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Anyone Seen Tether’s Billions?

A wild search for the U.S. dollars supposedly backing the stablecoin at the center of the global cryptocurrency trade—and in the crosshairs of U.S. regulators and prosecutors.

By Zeke Faux + Follow

ILLUSTRATION: SCOTT GELBER FOR BLOOMBERG BUSINESSWEEK it threatened to put the U.S. financial system at risk. It was as if a playground snowball fight had escalated so wildly that the Joint Chiefs of Staff were being called in to avert a nuclear war.

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Tether is what's come to be known in financial circles as a stablecoin—stable because one Tether is supposed to be backed by one dollar. But it's actually more like a bank. The company that issues the currency, Tether Holdings Ltd., takes in dollars from people who want to trade crypto and credits their digital wallets with an equal amount of Tethers in return. Once they have Tethers, people can send them to cryptocurrency exchanges and use them to bet on the price of Bitcoin, Ether, or any of the thousands of other coins. And at least in theory, Tether Holdings holds on to the dollars so it can return them to anyone who wants to send in their tokens and get their money back. The convoluted mechanism became popular because real banks didn't want to do business with crypto companies, especially foreign ones.

▲ Featured in *Bloomberg Businessweek*, Oct. 11, 2021. Subscribe now. PHOTOS: TETHER (DEVASINI); WIT OLSZEWSKI/ALAMY (COIN); EVERETT COLLECTION (GADGET); DISNEY (D2); AND JUAN CARLOS MUNOZ/ALAMY (BAHAMAS)

Exactly how Tether is backed, or if it’s truly backed at all, has always been a mystery. For years a persistent group of critics has argued that, despite the company’s assurances, Tether Holdings doesn’t have enough assets to maintain the 1-to-1 exchange rate, meaning its coin is essentially a fraud. But in the crypto world, where joke coins with pictures of dogs can be worth billions of dollars and scammers periodically make fortunes with preposterous-sounding schemes, Tether seemed like just another curiosity.

Then, this year, Tether Holdings started putting out a huge amount of digital coins. There are now 69 billion Tethers in circulation, 48 billion of them issued this year. That means the company supposedly holds a corresponding $69 billion in real money to back the coins—an amount that would make it one of the 50 largest banks in the U.S., if it were a U.S. bank and not an unregulated offshore company.

On Twitter, on business TV, and on hedge fund and investment bank trading floors, everyone started asking why Tether was minting so many coins and whether it really had the money it claimed to have. An anonymous anti-Tether blog post titled “The Bit Short: Inside Crypto’s Doomsday Machine” went viral, and CNBC host Jim Cramer told viewers to sell their crypto. “If Tether collapsed, well then, it’s going to gut the whole crypto ecosystem,” he warned.

the not-bank. The losses could cascade into the regulated financial system by crashing credit markets. If the trolls are right, and Tether is a Ponzi scheme, it would be larger than Bernie Madoff's.

So earlier this year I set out to solve the mystery. The money trail led from Taiwan to Puerto Rico, the French Riviera, mainland China, and the Bahamas. One of Tether's former bankers told me that its top executive had been putting its reserves at risk by investing them to earn potentially hundreds of millions of dollars of profit for himself. "It's not a stablecoin, it's a high-risk offshore hedge fund," said John Betts, who ran a bank in Puerto Rico Tether used. "Even their own banking partners don't know the extent of their holdings, or if they exist."

Read more: 5 Takeaways From "Tether's $69 Billion Mystery"

The Bank of Crypto

A green pentagon emblazoned with a white T represents the Tether coin on the company's website, which promises "Digital money for a digital age." The logo doesn't look like much, but it's probably the most normal thing about Tether Holdings, which is weird in almost every way imaginable. Only a dozen employees are listed on LinkedIn, a tiny number for a company with $69 billion under management.

holdings are invested in commercial paper—short-term loans to corporations. That would make Tether the seventh-largest holder of such debt, right up there with Charles Schwab and Vanguard Group.

To fact-check this claim, a few colleagues and I canvassed Wall Street traders to see if any had seen Tether buying anything. No one had. “It’s a small market with a lot of people who know each other,” said Deborah Cunningham, chief investment officer of global money markets at Federated Hermes, an asset management company in Pittsburgh. “If there were a new entrant, it would be usually very obvious.”

It wasn’t clear which regulatory body is responsible for overseeing Tether. On a podcast, a company representative said it was registered with the British Virgin Islands Financial Investigation Agency. But the agency’s director, Errol George, told me in an email that it doesn’t oversee Tether. “We don’t and never have.”

The chief executive officer listed on Tether’s website, J.L. Van der Velde, is a Dutchman who lives in Hong Kong and seems never to have given an interview or spoken at a conference. The chief financial officer is Giancarlo Devasini, a former plastic surgeon from Italy who was once described on Tether’s website as the founder of a successful electronics business. The only reference to him that turned up in a search of Italian newspapers showed he was once fined for selling counterfeit Microsoft software. He didn’t respond to emails or messages on Telegram, where he goes by Merlinthewizard.

> “There’s no agenda or plot. They are not Enron or Madoff. When there’s a problem, they fix it honorably”

Tether’s lawyer, Stuart Hoegner, told me by phone that Van der Velde and Devasini prefer to avoid the limelight. He called Tether’s critics “jihadists” set on the company’s destruction. “We maintain a clear, comprehensive, and sophisticated risk management framework for safeguarding and investing the reserves,” he said, adding that no customer had ever asked for money back and been refused.

It was hard to believe that people had sent $69 billion in real U.S. dollars to a company that seemed to be practically quilted out of red flags. But every day, on cryptocurrency exchanges, traders buy and sell Tether coins as if they're just as good as dollars. Some days, more than $100 billion in Tether changes hands. It seemed the people with the most at stake in the crypto markets trusted Tether, and I wanted to know why. Luckily, in June, 12,000 of them were gathering in Miami for what was billed as the biggest crypto conference ever.

At the Mana Wynwood Convention Center, I found the usual cringey crypto signifiers. Models walked the floor body-painted with Bitcoin's logo. A podcast host screamed, "F--- Elon." A dumpster full of Venezuelan bolivars was labeled "cash is trash." The place was full of people who held Tether. Sam Bankman-Fried, a 29-year-old billionaire who was in town to rename Miami's basketball arena after his cryptocurrency exchange, FTX, told me he'd bought billions of Tethers, using them to facilitate trading other coins. "If you're a crypto company, banks are nervous to work with you," he said.

His explanation doesn't make much sense if you still think of Bitcoin as a peer-to-peer currency, an ingenious way to transfer value without an intermediary. But most people aren't using cryptocurrencies to buy stuff. They're trading them on exchanges and betting on their value, hoping to make a real money score by picking the next Dogecoin, which spiked 4,191% this year after Elon Musk started tweeting about it, or Solana, up 9,801% in 2021 for seemingly no reason at all.

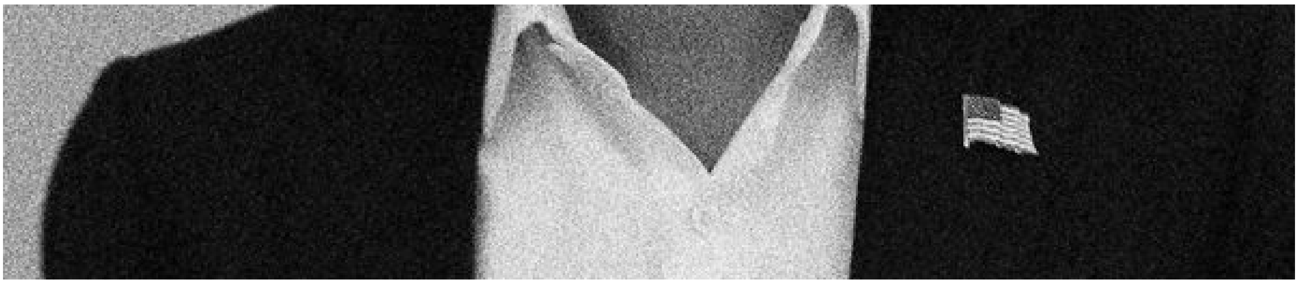
Think of crypto exchanges as giant casinos. Many of them, especially outside the U.S., can't handle dollars because banks won't open accounts for them, wary of inadvertently facilitating money laundering. So instead, when customers want to place a bet, they need to buy some Tethers first. It's as if all the poker rooms in Monte Carlo and the mahjong parlors in Macau sent gamblers to one central cashier to buy chips.

The biggest traders on these exchanges told me they routinely bought and sold hundreds of millions of Tethers and viewed it as an industry standard. Even so, many had their own conspiracy theories about the currency. It's controlled by the Chinese mafia; the CIA uses it to move money; the government has allowed it to get huge so it can track the criminals who use it. It wasn't that they trusted Tether, I realized. It was that they needed Tether to trade and were making too much money using it to dig too deeply. "It could be way shakier, and I wouldn't care," said Dan Matuszewski, co-founder of CMS Holdings LLC, a cryptocurrency investment firm

The Start of Stablecoin

In the 1800s the hunters, trappers, and cowboys on the American frontier faced a currency shortage. The U.S. government didn't issue paper money at the time, only gold and silver coins, because its early leaders were fearful of inflation—"an infinity of successive felonious larcenies," according to John Adams. So some states allowed banks to print their own notes, redeemable for U.S. coins on demand. But certain banks didn't bother to hold the corresponding reserves. These institutions came to be called "wildcats," supposedly because they discouraged borrowers from bringing notes in to exchange by locating branches in remote areas where wild animals roamed.

Many of these banks failed. One in Michigan filled boxes with nails and glass, then covered them with a thin layer of silver coins to fool examiners, who weren't fooled. "What a temptation was this for the unscrupulous speculator, the adventurer, dreaming only of wealth, and ready to hazard all in pursuit of it," Alpheus Felch, a state bank commissioner at the time, later wrote.



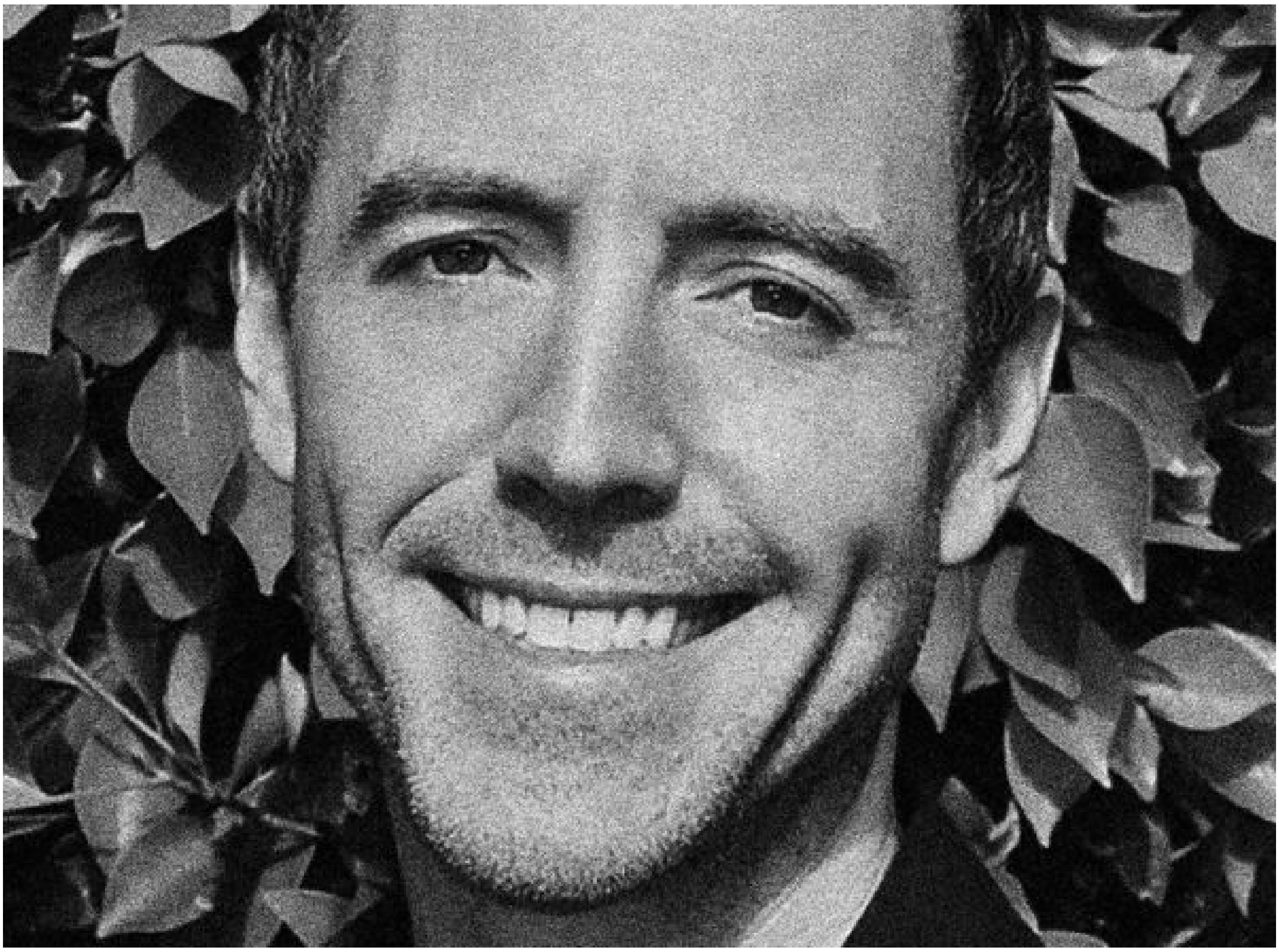
▲ Brock Pierce, co-founder of Tether. PHOTOGRAPHER: ERICK MARCISCANO/GETTY IMAGES

Almost two centuries later, the same temptation appeared before Brock Pierce, a former child actor who'd played the younger version of Emilio Estevez's character in the *Mighty Ducks* films. Now Pierce wears loud hats, vests, and bracelets, like Johnny Depp in *Pirates of the Caribbean*, and speaks in riddles, like Johnny Depp in *Charlie and the Chocolate Factory*. After founding a successful brokerage for buying and selling video game items—at which he employed, of all people, future Trump consigliere Steve Bannon—Pierce was one of the few early Bitcoiners with real money to invest. "I'm not an amateur entrepreneur throwing darts in the dark," he told me by phone as he prepared for a trip to promote Bitcoin in El Salvador. "I'm a doula for creation. I only take on missions impossible."

Pierce said he came up with the idea for a stablecoin in 2013, along with programmer Craig Sellars. To run the company, Pierce recruited Reeve Collins, who holds the dubious distinction of inventing pop-under web browser ads. They teamed up with Phil Potter, an executive at an offshore Bitcoin exchange, Bitfinex, who was working on a similar project, and adopted his name for it: Tether. Working from a bungalow in Santa Monica, Calif., they pitched the venture capital firm Sequoia Capital, Goldman Sachs Group Inc., and others. No one was interested.

The problem was that Tether, like other cryptocurrencies, broke just about every rule in banking. Banks keep track of everyone who has an account and where they send their money, allowing law enforcement agencies to track transactions by criminals. Tether Holdings checks the identity of people who buy coins directly from the company, but once the currency is out in the world, it can be transferred anonymously, just by sending a code. A drug lord can hold millions of Tethers in a digital wallet and send it to a terrorist without anyone knowing.

The concern isn't theoretical. Zhao Dong, a prominent Tether trader in China, is serving three years in prison there for using the currency to launder $480 million for illegal casinos. And in May 2013 the creator of a proto-stablecoin, Liberty Reserve, was arrested in Spain and eventually pleaded guilty to a money-laundering conspiracy charge. Prosecutors said the anonymous online currency appealed to scammers, credit card thieves, hackers, and other criminals. "The U.S. will come after Tether in due time," Liberty Reserve founder Arthur Budovsky wrote me in an email from a Florida federal prison where he's serving a 20-year sentence. "Almost feel sorry for them."



▲ Reeve Collins, Tether's first CEO. SOURCE: TETHER

This prospect caused Pierce and Collins to give up on Tether after about a year in 2015. But Potter, the exchange executive, was less worried about its legality, because, as he said on a 2019 podcast, his exchange was already operating in a gray area. His boss there was Devasini, the former plastic surgeon. (Devasini is CFO on paper, but people who have dealt with the company say he's in charge.) Potter and Devasini agreed to buy their partners out of Tether for about what they'd put into it, less than $1 million. Pierce said he handed over his shares for free.

Then 50, Devasini was almost elderly by cryptobro standards. Property records show he split his time between Milan and Monaco, where his home overlooks the Mediterranean. Pictures show a tall, handsome man with long, curly hair and a scarf wrapped around his neck. He modeled for a photo exhibition at an art gallery in Milan in 2014, appearing in front of a mirror, his face half covered with shaving cream, looking into his own eyes with an expression that suggested he didn't recognize himself. The show was about turning points, and in an accompanying interview he said that his came in 1992, when he walked away from his career as a plastic surgeon. "All my work seemed like a scam, the exploitation of a whim," he said.

He got into the low end of the electronics business, founding a series of tech companies that imported memory chips and set-top TV boxes. He started an online shopping site in Italy and licensed a copy protection technology for adult DVDs, according to a press release announcing a special bonus scene in the 2008 film *Young Harlots: In Detention*.

In 2012 he invested in Bitfinex, then a nascent exchange that had been built by a young Frenchman who’d copied the source code from a defunct one. He soon became the de facto head of the company. In early posts on the forum bitcointalk, Devasini called complaining customers whiners. “Are [you] just blowing hot air out of your mouth or you forgot to switch your brain on?” he asked one. But compared with other exchanges, which tended to collapse after stealing or losing customers’ funds, Bitfinex was pretty reliable. After about a third of its money was stolen in a hack in 2016, the exchange repaid customers.

Bitfinex and Tether struggled from the start to gain access to the regulated financial system. They’d resorted to a series of shaky workarounds to keep their bank accounts open—“lots of sort of cat-and-mouse tricks,” as Potter put it during an online chat with traders. But as more people traded on Bitfinex, and other exchanges started accepting Tether’s currency, it got harder to fly under the radar. By March 2017 more than $50 million in Tether was in circulation. The following month, the banks in Taiwan that Tether and Bitfinex had been using closed their accounts, which left Devasini’s executives so desperate that they considered chartering a jet and flying pallets of cash out of the country, according to a person with knowledge of the plan.

Eventually they found a startup in Puerto Rico, called Noble Bank International LLC, that was willing to work with them. Its founder, John Betts, whom I met in Manhattan, puffed on a vape pen as he explained that Tether was a legitimate business, or at least had been when he was its banker: “During the time Tether banked with Noble, we held in excess of 98% of their cash reserves and received and validated monthly statements from their other account.”

The Bitfinex Connection

From the start, cryptocurrencies have attracted skeptics who are just as fervent as the boosters I met in Miami, and in April 2017 they started coming for Tether. That month, an anonymous critic on Twitter who goes by Bitfinex’ed claimed Tethers weren’t backed by anything at all. He asked

Meanwhile, crypto trading boomed and the stablecoin grew more popular, with more than $1 billion worth in use by the end of 2017. That year, according to an investor presentation, Bitfinex made a $326 million profit. Devasini's share would have been more than $100 million. That made Tether and Bitfinex Noble's biggest customers, and Betts felt Devasini was putting the bank at risk by allowing rumors about Tether's reserves to spread. He told me he urged Devasini to hire an accounting firm to produce a full audit to reassure the public, but Devasini said Tether didn't need to go that far to respond to critics.

Devasini may have had reason to be cagey. Tether's website had long displayed a pledge: "Every Tether is always backed 1-to-1, by traditional currency held in our reserves." But, according to Betts, Devasini wanted to use those reserves to make investments. If the $1 billion in reserves Tether said it had at the time earned returns at, say, 1% a year, that would be $10 million in annual profit. Betts saw this as a conflict of interest for Devasini, since any investment gains would go to Devasini and his partners, but Tether holders would potentially lose everything if the investments went bad. When Betts objected, Devasini accused him of stealing. "Giancarlo wanted a higher rate of return," Betts said. "I repeatedly implored him to be patient and do the work with auditors."

▲ Giancarlo Devasini, Tether's chief financial officer. PHOTOGRAPHER: ALBERTO GIULIANI

Tether's leader wanted to pull the company's cash from Noble. Potter disagreed, so Devasini and his other partners bought him out in June 2018, for $300 million. That same month, Betts stepped down from his position at Noble for what he said were health and family reasons. His partners would later accuse him in court of spending company funds on high-end hotels and trips on private jets; he said the travel was for work. In any event, Devasini got his way and withdrew his deposits, and the bank failed soon after.

Devasini faced another crisis that summer. His Bitfinex exchange had entrusted $850 million to a Panamanian money-transfer service, Crypto Capital Corp., one of the workarounds for its banking issues, according to documents later revealed in a lawsuit filed by New York's attorney general. But suddenly, Crypto Capital refused to send the money back to Bitfinex, leaving it unable to pay customers who wanted to withdraw their cash, the documents show. It was a dangerous situation—if the public found out, it could set off a bank run.

principals, with bank fraud. He hasn't responded to the charges in court. (Hoegner, the lawyer for Tether and Bitfinex, said the firms were tricked by Crypto Capital and believed it was following regulations.)

Rather than disclose that Bitfinex was insolvent, Devasini filled the hole with loans from Tether's reserves, which left the stablecoin partially unbacked. In February 2019, Tether revised its 1-to-1 pledge, changing its website to read: "Every Tether is always 100% backed by our reserves, which include traditional currency and cash equivalents and, from time to time, may include other assets and receivables from loans made by Tether to third parties, which may include affiliated entities." That change signaled that Tether was lending from its reserves, but few noticed at the time. The loans only became known to the public in April 2019, when New York sued Tether, seeking to force it to turn over documents.

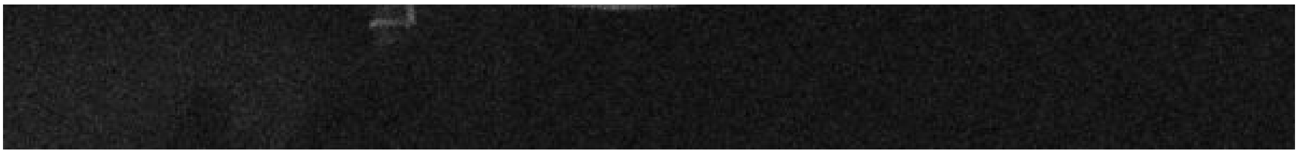
Surprisingly, given that Devasini had lost much of his customers' money, the cryptocurrency world didn't lose confidence in him. In May 2019 a coalition of major traders bailed out Bitfinex, investing an additional $1 billion in the business. The exchange used the money to pay back the loans to Tether Holdings. The next year, when crypto trading took off during the pandemic, the company grew exponentially, selling 17 billion Tethers. It has sold more than 48 billion so far this year.

In February, Tether agreed to pay $18.5 million to settle the New York suit without admitting wrongdoing. Supporters spun this as an endorsement of Tether–would the state attorney general settle if Tether were a massive fraud?–but in Washington, investigations continued. Earlier this year, prosecutors from the U.S. Department of Justice sent letters to Devasini and other Tether executives informing them that they're targets of a criminal bank fraud investigation. The government is examining whether they deceived banks years ago to open accounts. "Tether routinely has open dialogue with law enforcement agencies, including the DOJ, as part of our commitment to cooperation and transparency," the company said in a statement.

The Paper Trail

Tether still hasn't disclosed where it's keeping its money. The only financial institution I could find that was willing to say it's currently working with the company was Deltec Bank & Trust in the Bahamas. I met the bank's chairman, Jean Chalopin, in Deltec's office, on the top floor of a six-story building ringed with palm trees in a nice part of Nassau. In a past life, Chalopin co-created the cartoon *Inspector Gadget*, and a painting of the 1980s trenchcoat-wearing cyborg policeman hung on his office door. Magazine covers featuring Chalopin's wife, a former model, He made himself a cup of tea and told me he'd come to the Bahamas in 1987 after selling his first animation studio, DIC Entertainment. The sale had made him rich—he bought a castle outside Paris and a pink colonial in the Bahamas, which later served as the villain's home in the 2006 James Bond film *Casino Royale*. He banked at Deltec, then befriended its aging founder.

The bank, which once conducted investment banking throughout Latin America, had dwindled to just a few billion dollars of assets. Chalopin invested, eventually becoming the biggest shareholder. Bahamian banks are often depicted in movies as a haven for money launderers, but Chalopin said Deltec's edge was customer service, not secrecy. He decided to seek out clients in new lines of business, such as biotech, gene editing, and artificial intelligence, that were too small to get personal attention from bigger banks. Another area was cryptocurrencies. "Crypto was like, 'Don't touch, it's very dangerous,' " he said. "Well, if you dig a little bit deeper, you realize it's not, actually."



▲ Jean Chalopin, chairman of Deltec Bank & Trust. PHOTOGRAPHER: REBECCA SAPP/GETTY IMAGES

He said he was introduced to Devasini in 2017 by a customer who'd gotten rich from Bitcoin. Devasini cooked Chalopin a risotto lunch and impressed him with his forthrightness. When they discovered that Devasini had grown up in the same Italian village as Chalopin's mother, they began calling each other *cugino* (cousin). Devasini bought a house near Chalopin's in the Bahamas, and together they purchased and divided the waterfront lot between the two properties. Chalopin told me Tether had been unfairly maligned. "There's no agenda or plot," he said. "They are not Enron or Madoff. When there's a problem, they fix it honorably."

Chalopin said he investigated Tether for months before taking the company on as a client in November 2018. He signed a letter vouching for its assets. He was surprised that critics still insisted Tether's currency was not backed by cash. "Frankly, the biggest thing was at the time 'the money doesn't exist,'" he said. "We knew the money exists! It was sitting here."

But when I asked Chalopin if he knew for sure that Tether's assets were fully secure now, he laughed. It was a difficult question, he said. He only held cash and extremely low-risk bonds for Tether. But recently the company had started using other banks to handle its money. Only a quarter of it—$15 billion or so—is still with Deltec. "I cannot speak about what I cannot know," he said. "I can only control what's with us."

about 1 billion Tethers. Tether has denied holding any Evergrande debt, but Hoegner, Tether's lawyer, declined to say whether Tether had other Chinese commercial paper. He said the vast majority of its commercial paper has high grades from credit ratings firms, and that its secured loans are low-risk, because borrowers have to put up Bitcoin that's worth more than what they borrow. "All Tether tokens are fully backed, as we have consistently demonstrated," the company said in a statement posted on its website after the story was published.

Tether's Chinese investments and crypto-backed loans are potentially significant. If Devasini is taking enough risk to earn even a 1% return on Tether's entire reserves, that would give him and his partners a $690 million annual profit. But if those loans fail, even a small percentage of them, one Tether would become worth less than $1. Any investors holding Tethers would then have an incentive to redeem them; if others did it first, the money could dry up. The bank run would be on.

The officials who gathered in July at the Treasury Department are discussing regulating Tether like a bank, which would force Devasini to finally show where the money is, or even undermining it by issuing an official U.S. stablecoin. The strange thing is that, at least for now, most participants in the crypto market, including some very large and sophisticated operators, don't seem to care about any of the risks. Just last month, traders bought $3 billion in new Tethers, presumably sending billions of perfectly good U.S. dollars to the *Inspector Gadget* co-creator's Bahamian bank in exchange for digital tokens conjured by the *Mighty Ducks* guy and run by executives who are targets of a U.S. criminal investigation.

The situation has parallels to the wildcat banking days. The customers patronizing those not-banks weren't rubes; sketchy notes were the only money they could find. But that ended when, in the early days of the Civil War, President Abraham Lincoln started printing federal paper money and instituted a prohibitively high tax on other currency. The wildcat notes, which once fueled frontier cities' economies, fell into disuse. Some gave them to children to play with. In rural areas, they were used for wallpaper. *–With Daniele Lepido, Alex Harris, Joanna Ossinger, Amanda Wang, and Allen Wan*

Read next: Fintech's Explosive Growth Has Regulators Scrambling

(Updates with Tether statement after story was published in the 7th paragraph under "The Paper Trail" subhed. An earlier version of the story corrected the characterization of Tether's loan to Celsius Network. It was in Tethers, not dollars.)

Singapore's gleaming skyline was once a dilapidated backwater around half a century ago.
Photographer: Ore Huiying/Bloomberg

How Singapore's $50 Billion Financial District Will Change After Covid-19

Making the area more liveable was already a priority. Hybrid working has made it even more urgent.

By Faris Mokhtar + Follow
7 October 2021, 00:00 GMT+3

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Singapore's glittering financial district is facing its biggest challenge yet: How to reinvent itself for a post-pandemic, hybrid-working world.

In little more than half a century, what was once a dilapidated backwater has transformed into a gleaming skyline of office towers with cameos in Hollywood action movies and blockbuster romcoms alike. It also plays host to a financial hub managing assets worth S$4.7 trillion ($3.5 trillion) as of last year.

But the office-based employment model that underpins its existence is under threat. Even before fresh Covid-19 restrictions were imposed on Sep. 27, Singapore was taking a cautious approach to reopening; despite having one of the world's highest vaccination rates, the city-state's return to the office has been slow. Workplace activity was down 25% as of the last week of September compared to pre-pandemic levels, according to Google mobility data. The decline in rival Asian financial hub Hong Kong was 7%.

An empty Raffles Place in Singapore's central business district a day after new restrictions were imposed.

Photographer: Lauryn Ishak/Bloomberg

Turning Singapore's central business district into a more attractive place to live as well as work was already on the agenda for city planners. That need has only become more urgent since the pandemic – as has the demand for more housing to support a growing population. Plans to draw new residents and businesses to the area include adding more amenities such as supermarkets and coffee shops, and encouraging a more vibrant bar and restaurant scene.

The stakes are especially high for Singapore. Its economic success depends upon retaining the appeal to top foreign firms of the business district – currently worth over $50 billion, according to a Bloomberg analysis of top-flight offices in developers' financial reports.

"Past definitions of a successful business and financial district are no longer relevant," said a spokesperson from the Urban Redevelopment Authority, a government agency that oversees the city-state's urban planning.

"The portrait of a successful CBD today is strikingly different from the mono-use office districts of yesteryear."

When it comes to after-hours attractions, Singapore is playing catch-up with other global cities. In London, office workers can re-charge in the restaurants and shops of Leadenhall Market, while night owls in Hong Kong's financial district have a host of bars and clubs close at hand. On New York's Wall Street, bankers and visitors can stroll to the nearby seaport for some live music or enjoy the sunset in Battery Park.

Plans to bring the city to life also include more cycle paths and pedestrianized zones, making it easier to explore on foot. And Singapore is luring tech giants to the area: TikTok owner ByteDance Ltd. recently opened a huge new office in the city center and Alibaba Group Holding Ltd. is building new premises on Shenton Way, an older part of the business district that is much in need of rejuvenation.

"Failure to reinvigorate the older sections of the financial district would very soon make them irrelevant and unattractive to companies dealing with the new economy and digital finance," said Alan Cheong, executive director of research at Savills Plc in Singapore.

The government also wants to bring public housing – the affordable apartments that house more than 80% of the city's population – to the financial district. In a piece for the Straits Times in June, Second Minister for National Development Indranee Rajah wrote that housing in prime locations shouldn't be restricted "only to the rich and affluent."

Shenton House on Shenton Way, an older part of the business district in need of rejuvenation.
Photographer: Lauryn Ishak/Bloomberg

Singapore's public-housing model will need adjustments to function in such an expensive area. But there are dilemmas such as ensuring homes remain affordable and that owners aren't buying units just to cash them out, Rajah said. Authorities are currently studying the plans and consulting the public.

City-center homes may appeal particularly to younger Singaporeans, said Christine Sun, senior vice president of research and analytics at Singapore-based property firm OrangeTee & Tie. Schools, outdoor playgrounds and cheaper eateries will also be needed to cater to that demographic, she added.

Fast Growth

Singapore's rapid development since independence in 1965 owes much to its political stability. The ruling party has enjoyed an unbroken run of power with little opposition, giving it a solid platform for long-term policy continuity. Forward planning laid the foundation for giant projects such as Marina Bay – home to the iconic Marina Bay Sands hotel – which was developed over four

Customers at a cafe in the central business district on Sept. 6. The government introduced a scheme two years ago to encourage building owners to convert older offices into mixed-use developments such as lifestyle amenities.

Photographer: Lauryn Ishak/Bloomberg

The city-state can learn from Canary Wharf, said Chin. London's second financial district is adding luxury apartments to boost its permanent population and create more of a community. It's also planning a science campus on a site that was once home to Deutsche Bank AG's London headquarters, as the pandemic and Brexit sees global banks cut back their presence.

It's a point echoed by Ada Choi, CBRE's head of occupier research, data intelligence and management for Asia-Pacific. "If you want people to come back to offices, it's no longer purely just for work. You need retail, food, living, fun," she said.

"The biggest, biggest challenge is that you are not only designing the physical aspect – you have to think about the experience that you are going to have within that area."

Travelers aboard an interurban in New York State in the 1930s. By then, the private car was starting to make these electric train lines obsolete.
Photographer: Schenectady Museum Association/Corbis Historical

Before Interstates, America Got Around on Interurbans

At the beginning of the 20th century, a network of electrified "rural trolleys" raced between small towns and cities. Their fate could offer lessons for today's train boosters.

Vince Guerrieri
6 October 2021, 15:00 GMT+3

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Once, there was no better selling point for your town than an interurban line.

These small railways connected small towns and large cities throughout the U.S. at the turn of the 20th century, giving residents a chance to go places, literally and metaphorically. The cars were bigger and better-appointed than your standard streetcar, and instead of soot-chuffing steam locomotives, they used the latest clean-energy innovation: electric power provided by the overhead wires known as catenary lines.