed teams – took the chance to enjoy the networking opportunities and intellectual challenge the quiz offered. A lot of thought and effort by the three quizmasters – **Lucy Greenwood, Andrew Marston** and **David Inskip** – had clearly gone into the organisation and content of the event. But perhaps the lure of fireworks and sparklers proved too much on the evening for more members to join!



After rounds on the natural world, connections, Guy Fawkes Night and general knowledge, as well as a picture round identifying confectionary brands from a letter on their wrapper (see below), the team of **Danielle Sanderson** and **David Rae** emerged victorious. The contest was closely fought from round to round, at least until the final tally when the team named QFH (Quizzing From Home) realised they had spent too much time networking to focus properly on the sweet wrappers, and fell into a distant third place. But were they the real winners by getting to know fellow SPR members better?!



### Virtual Wine Tasting

15 December 2020

During what proved to be a highly interesting hour, sommelier Valentina Mazzetti – who hosted the event from her home in Florence – explained the principles of wine tasting to a select group of SPR members. The shared experience of tasting two particular wines – even if on Zoom – made for an interactive and absorbing event, enhanced by a knowledgeable and engaging host who created an interactive atmosphere that encouraged comments and questions.

Taking the two very palatable – but reasonably priced – wines, a red and a white, Valentina ran through the aspects you should consider when tasting. These came



under the broad headings of look, smell and taste. The group observed, smelt and tasted each wine in turn, taking time to explore each of these areas in depth. The look of the wine can reveal its intensity and alcohol content, as seen in its viscosity in the glass, which gives an indication of how much sugar has fermented.

The wine's aroma - clearly an important part of the drinking experience – reflects different fruit, flower and herb flavours, as well as oakiness, which depends on the storage process. The white wine the group tasted – a Pinot Grigio from St Michael-Eppan in the Alto Adige region of northern Italy – had strong citrus elements including lemon and grapefruit with some notes of jasmine.

The next stage was to consider different aspects of the wine's taste – its sweetness (or dryness), acidity, tannin, alcohol level and body. It was interesting to understand how different parts of the tongue pick up the acidity of the wine and how you can judge alcohol content by the length of time it stays on the palate.

Both the white wine and the red, a Masi 2017 vintage from the Veneto region of Italy, came out as well balanced in terms of their acidity and alcohol content. But Valentina implied that the important thing is to be able to pick out the character of a wine – not to make a judgement on how good it is, as people's preferences vary a great deal.

## Virtual Site Visit

### Edinburgh St James

9 September 2020

Kindly hosted by:

**nuveen**  
REAL ESTATE

In another COVID-inspired innovation for the Society, Nuveen Real Estate kindly hosted the first SPR virtual site visit. **Martin Perry**, Nuveen's Director of Development for Europe, gave an evocative presentation of the ground-breaking new Edinburgh St James retail/mixed use project, which looks set to transform the city's retail offer when it opens next spring. The SPR rarely holds site visits outside London, so the event also gave members the chance to gain some insights into a different metropolitan market.

Martin explained that Edinburgh St James covers seven acres in the heart of the city centre, close to Princes and St George's Streets, and is surrounded by historic buildings, some of which are integrated into the project. The development consists of five floors of shopping, dining, leisure, entertainment, hotel and apartment space that have effectively been built into a granite hillside, with the aim of enhancing the city centre 'physically, culturally and socially'.



One of the most visually striking elements of the scheme is the ultra-modern hotel structure at its centre, which is somewhat reminiscent on London's City Hall. The hotel will be part of the W brand run by Marriott, which Martin described as aimed at the wealthy young international traveller. Another part of the 244-room hotel will be housed in one of the repurposed 18<sup>th</sup> century terraces.

Edinburgh is already a highly successful tourist destination, but the presentation emphasised that its retail offer is currently constrained the format of space available, so that many leading retailers have not been able to find suitable premises. This is a need that Edinburgh St James seeks to meet, potentially becoming one of the UK's top-ten retail schemes. Martin explained how Nuveen's City Megatrends research has underpinned the development, with Edinburgh rating very highly for its quality of life and education, two factors that are seen as critical in creating buoyant real estate market prospects. The city is also unique for its festival, which is the world's second-ranking cultural event in terms of visitor numbers.



Clearly the COVID-19 pandemic has disrupted preparations for the scheme's opening. Martin noted that construction virtually ceased for three months during the most severe phase of the spring lockdown, meaning that activity was now intense given the need to catch up in time for opening in April 2021. Nevertheless, advance leasing of the retail space had clearly progressed well, with anchor tenants including Zara and John Lewis in place, and only a few units remaining to be let.

## Webinars

### Joint SPR/IPF Global Real Estate Outlook

8 September 2020

#### *We're all epidemiologists now*



In a sweeping view of the impact of Covid-19 on global real estate markets, **Sabina Kalyan** of CBRE Global Investors proposed that economists and analysts now need to be epidemiologists too. Waves of the pandemic are hitting the world's real estate markets at different times and the severity of government-imposed lockdowns also varies widely. Real estate players need to understand the timing of these trends in order to assess their potential effects on markets.

Kalyan proposed that a full recovery would only follow an effective vaccine, with CBRE GI's base scenario predicting this would be around the middle of 2021. The financial impact of putting economies in an 'induced coma' is going to be massive government indebtedness, with even the most restrained European economies set to breach the EU limit of 60% of GDP. But she didn't think this would necessarily be inflationary, as long as central banks keep their nerve. However, those governments choosing to pay down their debt would need to make big tax changes, something that could well impact real estate markets.

Kalyan's key real estate take-aways were that retail would not bounce back, but that offices most likely would – depending on the balance between increased home-working and the need to lower employment densities in the office – while residential and sheds would remain resilient.



Turning to global flows of capital into real estate markets, **Simon Mallinson** of Real Capital Analytics noted that after a first quarter when regional flows followed recent trends, Q2 2020 saw a dramatic retreat in liquidity, ranging from a 20% fall across European markets to a 40% decline in Asia. Nearly all global city markets have suffered. The few bright spots include most German markets, which were held up by the strength of domestic demand, as well as most industrial and apartment segments worldwide. Mallinson noted that despite the general downturn in transaction activity, investors were still raising capital for real estate, perhaps in the hope of finding distressed opportunities. But buyers and sellers seemed to have widely

diverging expectations in the marketplace, reflected by the lack of movement in yields nearly everywhere.

In the panel discussion led by **Oliver Kummerfeldt** of Schroders, **Kevin White** from DWS New York gave a snapshot of the US market. Although the situation in New York was much better than before with only a hundred new Covid cases a day and life returning to the city, office rents and values had probably fallen by 10% since the start of the crisis, although the lack of transactions made it difficult to be sure. Retail had suffered even more, not just due to the growth of e-commerce but because the decline in service activity had hit footfall. Asked about the possible impact of the presidential election, he suggested that this always tends to get exaggerated. But a Democrat clean sweep of the presidency and Congress could lead to tax hikes that might potentially be more significant for real estate.

Giving her perspective on European capital markets, **Penny Hacking** of Avison Young London noted that while retail yields had now moved into double figures in some places, prime logistics were starting to assume the position prime retail had once held, with assets in the Dutch Randstadt, for example, selling at below 4%. Office markets were proving more nuanced, with highly-liquid Paris proving strongly appealing to US investors, while domestic investors were supporting cities across Germany and France, even those in the second tier.



Meanwhile, signs are that Asia-Pacific office markets may not be seeing as much structural change as other regions, according to **James Shepherd** of Cushman & Wakefield Shanghai, since working from home has proved less widespread here than elsewhere. However, in China the supply of space was being moderated by the clamp-down on real estate debt that had already started, the kind of situation that historically has given more opportunities to foreign investors – which could mean more external transactions.

## Joint SPR/IPF Webinar on Rental Outcomes

6 October 2020

### *More to rental growth than meets the eye*



The presentations at this seminar were a breath of fresh air – no mention of pandemics or the C-word – said moderator **Vanessa Muscarà** of Europa Capital in her introduction. But she did admit that the outcome of rental events is becoming an increasingly important topic given the premium on cash-flow resilience in current market conditions.

Market rental indices are often presented as if they are relevant to any rental event – say a rent review or lease expiry – but this kind of blanket approach can be misleading, suggested **Steven Devaney** of Henley Business School, opening his presentation of new data on rental events, which went on to showcase an innovative ‘transaction-based’ rent index for UK commercial property. For one thing, the data from this study showed that new lettings tend to see significantly less favourable income growth outcomes than lease renewals, particularly if the new letting has been triggered by a tenant default. Lease expiries and exercised break options have also tended to produce worse outcomes than re-lettings, though to a smaller degree.

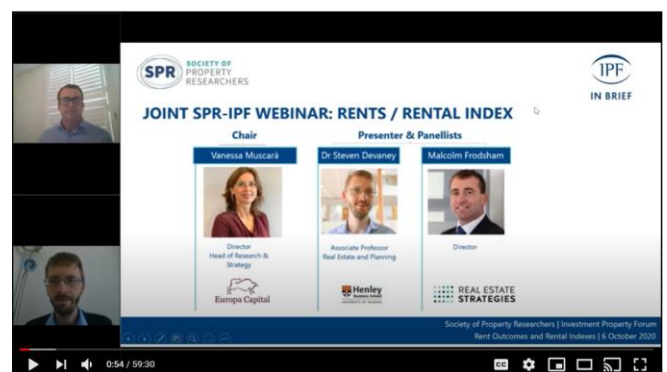


Devaney noted that these differences were not constant over time but varied depending on the state of the market, and were most evident in downswing periods, particularly 2008-12. The unique data source for this analysis was compiled from around 5000 units held across 10 management houses as a ‘lease consortium’ assembled by Real Estate Strategies. Joining the meeting as a panellist, **Malcolm Frodsham** of RES noted that the research could also have implications for non-UK lease scenarios, given that different lease formats do seem to lead to different tenant behaviours. The UK upward-only rent review had not in practice helped to compensate for depreciation as intended, whereas continental CPI-based leases made rental uplifts much more dependable.

This kind of variation between the outcomes of rental events was one of the main reasons for producing a ‘transaction-based’ rental index, Devaney explained in the second half of his talk. The desirability of overcoming the smoothing and lagging inherent in valuation-derived rental indices was another. This problem is less widely recognised than for return indices, but can still be significant due to the use of historical and aggregated rent information. The new transaction-based indices showed similar trends for headline and effective rents across all UK property, but both were significantly more volatile than the MSCI rental growth index, although all three indices shared similar turning points. If new lettings are isolated, effective rents show a somewhat greater sensitivity to market changes than do all rental events taken together, as one would expect from the analysis of the underlying data that was presented earlier.



Frodsham summarised the ultimate objective of the new indices as doing what the valuer does – i.e. bringing together evidence of rental transactions in order to reach an estimate of market rental value – but in an automated way. Muscarà suggested that this called for the industry to provide more data, which would allow for greater granularity in the analysis, e.g. in comparing rental trends for lease renewals alone – where the data is currently limited – to those for new lettings.



## Data Analysis and Data Science: The new frontiers of real estate research and decision-making

11 November 2020

### *The art of data science*

For many in the real estate world, data science may conjure up visions of geeky boffins slaving over impenetrable computer programmes, but this SPR webinar suggested that it – or at least its application – is as much an art as a science and that real estate professionals ignore its growing influence at their peril.



Of the four speakers, **John Affleck** of CoStar, who was beamed in from the US, possibly waxed most lyrical. He suggested that writing the code required to make sense of his organisation's voluminous store of property-level data was like penning poetry – it was all a question of finding exactly the right words and placing them to perfection. To do this you need to know what you're trying to achieve and what your client needs to know, whether it's a rental forecast or a story of vacancy rates.



Whatever the recent lurid headlines about algorithms consigning surveyors to history, **Dan Hughes** of Alpha Property Insight agreed with Affleck that humans would continue to have a major role in communicating the meaning of information and in deciding how to respond to it in the real world. Although the quantum of data potentially available to real estate professionals is now growing exponentially, there are many steps still needed to standardise disparate sources and resolve ethical issues like privacy before the true potential of 'big data' can be realised for the industry.



The importance of this subject to the audience was confirmed when moderator **Joanna Turner** of Canada Life opened an online poll asking how important it is for real estate organisations to have a digital strategy and a data science department, with most answering 'very', although Hughes retorted that the strategy was much more crucial than having internal staff, and smaller organisations would probably do better to buy-in externally created data.

There were many questions from the audience. Responding to **Ruth Hollies**, CBRE, who asked how data users could be sure of its accuracy, **Samantha Kempe** of IMMO Capital, one of the panellists, said that her organisation spends a huge amount of time cleaning and questioning data. A key challenge is finding automated ways to identify anomalies, but there will always need to be human involvement to make sure the data can really support the uses to which it is being put.



Later in the discussion, Kempe emphasised the great potential of data for residential property, the sector her organisation is mainly involved with. Here there tend to be many more transactions and data points than for commercial real estate, but their exploitation has so far been limited.

Answering a question from SPR Fellow **Yolande Barnes** about the most valuable uses of data science in the investment process, **Dominic Silman** of LaSalle IM suggested that the relatively long underwriting period for commercial real estate makes it possible to undertake detailed pre-acquisition analysis, particularly of the geo-spatial kind. This can draw on a wealth of data, for example on competing enterprises in a locality. But he also stressed that as most real estate decisions were of a long-term nature and involve large sums of capital, the human role in interpreting data remains crucial.





## Repurposing the High Street

3 December 2020

### *No high street is an island*

At the end of an inauspicious week for the UK's high streets when Arcadia, Debenhams and Bonmarché all went to the wall, speakers at this webinar argued that there is little point in refocusing shopping venues without restructuring the whole town centre in which they sit.



**Matthew Hopkinson** of research consultants Didobi stressed that high streets are just one element in the economic, social and environmental ecosystem and that making them successful once again will need the involvement of the whole community. Ideally, town centres

should mirror the concept of the agora in the city states of ancient Greece, a place where people gather for both social and trading purposes. Hopkinson cited the example of the Workshop Town Commission that has brought stakeholders together developing a long-term strategy to boost the town's retail, entertainment and experience offer.

For **Martyn Saunders** of Avison Young, the modern equivalent of the agora is the Parisian idea of the '15-minute City', a holistically sustainable urban environment, but he agreed that it's not possible to impose such a template top-down – you have to understand the specific local circumstances, which will inevitably vary from place to place. High streets do not necessarily serve their local catchments well, something that Saunders has observed in his work on Luton town centre, where office use was also declining even before Covid struck. Two big hurdles in delivering what the community needs are the planning process and fragmentation of ownership.



The Shaftesbury Group has overcome these obstacles in managing its Covent Garden estate by taking a very long-term approach – they have been constructing the portfolio for over 30 years, gradually filling in the gaps between properties while

developing a strong relationship with the local community. **Brian Bickell**, Chief Executive Officer, explained that they have increased food and beverage income to more than 40% of the total in recent years while retail has fallen back. But investors need to be prepared to take the risk of experimenting with new sources of income – and allowing for an 'entrepreneurial' rather than an 'institutional' approach to managing tenancies.



However, the repurposing of specific high street retail premises can take place quite rapidly, if they fit a local need. **Justin Bass** of Health Spaces by Inivos suggested that it can make sense to turn larger shops into medical centres as they are likely to be seen as less intimidating in a high street setting than traditional

doctors' surgeries and hospitals. In the Covid era retail layouts often have the advantage of allowing for an efficient circulation of patients. These possibilities also contribute to the redefinition of high streets as places that serve their communities more widely than in a purely commercial sense.

Moderating the event, **Cleo Folkes** of Property Overview posed a number of questions from the audience. Asked about the potential for repurposing high streets to residential use, Saunders proposed that it could have a role, but that it was important that this should lead to good quality space with the necessary amenities. Often such redevelopment was piecemeal and contributed to social problems rather than solving them. There was also a problem with surveyors not fully reflecting the true decline in retail values, making the cost of redevelopment prohibitive.

Another question asked whether Business Improvement Districts can be useful in promoting change. Hopkinson suggested that they could work in large cities but were less helpful in smaller towns. One problem is that they are business driven and not representative of the wider community. Another is the significant cost to participating firms, which frequently get spent on administration rather than more productive activities.

## In Conversations

### Alice Breheny and Stefan Wundrak

20 November 2020

#### *Real estate research can be what you want it to be*

In this first SPR 'In Conversation' event, **Maria Grubmueller** spoke to her Nuveen Real Estate colleagues **Alice Breheny**, Global Head of Research and **Stefan Wundrak**, Head of Research, Europe about their prestigious careers in property research and their thoughts for those just starting out in the field.

Alice and Stefan agreed that they would recommend real estate research as a career because you can make it what you want it to be. Alice said how much she enjoys the interpretation and communication involved in property research, which can ultimately lead to the development of investment products for her business. 'I love looking at the data and at the analytics, but looking at the world through the lens of real estate is what really excites me – turning that into real products that are compelling for our clients.' She confessed to not always being the most attentive to detail, seeing herself as more of a 'big picture' person.

Stefan emphasised the great variety of activities that the property researcher can get involved in. At certain moments he had thought about the possibility of moving into fund or asset management, but that would have meant a more fixed set of functions. 'In a single day you can have two hours of spreadsheet work and then two hours of communication later in the day, as well as the full range of things you can do in an office job in between. No other real estate job could give me that constant variety and stimulation.'

Alice advised those starting out on a property research career to work out their strengths and weaknesses early on. 'Try not to beat yourself up about the weaknesses. I've now come to realise that the detail of analysing data isn't my comfort zone, and it might have made things easier for me if I'd appreciated that sooner. I now tell newer researchers that the world is changing so rapidly that real estate research demands fresh eyes. Don't be afraid to rip up the traditional real estate rule book and bring something new.' The real estate landscape may seem very challenging at present but within a couple of years there should be a strong recovery that will provide many opportunities.

One of the biggest changes that Alice has seen through her career is that real estate research has taken a wider international perspective, first European and then global, in part reflecting the way investing organisations have



developed. Research also now covers many more types of asset, not just the four traditional sectors. This is an exciting time because of the structural changes impacting the industry, including digital technology and the whole climate change agenda. 'These challenges have made the role of the researcher more interesting. Back when I started out it was a question of monitoring rents and yields to work out what the future looked like, but now it's so much about technology, sustainability and new sectors'.

The social part of the ESG agenda is also giving more emphasis to the difference real estate can make in people's lives, said Alice. 'The biggest opportunities are likely to be where they are supported by long-term geographic trends, for example with ageing populations increasing the demand for social care. Urbanisation is another key trend, so this implies investing over the long-term in cities with strong inward migration and the productivity and prosperity associated with that. Housing is also increasingly important for investment given the shortage of supply, not just in the affordable space but in the more affluent segments.' A reappraisal of mixed use developments is also happening with a realisation of their contribution to making locations more attractive to live and work in. This is a reason why it's important for researchers to take a broad view and not get blinkered by real estate's traditional silos.

Stefan agreed that it's important for researchers not to get too tied to one sector, but he did also suggest that they should try to retain a sense of focus and not get pulled in too many different directions. On the one hand investment is becoming more and more global, but for real estate it's still fundamental to keep local conditions in mind. Thinking about the organisational environment where researchers work, he suggested it was good to find a diverse group of people who have many different ideas, as well as being somewhere that research is valued and has a real influence on decisions.

Towards the end of the discussion, Alice said the most rewarding part of her career had been in selling an idea to clients. 'In this job you get paid to read a lot of interesting things, so putting across your views with enthusiasm means you're doing it well. Real estate may be a slow moving business, but that makes it all the more satisfying when a project comes to fruition.'

## Rosemary Feenan

11 December 2020

### *Recognised, mechanised, globalised, organised, revitalised*

In the second of the series of 'In Conversation' webinars, SPR Chair **Lucy Greenwood** spoke to **Rosemary Feenan**, Executive Vice President at QuadReal Property Group, about her career in property research and how the field has changed for new researchers starting out in the business.



Rosemary's enthusiasm for research shone through as she told the story of how her career has evolved from her interest in place (placemaking) from a young age, which led her to becoming a planner, then working for Sainsbury's and CACI before moving to research roles at Chesterton's and JLL.

She summarised the developments over her time in property research as 'recognised, mechanised, globalised, organised and revitalised'. For those starting out in the business, she stressed that the mechanisation aspect is becoming increasingly important, particularly given the advance of PropTech, which has been described by MIT academics as 'the fracking of real estate' – 'digging into the bedrock of real estate and opening up a multitude of new value chains,' she proposed.

And as technology advances in real estate, researchers will need to stay focused on the way the data they use has been created. AI and machine learning will undoubtedly play a greater role in generating information, 'but the whole thing about algorithms is that they have ultimately been created by human beings and will have biases built into them. It will therefore be crucial for researchers to be as objective as they can be in using such information,' she said.

Of the other five areas of change, 'revitalisation' is also highly topical, having come to property research as a side effect of the Covid-19 pandemic. Rosemary believes it has forced researchers to look at the big questions associated with disruption and long-term change. It's crucial not to get stuck in a 'tyranny of the present' when looking at phenomena like urban flight, which has certainly occurred in the US as a short-

term, but may or may not be permanent. What happens next in the process of urbanisation is the biggest question now facing real estate, she thinks – if some types of city real estate are in less demand, what happens to the vacuum that follows?

Asked about what she'd liked to have known when starting out in her own career, Rosemary stressed the importance of identifying those abilities that are unique to yourself, which are likely to make up only 10% of your overall skillset, and concentrating on them. The remaining 90% of your capabilities will be shared by others. Too many people spend their time 'trying to do, not to be,' she suggested, meaning that they would be likely to follow other people's tune rather than being true to themselves and fulfilling their potential.

She sees one of the biggest challenges for today's researchers in the breadth of the industry, with its growing number of subsectors – many of which, like data centres, didn't even exist a few years ago. This makes it difficult to 'put your arms around what real estate is,' but it's important to keep looking for the connections between things so that you can give the best possible advice based on the most relevant data and foresight you can bring.

Looking back over her career, Rosemary said that the thing she had most enjoyed was being able to play the role of 'resident irritant' and asking the questions that no-one else had thought of. In particular, she was glad to have had the privilege of being allowed to get things wrong from time to time but still be able to rely on the support of colleagues in her organisation.

