

TIME TO TRANSFORM



Sonny Kalsi
*Chief Executive Officer
BentallGreenOak*



Allison Wolfe
*Chief Financial Officer &
Global Head of Portfolio
Management
Oxford Properties Group*

Real estate has traditionally been a slower moving asset class, but the many forces of change that we are experiencing around the world are impacting the pace at which our industry is being called upon to act. Our industry is evolving and experiencing disruption in many forms. For real estate professionals this is one of the most challenging times in recent history, yet it's also ripe for opportunity.

We have clearly seen an increase in the amount of investment capital flowing into real estate, so finding the right opportunities with the right value propositions is a new and welcomed challenge. Technology and innovation, which our industry has often struggled to keep pace with, is quickly becoming imperative in our approach to the buildings we invest in and the new tools that empower the people who manage those building and bring them to life.

Pockets of oversupply and challenging market conditions are slowing the broader economic recovery in a post-COVID world. However, the flood of liquidity and financial support from governments and policymakers has benefited the markets. Amid the cyclical and structural forces at play, on balance we are optimistic and see more opportunities than threats. In the current environment of heightened uncertainty about political and geopolitical influences, this Forum is a great opportunity to learn from various informed perspectives.

Real estate is well positioned relative to other asset classes because it has yield. Even in an inflationary environment,

those of us who are in the right markets and have demographics on our side will fare well. In the event that the inflation we're seeing is structural rather than transitory, there may be pain in the short term, but it will likely help us over the long term. History has shown that it's more expensive to build new real estate in an inflationary environment; this could arguably increase the intrinsic value of existing buildings

What will come of the recent 2021 United Nations Climate Change Conference? Statistics indicate that the built environment may be contributing as much as 40% of carbon emissions in the world. We have before us a golden opportunity to become a big part of the solution. In fact, we have no choice, given what our investors, tenants, employees and governments are expecting of us. Those who don't get on board with addressing climate change will be left behind and this extends to all aspects of Environmental, Social & Governance (ESG). We have a collective responsibility to drive change within our firms and to also look beyond our own domain to help the broader industry foster inclusivity, diversity and equity.

Daunting as the challenges may be, these are exciting times for our sector and a generational opportunity to position our industry as an important and responsible source of value creation with the investor community, an attractive destination for top, diverse talent, and a force for environmental and social reform for the tenants and communities that we serve. Let us explore these opportunities together and utilize the Toronto Real Estate Forum to forge new ties, collaborate, and learn from one another. Have an enlightening and energizing Forum.

■ *Michelle Morra*