

Experts in real estate and technology explore emerging challenges facing real estate at ULI Japan Fall Conference 2018



The world is in a process of continual change, driven by technology, and this means real estate in Japan is subject to both challenges and opportunities.

Delegates at the ULI Japan Fall Conference 2018, held in Tokyo on November 15, heard experts in real estate and technology, from Japan and overseas expound on the possible futures for the sector in Japan.

In his opening remarks, ULI Asia Pacific chairman Nicholas Brooke said the organisation has “a very serious opportunity to influence the future” in a rapidly changing landscape for real estate. The sharing economy is having an impact on design, the landlord and tenant relationship is changing and all sectors are challenged - not just retail. A key question is: “How do we design for the future when it is hard to see even two years ahead?”.

Opening keynote speaker Robert Mankin, partner at architect NBBJ, profiled three cutting-edge office developments: Amazon’s Seattle HQ, Tencent’s Shenzhen HQ and Samsung America’s new HQ in San Jose. All three buildings incorporate open and green space to promote interaction, reflection and wellness, he said. The aim of the 21st century office is to drive innovation, he said, and design is increasingly changing to reflect this.

A panel of Japanese and international experts discussed “The office issue: challenges of the changing work paradigm”, considering the demands of new generations of workers. There was an interesting difference of opinion between Mankin and Bill Lee, previously director of real estate strategies at Microsoft and now a lecturer at Harvard University. Lee supports the suburban campus model for business space, saying “it is easier to bring the best elements of the city into a suburban campus than to bring the best aspects of the suburban campus to the city.” Mankin however, is a committed urbanist, believing that companies benefit from the life of the city around them.

Lee also pointed to an interesting trend in Silicon Valley, where companies now prefer staff to be onsite rather than working from home, in order to encourage collaboration and innovation.

Japan has seen visitor numbers grow remarkably; in 2008, the government set a target of achieving 20m annual visitors by 2020, but hit this target in 2013 and there were 28.7m visitors last year. In this context, a panel of hotel experts discussed the emerging new model of hotels, which moderator Fred Uruma, CEO and representative director of Touchstone Capital Management, summed up as “convenience, quality and sharing”. New lifestyle hotels offer smaller rooms but more shared amenities, tapping into the sharing economy.

A wide-ranging final panel discussed the challenges of adapting Japan’s traditional banking sector to the world of fintech, the possibilities in electric cars and the sheer data power of Chinese online shopping portal Alibaba. Makoto Kouyama, president CEO of Alibaba Japan suggested the data his firm holds on Chinese tourists in Japan could inform the future development of Japanese hotels and retail property.

Seiichiro Yonekura, professor at Hosei University and professor emeritus and head of the Institution of Innovation Research at Hitotsubashi University, was a dynamic and witty closing keynote speaker, explaining the foundations of Japan’s economic success and a recipe for it to reconnect with the dynamism it had prior to its lost decade. He advocated a revitalised education system and exporting the nation’s knowledge of renewable energy to new markets in Africa.

To add to the day, ULI Japan chairman Tetsuji Arimori, executive vice president, at Mitsubishi Estate revealed that the ULI Asia Pacific Summit 2020 would be held in Tokyo, just a few weeks before the Summer Olympics.