

# **A Better Model for Global Real Estate Investment**

**Issues, Ideas, and Opportunities**

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# Types of markets

	<b>real</b>	<b>financial</b>
price	<b>fixed</b>	<b>variable</b>
analysis by	<b>manager</b>	<b>investor</b>
information	<b>asymmetric</b>	<b>symmetric</b>
feedback	<b>lagged</b>	<b>real-time</b>
value mind-set	<b>stock</b>	<b>flow</b>
value source	<b>in use</b>	<b>in trade</b>
risk reduction	<b>design</b>	<b>hedge</b>

# **Client needs & desires**

**Capital preservation**

**Cash flow**

**Inflation hedging**

**Risk mitigation**

**Diversification**

**Allocation**

**Rebalancing**

**Inventory management**

**Intangibles**

# Products & services

## **Commingled funds**

- ❑ sector
- ❑ country

**Separate/direct accounts**

**Acquisitions/dispositions**

**Property management**

**Accounting & reporting**

**Strategic planning**

**Tactical implementation**

**Research**

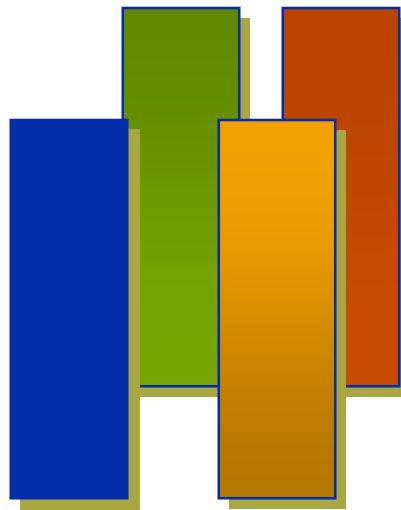
# Growing the business

**own  
a  
portfolio**



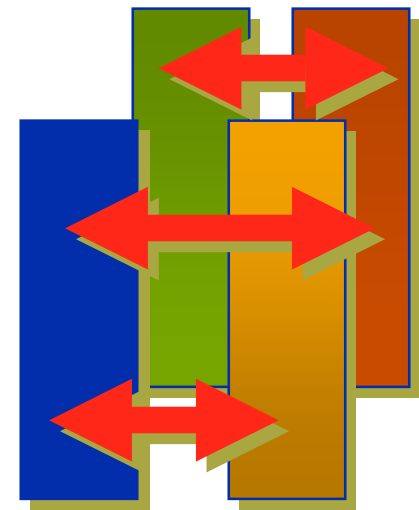
**current**

**manage  
many  
portfolios**



**current**

**manage  
many  
portfolio  
interactions**



**future**

# Our offers vs. client offers

## Our offers

- ❑ minimally differentiated
- ❑ especially *within* national borders

## Client offers

- ❑ maximally differentiated
- ❑ less *within* national borders
- ❑ more *across* national borders

**We must move toward Clients**

# **Optimal service features**

**Global**

**Structurally similar or familiar**

**Real-time, 24 x 7**

**Tax-neutral**

**Cost-effective**

**Infinitely adaptable and expandable**

**Product/service indistinguishability**

**Client-retentive, client-expansive**

**Difficult to replicate elsewhere**

**Profitable**

# **Shortcomings of current research model**

**Lack of client involvement**

**Easily and often replicated**

**Difficult to discern value added**

**Labor-intensive**

**Backward-looking**

**May answer the wrong question**

**Static**

# **An improved model**

**Client-centric**

**Proprietary**

**Unambiguously valuable**

**Labor-efficient**

**Forward-looking**

**Adaptable to all questions**

**Dynamic**

# What should we do?

## **Manage the group's assets**

- ❑ **asset investment/management locally**
- ❑ **financial management globally**

## **Create infrastructure & technology**

## **Consolidate info on client assets**

## **Provide peer group comparisons**

## **Offer analytics**

## **Identify trends, opportunities, etc.**

## **Affect transactions among clients**

## **Invite comments, questions, offers**

# Becoming a client

## **Contribute something of value to the effort**

- invest in fund
- own a separate account
- contribute investable real assets

## **Share information, make offers**

## **Standardize contracts for uniform pricing and transfer**

- for leases
- for residuals

# Derivatives

## Forms vary

- ❑ Futures
- ❑ Options
- ❑ Swaps
  - fixed income
  - variable income
  - appreciation

**Efficiencies across borders unmatched by other vehicles**

**Clientele provide reduced risk for counterparty**