

New and Future Trends in Real Estate 2018 ULI China Winter Meeting



The softer side of real estate came to the fore at ULI Asia Pacific's China conference, with the sharing economy, the importance of wellness and digital design amongst the topics discussed.

The 2018 ULI China Mainland Winter Meeting, held on December 6th in Shanghai, saw a full house for a day of presentations and discussions. Steven Zhang, chief economist and head of research at Morgan Stanley Huaxin Securities, opened the event with an optimistic economic outlook for China and other emerging economies.

He predicted the US economy would slow in 2019 which would mean the US Federal Reserve Bank halting its programme of interest rate rises. China will have looser economic policies next year, in order to boost growth.

The influence of the sharing and collaborative economy was the major focus for three presentations looking at future trends in various property sectors. The rise of co-working and co-living are changing the office and residential sectors, while Karl Bieberach-Dielman, chief development officer, Rosewood Hotel Group, explained how the group was adapting to the changing ways in which people live. "The hotel experience is now about social connectivity," he said.



ULI global chief executive Ed Walter and Asia Pacific chairman Nick Brooke discussed the global and regional priorities for the institute. Walter said ULI wants to expand its focus on affordable housing in the US – "it is our number one issue," he said - to both Asia Pacific and Europe.

Brooke said: "Technology is a major opportunity for the ULI as well as a major challenge", adding that younger, more tech-savvy, members ought to take a lead in this regard.

Charles Chan, China chief executive at Singaporean developer Ascendas-Singbridge said foreign developers in China needed to bring new ideas or specialist skills to the market if they wanted to thrive, as China's property industry is now world class.

Professor Shiling Zheng, academician at the Chinese Academy of Science spoke about the ambitious plans for the urban regeneration of Shanghai. The city has been regenerated and redeveloped for several decades and the focus now is on improving liveability, he said. Despite its wealth and modern developments, Shanghai still has run-down districts, he said and it also has swathes of industrial space that will need regenerating in the near future.

Demographics holds a twin challenge for China, on the one hand the nation is still urbanising and major cities such as Shanghai are still growing and on the other the population is ageing rapidly, with the working population having peaked in 2002. Dr Honglin Chen, associate professor and vice chair at the Department of Social Work, Fudan University, spoke of the need for elderly care to provide for spiritual and social needs as well as basic needs.

The Emerging Trends in Real Estate Asia Pacific 2019 report, jointly released with Pricewaterhouse Coopers, had its China launch at the meeting and a panel of experts discussed the implications for China and beyond. The wide-ranging discussion touched on the rise of WeWork, the contrasting fortunes of Singapore's and Hong Kong's office market and the continued popularity of Australia and Japan with core investors.

Asia Pacific is a leader in smart city design and Hank Byma, director of China Operations at SmithGroup, talked about the importance of using data to help build resilient and liveable cities. Rainer Wessler, regional creative lead of digital experience at Gensler explained the concept of digital design - which seeks to "create more experiences per square metre".



The conference did not forget the "hard" side of real estate, with presentations on modular construction and Building Information Modelling in China, however Albert Chan, director of development, planning and design at Shui On Land and also chair of ULI China Mainland, saying the conference's focus on the software of real estate showed the business was not just about "building things all the time", but about the best use of real estate for society.