

# "Asset management has never been more important"

We spoke to Nuveen Real Estate about the challenges that they have faced over the past 12 months and how the pandemic has changed the corporate real estate market.

**When working with your clients in such challenging times, what would you say are the top three things that your team are focused on and imperative to do, to support your clients?**

Firstly, communication, whether that is with clients, major stakeholders (including JV partners and operators) or tenants.

We have worked exceptionally hard to effectively communicate throughout the pandemic to ensure there were no surprises. This helped us to provide clients with confidence that we're doing everything possible to manage each strategy and make the best decisions for our clients.

Asset management has also never been more important. Our main priority has been working to preserve income for our clients through agreeing lease re-gears and new lettings, whilst also continuing to evaluate each asset for repositioning strategies including change or intensification of use.

Finally, our ability to evolve has



been of paramount of importance during this time. The pandemic has compressed structural change that otherwise may have taken 10 years to play out.

Our top down 'tomorrow's world' approach to investment continues to lead our thinking on what sectors and geographies are best placed to perform and pivot to.

## nuveen REAL ESTATE

**What are the lessons that Nuveen has learnt from this crisis and how has your business changed in the past 12 months?**

Over the last year, the need for us to be more customer (tenant) focused in the asset management process has become even more important.

By being as close to the occupier as possible we can better understand how an asset needs to be positioned in order to fulfil their requirements, and in turn this can help to generate stronger returns for our clients.

As mentioned earlier, while the pandemic has accelerated the pace of change, Nuveen's top down investment thesis is adapted to help us understand what trends are cyclical and what trends are secular, i.e. what is temporary and what is permanent.

This, plus an occupier informed 'bottom up' approach dominates our thinking, and has become even more important with the pace of change in real estate accelerating.

Of course, it would also be hard to ignore the increased importance the crisis has placed on ESG, and particularly social impact. Nuveen has a strong track record in Responsible Investing, and we have been exploring new strategies over the last 12 months. ESG is front and centre of our investment decision making.

**How has overseas investment in the commercial real estate market been impacted by the pandemic and do you anticipate demand to change in the future as we move out of lockdown?**

We believe that overseas investment will increase when restrictions are eased. Investment markets have been incredibly robust given the circumstances, but they have been largely supported by domestic capital. The markets with deep pools of domestic capital have performed well, for example Germany.

However, markets that traditionally attract large scale overseas capital, like London, have not seen the same level of overseas buyers, but this will likely change. Broadly speaking, investors are under-allocated to real estate.

Investors want logistics, housing and alternatives, but offices will continue to form the basis of investment liquidity in Europe and there are some areas of retail that offer good value and purpose.

**What would you say is the biggest value or particular benefit that Nuveen will get from using EG Radius?**

The news service is particularly useful, as it helps us to keep our finger on the pulse when it comes to industry news and sentiment across the UK.

Having access to the latest news stories and real time data is really important and is vital to keep up to date with what is happening in the



wider market so that we can give best advice to our clients.

**Is there anything that Nuveen is focussing on in 2021 that you can share with our readers?**

Following the announcement of our ambitious net zero carbon pathway earlier this year, which sets a 2040 deadline for net zero across our global real estate portfolio worth \$133 billion, we will be focusing on the 'small wins' and initial improvements that we can make over the next year to help drive us towards that target.

We will also be looking in greater detail at impact investing in Europe. Nuveen has a strong track record of Responsible Investing, particularly in the United States, and we will be looking to leverage this experience more in Europe in the months ahead.

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\*as of 31 Dec 2020