The purpose of this report is to provide a high-level summary of the sessions and activities I was able to experience while at the ULI Fall Meeting in Boston, MA from October 8-11, 2018. Included are key points, my reaction to the content, as well as references to ULI and external resources.

Day 1 – Tuesday, October 9, 2018

Opening General Session: Theaster Gates, Director of Arts and Public Life, The University of Chicago.

- Not always sure of the end use but he tries to build beautiful spaces for communities that need to be stabilized.
- Thinks about adjacent spaces and what grass can do.
- When building affordable housing you need to connect with the community. You need conjurers and believers, bring the arts, be present and get local participants.
- The Stony Island Arts Bank is a hybrid gallery, media archive, library, community center and is home for Rebuild’s archives and collections.
- ~20 years ago he took part in a homestay in Tokoname, JP with a focus on ceramics, culture and developing a relationship with the city which impacted his development approach. Returns to the city annually. Identifies as Afro Tokoname-an American.
- Include culture, creativity in how we rebuild our communities.
- Web-links
  - [https://rebuild-foundation.org/sites/](https://rebuild-foundation.org/sites/)
Human Experience and the 2025 Dream Team: Ben Breslau, JLL.
- Focus on how technology is changing the workforce.
- Employees now need to have a world view, where is the world going in the next 5 years, have to be OK with continuous transformation and the change or die mindset, be aware of new business models in real estate and adapt with increased diversity and millennials in the workforce.
- Human Experience metrics are more important than before: Engagement, Empowerment, Fulfillment.
- Increased collaboration with internal teams and clients.
- Flatter organizations enable junior team members to interact regularly with senior executives, younger staff members demand interaction with decision makers.
- You have to be readily able to adopt technology, more willing to allow staff to work on proof of concepts with technology and use in production early if it can solve a problem and has a scalable use case.

The Case for Open Space.
- Levy Park Houston, TX.
- Showcase of mixed-use developments with parks by the Midway Companies in Houston, TX
- Web-links:
  - https://urbanland.uli.org/planning-design/uli-urban-open-space-award-finalist-levy-park/
  - http://midwaycompanies.com/projects/avenue-grove

Beyond the Hype: What Does Blockchain Really Mean for Real Estate?
- Speakers: Matt Higginson (McKinsey & Company), Jonathan Weibrecht (Harbor Platform, Inc.)
- Use cases for blockchain in real estate are primarily private blockchains. Real estate is a mature market that is not likely to be disrupted by an Uber type company (an individual company with one platform).
- 5 key criteria for blockchain:
  - Distributed ledger
  - Remote independent writers
  - Existence in the absence of trust
  - Causing disintermediation
  - Economic benefit for participants
- Blockchain solutions are not inexpensive and require extensive IT development effort.
- There are cost, culture and operational aspects that need to be considered for implementation.
- A compelling use case is the potential to make an illiquid asset more liquid (ex: fractional ownership and new transaction types).
A major challenge is who is going to pay for a large-scale industry standard solution? Will funding come from industry, a utility body, which regulatory bodies will support early adoption?

In the cryptocurrency market today, solutions do not have safeguards if the key is lost. With new solutions ability to retain asset if keys are lost is critical.

Web-links
- [https://harbor.com/](https://harbor.com/)

The 1031 Exchange: Panacea or Placebo? (John McNellis)
- Not all developers have to follow the “Thou shall not sell for cash” mantra.
- Remember in the big picture since 1928 the S&P 500 has had a 9% return since 1928 (~6.6% AT).
- A bad trade 2007 Weed, CA off highway 5 near Mt. Shasta.
  - Land – $1.36M
  - All-in Construction – $3.40M
  - 11 yr carry @ 10% – $2.70M
  - Total – $7.46M
  - Thought had a deal with Walmart because of a prior relationship, but they walked. Wound up with Grocery Outlet.
  - Made $2.07M and could have made $2.2M in stock market with much less risk.
  - A good trade, shopping center example.
    - $7.2M Shopping Center
    - $5M in debt @ 4.8%
    - Cash Flow $358,000, 16% return
  - Tough to find a good deal in 45 days. Don’t feel compelled to do a deal just to do a deal.

Web-links
- [https://www.amazon.com/Making-Real-Estate-Starting-Developer/dp/087420383X](https://www.amazon.com/Making-Real-Estate-Starting-Developer/dp/087420383X)

General Session: Martin Walsh, Mayor of Boston and Jay Ash, Secretary of Housing and Economic Development Commonwealth of Massachusetts.
- Land use shapes everything we do in cities. Homes, jobs, public spaces, mobility, environment and future. Real estate developers are at the heart of development between the private and public sector.
- City is spending $9.3B in development projects this year and is looking to keep pace next year.
- Development in Boston should be aligned with the Mayor’s strategic Boston 2030 plan.
- Examples: Winthrop Garage, condemned since 1997, no revenue from 1100 parking spots. Put out RFP.
Selected Millennium Partners $102M sale with another $50M after the condos sell, instead of putting the money into a fund making one-time expenditures of $28M investment in Boston Common, $28M Franklin Park, $5M Rose Kennedy Greenway, $35M renovate housing developments in south and east Boston.

- LEED platinum building 1000s of construction jobs and permanent jobs, $12M annual tax revenue, investing in affordable housing in Chinatown.
- Goal to keep Boston diverse and inclusive of immigrants, keep it a world class city that works for the middle class, maintain resiliency by working with the 300+ landowners near the waterfront.

Web-links
- [https://imagine.boston.gov/](https://imagine.boston.gov/)

**Day 2 – Wednesday October 10, 2018**

**Unique New England: Small-Scale Development Strategies and Successes**
- Speakers: Jordan Warshaw (Noannet Group), Donald Alexis (Cote Village).
- The Noannet Group has had success taking over projects stalled during the recession. For example, acquired Wellesley Inn as a hole in the ground that didn’t have activity for 7 years. 30-unit condo development included retail, underground parking, rezoning and affordable units.
- Urban suburban locations with town centers on the T in high demand among empty nesters.
- Cote Village in Mattapan, MA is on a 2.3-acre site owned by the city of Boston.
- What helped them win the RFP was strong community support and partnerships.
- Was able to get neighborhood association and 100+ community member letters of support.
- Held 40+ meetings with the community.
- Partnered with POUA who has completed 3,000+ units of housing and AFL-CIO Housing Investment Trust as a finance partner.
- Web-links

**Missing Middle Housing – Is It Really a Thing?**
- Speakers: Laura Cole (LWR Communities), Edjuan Bailey (Milestone Community Builders), Martin Ditto (Ditto Residential).
- Solving housing for the middle class is an ongoing challenge for developers.
- Lakewood Ranch is a master planned community located Sarasota, FL “the 2nd fastest selling community in the US”. Homes from $180k-$1M.
- Milestone Communities focuses on south and east Austin, TX area. Homes start in the low $200s and average $360k.
- Ditto Development is a purpose built co-living developer in Washington, DC and is expanding to other markets. 3 and 4 BR (975 sf, 1400 sf) modern apartments with a common area and kitchen, all bedrooms have their own bathroom.
- In this segment of the market you must focus on location, community and amenities.
• Since you don’t have a large footprint to have good design, provide limited options (what the customer already wants), inside outside living, unit as well as courtyards and common spaces needs to flow well.
• May have to spend more on architecture and design but for a smaller number of units so not much more overall. You don’t want to add cost with higher end materials in this segment.
• Web-links
  - https://lakewoodranch.com/
  - https://www.mymilestone.com/
  - https://www.oslo-dc.com/apartments/shaw/

UrbanPlan: The Fundamentals in Action
• Speakers: Sophie Lambert (Senior Director, ULI UrbanPlan).
• Accelerated demo of UrbanPlan that was compressed to less than one hour. Available in 15 hour and 1-day formats for the public sector, college and high school students.
• Team of 5 included a financial planner, site designer, neighborhood liaison and 2 sales and marketing staff members.
• Team develops an RFP response to develop 5 ½ city blocks of blighted land that needs the private sector to develop it. The land valued at $10M is offered at $7.5M with a subsidy from the city. Over 10 years the subsidy needs to be paid back + $1.5M. The target IRR is 13.5%.
• ULI’s role is to provide an initial workshop and training, host Q&A and provide feedback and evaluate final proposal.
• In NY Metro currently at NYU, Fordham, Brooklyn Tech and St. Francis.
• Web-links
  - https://americas.uli.org/programs/urbanplan/
  - https://newyork.uli.org/uli-in-action/urbanplan/

General Session
• Speaker: Professor Scott Galloway, Founder L2 and Marketing Professor at NYU.
• Professor Galloway gave an insightful and entertaining presentation based on his book “The Four” and provided insight into the success and suggested breaking up Amazon, Apple, Facebook and Google.
• Used examples of how each company appears to human beings (Google – Brain, Facebook – Heart, Amazon – Stomach, Apple – Survival, Procreation, be part of the global affluent).
• Go after your customer’s heart in basement.
• Makes the case that Mark Zuckerberg is the most powerful person in the world and could maintain his power for decades to come.
• Final words: Have to support the middle class, new business formation has slowed due to big tech across all western nations, innovation has become our new religion, Apple stood up to the DOJ in San Bernardino which is dangerous, Amazon has 88 lobbyists in DC now which is also dangerous, “Search your feelings you know it to be true”, “Imagine big tech broken up since we are capitalists and it is about time”.
• Web-links
  - https://www.amazon.com/Four-Hidden-Amazon-Facebook-Google/dp/0525501223
General Session: Emerging Trends in Real Estate 2019

- Presentation based on report produced by PWC.
- Real estate as an asset class has matured. Market participants need to realize this and adjust.
- Real estate business prospects for 2019 positive 3.51-3.9/5 (RE sec investors, RE owners).
- The volume of capital is not constrained. The key is finding good projects that can be executed.
- Tech and co-working companies continue to absorb the bulk of commercial real estate.

Technological Solutions for the Built World

- Speaker: Brad Greiwe (Fifth Wall)
  - [https://fifthwall.vc/](https://fifthwall.vc/)
- Discussion of types of new technologies that are related or will have an impact on real estate.
- Real estate is hard to completely disrupt. Partnerships are needed to get things done.
- Concept of digitizing real estate, fractional ownership that can be transferred easily.
- Smart cities ex: Toronto and Google/Sidewalk Labs, redesign of eastern waterfront (sensor enabled, wired subset of the city).
- Lime and other last mile transportation solutions.
- Smart buildings with the Internet of Things (IoT) enabled infrastructure, ability to sell energy back to the grid.
- Drone companies, insurance, construction, brokerage, etc.
- Augmented reality, virtual reality and block-chain solutions also on the horizon.

General Session

- Speaker: Amy Cuddy (Social Psychologist, Professor at Harvard).
- Professor Cuddy gave a presentation that had content from her personal experiences and research on power posing.
- Taking 2 minutes to do a power pose can have a significant impact. Examples include the V or victory pose, putting your arms behind your head and hands on the back of your head, opening up. Smile, feel happy, feel powerful, pretend to be powerful.
- Helps to release testosterone and cortisol which makes you more assertive, confident and risk tolerant.
- Small changes on a daily basis can have a large impact over time. Helps you reconfigure your brain.
- Web-links
  - [https://www.ted.com/talks/amy_cuddy_your_body_language_shapes_who_you_are?language=en](https://www.ted.com/talks/amy_cuddy_your_body_language_shapes_who_you_are?language=en)
Closing Remarks
Also thank you to Mr. Herb Simon, Chairman Emeritus of the Board of Simon Property Group, Inc. Without your sponsorship, we would not be able to attend this world class industry event. It has been a great supplement to our academic coursework. We have been able to meet many industry leaders, specialists, students, and learn more about ULI’s many programs and volunteer opportunities that are available to members. I look forward to an opportunity to meet and thank you in person on campus at Baruch, in Indianapolis, or at a location to be determined soon.