

Sojourn to Asia a Success on Multiple Levels

Five miles above the earth, slicing through the thin, bitterly cold atmosphere at 500+ miles per hour, a commercial jet is a time machine. It roars out of Boston and soars down the east coast to Atlanta. Then, racing west, it dials back the clock as it spans America and the wide, dark yawn of the Pacific.

Even at 500+ miles per hour, a flight to Tokyo lasts the better part of a day. Strapped into barely ergonomic seats, the passengers' animation is all but suspended. Subjected to hour after hour of the engines' steady drone, even those with the least inclination toward rumination eventually find themselves forced to recede into the more commodious dimensions of their interior lives.

For those who, like CRE Chairman Tony Ciochetti, welcome time to think without interruption, air travel can be quite useful. A seasoned traveler, he had planned ahead and brought plenty of work to catch up on when he traveled to Asia last February. It was Ciochetti's first major excursion abroad of 2011, and as he contemplated the mission he was on and its implications for the Center, he was excited. He was, after all, the bearer of good tidings.

In October the Center had celebrated its 25th anniversary with a conference called *Real Estate Re-Engineered: Leveraging Science, Developing Innovation*. Showcasing, as Ciochetti had put it, the Center's "goal to connect the industry to the broad set of disciplines – in the areas of management, economics, science, engineering, planning and design – that make MIT such a famous institution," the program had drawn record attendance, spilling over into additional space when it filled the primary auditorium at MIT's celebrated Media Lab.

Ciochetti was on his way to Japan to begin a multi-stop excursion during which he would meet with CRE alumni and report on the anniversary program and what it revealed about the Center's first quarter century. More important, he had great news to share concerning the Center's future.

Only days before he departed from Boston he had revealed that the Center had an opportunity to move into an expansive suite in MIT's School of Architecture and Planning. "The new space will allow the Center to be on MIT's main campus and engage more broadly with our colleagues in Urban Planning and Architecture as we build upon the progress we've made over the past quarter of a century," said Ciochetti. "I'm confident our alumni will support us in this important initiative."

Now he was headed west to put that confidence to the test. The chairman had visited the region repeatedly during the past few years, building and sustaining bridges from the CRE to alumni, educational institutions, partners and industry leaders. But even so seasoned a traveler as he could not have anticipated how demanding this trip would be, nor how rewarding. Covering nearly 25,000 miles, he would range from Japan to Korea and then down across the great eastern bulge of China to Hong Kong. It was an expedition that would take three weeks and re-connect him to the CRE's appreciative Asian alumni communities in unexpected ways.

The Flavor of the Region

After 16 hours en route, you arrive tired, your inner clock thoroughly out of whack. You get to your hotel as quickly as possible. But in Tokyo, on a Friday afternoon, arguably the worst commute of the week, the shuttle bus trip from the airport grinds on for another three and a half hours.

Once you get to your hotel room you try to sleep. But it's not easy, and when you awaken you're disoriented and restless and hungry. It's the middle of the night and you've only temporarily blunted the sharp edge of the time zone distortion.

For Ciochetti, it was Saturday morning, February 19. Well aware of what it took to rebound from such a flight, he planned on using the weekend to catch up on e-mail communications and recover from jet lag. But there was plenty of time for that later, since he wouldn't be meeting with alumni until Monday. So, after showering and dressing he ventured out for a walk through the early streets.

At 4:00 AM Tokyo was already bustling with commerce. "Despite the global financial collapse, the city was still one of the largest commercial real estate markets in the world," he says. "Maybe development had slowed down some from the pace I'd observed on previous trips, but things were still very busy there."

The new day was dawning over the Pacific by the time he found himself at the vast Tsukiji market, the world's largest wholesale fish and seafood market. It had already been open for two hours, and tourists from all over the world jockeyed for position as trucks arrived, vendors wheeled pushcarts and drivers of small tractors towing trains of carts hurried to get the day's catch ready for consumers.

"At that time in the morning, the market is teeming with workers," says Ciochetti. "It's divided into several sections. There's a receiving and delivery area, a shipping area and an area reserved for the daily fish auction. Thousands of workers are engaged in activities serving each of those areas, not to mention the retail shops and the small restaurants that are interspersed among them. Adding to this bustle there are many tourists, as well. They are not allowed to go everywhere, so the places where they are allowed become tightly packed. It's a densely populated marketplace, alive with commerce."

The market was originally located in the heart of Tokyo. But after much the city's center was leveled by the devastating Kanto earthquake of 1923, it was relocated in the 1930s to the Tsukiji district, on land near the Sumida River that was reclaimed from Tokyo Bay nearly two centuries ago. In the ensuing 80 years it has sprawled to cover almost 60 acres and the 1,500 merchants who lease stalls there sell some 2,000 tons of seafood daily, more than 10 times as much as New York's famous Fulton Fish Market.

"It is the world's largest wholesale fish market and an excellent place to get a taste of Japanese culture," says Ciochetti. "You wander through the rows of stalls and you see every kind of seafood imaginable – from fish we take for granted in our local supermarket, like salmon and shrimp, to puffer fish, octopus, and tubs filled with tiny eels."

Eventually, he sidled up to one of the stalls for a sample of exceedingly fresh seafood. "You can't ask for a fresher breakfast than sushi at the Tsukiji market," Ciochetti says. "By western standards, it might seem strange to eat raw fish at 6:00 in the morning, but it was incredibly fresh and delicious."

A Promising First Meeting

“On trips like these, it’s important to plan ahead in order to maximize the use of time,” says Ciochetti. “I don’t come to Asia as often as I would like, so I want to be able to meet with all of our constituencies – partners, prospective partners, alumni, and prospective students. We try to pack in as much as possible.”

By Monday, February 21, largely recovered from the journey, the chairman met with the first of several candidates for enrollment in the CRE MSRED program that he would meet while in Japan. Then, early in the afternoon he had an opportunity to meet with leaders of the Mitsui Real Estate Development Co., Japan’s foremost developer of office buildings, commercial properties and housing.

He spent the balance of the day meeting individually with alumni, including Hitoshi Yagi ’88, Roku Hayashi ’05 and Takashi Fukumura ’94. It was his first opportunity to tell Asian alumni about the new plans for the center’s home and, he says, “They were all very enthusiastic.”

That evening he gathered with a large group of alumni at the office of Midori Suzuki-Tsushima ’96, national director of Jones Lang LaSalle, an old friend. It was to be the first of his presentations to alumni in Asia and the turnout justified the optimism with which he’d departed from the United States.

“All but two of the Japanese alumni came out for the meeting,” says Ciochetti. “It was very gratifying. There were lots of former students I hadn’t seen in a long time, and it was wonderful to find out from them, at the presentation and over dinner at a nearby restaurant later that evening, what they were doing with their careers.

“It was also rewarding to gauge their reactions to my presentation, because they were the first group I was meeting with. They were all very interested to learn about the impending changes at the Center.”

“It was great to see Tony and catch up with what’s going on at the CRE,” says Rohit Srivastava ’03, of Credit Suisse, who attended the program. “He gave an exciting presentation about what he wants to achieve at the CRE and what he hoped to accomplish on his trip to Asia. He had an ambitious agenda and we could see that he aimed to accomplish a lot on his trip.”

The following day, Ciochetti spent much of the morning meeting with Masanori Iwase, director of Mitsubishi Estate Company (MEC), at the company’s headquarters in Tokyo’s Otemachi district. Japan’s second-largest real estate developer, MEC owns the nation’s tallest building, the impressive 971-foot, 70-story Yokohama Landmark Tower, which towers over Yokohama’s glamorous Minato Mirai 21 – with its iconic Cosmo Clock 21 ferris wheel – a thriving mixed use complex constructed in the 1990s on redeveloped waterfront property. The Yokohama Landmark Tower features the world’s fastest elevators.

Later he lunched with Midori Suzuki and Joe Taira ’00 at the Marunouchi Hotel in Tokyo. Then, in the afternoon, he caught up with Takuji Masuko ’01, to discuss Masuko’s thoughts about the plans for the new CRE facilities.

Team Korea

It was cold on the afternoon of February 23, when Ciochetti flew to Seoul. But the hospitality was warm that evening when he dined with JungHun Choi '08 and an associate.

Choi expressed his interest, right away, in helping Ciochetti raise money for the new CRE offices. And as the chairman described the proposed new space and answered Choi's many questions, the alumnus's enthusiasm only grew. By the time the evening was winding down, Choi shared Ciochetti's enthusiasm for the project and he had agreed to fund one of the new student study rooms. "Jung has always been a great supporter of the CRE, and it was a thrill to catch up with him and see how excited he became when I described our plans for the Center," says Ciochetti.

Ciochetti returned to his hotel that evening feeling understandably upbeat. But things got even better the next day. At noon he met for lunch with Thomas Nam '94, president of ProLogis Korea, and Jihun Kang '04. Nam, like Choi, was very inquisitive about the Center's opportunity to expand into new space, and he grew more excited as Ciochetti described the suite to him.

"Tony's visit to Seoul was certainly instrumental in getting the momentum going for Korean alumni to participate in supporting the Center's move into new offices," he says. "Without his personal commitment to this important cause we would not have had the impetus to gather funds to name a CRE conference room after the Korean alumni.

"The Korean alumni even decided to create a separate scholarship fund for incoming Korean students at the CRE," he adds. "This shows how all of the Korean alumni truly appreciate the value and benefit of the education they received at MIT."

That appreciation was fully on display the following evening when Ciochetti met with a group of Korean alumni at a dinner at the Seoul Club hosted by Pietro Doran, chairman and principal partner of Doran Capital Partners, the privately held international real estate investment management and advisory company headquarter in Seoul.

Like all of the alumni with whom he had met since arriving in Tokyo seven days earlier, the Koreans were extremely interested in the Center's plans. By the time the evening was over they had set a goal of raising \$100,000 for the Center.

"Korean CRE alumni, including those working outside of Korea, decided to contribute to the new CRE as a team," says JongYoon Lim '06. "Twenty-two of 23 Korean alumni who were contacted participated in the initiative. Tony, who had in-depth conversations with senior members of the alumni in Korea during his visit, was very helpful. Without his visit and his tremendous support, our success would not have been possible."

Growth is Beautiful, But So Is Sustainability

It was snowing hard on February 26 when Ciochetti arrived in Beijing. "It was noticeably quiet," the chairman recalls. "It was a Saturday, to begin with. But the snow made everything softer and quieter, as well. It was in striking contrast to the usual frenetic pulse of the city."

Tianjin Luo '08, director of investment at Shanghai CRED Real Estate Holding Co., who helped organize the chairman's stay in Beijing, met Ciochetti at the airport. After dining with Luo and her family that evening, he spent the two days of the weekend once again catching up on the voluminous e-mail communications generated by all of the Japanese alumni who had met with him while he was in Tokyo as well as the Korean alumni.

In each country, the campaign involved both individual alumni as well as leaders. It was important to remain in touch with all of them, electronically, in order to ensure that Ciochetti was aware of how the fund-raising effort was progressing and that he was keeping them aware, in turn. Since there was little time for such communications during each meeting-packed week of the trip, he used the weekends to keep on top of this important aspect of the effort.

He would not meet with the Beijing alumni, collectively, until Tuesday evening, but he used Monday, February 28 productively, touring a new project under development by Beijing Capital Land, the giant Beijing-based development company with properties in major cities all over China and a long-standing CRE partner. In the evening he dined with Tang Jun, president of the company.

Though cold, Monday dawned clear and revealed the Beijing Ciochetti had come to expect. "Japan is still a very big market," he says, "but I had the clear sense, while I was in Tokyo, of a mature market impacted by the economic downturn. In Beijing, on the other hand, I saw little evidence of the lagging global economy. China is still growing dramatically and evidence of that growth was widespread."

It was an impression that Tang reaffirmed over dinner that evening. With some 400 million Chinese expected to retire by 2050, the company is positioning itself for the housing boom that is expected over the next two decades.

When Ciochetti had lunch with Greg Peng '00, former managing director of Merrill Lynch (Asia Pacific) Ltd. the following day, the tenth day of his journey, Peng reaffirmed what Tang had said. China remains a burgeoning real estate market, he told the chairman. If there were concerns about the pace of development in what had just become the world's second largest economy, it was tempered by optimism about the foreseeable future of largely unrestrained growth and opportunity.

It was a decidedly different perspective that Ciochetti got from Yung Ho Chang later that day, however. Dr. Chang, MIT professor of architecture, is a leading proponent of sustainable building and collaborated with Ciochetti on the 1K House project. Chang, who founded Atelier FCJZ, China's first private architecture firm, in 1993, was delighted to welcome Ciochetti to China, and the two friends spent a couple of hours at Chang's office on the beautifully landscaped grounds of the historic Summer Palace. Chang, with whom Ciochetti co-taught a 1-K House studio two years ago, had photos to share of the first 1-K prototype house which was built in Chengdu last summer. "It was very gratifying to see a physical manifestation of this idea we've been discussing for the past few years," says Ciochetti.

The two men spent some time discussing the extensive construction Ciochetti had observed during his three days in Beijing. While Chang is upbeat about China's immense growth potential, he argues compellingly for a sustainable development model. (Note: For more information of the 1-K project, visit <http://web.mit.edu/cre/research/1k-house-project.html>),

That evening, Ciochetti met with Chinese alumni at a Beijing hotel where, once again, he shared the Center's plans. It was a small, but highly engaged group, and the chairman was encouraged by the enthusiasm they displayed. After the meeting the group shared dinner at a nearby restaurant.

Support in Shanghai

Trying to leave Beijing the next morning, Wednesday, March 2, Ciochetti was stalled by a travel snag nearly as challenging as the one he'd encountered upon arrival in Tokyo. Loaded and ready to take off, Ciochetti's jet rolled out onto the tarmac and then lurched to a halt. Though the flight crew never explained what was going on, passengers were able to puzzle it out.

Turns out the next day marked commencement of government meetings concerning the latest five-year plan, the 12th such initiative since those periodic economic development plans were introduced in 1953. Officials were arriving from all over China. "Through the windows of the plane passengers could see big black limousines, with flags, arriving and picking them up," recalls Ciochetti. The process was tedious and took more than two hours. All the while, Ciochetti's plane remained parked.

At last it took off for Shanghai, a flight of just over two hours. His host there was David Yu, vice president and director of East China for AMB Property.

"In Shanghai we have eight alumni and everyone was excited that Tony was coming," says Yu. "Six were actually able to meet with Tony personally in the group meeting."

On March 3, the day after he arrived in the huge east coast city at the mouth of the Yangtze River, Ciochetti lunched with Wang Qian '03. Formerly chief executive officer, managing partner and chief financial officer of CRE partner ZK Group, Wang has recently launched his own development company, Boson Development.

Ciochetti enjoyed catching up with the alumnus, who so wanted to meet with the chairman that he took an overnight train from Suzhou in order to reach Shanghai while Ciochetti was there. Wang was so impressed with the plans for development of the new CRE space that by the time lunch was over he had agreed to fund the other student study room.

"Qian introduced us to ZK Group and he has always been a great supporter of the Center for Real Estate," says Ciochetti. "We appreciate his generous support."

"The response Tony has gotten from CRE alumni in Asia, and their enthusiasm about the new space for the Center is proof positive of why creating international connections is very important for the CRE," says Qian.

While the main thrust of the trip was to meet with CRE alumni, Ciochetti found time, that afternoon, to meet with Steven Levy and Wilson Wo, who have launched Ecomm China, a data services company. Ciochetti had been introduced to Levy and Wo by Bob White, president and founder of Real Capital Analytics, a CRE partner firm, and he was interested in learning about their business model for China.

"In order for China to grow, it's important to have useful data and be able to track quantifiable information," says Ciochetti. "Levy and Wo are entrepreneurs who are successfully addressing this need."

When Ciochetti met with Shanghai-based alumni the following evening, at Yu's office, it was good to be able to share not only the Center's plans, but also the exciting news about Wang Qian's funding of the study room. "It was a very productive meeting," says Yu. "The video of the 25th anniversary at the Center was well received by the alumni. They are extremely supportive of the new space for the Center and they offered many suggestions to Tony about how to make the Center more influential in China."

Hong Kong TBD

The next morning, Saturday, March 5, Ciochetti flew to Hong Kong, the last stop on his whirlwind tour. That night he dined with Zoe Zuo, and old friend of the Center for Real Estate.

For several years, Zuo was head of business development for long-time CRE partner Beijing Capital Land. During that time, she served as interpreter for Tang Jun, the company's president, whenever he traveled to the United States, and when Ciochetti visited China.

Recently she joined Angelo, Gordon & Co., the large private equity investment group. In her new capacity, she is doing business with Beijing Capital Land.

"It was great to have the opportunity to catch up with Zoe and find out about her new job," says Ciochetti. "It's fascinating, as you build these kinds of personal relationships around the world, to see how small the world actually becomes."

The following day, like the previous weekend, was devoted to catching up on e-mail communications, many of which followed up on Ciochetti's previous stops in Asia. That evening he had dinner with Ronnie Chan, one of the most influential developers in China. Since 1991 Chan has served as chairman of Hang Lung Group and Hang Lung Properties. Hang Lung is one of the largest real estate development companies in Hong Kong.

In the 1980s, Chan was an early supporter of the Center for Real Estate, and Ciochetti wanted to talk with him about ways to get re-engaged with the Center, especially in the context of the new facility.

"We had a very good meeting," reports Ciochetti. "He was extremely interested in the positive developments at the Center."

On Monday, March 7, the chairman joined Yong "Tony" Wang '07, an analyst with M3 Capital Partners in Hong Kong, who accompanied him on a day trip to Shenzhen to meet with leaders of Vanke, the largest residential real estate developer in the China. Later in the day, back in Hong Kong, Ciochetti dined with Wang and his family.

Tuesday, March 8 was the chairman's last full day in China. He breakfasted with old friend Huey Ang, of Kerry Properties, and then, in the evening, made his presentation about the Center's 25th anniversary and future plans to Hong Kong's large alumni cadre. "As with all of our Asian alumni, my presentation was met with enthusiasm," says Ciochetti. "It was so great to see all of these great people again and learn how their lives and careers are unfolding. They are strong advocates for the Center in their respective countries and it's important to remain engaged with them."

The following morning he boarded a plane for the long trip home, back around the arc of the globe. In all, he thought, as he buckled his seatbelt, the trip had been a great success. It had resulted in tremendous support from the Asian contingent of CRE alumni. In addition to individual contributions, their generosity would result in the naming of two student study rooms, a conference room, three offices, and the reception area in the new CRE space. But it had also underscored how important it is to continue fostering connections with alumni abroad, not only in Asian nations, but all over the planet.

From the cruising altitude of a commercial jet, the vastness of that planet comes into perspective. Much of its surface is covered with water. And where there is land, surprising amounts remain undeveloped, despite the planet's burgeoning human population.

But from time to time, as Ciochetti settled in for the 17-hour trip that would take him back to Boston, he could see cities through the limited vantage of his window. They were, he realized, the outposts of the CRE's global efforts. The world's cities are the platforms where the

CRE alumni, like those with whom he had just rekindled friendships, are shaping the future of the built environment. And it gave him satisfaction to think about what he had accomplished on his trip to Asia – connecting alumni, reaching out to partners and new business contacts and raising funds to help the CRE continue the important work it has been doing for the past quarter century.