

MONTHLY BRIEF

NEWS+MEDIA

- **Professor Siqi Zheng**, MIT/CRE's faculty director, recently presented "Subway Network, Access to Opportunities, and Urban Development" at the [Inter-American Development Bank Sustainability Research Webinar](#). This project looks into the chain mechanisms from subway network to real estate price and quantity dynamics, and the live-work-play vibrancy of neighborhoods in multiple cities: Santiago, Barcelona, Singapore, Beijing and São Paulo.
- **Professor Bill Wheaton** and **Lecturer Jen Cookke** presented at the [Evolving Shopper Behavior and the Future of Retail](#) webinar series hosted by MIT's Industrial Liaison Program (MIT ILP). Bill's presentation was titled *The (R)evolution in Retailing and its Implications for Real Estate*, and Jen's was *Opportunities in Retail Real Estate: Re-position, Re-purpose, Re-imagine*.
- **Anthony Flanagan, MSRED '91**, CEO and Chairman of Boulevard Properties LLC, recently received the award for the [2020 Most Innovative Urban Real Estate Development Company Award](#), sponsored by BUILD Magazine.
- Director of the [Real Estate Innovation Lab](#) (REI Lab) **Dr. Andrea Chegut** participated in a panel for Citi Private Bank with Charles Renfro, partner at Diller Scofidio + Renfro, and Phil Watson, Chief Innovation Officer at Citi. Titled "[The Cities of Tomorrow](#)," the discussion focused not only on how technology will reshape the urban landscape by enhancing design, infrastructure, and sustainability, but most importantly how cities, design, and real estate will respond after COVID-19.
- **Zhengzhen Tan**, MIT/CRE research scientist and executive director of the [Sustainable Urbanization Lab](#) (MIT SUL), presented "Healthy Building and its Market Adoption" at the [MIT ILP Japan Mitsui Research Seminar](#).
 - The event was sponsored by Mitsui Interbusiness Research Institute (MIRI). In her talk, Zhengzhen discussed the common challenges that real estate companies face in defining healthy buildings and quantifying their financial value. The companies choose different strategies ranging from reactive risk mitigation to proactive competitive advantage innovation. We find that the building ownership model, tenant composition, building condition, and hypothetical owner's financial value all impact this heterogeneity.
- [MIT News reported](#) on the MIT SUL study "[Do Political Connections Help or Hinder Urban Economic Growth? Evidence from 1,400 Industrial Parks in China](#)," which was recently published in the Journal of Urban Economics, a top journal in its field. The research outlines the broad success of China's industrial policy and new cities, while revealing the dynamics behind some less-successful economic choices and ghost towns.
- In partnership with the [Young President's Organization](#) (YPO), MIT/CRE's **Head of Industry Relations Steve Weikal** hosted a three-day executive education program from December 8–10 on innovation, technology, and the future of real estate called *Technology + Innovation @MIT: Real Estate in a Time of Fundamental Change*.
 - The seminar was sold out, with attendees from eight regions globally and over 30 industry experts (including MIT/CRE colleagues and industry partners). The response was overwhelmingly positive, with one participant saying: "Thank you for an amazing three days! The program [the MIT/CRE and YPO] put together was phenomenal!"
- **Amanda Strong, MSRED '02**, of MIT Investment Management Company (MITIMCo), and **Taidgh McClory** of T.H. McClory LLC received NAIOP Massachusetts's [President's Award](#) in recognition of their exceptional leadership, strategic direction, and vision for strengthening NAIOP's diversity, equity, and inclusion efforts.
- [The Sustainable Urbanization Lab](#) organized its **Healthy Buildings Workshop** on December 15, an event in the MIT/CRE's newly-launched Sustainable Real Estate Initiative.
 - Research scientists Zhengzhen Tan and Dr. Andrea Chegut presented their recent papers on this topic while Steve Weikal chaired the panel discussion with experts from 11 global leading real estate and tech companies: Hong Kong Land, Boston Properties, Rudin, Oxford Properties Group, HB Reavis, Nanfeng Group, Tishman Speyer, Edge Technology, AEW Capital Management, City Developments Limited and China Resources Land.
 - Researchers and industry experts had a very productive and in-depth discussion on healthy buildings; their definition and measurement, the perception and materialization of tenant/owner values in their features, and their market financial performance.
- **MIT/CRE Head of Industry Relations Steve Weikal** presented to the recently-launched [Innovation + Technology Council](#) for the Washington DC chapter of ULI. He shared the MIT/CRE's latest work on real estate technology and also led a lively discussion with thought leaders Megan Lantz of HITT Contracting and Andrew Ackerman of DreamIT Ventures.
- **Lecturer Jen Cookke** was interviewed for several print media publications this fall:
 - [The RealDeal](#): On the effects of COVID-19 to each of the core real estate products
 - [CNN](#): On working from home and the future of in-person office work
 - [Development Magazine](#): On the lasting impacts of COVID-19 to commercial real estate
- **Kristin Blount, MSRED '98**, received Connect Media's [2020 Women in Real Estate Award](#). The award honors the achievements and inspirational stories of women who have reached respected positions of leadership and hold key mentorship roles.
- **Prof. Siqi Zheng** recently delivered the keynote talk "Air Pollution, Avoidance Behaviors, and Neglected Social Cost: Evidence from Outdoor Leisure and Commuting Behaviors" at the 2020 China Spatial Economics Annual Conference.

RESEARCH

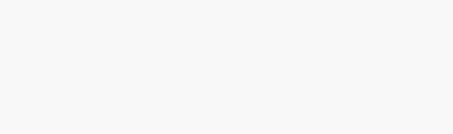
- **The MIT/CRE** launched the [CRE Working Paper Series](#) this fall semester. Juan Palacios, postdoctoral associate at the MIT SUL, is leading this effort. The series is intended to increase the visibility of the academic articles produced by the MIT/CRE, and inform the broad academic community of our current research projects.
 - Each year the MIT/CRE will release one issue per quarter through SSRN. The first launched in November with 10 papers, and has generated an impressive impact. As of today, these papers have been downloaded a total 1,600 times (factoring in different release dates for each).
 - Juan will continue to collect working papers from our researchers and edit the series on a quarterly basis.
- **The MIT/CRE** also launched the [CRE Research Seminar](#) this fall semester, an event series that will continue through spring 2021. Simon Buechler, the postdoctoral fellow at the [Price Dynamics Platform](#) (PDP), is organizing this series.
 - The series will feature distinguished scholars in the real estate finance field and provide a rigorous discussion platform for basic research. Each will showcase one presenter's current work for one hour, including Q&As.
 - Fall 2020 Seminar presenters included Professors Chris Palmer (MIT Sloan), Alex van de Minne (University of Connecticut), and Walter Torous (MIT/CRE). Thank you to all who participated and contributed to a successful launch of our seminar series!
- **The Politecnico di Torino, MIT Senseable City Lab, and MIT SUL** joined forces to develop and launch the project website [High Speed China](#).
- **The PDP's recent update** of the [Investor Supply/Demand Index](#) shows that overall liquidity stabilized in the third quarter. However, this reflected divergent actions on the two sides of the property market. Property owners (potential sellers) were still keeping their reservation prices (RPs) high or even rising in Q3 in the seven markets we track, holding back the supply of properties in the investment market. On the other side of the market, potential buyers' RPs reversed or at least stopped their dramatic Q2 pandemic-based slide in most markets, though at levels well below their 2019 peaks.
- **"Market Adoption of Healthy Buildings: A Global Real Estate Owner Perspectives Study,"** a paper from the MIT SUL by Zhengzhen Tan, examines the market adoption of healthy buildings by asking (1) how a healthy building is defined and measured in the marketplace, (2) what its financial value is to both building tenants and owners, and (3) what the real estate owner's perspective is and what strategies they are pursuing for this emerging market. The research team conducted 28 interviews with executives from 15 real estate corporations across the globe.
- **"The Financial Impact of Street-level Greenery on New York Commercial Real Estate,"** a new paper from the **REI Lab** by Juncheng Yang, Helena Rong, Yuhao Kang, Fan Zhang and Dr. Andrea Chegut, measures and documents the role of street level greenery in commercial building valuations and provides a more complete understanding of the value of greenness in urban environments and the economic role urban landscape architecture, planning, and development have on cities.
- **"Clean Air as an Experience Good in Urban China,"** a paper from the MIT SUL by Matthew E Kahn, Weizeng Sun, and Prof. Siqi Zheng, was released as part of the [National Bureau of Economic Research Working Paper Series](#) (Working Paper 27790). The paper, which [VoxChina reported on](#), investigates the nature of clean air as an experienced commodity, arguing that the short-term reduction in pollution in spring 2020 could have persistent medium-term effects on reducing urban pollution levels as cities adopt new "blue sky" regulations to maintain recent pollution progress.
- **"The Financial Impact of Healthy Buildings,"** a paper from the **REI Lab** by Natasha Sadikin, Dr. Irmak Turan and Dr. Andrea Chegut, assesses the financial performance of healthy buildings as measured by net effective rents in the top 10 US markets. The paper financially analyzed the benefits of healthy spaces to derive their value and impact on economic decision-making and used CompStak and Healthy Building public databases from Fitwel and WELL to measure financial performance.
- MIT SUL's **"Air Pollution Lowers Travel Demand in a Consumer City"** paper, by Binzhe Wang and Prof. Siqi Zheng, was published in the journal of [Transportation Research Part D: Transport and Environment](#). This paper shows that consumers manage their travel demand for consumer amenities (restaurants, retail shops) in response to air quality. Severe air pollution reduces one's self-reported willingness-to-travel time by 20%, and lowers one's expressed travel distance by 30% during any given trip.
- **A new report** from the REI Lab, "[Data Science Strategies for Real Estate Development](#)" by Sunnie Park, Erin Glennon and Dr. Andrea Chegut, explores the application of data science modeling within the residential and commercial real estate development process, how we can start to curate data architectures that support decision-making by tying the data and solution providers to each outcome and feature needed in the development process, and how to deliver results to real estate development stakeholders.
 - [Preview research outcomes](#) on this topic.
- **"Dockless Bike Sharing Alleviates Road Congestion by Complementing Subway Travel: Evidence from Beijing"** a study from the MIT SUL by Yichun Fan and Prof. Siqi Zheng, was published in the journal [Cities](#). The study demonstrates that the synergy between dockless bike sharing and the subway system outweighs substituting effects and can help achieve a greener and healthier city.

EDUCATION

- The MIT/CRE will be launching 11.s965 "**Sustainable Real Estate: Economics and Business**" in spring 2021, co-taught by Prof. Siqi Zheng, Zhengzhen Tan, and Juan Palacios. The course will address sustainable challenges at city-, asset- & portfolio-level, with insights from both academia and industry.
- [Developing Health-Centered Communities: The Next Revolution in Real Estate Online](#) (Live Virtual) | *April 20-May 7, 2021*
A program offered by the **MIT Center for Real Estate** and **Harvard Medical School** in partnership with **MIT Professional Education**. Register and pay by January 30, 2021 to save **USD \$1,080** using discount code EARLYBHCC.
 - Focusing on trailblazing new concepts, strategies and technologies, this program brings together leading researchers, architects, urban planners, and real estate professionals, along with physicians, epidemiologists, and health tech entrepreneurs
 - Participants will gain a strategic vision for how professionals in health care and the built environment can work together to build projects that create value, promote healthy living, support aging-in-place, and develop communities that thrive.

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