

Industry Awards Highlight Best Practice in Real Estate

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Most sectors have industry groups that bring together experts and share best practice and real estate is no exception. One such leading group is ULI (Urban Land Institute) headquartered in Washington D.C. and with their Asia Pacific headquarters in Hong Kong. ULI held its annual Asia Pacific conference in Shanghai in June 2019, bringing together a broad range of professionals across the real estate spectrum including architects, developers, investors, agents, and property managers.

One highlight of the conference was the “Awards for Excellence” where ten projects across Asia Pacific were highlighted for their innovative and thoughtful designs. You can visit ULI’s website to see the various projects in detail. (<https://asia.uli.org/>) However below I share some of the lessons that I took away and I think we should keep in mind as we imagine our cities going forward.

High rises need to be integrated

Tall buildings are coming and there isn’t much we can do to stop this, but an innovative project in Singapore by the developer called Guoco Land has put up a very tall series of towers in a complex called “**Tanjong Pagar Centre**” in what has been a more residential neighborhood. One strategy was that they staggered the towers so they blend easier into the neighbor and included some outdoor public space where events can be held that will draw people to the green space they’ve put right into the heart of their project. A covered space in the middle of a public park brings the community together through public morning yoga workouts and evening concerts or can even be rented for corporate events. Nearly all new developments in China are required to have some green space, but most of that is small lawns and gardens that make the sidewalks a little more pleasant, but don’t actually provide much to the community. The public space in this project really does in industry lingo “activate” the space. Developers and governments do need to be thinking about how best to integrate the high rises that will inevitably come and how to create space for the whole community, not just the main users of the office and hotel towers. Long term this creates value for all stakeholders.

<https://tanjongpagarcentre.com.sg/about>

Re-use is good

People often ask why China has embraced such big large modern developments such as office towers or high-rise apartment buildings when there are older, low-rise and often more interesting buildings left to decay or in many cases to be cleared away for these high-rise complexes. Often it is because cities need denser buildings to accommodate the growing populations and because restoration work can be time consuming and expensive. China has been on such a rapid pace of development, developers and planners often just focus on the big projects, only later to regret that no trace is left of what was there before. That is why it was refreshing to see a small, but creative re-use of a series of old alleys and

warehouses turned into a pedestrian friendly restaurant and pub areas in the Australian city of Brisbane in an area now called **Fish Lane**. An area that was largely ignored including back alley space with graffiti marked brick walls has been repurposed with updated buildings, public art and even more graffiti now part of the public art and outdoor dining scene that has made this a cool area of this Australian city. Tianjin is starting to see similar developments in the Five Boulevards area, but with so much old architecture, Tianjin surely has loads to learn from this example. <https://explorefishlane.com.au/>

It takes time

Knowledge and Innovation Community (KIC) is a project in Shanghai that opened its first phase in 2006 and has continued to develop elements since that time. In some ways the project was well ahead of its time. The concept was to create a technology centered area, near leading universities, in some senses Shanghai's version of Silicon Valley. The project is located in a northern district of Shanghai, so not nearly as dense as other Shanghai projects and has a historic sports stadium as an adjacent element. The project includes office space, residential space and shopping and does give the feel of one large continual technology campus. There were many skeptics about the project in the early days, but the developer, Shui On Land, who also developed the well know Shanghai Xintiandi area, persevered and is now able to reap the awards for sticking with the long development process. One common mistake that many developers make is selling off smaller pieces of their project such as street shops or floors of office space. If this developer had done this, they would not have been able to maintain the image and quality of this project. Sometimes it takes a long time and deep pockets to deliver a big vision, but foregoing short term profits may be necessary to see the original plan fully delivered.

<http://www.kic.net.cn/en/about-us>

Longevity matters

There is a special excellence award that ULI can bestow on a project that has been in operation for over 20 years and that was awarded to **Pacific Place** in Hong Kong, developed by Swire properties. Many folks who have been to Hong Kong have visited this large mixed use commercial real estate complex that includes a shopping mall, three office towers, four hotels and a serviced apartment. While there has been constant expansion from the original project, visitors would likely be shocked to realize the project opened over two decades ago because it continues to look so fresh and well maintained. Most commercial projects are conceived to last for at least 50 years, but as we know in China, too many of them look decrepit by the time they are only ten years old. Effort and money are needed to maintain and upgrade properties so they can continue to perform at the optimum and that is a lesson worth learning. This project is a useful case study.

<https://www.swireproperties.com/en/portfolio/current-developments/pacific-place.aspx>

Lessons for China

The ULI conference was enlightening and included discussion about big issues that I may cover in the future, however a key lesson on display was that transparency and best practice sharing can help the industry improve and evolve. China's real estate market has made rapid progress over the past two decades, but as the economy and the market begins to slow, it is time to look for longer term solutions to refurbish the old where possible, ensure new projects engage the community, not lose heart when a project takes a long time to complete and invest in and maintain projects so they can be successful and productive over their planned life cycles of multiple decades.

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