

## **SIOR Fall Conference Chicago 2017 Recap**

*Overcoming anxiety and distractions to be fully actualized, hope for politics with a new force of moderates on Capitol Hill, Finding “Cassandras” to stop catastrophes, the power of storytelling, micro and metro trends affecting development, investment and much more were some of the highlights from the conference.*

**Words and Photos by Gary Marsh, SIOR Associate Member and SIOR Foundation Trustee**



*State Street*

Nearly 1,000 people gathered at The Palmer House (Hilton) in downtown Chicago for SIOR’s Fall Conference in Chicago. As usual, it was a FULL lineup of speakers, breakout sections and networking.

Before recapping the keynote speakers, general sessions and some of the breakout workshops, I’ll offer a few words on the value of conferences like these. I heard rumblings from a few people that some of the speakers were not directly tied to the commercial real estate industry. As an industry, we are inundated with commercial real estate news and information. Even so, it is

good to hear recognized experts talk about Capital Markets or technical issues like re-structuring a lease that is only mid-way through its term. We learn from those sessions.

Yet the real value of this brand of “speakers’ series” is that we gain exposure to world’s that are quite unlike our own. It’s not every day that you get to hear from one of the foremost scholars on social psychology (and also a Harvard Business School teacher), or from an expert on national security that has advised three presidents during his career. These people are “*wicked smaaahrt*” as they say in Boston. We tend to form work and life habits at home and going to conferences to listen to bright people talk about things that do touch our lives and businesses is good. It gets us out of our shells, so to speak, and opens our eyes and sometimes our hearts. If you stay interested, you have a better chance of staying interesting to others.

On opening day (Thursday), **Amy Cuddy**, the American social psychologist and business school teacher from Pennsylvania presented her TED talk on nonverbal communication and body language as indicators of one’s life outcomes and how we project ourselves. Power, dominance, anxiety, celebration, fear, powerlessness and other emotions were discussed by Cuddy with some great photos to make her points. She talked about distractions, and how even people that concentrate well cannot stay in the moment all the time. “No one is present all the time,” Cuddy said.



[https://www.ted.com/talks/amy\\_cuddy\\_your\\_body\\_language\\_shapes\\_who\\_you\\_are](https://www.ted.com/talks/amy_cuddy_your_body_language_shapes_who_you_are)

“Your body is sending your brain messages all the time, from the classic fight, flee or faint reaction to actual or perceived danger to moments of happiness and pleasure when we are able to express our authentic and best selves,” she said. Her Ted talk, delivered at TEDGlobal 2012 in Edinburgh, Scotland, has been viewed more than 40 million times and ranks second among the most-viewed Ted talks. In 2015 Cuddy published the book, *Presence: Bringing Your Boldest Self to Your Biggest Challenges*.

The Thursday panel, Micro & Metro: Latest Trends for Investment, Development and Occupancy was moderated by **Steve Weikel**, Head of Industry Relations at the MIT Center for Real Estate (pictured, right) and the panel (L-R) was comprised of **Issi Romem**, Ph.D with BuildZoom, **Calandra Cruickshank**, Founder and CEO of StateBook International and **Christian Beaudoin**, Managing Director of Research Strategy and Client Advisory in JLL’s Chicago office. Romem presented a chart with Expensive, Expansive and Legacy cities, while saying that his word choice of Legacy was the nicest way to describe older cities that have been on gradual declines for decades, such as Detroit and Cleveland.

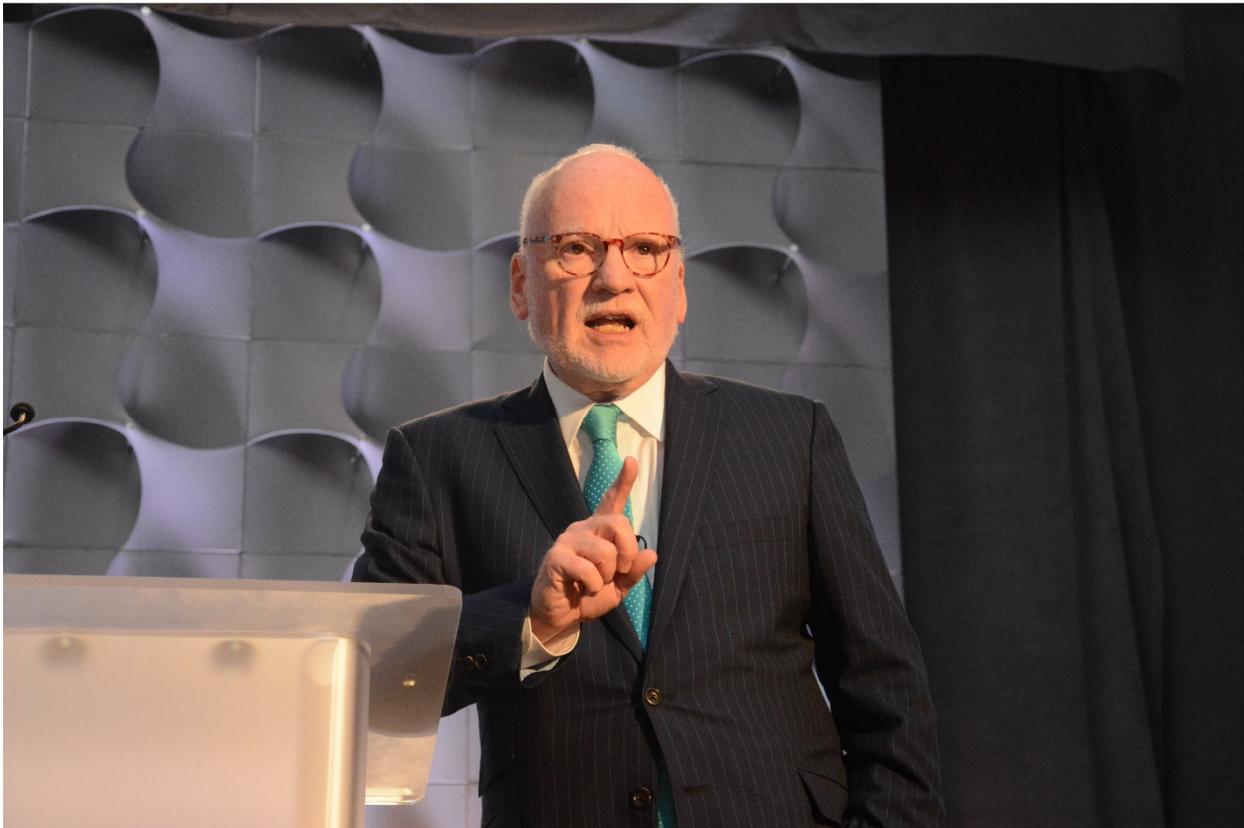


It wasn’t surprising to see Raleigh, Austin and Las Vegas in the Expansive corner, nor LA, New York, Chicago and San Francisco in the Expensive slot (San Francisco is ranked the #1 most expensive market in the U.S. for commercial real estate occupancy costs, costs of living and housing, combined). What was surprising was to hear that Salt Lake City, Boise (yes, Idaho) and Oklahoma City were some of the panelists top picks for emerging cities. Other small markets that got kudos from this group of site selection experts were Madison, WI, Greenville, SC and even the Albany-Buffalo corridor of New York.

Cruickshank is a New Yorker so probably more aware than most that Buffalo has a deep water port and combined, there are 24 colleges in that region of the country. She also cited Providence, RI as an up and comer.

“Providence has incredible political will for change-making, a business friendly state governor, really supportive entrepreneurs and lots of co-working space,” Cruickshank said.

JLLs Beaudoin gave the most audacious statement of the day when he said to an exclusively commercial real estate audience: “Real estate doesn’t matter. Labor is far more important in today’s economy.”



The Friday keynote speaker, **Richard. A. Clark**, gave an intelligent yet disturbing talk based on the book that he and **Randolph P. Eddy** wrote called *Warnings – Finding Cassandras to Stop Catastrophes*.

Clark is a 30-year veteran in national security and served over a decade in the White House under multiple Presidents, while Eddy is the CEO of Ergo, one of the world’s leading intelligence firms. He served as Director of the White House National Security Council and a senior U.S. and UN diplomat.

In Greek mythology Cassandra foresaw calamities, including the Fall of Troy, but was cursed by the gods to be ignored. Modern-day Cassandras clearly predicted the disasters of Katrina Fukushima, the Great Recession, the rise of ISIS and many more.

In their book, they discover a method to separate the accurate Cassandras from the crazy doomsayers. On stage, Clark talked about the Bernie Madoff whistleblower and his claims of fraud that fell on deaf ears. He also told of the NASA engineer who pleaded with Mission Control to stop the Space Shuttle Challenger from lift off right up until its fateful January 28, 1986 flight when it broke apart in 73 seconds, killing all seven crew members.

In the book and on stage, Clark recounted their interviews from experts today that are warning of future disasters – the threats from artificial intelligence, bio-hacking, mutating viruses, and more, whose calls are not being heeded.

The common threads that all of these modern-day Cassandras share is their intensive use of data to develop their respective conclusions. Also, all of them are experts in their fields.

Clark said there are three recurring reasons why people in management positions fail to believe these Cassandras.

1. “It’s never happened before.” Even if it happened a long time ago, they’ll take the attitude that “it’s impossible.” People that objected to building the Fukushima nuclear plant so close to the shoreline pointed out that the water line from a tsunami 400 years earlier was more than twice as high as the high watermark following the tsunami that hit the Japanese island on March 11, 2011.
2. “Agenda inertia.” Management sometimes thinks that these trouble-making Cassandras want influence over a project, or possibly out to make money somehow, and the agenda is inconsistent with management’s plans for a project – such as a scheduled flight for the space program.
3. “Regulatory capture.” Authority’s sometime object to threats when the threat affects their agency. In the Fukushima incident, Tokyo Power didn’t want to place blame on themselves for poor site selection.

If there was a moment of relief during Clark’s talk, it was when he said that Bill Gates, Stephen Hawking and Elon Musk have teamed up to create funding and a program to minimize the threat to humankind from the emergence of artificial intelligence. Hawking is on record saying that robots will eventually replace humans completely. Clark’s talk was sponsored by Prologis.



The Friday afternoon General Session, sponsored by the SIOR Foundation, provided some much needed optimism for our political system and process. **Jerry Reinsdorf**, the Chicago White Sox owner, (center) moderated the panel, Problem Solving Over Partisanship – a New Force Emerges on Capitol Hill.

U.S. Representative **Tom Reed** (R- New York’s 23<sup>rd</sup> Congressional District, seated left) and U.S. Representative **Dan Lapinski** (D- Illinois’ 3<sup>rd</sup> District, seated right) are members of the Problem Solvers Caucus, which is currently comprised of 40 members from both sides of the aisle, all of whom are committed moderates. The group is trying to get to 50 members. Among other things, to become a caucus member the elected officials must vow not to run negative Ads about their competitors. That and other measures may not “clean up the swamp” but it is a good start.

The primary purpose of the caucus is to bring about tax reform and infrastructure investment. The Problem Solvers Caucus began in the 114<sup>th</sup> Congress as a forum for Members of Congress to identify issues which can be addressed in bipartisan manner. History shows that the most consequential and long-lasting reforms are usually bipartisan, from the passage of Social Security and Medicare to the last time comprehensive tax reform was achieved in 1986.

Reed and Lapinski were good speakers and convincing in their authenticity. It was clear they both liked and respected each other. They demonstrated the civility that Americans want from elected officials while talking about public policy and tax reform.



Saturday's Closing General Session, sponsored by Ten-X Commercial featured ICM Partners' **Jonathan Perelman**, the head of the agency's digital initiatives. Perelman joined ICM in August of 2015 after ramping up BuzzFeed's video division to national prominence. Earlier, he spent six years with Google's global industry relations and business compliance teams. At SIOR Chicago, Perelman talked about – what else – digital marketing and in particular, the power of storytelling and keys to successful storytelling.

Saying "Content is King but Distribution is Queen, and she wears the pants," Perelman talked about how to create shareable, social content that maximizes its reach, impact, and word-of-mouth marketing. He may have had a hand in the contemporary notion of "going viral." While at BuzzFeed, he led the creation of 75 original videos per week that led to 1.5 billion monthly views, and along the way, promoting a myriad of brands.

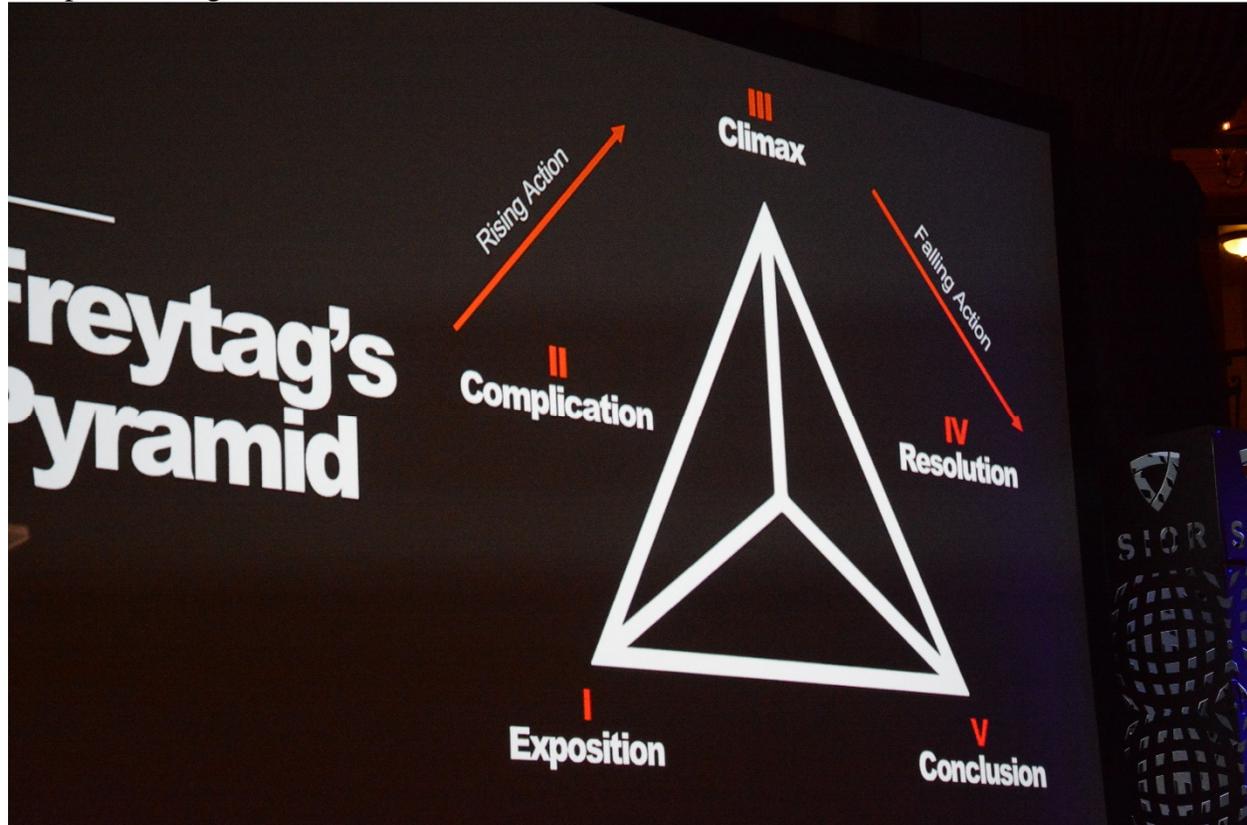
He said that content is a proxy for communication, and that people share to form community. Sharing is also the way to build "the brand of me."

As for storytelling, Perelman relayed the four truths of the storyteller:

- True to the Teller (value and conveyed with candor)
- True to the Audience (worth their time, involve them)
- True to the Moment (matching context, for 2 or 2,000 people)
- True to the Mission (having a point, asking for something)

The keys to creating shareable, social stories require simplicity, surprise and specificity. For

structure, think how movie stories are told, and Perelman displayed Freytag's Pyramid, which is a staple in college-level film schools.



Perelman offered additional storytelling tips, such as making content that you would want to share with yourself, don't focus on tricks, be yourself, try lots of ideas (he said that no one bats 1000") and capture the moment. He pointed out that humor is inherently social, and nostalgia is a popular method for storytelling. After all, how many stories begin with "remember when?"

In closing, he said that successful marketers in the "digital business 4.0 commerce" era will routinely use emotion, identity and information to convey their brands and respective value propositions.