Planning for the future
Introductions

1. Name
2. Company/Industry
3. What do you hope to accomplish from this workshop?
Questions

• What is your company headcount?
• What city is your office located in?
• Any field offices? Where are these field offices located?
• What % of your workforce is comprised of millennials and Gen Z?
• What are your primary recruitment tools?
• Internship program, college recruitment, social media, etc.?
• What are your primary HR issues?
• Do you offer flexibility for quiet work place? Work from home? Easy to work from tech perspective?
• What are the biggest challenges you face as an HR professional when thinking about the workforce of the future?
Demographics are a key megatrend
Generation Z and Millennials comprise half of the total US population

Generations’ Share of Total US Population

- Generation Z
- Millennials
- Generation X
- Baby Boomers

Source: US Census Bureau
Generation Z and Millennials will comprise ~75% of workforce by 2035

Source: Harvard Joint Center for Housing Studies, America’s Rental Housing 2017; US Census Bureau
Retaining millennials aka the “job hopping generation”

• 21% of millennials say they've changed jobs within the past year,
• More than 3X the number of non-millennials who report the same

• 60% of millennials say they are open to a different job opportunity
• 15 percentage points higher than the percentage of non-millennial workers who say the same

• Not just leaving for high-paying jobs, but for:
  • Positive work culture
  • Better work-life balance
  • Environmental and social issues

Source: Gallop, 2019
Younger workforce is technologically-adept
A more tech-advanced workforce will impact workplace desires and expectations

Source: Pew Research Center

Note: Those who did not give an answer are not shown.
Younger generations will desire tech-enabled workplaces:

- Applications that allow them to book conference rooms, help find nearest lunch locations booking conference rooms via app
- Social messaging within application (i.e. Jammer, community board)
Tomorrow’s offices: amenity-rich
Younger generations entering workforce will desire amenity-rich work environments
Tomorrow’s offices: sustainable
Younger generations entering workforce will desire sustainable work environments

<table>
<thead>
<tr>
<th>Resource Efficiency</th>
<th>Occupant Experience</th>
<th>Resilience</th>
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<tbody>
<tr>
<td>Energy/water efficiency</td>
<td>Health and wellness</td>
<td>Decrease grid reliability</td>
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<tr>
<td>Renewable energy sources</td>
<td>Thermal comfort</td>
<td>Assess climate change</td>
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<tr>
<td>Waste management</td>
<td>Ventilation/air quality</td>
<td>exposure/vulnerability</td>
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<tr>
<td>Building technology, EMS, remote</td>
<td>Lighting</td>
<td>Protect infrastructure</td>
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<tr>
<td>diagnostics</td>
<td>Views/Biophilia</td>
<td>Future-proof against carbon pricing and regulation</td>
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<td>Net zero carbon/energy</td>
<td>Amenities/communal space</td>
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<td></td>
<td>Noise/acoustics</td>
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<td>IoT</td>
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Younger generations entering workforce will desire sustainable work environments.
Interactive exercise: 
*Your current office space offerings*

Is your office space technologically advanced? How so?

Does your office space offer the amenities that millennials and Gen Z will want?

If not, let’s brainstorm ways to make your office offerings more in line with what the next generation of workers wants.
Tomorrow’s workplace: progressive HR benefits

- Unlimited Paid Time Off
- Work from home
- Dress for your day
- Maternity/Paternity Leave
- Fitness and health reimbursement
- Providing free breakfast/lunch
- Paid time off for volunteering

Source: Forbes; Business Insider
Recent study: financial benefits remain top perk

Importance of Different Perks for All Respondents

- Base compensation: 88%
- Health insurance: 88%
- Retirement savings matching: 81%
- Vacation policy: 81%
- Performance-based compensation: 76%
- Flexibility in workplace location: 68%
- Employee wellness programming: 63%
- Education/training reimbursement: 61%
- Flexibility in work schedule: 60%
- Parental leave: 54%
- Transportation benefits: 44%

Source: State of Remote Work Report 2019, OWL Labs
Growing college debt continues to ignite younger generations’ financial stress

- Recent studies show that there is a direct correlation between financial stress and workplace performance.
- 25% of employees report that issues with personal finances have been a distraction at work.
- Of those distracted, 43% say that they spend three hours or more at work each week thinking about or dealing with issues related to their personal finances, and 15% report missing work occasionally as a result.

Sources:
Workers who work remotely are happier, feel more trusted, less stressed, are more inclined to recommend their employer to a friend, and are less likely to leave than their office bound colleagues.

- A study by Owl Labs found that full-time remote workers reported being happy in their jobs 22% more than workers who are never remote.
- Remote workers reported having better work-life balance, focus, and less stress. Companies that give workers more flexibility were more likely to retain them.
- Remote workers will also work longer hours; they reported working over 40 hours per week 43% more than non-remote workers.

Source: Business Insider; Owl Labs
Interactive exercise: *Progressive HR benefits*

What are some of your most popular HR benefits?

Have there been any updates/revisions in the last decade?

How do you envision your benefits changing given a more progressive workforce?
Tomorrow’s cities: Attracting Talent
U.S. tomorrow’s cities: Investment cities

Source: Nuveen Real Estate
Our proprietary city-focused approach
Identifies those cities best positioned for structural growth

Scale filter
Cities with an urban population of 150,000+

Transparency filter
Cities with liquidity, data availability, property rights and good transaction processes

Stability filter
Cities in countries with adequate political and economic stability

Megatrend filter
Our proprietary research process identifies the top 2% of cities globally that we believe to be best positioned in light of global megatrends:

- Urbanization
- Rising middle classes
- Aging population
- Growing economic power of the East
- Technology
- Sustainability

Source: Nuveen Real Estate
Our proprietary city-focused approach

Our research identifies the characteristics of cities best positioned for structural growth

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Metrics</th>
<th>Best-Positioned City Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hard Factors</strong></td>
<td>• Population, Size of GDP</td>
<td>• London</td>
</tr>
<tr>
<td></td>
<td>• GDP per Capita</td>
<td>• New York</td>
</tr>
<tr>
<td></td>
<td>• Population &lt;40</td>
<td>• Los Angeles</td>
</tr>
<tr>
<td></td>
<td>• Households &gt;$100K</td>
<td></td>
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<tr>
<td><strong>Soft Factors</strong></td>
<td>• International flights</td>
<td>• Boston</td>
</tr>
<tr>
<td></td>
<td>• Innovation index</td>
<td>• San Francisco</td>
</tr>
<tr>
<td></td>
<td>• Quality of life index</td>
<td>• Sydney</td>
</tr>
<tr>
<td><strong>Growth Factors</strong></td>
<td>• Population growth</td>
<td>• Perth</td>
</tr>
<tr>
<td></td>
<td>• Economic growth</td>
<td>• Shanghai</td>
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<tr>
<td></td>
<td>• Affluence growth</td>
<td>• Austin</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>• Air quality index</td>
<td>• Brisbane</td>
</tr>
<tr>
<td></td>
<td>• Climate change vulnerability</td>
<td>• Copenhagen</td>
</tr>
<tr>
<td></td>
<td>• Grid carbon intensity</td>
<td>• Auckland</td>
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</table>
Interactive exercise:

Show case the Tomorrow’s Cities filtering metrics for all MSAs

What cities do you currently operate in? Let’s see how those cities score within our Framework.
Net migration rate of Millennials and Generation Z (2020)
Strongest net-migration experienced in Sunbelt cities

**Winners:**
- Austin, TX
- Orlando, FL
- Nashville, TN

**Losers:**
- Youngstown, OH
- Milwaukee, WI
- Scranton, PA
Growth of educated Millennials and Generation Z (2019-2027)

Southern and mountain cities are expected to experience the strongest growth.

Winners:
- Provo, UT
- San Antonio, TX
- Colorado Springs, CO

Losers:
- Philadelphia, PA
- New York, NY
- Erie, PA
Tomorrow’s cities: Long-Term Population Growth (2010-2030)
Strongest population growth expected in South, weakest (negative) in North

Top 3:
1) Austin, TX – 67%
2) Orlando, FL – 57%
3) Las Vegas, NV – 55%

Bottom 3:
33) New York, NY – 4%
34) Honolulu, HI – 4%
35) Chicago, IL – -1%
Interactive exercise: *StratoDem Analytics custom query tool*

Showcase the ability to forecast demographic trends using StratoDem Analytics (AI based tool).

Chosen participants can generate their own question and the group will analyze the results.
**Tomorrow’s cities: Net Migration (2018)**

Strongest net-migration experienced in South and West

**Top 3:**
1) Orlando, FL – 1.9%
2) Las Vegas, NV – 1.7%
3) Austin, TX – 1.7%

**Bottom 3:**
33) Los Angeles, CA – -0.6%
34) Chicago, IL – -0.6%
35) Honolulu, HI – -1%

Source: Moodu’s Analytics
College debt will continue to hinder younger generations

Student debt burdens influence where younger generations can afford to live.

Total student loan balances by age group

Source: Federal Reserve Bank of New York Consumer Credit Panel / Equifax
Many millennials are living at home until they can afford to move

22.5% millennials are living at home (up 9% since 2005)

Source: Zillow Research

Share of millennials living w/ parent(s) by metro

- New York: 30%
- Los Angeles: 30%
- San Diego: 25%
- Austin: 20%
- Raleigh: 20%
- Charlotte: 20%
- Dallas: 20%
- Phoenix: 20%
- San Francisco: 20%
- San Jose: 20%
- Tampa: 20%
- Boston: 20%

U.S. Average: 22.5%

Source: Zillow Research
If/when they move out, they need roommates to reduce the cost

### % of Under 34 households with roommates by region

<table>
<thead>
<tr>
<th>Region</th>
<th>2005</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Northeast</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>West</td>
<td>20%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and US Census Bureau
Affordability will impact where younger generation move

States with low (or no) personal income tax rates like Nevada and Texas are expected to experience strong population growth in the medium term. States with high personal income tax rates like Connecticut and Maine are expected to experience weak population growth in the medium term.

State Population Growth (2020-2027) vs. 2019 Average Personal Income Tax Rate

Source: StratoDem Analytics, 2019
Note: Straight-line average of personal income tax rate
Younger generations will desire a low cost of living
Northeast and California cities are amongst the most expensive places to live while Sunbelt cities are amongst the least expensive.

**High cost of living:**
- San Jose, CA
- Santa Cruz, CA
- Honolulu, HI
- Santa Maria, CA
- San Diego, CA
- Fairfield County, CT
- Portland, OR

**Low cost of living:**
- Greenville, NC
- Greensboro-High Point, NC
-Omaha-Council Bluffs, NE-IA
-Memphis, TN
Where are the most apartment units in US?

While traditional office markets like NY and LA have the most apartment units, Atlanta and Phoenix make the top 10.

Largest US Apartment Markets

Source: CBRE-EA, 2019

nuveen
What does the rest of the U.S. apartment landscape look like?

US Apartment Markets: Inventory vs. Rent (minus top 10)

Source: CBRE-ELA, Q2 2019
Where in the city will they want to live/work?

- Live-Work-Play areas
- Walking distance to restaurants, bars, fitness studios, etc.
- Compatible location for ride sharing applications (Uber, Lyft, etc.)
- Close proximity to public transportation

Seaport Boston
Interactive exercise: 
*PlacerAI demonstration*

Identify a Gen Z/millennial “hot spot” in your city and we will analyze real-time foot traffic analytics to see where they are going/coming from to better understand where this generation spends its time in your city.

How can your firm take advantage of the live-work-play options within your city?
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