Webinar

C Change Webinar: Towards a Climate Transition Risk Assessment Tool

Date: August 24, 2022

00:00:16 --> 00:00:21:	Welcome everybody to today's webinar on developing a common industry
00:00:21 --> 00:00:26:	methodology to assess transitional climate risks as part of property
00:00:26 --> 00:00:28:	valuations. Quite a mouthful.
00:00:29 --> 00:00:32:	The work we're going to present today is part of
00:00:32 --> 00:00:36:	our Sea change initiative, which is an industry wide program
00:00:36 --> 00:00:40:	to find practical script solutions to speed up and scale
00:00:40 --> 00:00:44:	up decarbonization across the real estate industry and connecting the
00:00:44 --> 00:00:47:	whole real estate value chain in doing that.
00:00:48 --> 00:00:52:	She changes focus on real, workable solutions to help resolve
00:00:52 --> 00:00:57:	the urgent challenges that hinder the real estate industry's progress
00:00:57 --> 00:00:58:	to decarbonization.
00:01:00 --> 00:01:04:	We think that by connecting and mobilizing all the knowledge
00:01:04 --> 00:01:09:	that already exists in the bright minds of the professionals
00:01:09 --> 00:01:13:	across the value chain, we can accelerate the solutions that
00:01:13 --> 00:01:17:	will transform our industry and protect our planet.
00:01:18 --> 00:01:23:	So it's all about collaboration, sharing knowledge and learning from
00:01:23 --> 00:01:27:	each other, aiming to then scale up and speed up
00:01:27 --> 00:01:29:	the progress we make.
00:01:30 --> 00:01:33:	And that's also why we very much appreciate you attending
00:01:34 --> 00:01:34:	this webinar.
00:01:36 --> 00:01:39:	We know that many of you are already this addressing
00:01:39 --> 00:01:44:	this valuation issue in your day-to-day work and therefore your
00:01:44 --> 00:01:48:	insights and experience, the challenges you face will help us
00:01:48 --> 00:01:51:	sharpen and refine the methodology.

00:01:53 --> 00:01:56:	I will tell you more about how you can provide
00:01:56 --> 00:01:59:	your feedback and input in in just a moment.
00:02:00 --> 00:02:03:	But before that I would like to talk a moment
00:02:03 --> 00:02:06:	about why this work is so important.
00:02:07 --> 00:02:08:	Umm.
00:02:09 --> 00:02:11:	Later on we will hear more about all the work
00:02:11 --> 00:02:14:	that's already been done and also what you can comment
00:02:14 --> 00:02:14:	on.
00:02:15 --> 00:02:19:	But we started this program to really think about what
00:02:19 --> 00:02:24:	are the main barriers, what are the main hurdles holding
00:02:24 --> 00:02:28:	back progress. And when we started, we started with an
00:02:28 --> 00:02:32:	audit of all the initiatives that were already going on
00:02:32 --> 00:02:37:	across the industry, but also beyond real estate on decarbonization,
00:02:38 --> 00:02:44:	many other member organizations, professional organizations, all had initiative and
00:02:44 --> 00:02:45:	what we noticed.
00:02:45 --> 00:02:48:	Was that an A tremendous amount of work was already
00:02:49 --> 00:02:49:	being done?
00:02:50 --> 00:02:54:	But what were not so much focus was on what
00:02:54 --> 00:02:57:	the real practical hurdles were. So what we did is
00:02:58 --> 00:03:01:	made them an audit of all those initiatives that were
00:03:02 --> 00:03:04:	going on where the focus was.
00:03:04 --> 00:03:09:	And we overlaid that with the priorities that our Members
00:03:09 --> 00:03:13:	felt were important to focus on. And obviously that created
00:03:13 --> 00:03:17:	some overlap because there were a couple of priorities that
00:03:17 --> 00:03:22:	were actually already being taken on by other organizations, for
00:03:22 --> 00:03:26:	example, related to definitions of of decarbonization. So what we
00:03:27 --> 00:03:30:	decided to do is focus on those areas which were
00:03:30 --> 00:03:34:	felt as being high priorities, but no work was being
00:03:34 --> 00:03:34:	done yet.
00:03:35 --> 00:03:40:	And two priorities stood out in that respect. One was
00:03:40 --> 00:03:47:	around properly assessing transitional climate risks in real estate valuations.
00:03:48 --> 00:03:51:	To be able to properly make the business case for
00:03:51 --> 00:03:56:	making the transformations, as a lot of almost underestimation was
00:03:56 --> 00:03:59:	going on of what the real risks were as they
00:03:59 --> 00:04:04:	weren't properly reflected in in valuations at the moment. And
00:04:04 --> 00:04:08:	the other big topic was around alignment between tenants and

00:04:08 --> 00:04:13:	landlords and the interest and trying to encourage more collaboration
00:04:13 --> 00:04:18:	between them to achieve goals while the focus for everyone.
00:04:18 --> 00:04:22:	Used to the same getting to carbon neutral buildings, but
00:04:22 --> 00:04:27:	there wasn't always been a productive positive relationship hampering the
00:04:27 --> 00:04:30:	progress to be made. So what we want to do
00:04:30 --> 00:04:35:	is see where are the challenges, where are the opportunities,
00:04:35 --> 00:04:37:	what best practices already exist.
00:04:38 --> 00:04:42:	That would be very helpful to share among a bigger
00:04:42 --> 00:04:45:	group so everyone can use them and then we can
00:04:45 --> 00:04:48:	scale up and speed up the process.
00:04:50 --> 00:04:53:	Coming back to the the valuation work.
00:04:55 --> 00:04:58:	As I mentioned before, we think a lot is already
00:04:58 --> 00:05:02:	being done. So the main focus of the work has
00:05:02 --> 00:05:06:	been on what looking at what everyone has already been
00:05:06 --> 00:05:10:	doing in the fields of trying to properly assess and
00:05:10 --> 00:05:14:	quantify the climate risk into real estate valuations.
00:05:17 --> 00:05:21:	And we realized that without underpinning of such a consistent
00:05:21 --> 00:05:25:	valuation approach for transitional climate risk, there's a big risk
00:05:25 --> 00:05:29:	for our investment markets, which may suddenly stagnate.
00:05:31 --> 00:05:35:	And therefore, this is not really about how to value
00:05:35 --> 00:05:40:	buildings, but we want to develop knowledge and share the
00:05:40 --> 00:05:44:	knowledge and information that helps us to assess the the
00:05:44 --> 00:05:49:	world price, the climate risks properly and provide evidence to
00:05:49 --> 00:05:53:	value others. That it's tangible enough to be taken in,
00:05:53 --> 00:05:58:	come into consideration, even though in regulation it's it is
00:05:58 --> 00:06:01:	not covered yet. We're making progress.
00:06:01 --> 00:06:02:	On that.
00:06:02 --> 00:06:03:	Traject right?
00:06:04 --> 00:06:07:	But there is no real regulation yet that gets buildings
00:06:07 --> 00:06:08:	to 0 carbon.
00:06:09 --> 00:06:12:	So what we intend to do is all about providing
00:06:13 --> 00:06:17:	a tool that quantifies the risk premium for portfolio management
00:06:17 --> 00:06:21:	as well as to provide consistent information as part of
00:06:21 --> 00:06:26:	the transaction process. Without this, there's a real risk that
00:06:26 --> 00:06:30:	we end up with stranded assets and cities with illiquid
00:06:30 --> 00:06:34:	investment markets, we feel, and that's a common.
00:06:34 --> 00:06:39:	Theme across the sea change program, but by focusing on

00:06:39 --> 00:06:44: certain key priorities, we've compared that with acupuncture, where you

00:06:44 --> 00:06:46: try to focus on one.

00:06:47 --> 00:06:51: Specific thing and hope that that unlocks a real systems

00:06:51 --> 00:06:55: change. We think this is a key example of that

00:06:55 --> 00:06:59: so briefly on what we have really done so far

00:06:59 --> 00:07:00: already.

00:07:00 --> 00:07:05: Kate or consultant who will provide, will properly introduce in

00:07:05 --> 00:07:07: a minute and who will present on the work.

00:07:08 --> 00:07:11: Has been having a lot of meetings, one to one

00:07:11 --> 00:07:12: meetings with.

00:07:14 --> 00:07:17: All kinds of professionals across the industry. We've held a

00:07:17 --> 00:07:22: couple of roundtables, one at the Europe Conference in Brussels,

00:07:22 --> 00:07:26: and many of you have already contributed views, examples, etcetera.

00:07:26 --> 00:07:29: And I want to sincerely thank you all for that,

00:07:29 --> 00:07:31: because that has been hugely helpful.

00:07:32 --> 00:07:37: We've also held two technical workshops based on that initial

00:07:37 --> 00:07:40: outcome, based on those one to one meetings while we

00:07:40 --> 00:07:43: gathered further input and views from people.

00:07:44 --> 00:07:49: Today's presentation is based on all that work and where

00:07:49 --> 00:07:54: we're now heading to is or sea change summit, which

00:07:54 --> 00:07:58: will take place on the 12th of October in Rotterdam,

00:07:58 --> 00:08:03: where we intend to present a consultation paper on this

00:08:03 --> 00:08:04: work.

00:08:04 --> 00:08:09: So this is another important step to get additional feedback

00:08:09 --> 00:08:12: from across the industry on what we are now proposing.

00:08:13 --> 00:08:16: I'll talk more about the summit at the end of

00:08:16 --> 00:08:19: the webinar, but just already a heads up. So what

00:08:19 --> 00:08:20: are we going to do today?

00:08:21 --> 00:08:24: So from that big picture of you on why the

00:08:24 --> 00:08:26: tool is so important, we now know move to a

00:08:26 --> 00:08:29: more technical presentation of the work.

00:08:30 --> 00:08:32: And before we get started, I would like to discuss

00:08:32 --> 00:08:34: how you can get involved with the feedback.

00:08:35 --> 00:08:39: Today there is an opportunity to ask questions or already

00:08:39 --> 00:08:43: share some comments via the Q&A function. We're happy to

00:08:43 --> 00:08:47: address them as far as we can and otherwise we

00:08:47 --> 00:08:51: can come back to them separately after the webinar.

00:08:53 --> 00:08:56: We would also ask you to give feedback via survey

00:08:56 --> 00:09:00: that we will distribute in the next few days, which

00:09:00 --> 00:09:04: is based on the methodology and ask some specific

	questions.
00:09:04 --> 00:09:09:	We understand that there are many people with diverse backgrounds
00:09:09 --> 00:09:12:	on the webinar today where some of you may really
00:09:12 --> 00:09:16:	be deep into the topic while some others more have
00:09:16 --> 00:09:20:	a more general overview on the topic of decarbonization. We
00:09:20 --> 00:09:22:	value every view.
00:09:22 --> 00:09:26:	And we've structured the survey such that even if you
00:09:26 --> 00:09:29:	just want to give a couple of high level comments,
00:09:29 --> 00:09:32:	you can do so through the survey. There are two
00:09:32 --> 00:09:37:	different routes, one for the more general comments, one for
00:09:37 --> 00:09:41:	the really specific technical feedback and we will distribute the
00:09:41 --> 00:09:45:	survey alongside a recording of this webinar, so you can
00:09:45 --> 00:09:48:	even look back and then and a copy of the
00:09:48 --> 00:09:52:	presentation you can look back at what was presented.
00:09:52 --> 00:09:55:	If you while responding to the survey.
00:09:56 --> 00:09:57:	Umm.
00:09:59 --> 00:10:02:	And if you want to respond in any other way
00:10:02 --> 00:10:04:	or don't think the survey is appropriate, just let us
00:10:04 --> 00:10:07:	know. We'll be happy to sort out another way to
00:10:07 --> 00:10:08:	give feedback.
00:10:09 --> 00:10:12:	I like now to hand over to Kate Wolfenden. She's
00:10:12 --> 00:10:16:	the co-founder of 103 Climate action consultancy. And as I
00:10:16 --> 00:10:20:	mentioned before, she's the lead consultant on UIC change program.
00:10:21 --> 00:10:24:	And I'm very happy that she's going to present today
00:10:24 --> 00:10:28:	based on all the knowledge she gathered on the topic.
00:10:28 --> 00:10:30:	Handing over to you, Kate.
00:10:31 --> 00:10:34:	Wonderful. Thank you so much, Lizette, and thank you everybody
00:10:34 --> 00:10:37:	for joining today. Very much appreciate in advance one, you
00:10:38 --> 00:10:40:	hearing and seeing where we've come so far, but also
00:10:40 --> 00:10:44:	to providing your valuable feedback in whatever method you should
00:10:44 --> 00:10:47:	so choose, as lizette's laid out for those that don't
00:10:47 --> 00:10:49:	know me and I my name is Kate Wolfenden. I
00:10:49 --> 00:10:53:	obviously run the organization 103103 ventures, and we specialize in
00:10:53 --> 00:10:57:	those systems intervention points, that acupuncture point, if you press
00:10:57 --> 00:11:00:	really hard in one finite location, it releases tension and
00:11:00 --> 00:11:01:	stimulates.
00:11:01 --> 00:11:04:	Action and it's a great pleasure to work on this

00:11:04 --> 00:11:06: program at an industry level with you. Ali, next slide
00:11:07 --> 00:11:07: please.
00:11:09 --> 00:11:10: And next slide please.
00:11:11 --> 00:11:14: OK. So starting with a reminder. So I always start
00:11:14 --> 00:11:16: at the top of the tree with this so that
00:11:16 --> 00:11:18: we're all clear about what we're doing and why we're
00:11:18 --> 00:11:21: doing it. So First off, this programme, the sea change
00:11:21 --> 00:11:24: program, has got two key objectives. The first is to
00:11:24 --> 00:11:27: support ULI members and the industry to faster achieve sector,
00:11:27 --> 00:11:30: wider carbonization of the built environment in Europe. And 2nd,
00:11:31 --> 00:11:33: I think this will resonate a lot with many people
00:11:33 --> 00:11:35: on the call today. We are here to be able
00:11:35 --> 00:11:38: to support you and your Members and the industry to
00:11:38 --> 00:11:41: better navigate, prioritize and coordinate existing initiatives.
00:11:41 --> 00:11:44: And programs for greater efficiency and impact the key outputs
00:11:44 --> 00:11:46: in relation to this program and year one is a
00:11:46 --> 00:11:50: clear set of prioritized interventions. You'll actually see that coming
00:11:50 --> 00:11:52: down the line in the form of an interactive tool
00:11:52 --> 00:11:55: and clear progress against one to two of them. And
00:11:55 --> 00:11:58: we're going to talk about 1:00 today, a publication summarizing
00:11:58 --> 00:12:01: the key interventions required and progress against them to help
00:12:01 --> 00:12:04: the sector better navigate and prioritise its actions and that
00:12:04 --> 00:12:06: will be published at the summit. And then a multi
00:12:06 --> 00:12:10: stakeholder coordination or coalition to drive the prioritized interventions forward.
00:12:10 --> 00:12:11: Next slide please.
00:12:12 --> 00:12:15: And as always there intermated we're honing down on a
00:12:15 --> 00:12:18: a short list of these interventions. We can't do them
00:12:18 --> 00:12:20: all at once. So at the Steering Committee on the
00:12:21 --> 00:12:24: 2nd of March, we focused down on pricing transition risks
00:12:24 --> 00:12:27: into property valuations and and and alignment to increase occupier
00:12:27 --> 00:12:30: and tenant demand solutions. And so those are the ones
00:12:30 --> 00:12:33: going to be focusing on the second year and we'll
00:12:33 --> 00:12:37: be looking at the wider investment voice and financial financial
00:12:37 --> 00:12:39: solutions in the in the in the next year. Next
00:12:39 --> 00:12:40: slide please.

00:12:42 --> 00:12:44: So just a little bit reminder where we are in
00:12:44 --> 00:12:46: the program. It's a, it's a A10 month first stint.
00:12:46 --> 00:12:49: So we're, we've gone through our research as as, as
00:12:49 --> 00:12:52: excellently and intimated by Lizette and our concept development. We've
00:12:52 --> 00:12:55: been in deep stakeholder engagement and in parallel to that
00:12:55 --> 00:12:58: working up the publication development and now we're in that
00:12:58 --> 00:13:00: last Sprint. So this is the time where you can
00:13:00 --> 00:13:03: really add the most value to be able to shape
00:13:03 --> 00:13:05: what we're doing and how we're thinking before we get
00:13:05 --> 00:13:07: to the our first sort of stake in the ground
00:13:07 --> 00:13:10: consultation moment in October. Next slide please.
00:13:11 --> 00:13:12: And again.
00:13:13 --> 00:13:16: OK, so we're gonna move into pricing transition risk. This
00:13:16 --> 00:13:18: is why we're here today. So First off, again, start
00:13:18 --> 00:13:21: at the top of the tree. What is our objective
00:13:21 --> 00:13:23: now? And we are here to be able to enable
00:13:23 --> 00:13:27: greater quantification and integration of transition risks into property values.
00:13:27 --> 00:13:30: You'll notice here this isn't about creating a case for
00:13:30 --> 00:13:33: decarbonisation. We're trying to take a much more neutral stance
00:13:33 --> 00:13:35: to talk about what are the facts, what are the
00:13:35 --> 00:13:38: absolute data that we can find and how can we
00:13:38 --> 00:13:41: provide that to the right individuals to make the decisions
00:13:41 --> 00:13:43: that they need to make expected outputs.
00:13:43 --> 00:13:45: In relation to that, there is a spreadsheet based tool
00:13:45 --> 00:13:48: to be able to help investment decision makers integrate these
00:13:48 --> 00:13:51: transition risks and then accompanying guidelines when we get to
00:13:52 --> 00:13:54: October summit. As Lizzette has mentioned, that will take the
00:13:55 --> 00:13:57: form of a consultation paper before we move into the
00:13:57 --> 00:13:58: development of the tool.
00:13:59 --> 00:14:00: Thank you. Next slide please.
00:14:02 --> 00:14:04: OK. So where are we now? So as mentioned, we
00:14:04 --> 00:14:06: have been doing an inordinate amount of 1 to one.
00:14:07 --> 00:14:09: So I was counting up the other day, I think
00:14:09 --> 00:14:11: I've done about 200 or 200 plus during the course
00:14:11 --> 00:14:13: of this, this program so far and 75 at the
00:14:13 --> 00:14:16: beginning. And actually when it got down to the specific
00:14:16 --> 00:14:19: interventions and the deep dives, we have had a lot.
00:14:19 --> 00:14:21: And what that's enabled us to do with the benefit

00:14:21 --> 00:14:24: of the workshops as well is really get a sense
00:14:24 --> 00:14:27: of what's happening right now and where the pain points
00:14:27 --> 00:14:29: are. So that's how we started. We mapped the investment
00:14:29 --> 00:14:32: life cycle and what the current climate risk.
00:14:32 --> 00:14:34: Approaches were and we did that back in May, we
00:14:34 --> 00:14:36: had a whole series of 1 to ones where we
00:14:36 --> 00:14:38: said, OK, so people are working in these areas, where
00:14:38 --> 00:14:41: are they, where are they being quantified if at all?
00:14:41 --> 00:14:44: What are the challenges that organisations facing and what metrics
00:14:44 --> 00:14:47: are important in relation to these transition risks to be
00:14:47 --> 00:14:49: able to help us get a sense of what the
00:14:49 --> 00:14:51: what the challenge area was. After that we took all
00:14:51 --> 00:14:54: of that learning and we've just come through technical workshop.
00:14:54 --> 00:14:56: We actually had to split into two because there was
00:14:56 --> 00:14:59: so much information within it and I know some of
00:14:59 --> 00:15:01: the people are on the call today. So thank you
00:15:01 --> 00:15:02: for that brain bending.
00:15:02 --> 00:15:04: That we had and then we followed up with one
00:15:04 --> 00:15:08: to ones on the very stick of different recommendations that
00:15:08 --> 00:15:11: have been made during the course of those technical workshops.
00:15:11 --> 00:15:14: And where we're getting to again as we've got another
00:15:14 --> 00:15:17: technical workshop before we before we get to consultation and
00:15:17 --> 00:15:21: we're just in the meantime getting these the specification for
00:15:21 --> 00:15:24: the tool and the guidelines ready into consultation format for
00:15:24 --> 00:15:27: that technical panel. We're all heading towards this big October
00:15:27 --> 00:15:31: summit where we'll be making our first public announcement in
00:15:31 --> 00:15:32: relation to it next slide.
00:15:32 --> 00:15:32: Please.
00:15:35 --> 00:15:37: OK. So I'm going to start at the very, very
00:15:37 --> 00:15:40: basics. So forgive me if I'm sure lots of people
00:15:40 --> 00:15:43: on the phone know this through and through, but I'm
00:15:43 --> 00:15:45: going to start at the top and work my way
00:15:45 --> 00:15:47: down so you can see our order of thought. So
00:15:48 --> 00:15:50: First off, let's look at the landscape of risk. So
00:15:50 --> 00:15:53: First off, when you start talking about climate risk, it
00:15:54 --> 00:15:57: tends to come in four forms to investment decision makers.
00:15:57 --> 00:16:00: The first is strategic advice from a valuer. You've got
00:16:00 --> 00:16:04: properties prop tech, service providers, usually in physical

risk you've
00:16:04 --> 00:16:04: got.
00:16:04 --> 00:16:09: Internals, sustainability, capacity, and their tendrils out to the various
00:16:09 --> 00:16:14: different support consultant consultants or indeed to wider industry intelligence.
00:16:14 --> 00:16:18: Say for instance the Insight reports we're seeing coming from
00:16:18 --> 00:16:22: CBR etcetera, over over many years. At climate risk, however,
00:16:22 --> 00:16:25: is, is, is, is very often become a proxy term
00:16:25 --> 00:16:28: for physical risk and we're transition risks. On the other
00:16:29 --> 00:16:32: hand, it's sort of it divides. People either say it's
00:16:32 --> 00:16:35: either too abstract, so these are really long.
00:16:35 --> 00:16:38: Time, time horizons, how can I possibly integrate this is
00:16:38 --> 00:16:40: very speculative. How do we how do we get to
00:16:41 --> 00:16:43: causation on this? And versus or or you'll get other
00:16:43 --> 00:16:46: end of the spectrum where actually this this is a
00:16:46 --> 00:16:50: transition risk. This is we're underwriting the value of this
00:16:50 --> 00:16:53: property. This is just a decarbonisation cost. So it's it,
00:16:53 --> 00:16:55: it the the actual way to be able to standardize
00:16:56 --> 00:16:59: relating to and integrating transactional risks is, is, is very
00:16:59 --> 00:17:03: polarized from the standard industry. There's been some great step
00:17:03 --> 00:17:05: forward. So obviously we've all been following.
00:17:05 --> 00:17:09: Ricks Redbook renewal and that sort of published at the
00:17:09 --> 00:17:12: end of 2021, but actually came out effective from January
00:17:12 --> 00:17:16: 2022 in which they're talking about discounted cash flows and
00:17:16 --> 00:17:19: using the income and cost, cost approach, which is a
00:17:19 --> 00:17:21: great step forward.
00:17:22 --> 00:17:25: All the sector and to go over, they actually did
00:17:25 --> 00:17:28: their last review in December 2020, but they're actually going
00:17:28 --> 00:17:31: through a new one right now and I believe the
00:17:31 --> 00:17:34: creme is actually cheering that technical advisory group. So real
00:17:34 --> 00:17:37: a real strong sign there that transition risks will be
00:17:37 --> 00:17:41: will greatly integrated in future. Meanwhile, we have the leading
00:17:41 --> 00:17:45: valuation industry players that are putting out some excellent work.
00:17:45 --> 00:17:47: I don't know if someone saw the CBR CBR1 that
00:17:47 --> 00:17:50: just came out in the last week. I think where
00:17:50 --> 00:17:52: we're trying to get to what are the the sort
00:17:52 --> 00:17:53: of the average.

00:17:54 --> 00:17:58: Green premiums or net premium and and the associated discounts

00:17:58 --> 00:18:01: and they're coming out largely to date, it's been specific

00:18:01 --> 00:18:05: asset classes or specific locations. So it's been a challenge

00:18:05 --> 00:18:08: to work out how that would work at A at

00:18:08 --> 00:18:12: Europe level. This most recent report is actually talking about

00:18:12 --> 00:18:14: what is a sort of a, a very average of,

00:18:14 --> 00:18:17: of, of, of actually globally and I think the net,

00:18:17 --> 00:18:20: the net premium they suggested was 6%.

00:18:21 --> 00:18:24: Elsewhere further valuation players are actually drawing down on their,

00:18:24 --> 00:18:28: their, their access to large institutional investor datasets and developing

00:18:28 --> 00:18:31: sensitivity analysis. And that's because we're trying to face this

00:18:31 --> 00:18:33: challenge of, OK, so there's a, there's a green premium,

00:18:33 --> 00:18:36: but can we really attribute it to the fact that

00:18:36 --> 00:18:39: I've just done some decarbonization activities or is there something

00:18:39 --> 00:18:41: more to that? Is it the the location or is

00:18:41 --> 00:18:43: it the the the Wellness package that was put together

00:18:43 --> 00:18:45: at the same time, all that sort of stuff. And

00:18:46 --> 00:18:48: then finally there, since we started this work, there were

00:18:48 --> 00:18:51: also several new valuation initiatives as well. So we're really.

00:18:52 --> 00:18:54: A aware of these, wanting to be able to align

00:18:54 --> 00:18:57: with them. We know there's been some great work coming

00:18:57 --> 00:19:00: out of inrev and they've been doing their SG-7 seminar

00:19:00 --> 00:19:03: and Ricks have actually set up this European Leaders Forum

00:19:04 --> 00:19:06: on ESG and valuation and and UI has taken a

00:19:06 --> 00:19:09: seat on that leaders forum and we look forward to

00:19:09 --> 00:19:12: engaging moving forward. Now what we've noticed in other initiatives

00:19:12 --> 00:19:15: and generally just across the across the industry is a

00:19:16 --> 00:19:19: very strong and absolutely necessary need to be able to

00:19:19 --> 00:19:22: focus on comparables. So market observation and evidence of such.

00:19:22 --> 00:19:25: Are are are are interested in this work is to

00:19:25 --> 00:19:28: to celebrate that work and step aside from it a

00:19:28 --> 00:19:31: moment and say what happens outside of the the valuation

00:19:31 --> 00:19:36: service providers and what's happening when investors or investments investment

00:19:36 --> 00:19:39: decisions are being made on the worth of a property

00:19:39 --> 00:19:43: and the eventual pricing negotiations. And what information do individuals

00:19:43 --> 00:19:47: need in those investment committee meetings to be able to
00:19:47 --> 00:19:50: help those decisions. And so for that, as Lisa Carney
00:19:50 --> 00:19:52: explained at the beginning, it's been.
00:19:52 --> 00:19:55: Very much a process of listening to the industry intelligence,
00:19:55 --> 00:19:58: listening to what others are already doing, and then being
00:19:58 --> 00:20:01: the steward of the information back in as neutral form
00:20:01 --> 00:20:02: as possible.
00:20:03 --> 00:20:05: OK. Next slide, please. Just try to do it myself
00:20:05 --> 00:20:08: then. OK. So let's going on to the transition risks.
00:20:08 --> 00:20:11: So again, starting at the top of the tree and
00:20:11 --> 00:20:13: we'll get down into the technical detail as we go.
00:20:13 --> 00:20:17: But we see climate risk falling into three different, three
00:20:17 --> 00:20:21: different levels within investment decisions. The first is strategic level
00:20:21 --> 00:20:23: and you could argue that this is actually probably the
00:20:24 --> 00:20:26: highest impact place to be able to create to to
00:20:26 --> 00:20:29: for a risk to impact. And a really good example
00:20:29 --> 00:20:31: of that is the reputational risk of say the SFR
00:20:31 --> 00:20:32: D or the FDR rollback.
00:20:32 --> 00:20:35: Leaving from I been claiming I'm a sustainable fund. Now
00:20:35 --> 00:20:38: I've actually got to this new guidelines around that. If
00:20:38 --> 00:20:40: I have to roll back on that, what does that
00:20:40 --> 00:20:43: mean for my institutional investors? That's not a quantifiable risk,
00:20:43 --> 00:20:46: but it's an incredibly big risk and creates and creates
00:20:46 --> 00:20:48: things can change an entire strategy as a result.
00:20:49 --> 00:20:52: Next level down you've got decisions. So a really good
00:20:52 --> 00:20:54: example of a risk that impacts decisions is a physical
00:20:54 --> 00:20:57: risk. Let's just say you've got a property in a
00:20:57 --> 00:21:00: certain area. It wasn't necessarily in a catastrophic floodplain or
00:21:00 --> 00:21:02: as far as we knew, but actually as a result
00:21:02 --> 00:21:04: of a one in 1000 year flood event shifting to
00:21:05 --> 00:21:07: A1 in 100 year flood event, all of a sudden
00:21:07 --> 00:21:09: that area becomes less attractive and it could make a
00:21:09 --> 00:21:12: go, no go decision. Now that can come in qualitative
00:21:12 --> 00:21:15: and quantitative form, but essentially it shifts the decision of
00:21:15 --> 00:21:17: I'm going to invest in that asset or I'm not.
00:21:17 --> 00:21:19: This is uninsurable or it's not and.
00:21:19 --> 00:21:22: And then finally, we get down to price and this
00:21:22 --> 00:21:25: is where we're really interested and it's the, it's where
00:21:25 --> 00:21:28: transition risks sits really nicely. And a really a classic
00:21:28 --> 00:21:31: example of a transition risk that's easily quantified is the

00:21:31 --> 00:21:34: cost of decarbonisation. And that you could argue is a
00:21:34 --> 00:21:37: sort of a lower impact because we're focusing on a
00:21:37 --> 00:21:39: a, a change in price on a singular asset that
00:21:40 --> 00:21:43: fits within a portfolio, within a strategy. But actually we
00:21:43 --> 00:21:45: are our, our, our principle here is if you can
00:21:45 --> 00:21:48: standardize that process, it can impact the price, it can
00:21:48 --> 00:21:49: impact the decision.
00:21:49 --> 00:21:53: And hopefully in turn impact the strategy. Next slide please.
00:21:55 --> 00:21:57: OK. So this slide sort of represents our sort of
00:21:57 --> 00:22:00: shift in thinking I think is there as a result
00:22:00 --> 00:22:02: of the work that we've done so far. So what
00:22:02 --> 00:22:05: you've got up at the top is what we've we
00:22:05 --> 00:22:08: observe and what industry professionals have been sharing with us
00:22:08 --> 00:22:11: is is happening in industry today. So on the left
00:22:11 --> 00:22:14: we have a classic market value appraisal coming from a
00:22:14 --> 00:22:17: valuation service provider. This is top left, sorry.
00:22:17 --> 00:22:21: I've driven from comparables as it absolutely should do. Outside
00:22:21 --> 00:22:25: of that, we often have tools, industry intelligence, prop, tech
00:22:25 --> 00:22:28: providers, et cetera coming up with these goals that are,
00:22:28 --> 00:22:32: sorry, these these analysis which gives us a climate value
00:22:32 --> 00:22:35: at risk and then what what and that comes from
00:22:35 --> 00:22:38: best estimates, it comes from comparables and it arrives and
00:22:38 --> 00:22:41: what we've got here in the middle of this slide
00:22:41 --> 00:22:44: is that is, is a line which represents sort of
00:22:44 --> 00:22:47: the outside world and then what happens within the investment.
00:22:48 --> 00:22:51: Committee on the investment decision making process and we think
00:22:51 --> 00:22:54: when we get when we historically when we've been pushing
00:22:54 --> 00:22:57: these sort of here's here's the market value of a
00:22:57 --> 00:22:59: property and here's the climate value at risk. It it
00:23:00 --> 00:23:02: pushes it goes over into the sort of into the
00:23:02 --> 00:23:05: investment side of the business as a value at risk
00:23:05 --> 00:23:08: which we feel pushes it closer towards the sustainability team
00:23:08 --> 00:23:11: and sustainability modelling and further away from the sort of
00:23:11 --> 00:23:14: OK so let's get to the guts of this investment
00:23:14 --> 00:23:17: decision and in the investment committee. So our approach to
00:23:17 --> 00:23:18: this and.
00:23:18 --> 00:23:21: In in relation to that is OK, let's start with
00:23:21 --> 00:23:24: market value 100%, that's 100% needed and we're looking at

00:23:24 --> 00:23:28: what where possible instead of losing comparables and best estimates,

00:23:28 --> 00:23:33: where are the absolute quantifications of the challenges we're facing

00:23:33 --> 00:23:36: are and that means leaving some out and that means

00:23:36 --> 00:23:39: bringing and bringing some risks in. But in that we

00:23:39 --> 00:23:42: can be very absolute and present a very neutral climate

00:23:42 --> 00:23:46: transition risk adjusted value or or estimation of worth as

00:23:46 --> 00:23:48: we've got here in the in a discounted.

00:23:49 --> 00:23:51: It's a very neutral and what we think that will

00:23:51 --> 00:23:54: do with that is shift away from the sustainability modeling

00:23:54 --> 00:23:58: conversations, although they're very much needed. It's not my background

00:23:58 --> 00:24:02: and and into the proprietary modelling and pricing negotiation conversations

00:24:02 --> 00:24:04: and so I've just illustrated there. If you just go

00:24:04 --> 00:24:08: to the next slide, this just illustrates, that's loaded analysis

00:24:08 --> 00:24:10: I believe. And then if you go to the next

00:24:10 --> 00:24:13: slide, you'll see that it what we're what we're working

00:24:13 --> 00:24:16: towards is trying to create a more neutral analysis. Next

00:24:16 --> 00:24:16: slide please.

00:24:18 --> 00:24:20: OK. So I'm just going back to this bottom part

00:24:20 --> 00:24:23: now. So one really big part of the pie for

00:24:23 --> 00:24:26: this and which is absolutely critical for the valuation service

00:24:26 --> 00:24:29: providers to continue to do their job and to accelerate

00:24:29 --> 00:24:33: this transition is the closed loop of the information of

00:24:33 --> 00:24:35: 1. If if we could standardize the the the recording

00:24:36 --> 00:24:39: of transition risks, then what does that mean and what

00:24:39 --> 00:24:41: does that mean to the price? And so that loop

00:24:41 --> 00:24:44: at the moment is is isn't circular and that's largely

00:24:44 --> 00:24:48: to do with commercial sensitivity, what information, what transaction?

00:24:48 --> 00:24:51: Nature will be sharing however, and we, we as an

00:24:51 --> 00:24:54: organization and we as the the network of organizations that

00:24:54 --> 00:24:58: are thinking about this 100% agree. That's absolutely right. That

00:24:58 --> 00:25:01: is your proprietary modelling that that that that is the

00:25:01 --> 00:25:04: sort of the secret source of your negotiations. But one

00:25:04 --> 00:25:07: very, very small part of that is climate risk and

00:25:07 --> 00:25:10: we believe that belongs to the global Commons and what

00:25:10 --> 00:25:13: and there are precedents that have already enabled such pieces

00:25:13 --> 00:25:17: of such fragments of sensitive information to be released from

00:25:17 --> 00:25:17: wider.
00:25:18 --> 00:25:21: From wider commercially sensitive information and and not in the
00:25:21 --> 00:25:23: form of open data which scares the life out of
00:25:23 --> 00:25:27: everyone. It's secure data with closed networks. This is actually
00:25:27 --> 00:25:29: outside the scope of this program. We will be talking
00:25:29 --> 00:25:32: about it within the guidelines but it's worth sharing now
00:25:32 --> 00:25:34: that until we close that loop and it can be
00:25:34 --> 00:25:36: done in a safe and secure way to embrace the
00:25:36 --> 00:25:39: whole industry, we will be actually slowing down the ability
00:25:39 --> 00:25:42: for the valuation service providers to do the work that
00:25:42 --> 00:25:44: we're being asked. We're asking them to do OK. Next
00:25:44 --> 00:25:44: slide.
00:25:45 --> 00:25:48: Thank you. OK. So getting down into the transition risk,
00:25:49 --> 00:25:52: so for us it was particularly challenging at the beginning
00:25:52 --> 00:25:56: because some transition risks can you can immediately quantify other
00:25:56 --> 00:25:58: ones you couldn't. So what we needed to do was
00:25:59 --> 00:26:02: break them down into into categories. So the first category
00:26:02 --> 00:26:06: we identified was immediately transferable transition risks. Now this sort
00:26:06 --> 00:26:09: of hearts back to my earlier comment of IS, is
00:26:09 --> 00:26:11: it, is it A, is it a sorry a transition
00:26:11 --> 00:26:15: risk or is it a underwriting challenge here, so decarbonisation
00:26:15 --> 00:26:15: post now.
00:26:15 --> 00:26:18: Is a very easy transfer into a into your investment
00:26:18 --> 00:26:22: decision cost. Now another one could be the internal resourcing
00:26:22 --> 00:26:24: cost to be able to do the assessment of a
00:26:24 --> 00:26:29: thorough assessment of decarbonisation or indeed the external resourcing to
00:26:29 --> 00:26:33: do so. The next classification is transferable with assumptions, so
00:26:33 --> 00:26:36: it could be the decarbonization costs in future. So how
00:26:36 --> 00:26:38: do we how how do we gauge what it might
00:26:38 --> 00:26:41: be in future? Is it via inflation, is it, is
00:26:41 --> 00:26:45: it construction cost indexes, etcetera. Then there's a section which
00:26:45 --> 00:26:46: is not possible.
00:26:46 --> 00:26:49: Without sensitivity analysis with a question mark because we went
00:26:49 --> 00:26:52: into this with a question mark and and and a
00:26:52 --> 00:26:54: crime example of this is what is the impact on

00:26:54 --> 00:26:57: the price of a property as a result of not
00:26:57 --> 00:27:00: being able to hit its minimum standards. As an example,
00:27:00 --> 00:27:02: how can you possibly break that down into and call
00:27:02 --> 00:27:06: into causation rather than correlation and what we've actually tried
00:27:06 --> 00:27:08: to do in this area and you'll see in this
00:27:08 --> 00:27:11: future work is OK. So there are some areas which
00:27:11 --> 00:27:15: aren't 100% we agree aren't possible without sensitivity analysis but
00:27:15 --> 00:27:16: if you flip them on their head.
00:27:17 --> 00:27:19: These are another way of looking at them where we
00:27:19 --> 00:27:22: can get to absolute data. So we'll we'll talk about
00:27:22 --> 00:27:25: that later. And then finally there's an area which is
00:27:25 --> 00:27:28: currently not material but needs watching. Now this area could
00:27:28 --> 00:27:31: be as an example financing terms at the moment EG
00:27:31 --> 00:27:33: loans are regulated to only have a sort of a
00:27:33 --> 00:27:36: a spectrum of maybe 10 to 20 basis points in
00:27:36 --> 00:27:39: reward or or penalisation that is under review. And also
00:27:39 --> 00:27:42: there is the risk of finance, finance availability bearing in
00:27:42 --> 00:27:45: mind that the banking sector are also on their own
00:27:45 --> 00:27:47: net zero to Carbonisation journey.
00:27:47 --> 00:27:50: And but at the moment we can't quantify it. So
00:27:50 --> 00:27:52: it's one to watch and and and see when it
00:27:52 --> 00:27:55: could be models probably in line with regulation. OK, next
00:27:55 --> 00:27:56: step down please.
00:27:58 --> 00:28:01: OK, so then we started looking at what's out there
00:28:01 --> 00:28:04: already and I've got two really good examples that I
00:28:04 --> 00:28:06: love and I've been sort of real benchmarks for US1
00:28:06 --> 00:28:09: is denef, which is actually based in Germany. You'll see
00:28:09 --> 00:28:12: here on the left hand side what I really like
00:28:12 --> 00:28:14: about the NFL, which was actually made by PwC, I
00:28:14 --> 00:28:17: believe over a series about two to four years, is
00:28:17 --> 00:28:20: the absoluteness of data. It's working in one specific location,
00:28:20 --> 00:28:23: so Germany, one market, so out the back of that
00:28:23 --> 00:28:25: they can plug in the energy data direct from the
00:28:26 --> 00:28:29: German energy providers to know that they've got absolutely crisp
00:28:29 --> 00:28:30: information there.
00:28:30 --> 00:28:33: And they can also they also, because it's what market
00:28:33 --> 00:28:35: can get a lot crisper on what are the costs
00:28:35 --> 00:28:38: of decarbonisation for the various different solutions. It's a lot
00:28:38 --> 00:28:41: easier looking at one country than if you were looking

00:28:41 --> 00:28:44:	at it, extrapolating it all across Europe. They've also got
00:28:44 --> 00:28:47:	some really interesting methods in there, as an example, when
00:28:47 --> 00:28:50:	they look at their climate value at risk and calculating
00:28:50 --> 00:28:53:	the economic obsolescence when you when you move beyond a
00:28:53 --> 00:28:56:	minimum standard Cliff edge as in you cannot rent your
00:28:56 --> 00:28:59:	property after this moment, that's 100% income loss unless you
00:28:59 --> 00:29:00:	do something about it, so.
00:29:00 --> 00:29:03:	But the one area that we found was we'd love
00:29:03 --> 00:29:05:	to work on is this. This report is also this
00:29:05 --> 00:29:08:	tool is very much creating the case for decarbonisation. We
00:29:08 --> 00:29:11:	100% support that, but we want to be more neutral
00:29:11 --> 00:29:14:	in this and present the facts. And again, they're using
00:29:14 --> 00:29:17:	this phrase climate value at risk. So we want to
00:29:17 --> 00:29:19:	move away from there and just be and and provide
00:29:19 --> 00:29:23:	the indicative worth to be able to support pricing decisions
00:29:23 --> 00:29:26:	and worth, net worth decisions and pricing negotiations. Then on
00:29:26 --> 00:29:29:	the right hand side you will be very familiar with
00:29:29 --> 00:29:31:	this, I'm sure this is the the.
00:29:31 --> 00:29:33:	In part of the Creme tool and up at the
00:29:33 --> 00:29:35:	top when you've actually put your data in it, it
00:29:35 --> 00:29:38:	gives you a whole series of different reporting tools at
00:29:38 --> 00:29:40:	the top and we love this as well. And what
00:29:40 --> 00:29:43:	we love about Prem is they have excellent datasets and
00:29:43 --> 00:29:46:	they've got a network of universities that have put so
00:29:46 --> 00:29:49:	many years into this work already. So you've got emissions
00:29:49 --> 00:29:52:	by energy type, cost of energy by energy type, emissions
00:29:52 --> 00:29:54:	by country, etcetera. And all of that information is not
00:29:55 --> 00:29:58:	something we can compete with, we should be collaborating with,
00:29:58 --> 00:30:00:	which I'll come onto in that point. They also have
00:30:00 --> 00:30:00:	got.
00:30:01 --> 00:30:03:	An area to be able to input from a retrofit
00:30:03 --> 00:30:06:	perspective and that's manual entry in terms of how much
00:30:06 --> 00:30:09:	you might cost and it and it does average figures
00:30:09 --> 00:30:11:	as a result of that. We think that we could
00:30:11 --> 00:30:14:	do more in that area to be able to support
00:30:14 --> 00:30:16:	the the greater nuances of retrofit and to be able
00:30:17 --> 00:30:19:	to be able to give more opportunities. So at the
00:30:19 --> 00:30:22:	moment it's just one, there's only one entry point for

00:30:22 --> 00:30:25: retrofit and as we know logic says you, you tend
00:30:25 --> 00:30:27: to do it over a series of years in accordance
00:30:27 --> 00:30:31: with either the crime pathway or your own business plans.
00:30:31 --> 00:30:33: Handle and equally the cost of carbon is in there
00:30:33 --> 00:30:36: and I know that they're updating that as well. We're
00:30:36 --> 00:30:39: really interested into working into that area as well. What
00:30:39 --> 00:30:41: they what you see at the moment is they're sort
00:30:41 --> 00:30:43: of some of their financial metrics. We think this is
00:30:44 --> 00:30:46: a great start. What we'd really like to do is
00:30:46 --> 00:30:49: think again about from the mindset of the Investment committee
00:30:49 --> 00:30:51: and think, OK, So what can we do to be
00:30:51 --> 00:30:53: able to get the the the right metrics that an
00:30:53 --> 00:30:56: organization would want to see when making decisions. So that
00:30:56 --> 00:30:59: could be its net operating income, it's cap rate, its
00:30:59 --> 00:31:01: growth rate, it's exit cap rate etcetera.
00:31:01 --> 00:31:04: All within one document. And then finally, they as well
00:31:04 --> 00:31:06: use the term climate value at risk. So we're just
00:31:06 --> 00:31:09: pulling away from that, keeping it neutral and putting it
00:31:09 --> 00:31:11: into this worth and pricing discussion.
00:31:12 --> 00:31:13: Next slide please.
00:31:15 --> 00:31:17: OK. So, so where are we at? So we are
00:31:17 --> 00:31:20: in the process. We've come a lot further than when
00:31:20 --> 00:31:23: we first wrote this slide, but this helps. I I've
00:31:23 --> 00:31:25: kept it in because I feel like it's the principles
00:31:25 --> 00:31:28: of what we're doing. And so the solution isn't development.
00:31:28 --> 00:31:31: We are getting to consultation by October, but we do
00:31:31 --> 00:31:34: know that it will be a a discounted cash flow
00:31:34 --> 00:31:37: model. It will integrate transition risks with relative assumptions into
00:31:37 --> 00:31:40: backup sheets. It will have a whole series of backup
00:31:40 --> 00:31:43: sheets and one simple front end. We do not seek
00:31:43 --> 00:31:45: to generate our own quantitative.
00:31:45 --> 00:31:48: Assessments for assumptions. Instead we will seek partners or data
00:31:48 --> 00:31:51: providers to do that. So as an example, creme or
00:31:51 --> 00:31:54: Modesta Arak, we're working very closely with as an example
00:31:54 --> 00:31:57: and that is to be able to reduce duplication, to
00:31:57 --> 00:32:00: be able to streamline within industry and just actually ensure
00:32:00 --> 00:32:02: that this is the most effective.
00:32:04 --> 00:32:07: Aggregation of the various different solutions in one place. So

00:32:07 --> 00:32:09: we're going back to that objective two of our of
00:32:09 --> 00:32:12: our program, let's reduce the noise and it will assume
00:32:12 --> 00:32:16: whole bidding responsibility. It will assume embodied carbon emissions historic
00:32:16 --> 00:32:19: as an asset and retrofit measures has a new responsibility
00:32:19 --> 00:32:22: or cost and it will use a commonly agreed cost
00:32:22 --> 00:32:24: of carbon to calculate risk which can be adapted. Next
00:32:24 --> 00:32:25: slide please.
00:32:26 --> 00:32:29: So and again, so where are we at so far?
00:32:29 --> 00:32:31: So I just wanna stop here for a moment and
00:32:31 --> 00:32:34: just talk about why this is important. I know we've
00:32:34 --> 00:32:36: spoken about it already, but I just wanna go into
00:32:36 --> 00:32:39: the weeds on this. So this is at present, unless
00:32:39 --> 00:32:42: anyone can tell me on the phone today, there is
00:32:42 --> 00:32:45: no standardized way for the industry to look at transition
00:32:45 --> 00:32:48: risks. And until there is a method, the transition risk
00:32:48 --> 00:32:51: will fail to be integrated into investment decisions in a
00:32:51 --> 00:32:54: unilateral way. And and at the moment, the valuation service
00:32:54 --> 00:32:57: provider industry is doing great work to identify.
00:32:57 --> 00:33:00: I'm sorry to observe and quantify the market based on
00:33:00 --> 00:33:03: available data, but we need and they need more standardised
00:33:03 --> 00:33:06: comparables to be able to work from to be able
00:33:06 --> 00:33:09: to accelerate the whole process that we're in now. So
00:33:09 --> 00:33:12: for us this tool will work industry sorry, investment and
00:33:12 --> 00:33:16: industry side to standardize the process of integrating risks into
00:33:16 --> 00:33:19: and and to standardize it into an industry standard DCF.
00:33:19 --> 00:33:22: So in the the format that any investment professional would
00:33:22 --> 00:33:24: like to see it and we believe if we do
00:33:25 --> 00:33:27: this, this tool will help the industry be better.
00:33:27 --> 00:33:30: Informed and it's not. So it's not for us to
00:33:30 --> 00:33:33: say how the market will value or ultimately accept the
00:33:33 --> 00:33:35: price of an asset. That's not what we're here to
00:33:35 --> 00:33:39: do. That's largely valuation service providers assertions. What we want
00:33:39 --> 00:33:42: to do is focus on what the industry needs to
00:33:42 --> 00:33:45: know in terms of the quantified costs and financial benefits
00:33:45 --> 00:33:49: so that it can inform those decisions at Investment Committee
00:33:49 --> 00:33:52: to inform their assessment of worth and the ultimate price
00:33:52 --> 00:33:55: negotiation. And should we achieve this then we can create
00:33:55 --> 00:33:58: significant opportunity for greater shifts in strategy.

00:33:58 --> 00:34:01: From route, from acquiring Brown to Green, it can also
00:34:01 --> 00:34:04: offer, which can open up to support to bring up
00:34:04 --> 00:34:07: the to invest more into potential stranded assets as we
00:34:07 --> 00:34:11: see them today. And there's greater accountability between transacting entities
00:34:11 --> 00:34:15: to disclose their costs and risks versus a standardized process
00:34:15 --> 00:34:18: between them. And ultimately, there's a greater potential for the
00:34:18 --> 00:34:21: faster decarbonisation of building stock. OK, go on to the
00:34:21 --> 00:34:22: next slide, please.
00:34:24 --> 00:34:27: OK, so starting at the top format and tone we
00:34:27 --> 00:34:30: as mentioned, I've drilled in, I'm going to keep saying
00:34:30 --> 00:34:32: it's neutral. We're not here to create a case for
00:34:32 --> 00:34:35: the carbonisation. We're here to create the facts and the
00:34:36 --> 00:34:38: facts speak for themselves even more so in the years
00:34:38 --> 00:34:41: to come. We're also going to be realistic. Some risks
00:34:41 --> 00:34:44: may not be accurately, may not be accurately priced, but
00:34:44 --> 00:34:46: the best, but we can get to a best guide
00:34:46 --> 00:34:49: for them as an indicator and then worked at and
00:34:49 --> 00:34:52: when policy gets closer we can get some more absolute
00:34:52 --> 00:34:54: and the practice is that what we hope is the
00:34:54 --> 00:34:55: practice is important.
00:34:56 --> 00:34:58: And if we can get that practice in place then
00:34:58 --> 00:35:01: in then increased accuracy will happen over time. And then
00:35:01 --> 00:35:04: from a long term view and we think that some
00:35:04 --> 00:35:06: risks won't be material yet. But again if we can
00:35:06 --> 00:35:09: get that practice in place, they can continue to be
00:35:09 --> 00:35:12: integrated in the long term. And the format as I've
00:35:12 --> 00:35:14: mentioned, it's a discounted cash flow. It will have a
00:35:14 --> 00:35:17: base industry standard DCF, it will have a climate risk
00:35:17 --> 00:35:20: adjusted section to that. And the inputs that will be
00:35:20 --> 00:35:23: included into it is discount rate, work CapEx, the usual
00:35:23 --> 00:35:25: and all of the all of the the ones I'm
00:35:25 --> 00:35:27: about to go into and the reporting.
00:35:27 --> 00:35:30: Metrics that will come out the other side is net
00:35:30 --> 00:35:33: operating income cap rate, exit cap rate, IR linked to
00:35:33 --> 00:35:36: NPV, free cash flow and growth rates. And then just
00:35:36 --> 00:35:37: on to the next slide.
00:35:39 --> 00:35:41: So here we have a visual of what it might
00:35:41 --> 00:35:43: look like. So here on the left hand side you'll
00:35:43 --> 00:35:45: see a a sort of a classic industry standard, a
00:35:45 --> 00:35:48: discounted cash flow you see up there in the corner

00:35:48 --> 00:35:51: as well. That's alter script. We're just reaching out to
00:35:51 --> 00:35:54: alter group at the moment, not that necessarily it would
00:35:54 --> 00:35:56: end up in a partnership, but more that we would
00:35:56 --> 00:35:58: like to get to sort of what is a sort
00:35:58 --> 00:36:01: of a, a good market share industry standard discounted cash
00:36:01 --> 00:36:03: flow look like so that we can improve the, the,
00:36:03 --> 00:36:06: the, the API almost of information between what is being
00:36:06 --> 00:36:09: done already and how it can be translated into industry
00:36:09 --> 00:36:09: standard.
00:36:10 --> 00:36:13: And on the right hand side here you'll see the
00:36:13 --> 00:36:17: climate adjusted accounting section. So here it's largely a a
00:36:17 --> 00:36:19: lot of the same headings or or rows that we're
00:36:19 --> 00:36:22: using but now we're just looking at them from OK
00:36:22 --> 00:36:26: so but then how will transition risks impact this specific
00:36:26 --> 00:36:29: line. So to pull one out as an example estimated
00:36:29 --> 00:36:33: Rinker rental income decrease. So then that would impact your
00:36:33 --> 00:36:36: net your income and ultimately your network operating income and
00:36:36 --> 00:36:39: then you'll see further down this decarbonization.
00:36:40 --> 00:36:43: It's 1234, which can actually span across the years and
00:36:43 --> 00:36:46: so we can have a greater nuance and granularity to
00:36:46 --> 00:36:48: what we're working on. Next slide, please.
00:36:50 --> 00:36:53: And so here this is just sort of reiterating, again,
00:36:53 --> 00:36:56: we're focusing down on this climate adjusted accounting area and
00:36:56 --> 00:36:58: we're wanting to reach out to partners to be able
00:36:58 --> 00:37:01: to support with the data rather than us we create
00:37:01 --> 00:37:03: it. There's no point for that. So as mentioned, we're
00:37:03 --> 00:37:06: working with the excellent team at Arab who are doing
00:37:06 --> 00:37:09: some great work on decarbonization solutions, which I can share
00:37:09 --> 00:37:12: with you shortly. We've already agreed with Oxford economics of
00:37:12 --> 00:37:16: what they've got really interesting data, but also really interesting
00:37:16 --> 00:37:19: mindset about the the way that they're analyzing things madrasta
00:37:19 --> 00:37:20: is really hot on embodied.
00:37:20 --> 00:37:23: Bob and Dennis have some really interesting solutions in crime.
00:37:25 --> 00:37:29: And I've I've got excellent back end data set which
00:37:29 --> 00:37:33: we are gratefully partnering with them to include into this
00:37:33 --> 00:37:36: solution and CVR. We're still in conversations as far as

00:37:36 --> 00:37:39: I'm aware. So down for the next slide please.
00:37:41 --> 00:37:44: OK. So these are the areas that we think that
00:37:44 --> 00:37:47: can create change. Sorry about the graphics have gone a
00:37:47 --> 00:37:51: bit funny there, sorry, little basic arrows there, but yes,
00:37:51 --> 00:37:54: so where we think that the risk can be impacted
00:37:54 --> 00:37:57: it's on the cost of decarbonisation over the over a
00:37:57 --> 00:38:01: discounted discounted cash flow year. Year on year flow, the
00:38:01 --> 00:38:05: cost of carbon impacts embodied carbon and its relative cost
00:38:05 --> 00:38:10: impacts the estimated tenant vacancies as a result of decarbonisation,
00:38:10 --> 00:38:11: the estimated rental.
00:38:11 --> 00:38:16: Income increase or decrease the operating expenses and that largely
00:38:16 --> 00:38:21: links to energy costs, technology, technological depreciation which largely links
00:38:21 --> 00:38:25: to retrofit technologies, making sure we don't discount that and
00:38:25 --> 00:38:29: then obsolescence. So when, when will we not be able
00:38:29 --> 00:38:32: to act any further point on that. We actually worked
00:38:32 --> 00:38:36: on where we would be counting or double counting here
00:38:36 --> 00:38:39: to make sure that we're that we're clear on the
00:38:39 --> 00:38:41: hierarchy of where these risks.
00:38:41 --> 00:38:45: To be entered and finally amortization and financing availability and
00:38:45 --> 00:38:48: again mentioning the risks that we're focusing on. So next
00:38:48 --> 00:38:51: slide, I'm conscious of time. Let me just see. OK.
00:38:51 --> 00:38:53: So I'm gonna, I'm gonna try and work through a
00:38:53 --> 00:38:55: few of these would be a moment. Let me just
00:38:55 --> 00:38:58: double check. OK. So I'm going to, I'm going to,
00:38:58 --> 00:39:01: I'm I'm actually probably going to stop on this slide
00:39:01 --> 00:39:03: just because I want to give you guys some time
00:39:03 --> 00:39:06: to speak. But I think this will really help you
00:39:06 --> 00:39:09: understand a little bit about the way that we're working
00:39:09 --> 00:39:11: and the way we want this tool to work. So
00:39:11 --> 00:39:12: at the heart of this.
00:39:12 --> 00:39:15: Whole thing is, and this isn't. This is answering to
00:39:15 --> 00:39:16: an industry need.
00:39:17 --> 00:39:20: And that was that came through crystal clear. When we
00:39:20 --> 00:39:23: did all of our interviews was that we've got two
00:39:23 --> 00:39:27: weeks when we've got our investment committee, we're making decisions,
00:39:27 --> 00:39:30: we're we're running around as a sustainability team. We don't
00:39:30 --> 00:39:32: have a a Europe wide service and to be able

00:39:33 --> 00:39:36:	to provide us fast information on decarbonization we need to
00:39:36 --> 00:39:39:	know something quickly just so that we can make near
00:39:39 --> 00:39:42:	accurate decisions and then we can go into the absolutely
00:39:42 --> 00:39:46:	proper due diligence later and indeed the proper decarbonization audits.
00:39:46 --> 00:39:47:	So we need something.
00:39:47 --> 00:39:50:	That's that's the the pareto's law that the sort of
00:39:50 --> 00:39:53:	the 8020 of I, I I need a good indication
00:39:53 --> 00:39:56:	for this. We need to be making informed decisions we
00:39:56 --> 00:39:59:	can't but we we can't do everything all at once.
00:39:59 --> 00:40:02:	And so this from this idea we worked with Arab
00:40:02 --> 00:40:05:	to say what if we could create a a decarbonization
00:40:05 --> 00:40:07:	range price tool and by that we mean a way
00:40:07 --> 00:40:10:	for any investment professional to be able to say, OK,
00:40:10 --> 00:40:13:	so I need to be able to find out how
00:40:13 --> 00:40:16:	much this decarbonisation is going to cost me because that's
00:40:16 --> 00:40:19:	going to impact my decision on how much this property
00:40:19 --> 00:40:20:	is worth.
00:40:20 --> 00:40:24:	And then ultimately our negotiations between between vendors and and,
00:40:24 --> 00:40:26:	but how do we get hold of that? And So
00:40:26 --> 00:40:29:	what we've created or what we're in the process of
00:40:29 --> 00:40:32:	speccing out of the moment that we need your feedback
00:40:32 --> 00:40:34:	on is a tool that let's say for instance, you're
00:40:34 --> 00:40:37:	in your discounted cash flow, you've added in your the
00:40:37 --> 00:40:40:	the, the the buildings you've added in the square meter
00:40:41 --> 00:40:43:	you've added in the location of it, you've added in
00:40:43 --> 00:40:46:	the typology of the building, let's say it's a logistics
00:40:46 --> 00:40:49:	building. And so then at the back end, what would
00:40:49 --> 00:40:50:	happen for this?
00:40:50 --> 00:40:53:	And so the company would enter in that criteria and
00:40:53 --> 00:40:55:	then the model would draw from the creme data to
00:40:56 --> 00:40:58:	be able to give the average emissions intensity of the
00:40:58 --> 00:41:01:	of of that type of building per square foot. And
00:41:01 --> 00:41:03:	if you actually had that data and you had it
00:41:03 --> 00:41:06:	more accurate data, you could enter that, but it's already
00:41:06 --> 00:41:09:	there that that average is already there. Then from that
00:41:09 --> 00:41:12:	the model would draw from Arabs decarbonization data to be
00:41:12 --> 00:41:15:	able to identify what climatic zone in this country is
00:41:15 --> 00:41:18:	in. So let's say we chose this logistics company in
00:41:18 --> 00:41:20:	Italy, it would then go ohh, Italy's in that.
00:41:21 --> 00:41:23:	Climatic zone. OK, so that's gonna need a different type

00:41:24 --> 00:41:27: of decarbonisation solution. At the same time, there's still also
00:41:27 --> 00:41:30: be drawing upon the, the, the creme data. So we'd
00:41:30 --> 00:41:32: get a real sense of this, this, this property in
00:41:32 --> 00:41:35: this location. Actually it's going to be it's, this is
00:41:35 --> 00:41:38: the, this is the creme pathway it's going to need
00:41:38 --> 00:41:41: and this is the emissions reduction path where it's going
00:41:41 --> 00:41:44: to need over this time frame. So from there then
00:41:44 --> 00:41:47: the model would go, OK, so here, knowing this building
00:41:47 --> 00:41:50: type, knowing this location, knowing its pathway, we will be
00:41:50 --> 00:41:51: able to identify.
00:41:51 --> 00:41:55: What are what is the optimum solution for emission reductions
00:41:55 --> 00:41:59: activity? Remember this is not hyper accurate. It's a general
00:41:59 --> 00:42:02: bearing in mind it's country related. But what is the
00:42:02 --> 00:42:06: optimum solution for this building type in this region in
00:42:06 --> 00:42:09: Italy and then what you'll see then is OK. So
00:42:09 --> 00:42:13: here's the, here's what is the suggested set of solutions
00:42:13 --> 00:42:15: for you plus what it does in terms of your
00:42:16 --> 00:42:19: cost benefit analysis. So what does linking to to to
00:42:19 --> 00:42:21: crime data? How much energy?
00:42:21 --> 00:42:23: Savings do I make from there or how much emissions
00:42:23 --> 00:42:25: reductions do I have from there? So I can see
00:42:25 --> 00:42:28: that I'm coming in line with the current pathway. Then
00:42:28 --> 00:42:31: whoever's using the tool can actually say actually, but wait
00:42:31 --> 00:42:33: a minute, I actually don't want to do that because
00:42:33 --> 00:42:35: that's not right for our building. So you've got the
00:42:35 --> 00:42:37: option to be able to flex with the whole library
00:42:38 --> 00:42:40: of solutions to say, I don't want that, but actually
00:42:40 --> 00:42:42: I do want this and I do want this. And
00:42:42 --> 00:42:44: then you'll be able to do that over the time
00:42:44 --> 00:42:46: frame of your discounted cash flow. So then then when
00:42:46 --> 00:42:49: you go back, so you choose your optimum solution there
00:42:49 --> 00:42:51: and then that goes back to your discounted cash flow.
00:42:51 --> 00:42:54: As CapEx as impacts on your net operating income because
00:42:54 --> 00:42:58: you're affecting your utilities costs etcetera. So that's that. There's
00:42:58 --> 00:43:00: so much more we can go through, but we just
00:43:00 --> 00:43:03: really don't have the time today. But that's I want
00:43:03 --> 00:43:05: to stop there as a moment because that's sitting at
00:43:05 --> 00:43:08: the heart of it. And if you could imagine outside
00:43:08 --> 00:43:11: of that we have multiple different calculations that are working

00:43:11 --> 00:43:14: to be able to assess the other transition risks around
00:43:14 --> 00:43:16: it. But I just wanted to start with that one
00:43:16 --> 00:43:18: as as almost like a gem and we'll be able
00:43:19 --> 00:43:21: to share the wider deck with you after the call.
00:43:24 --> 00:43:27: I wish I had longer. Sorry guys, I tried my
00:43:28 --> 00:43:28: best.
00:43:29 --> 00:43:31: Hold on, Kate. Well done.
00:43:32 --> 00:43:36: OK, I see already questions coming in one second.
00:43:37 --> 00:43:41: There were a few technical questions specific which have been
00:43:41 --> 00:43:43: answered. You can everyone gets the presentation.
00:43:44 --> 00:43:47: In addition to the recording of this webinar and the
00:43:47 --> 00:43:51: link to the survey where you can provide specific feedback,
00:43:51 --> 00:43:54: now we have a question from John O'dwyer how does
00:43:54 --> 00:43:58: this link to an individual whole life carbon assessment for
00:43:58 --> 00:43:59: a building?
00:44:00 --> 00:44:02: Is it the case that these two is high level
00:44:02 --> 00:44:06: but their whole life carbon assessment provides accurate carbon intensity?
00:44:08 --> 00:44:09: Yes.
00:44:09 --> 00:44:12: Yes, 100%. So one thing that we're trying to say
00:44:12 --> 00:44:14: with this is this is a is this a tool
00:44:14 --> 00:44:17: to be able to help early decision making. We do
00:44:17 --> 00:44:20: not suggest that it replaces lifecycle analysis whole like carbon
00:44:20 --> 00:44:24: or whole building, sorry whole life carbon building assessments. We
00:44:24 --> 00:44:27: don't suggest it replaces due to the the proper deep
00:44:27 --> 00:44:30: due diligence. This is to be able to aid the
00:44:30 --> 00:44:33: decision makings in those sort of really tight two week
00:44:33 --> 00:44:36: Windows. So yes, we 100% support it. Where we would
00:44:36 --> 00:44:37: stand on it is we would say.
00:44:39 --> 00:44:41: You get into your your moment in the discounted cash
00:44:41 --> 00:44:45: flow where we're talking about embodied carbon one what we
00:44:45 --> 00:44:47: really want to show is per country and we'll work
00:44:47 --> 00:44:50: with a a data provider on this. How much actually
00:44:50 --> 00:44:53: embodied carbon do we think is in the historic asset?
00:44:53 --> 00:44:56: Because we need to start thinking about the the whole
00:44:56 --> 00:44:59: life carbon as an asset and when we're choosing between
00:44:59 --> 00:45:02: destroying and rebuilding a property or building a new one
00:45:02 --> 00:45:05: and renovating a new one, that cost and responsibility of
00:45:05 --> 00:45:08: the existing carbon embodied carbon is really important. So.

00:45:08 --> 00:45:11: In that respect we get we're working on average basis
00:45:11 --> 00:45:14: and drawing from data providers to give you an idea
00:45:14 --> 00:45:17: of what the whole life carbon historic would be. And
00:45:17 --> 00:45:19: then in terms of new whole life carbon, it would
00:45:19 --> 00:45:23: be linking to the the decarbonisation range price tool and
00:45:23 --> 00:45:26: what associated embodied carbon emissions are involved in that. So
00:45:26 --> 00:45:29: that's the but the average as you would understand. So
00:45:29 --> 00:45:32: our position is we're trying to move the industry forward
00:45:32 --> 00:45:35: and it does not replace it nor do we ever
00:45:35 --> 00:45:37: suggest it should do a whole lot of carbon building
00:45:37 --> 00:45:38: assessment.
00:45:40 --> 00:45:44: Thank you. Next question comes from Sebastian at Rumble. Since
00:45:44 --> 00:45:47: it seems to be working progress still, what do you
00:45:47 --> 00:45:50: expect from us? Is it possible to follow follow the
00:45:50 --> 00:45:52: full thinking process somehow?
00:45:54 --> 00:45:56: OK. Yep, 100%. So we're sort of in the thick
00:45:56 --> 00:45:59: of it at the moment. So I'd say that we've
00:45:59 --> 00:46:01: sort of touched upon the heart of it today. The
00:46:01 --> 00:46:03: we did do, I think it was a total of,
00:46:03 --> 00:46:06: I don't know how many hours it was eventually when
00:46:06 --> 00:46:08: we did the sort of the, the, the the technical
00:46:08 --> 00:46:11: workshop where we went into the minute of all the
00:46:11 --> 00:46:14: different parts. So we've done hours on that already, but
00:46:14 --> 00:46:16: we are still as I said, we're in this three
00:46:16 --> 00:46:19: months at the end. So if you have something that
00:46:19 --> 00:46:22: you think is valuable to be able to contribute, we're
00:46:22 --> 00:46:24: trying it in every way possible to be able to
00:46:24 --> 00:46:24: get.
00:46:24 --> 00:46:27: The the expertise of the wider industry into this. So
00:46:27 --> 00:46:30: there is either the the ability to go through the
00:46:30 --> 00:46:33: the presentation in detail and then share back via the
00:46:33 --> 00:46:37: survey or if you think there's something burning then please
00:46:37 --> 00:46:39: do set up a one to one with me as
00:46:39 --> 00:46:42: well. There is a forthcoming technical workshop coming up in
00:46:42 --> 00:46:44: a in a few weeks as well. So if you'd
00:46:44 --> 00:46:47: like to volunteer onto that and let me know when
00:46:47 --> 00:46:49: we can add you on to and then you would
00:46:49 --> 00:46:52: get the the full deep dive whether you like it
00:46:52 --> 00:46:53: or not.
00:46:55 --> 00:46:59: Next question, how does the tool differentiate between new build

00:46:59 --> 00:47:00: and refurb?
00:47:00 --> 00:47:04: And the question is related to developers can get a
00:47:04 --> 00:47:09: green loan for new builds, but not for refurbishments, which
00:47:09 --> 00:47:10: is a not incentive.
00:47:11 --> 00:47:15: Yeah. So I think there's multiple parts to that question.
00:47:15 --> 00:47:18: So we're basically creating the tool that you put the
00:47:18 --> 00:47:21: information into and we see it at the moment that
00:47:21 --> 00:47:24: this is a tool for an investment decision at existing
00:47:24 --> 00:47:28: asset for and then you will be considering that invested
00:47:28 --> 00:47:31: asset and what existing asset and what needs to happen.
00:47:31 --> 00:47:34: However, when you get through this information and it may
00:47:34 --> 00:47:37: help you to make a decision about and what we
00:47:37 --> 00:47:40: hope it will make a decision about the new build
00:47:40 --> 00:47:42: versus the the existing.
00:47:42 --> 00:47:45: You can still use this tool, but you just wouldn't
00:47:45 --> 00:47:48: use any of the decarbonization sections of it for the
00:47:48 --> 00:47:51: for the the new assessment. And then the second part
00:47:51 --> 00:47:54: to I'm sorry the new build and the second part
00:47:54 --> 00:47:58: to your question is around banking and financing availability. We
00:47:58 --> 00:48:00: have as a as a point of note from our
00:48:00 --> 00:48:00: last.
00:48:02 --> 00:48:06: And conversation with in the technical workshop it was flagged
00:48:06 --> 00:48:09: that there were greater there were there were ways to
00:48:09 --> 00:48:13: be able to quantifiably assess the the the the banking
00:48:13 --> 00:48:16: sector and and where we're at and we've subsequently gone
00:48:16 --> 00:48:19: off and had calls with the banking sector and it
00:48:19 --> 00:48:23: feels like there is evidence but not standardized evidence. So
00:48:23 --> 00:48:26: what we've tried to do with this program is a
00:48:26 --> 00:48:29: little bit like OK so when you when there's a
00:48:29 --> 00:48:32: a minimum income drop off point from a minimum standard.
00:48:32 --> 00:48:33: That is.
00:48:33 --> 00:48:36: That there is, there is no sort of Gray area
00:48:36 --> 00:48:39: around that that's there's a there's a Cliff edge there
00:48:39 --> 00:48:42: whereas with the banking sector we're finding it's really anecdotal
00:48:42 --> 00:48:46: between the different banks. There is no set regulation from
00:48:46 --> 00:48:49: which we can then give a give an absolute recommendation
00:48:49 --> 00:48:51: for. So at the moment we've sort of we recognise
00:48:51 --> 00:48:54: that those terms are available. We have got the within
00:48:54 --> 00:48:55: the the industry to.
00:48:56 --> 00:48:59: Discounted cash flow you can actually enter in your

information

00:48:59 --> 00:49:02: that you might have anecdotally for that region about the
00:49:02 --> 00:49:05: certain banking terms. But because there is no, there's no
00:49:05 --> 00:49:08: absolutes there yet. We see it and we'll we'll include
00:49:08 --> 00:49:10: this in the guidelines as a as an area that
00:49:11 --> 00:49:13: needs to be that needs to be watched and potentially
00:49:13 --> 00:49:16: be modeled in future. And that's because as I mentioned
00:49:16 --> 00:49:19: earlier they're all going on their own journey and regulation
00:49:19 --> 00:49:22: is catching them up. And I think probably in the
00:49:22 --> 00:49:24: next two to three years it will be much clearer
00:49:24 --> 00:49:26: for us and but for now it's.
00:49:26 --> 00:49:29: I can't find a way, unless you'd like to challenge
00:49:29 --> 00:49:31: me to model that in a way that would be
00:49:31 --> 00:49:32: robust across Europe.
00:49:34 --> 00:49:38: Thank you. There's a practical question on what building type
00:49:38 --> 00:49:42: exactly means. Is it use type, industrial, etcetera or will
00:49:42 --> 00:49:45: they need to include a level of knowledge or type
00:49:45 --> 00:49:47: of construction?
00:49:47 --> 00:49:50: So it's the types and forgive me, we've aligned them
00:49:50 --> 00:49:51: with French.
00:49:52 --> 00:49:55: Oh, sorry. Yeah, go ahead. Yeah. So we've, we've aligned
00:49:55 --> 00:49:57: it with Creme so that then the the tool interacts
00:49:58 --> 00:50:00: well and forgive me off the top of my head,
00:50:00 --> 00:50:02: I can't think what it is, but I think it's
00:50:02 --> 00:50:05: logistics and retail, hospitality, office and and one other that
00:50:06 --> 00:50:08: I've forgotten. But yeah, so we've chosen 5 in this.
00:50:08 --> 00:50:10: I mean we know that there are lots of sub
00:50:11 --> 00:50:14: sectors within creme, but we're actually going for the the
00:50:14 --> 00:50:16: the five to be able to align and we're actually
00:50:16 --> 00:50:19: in the process of speaking that out with Arab at
00:50:19 --> 00:50:19: the moment.
00:50:22 --> 00:50:26: There's another comment. We have a lot of information from
00:50:26 --> 00:50:29: a number of EU projects, research projects and all that
00:50:29 --> 00:50:33: was mentioned in the presentations. How can we use that
00:50:33 --> 00:50:37: information as input for your work to prevent from reinventing
00:50:37 --> 00:50:41: the wheel connect popular? I'm not sure where they're coming
00:50:41 --> 00:50:44: from, but I would say please get in touch with
00:50:44 --> 00:50:46: us and we can set up a call with with
00:50:47 --> 00:50:50: Kate, I think, to see what that information is and
00:50:50 --> 00:50:51: how it could be used.
00:50:52 --> 00:50:54: So please reach out.

00:50:57 --> 00:50:59: Any more questions?
00:51:00 --> 00:51:03: I don't see anything coming in. Anyone else who wants
00:51:03 --> 00:51:05: to ask a question or make a comment?
00:51:11 --> 00:51:15: Nothing. Any last comments, Kate, we're already nearing the end
00:51:15 --> 00:51:18: of the the webinar. Any final comments you want to
00:51:18 --> 00:51:22: make you cut the presentation at some point where there
00:51:22 --> 00:51:24: are a few more points you want to make.
00:51:26 --> 00:51:29: I think I've figured if because if I start going
00:51:29 --> 00:51:31: into the weeds, so I stopped at a point because
00:51:31 --> 00:51:34: if we go into the weeds it's very, it's it's
00:51:34 --> 00:51:36: going to take a while to get through. But but
00:51:36 --> 00:51:39: hopefully you've got the heart of it now. We would
00:51:39 --> 00:51:41: love to be able to get your, your input on
00:51:42 --> 00:51:44: the wider framework. If we could do that via the
00:51:44 --> 00:51:47: presentation and then doing a survey that would be great.
00:51:47 --> 00:51:50: But equally if you feel like what you've heard so
00:51:50 --> 00:51:53: far is something that you're really interested in and you'd
00:51:53 --> 00:51:56: like to play an active role, then we would.
00:51:56 --> 00:51:58: Actively welcome you to the to the technical working group
00:51:59 --> 00:52:01: to be able to support that we can go through
00:52:01 --> 00:52:03: process, we'll have a one to one with me and
00:52:03 --> 00:52:05: I can get the information through to you there.
00:52:06 --> 00:52:10: Thank you. And again a question comes in on any
00:52:10 --> 00:52:13: way or following the next stage is a newsletter we
00:52:13 --> 00:52:17: if you are interested to be more actively involved or
00:52:17 --> 00:52:19: to very actively follow what we do.
00:52:20 --> 00:52:24: Please reach out to us. Send me an e-mail or
00:52:24 --> 00:52:28: send Katie an e-mail or any of the UI contacts
00:52:28 --> 00:52:31: you have and we will include you in a list
00:52:32 --> 00:52:32: because.
00:52:34 --> 00:52:37: We will then reach out to you if you want
00:52:37 --> 00:52:40: to contribute or just follow and I think this is
00:52:40 --> 00:52:44: probably a nice Segway also given the timing to move
00:52:44 --> 00:52:48: to the end of the webinar where our first of
00:52:48 --> 00:52:51: all want to thank Kate for all the work that's
00:52:51 --> 00:52:55: been done already so far and and also the presentation
00:52:55 --> 00:52:59: today. I also want to thank you all for participating
00:52:59 --> 00:53:03: today but not only that for have making it possible
00:53:03 --> 00:53:05: for us to present this based on.
00:53:05 --> 00:53:10: All the work that's already gone into it and everyone
00:53:10 --> 00:53:15: that's contributed. The big next milestone is the sea change

00:53:15 --> 00:53:19: summit that will happen on the 12th of October at
00:53:19 --> 00:53:24: the Fanella fabric in really great example of regeneration in
00:53:24 --> 00:53:30: Rotterdam, where we will present a prototype, a consultation paper.
00:53:30 --> 00:53:33: The idea is and that's also the purpose of all
00:53:34 --> 00:53:36: the work we're doing right now.
00:53:36 --> 00:53:40: Is to get to a stable consultation paper. So we
00:53:40 --> 00:53:44: want to ensure that what we present at the summit
00:53:44 --> 00:53:47: is already based on a lot of input from across
00:53:47 --> 00:53:51: the industry. But obviously that is not the end of
00:53:51 --> 00:53:55: it because we will welcome the next round of input
00:53:55 --> 00:54:00: there. And during the summer there will be a combination
00:54:00 --> 00:54:04: of keynote presentations and discussions as well as active.
00:54:05 --> 00:54:09: Breakout sessions where people can both learn on work that's
00:54:09 --> 00:54:14: already been done, as well as contribute and provide further
00:54:14 --> 00:54:15: input besides this.
00:54:16 --> 00:54:21: This work on valuation, we will also have separate sessions
00:54:21 --> 00:54:26: to talk about the tenants and landlord alignment that I
00:54:26 --> 00:54:30: spoke about at the beginning of of the webinar. So
00:54:30 --> 00:54:34: again please reach out for us if you want to
00:54:34 --> 00:54:39: contribute. The next immediate next action point that you could
00:54:39 --> 00:54:43: participate in is as I mentioned at the beginning of
00:54:43 --> 00:54:47: the webinar is responding to the survey.
00:54:47 --> 00:54:50: Based on case Resentation and the work done so far,
00:54:50 --> 00:54:54: we've put together quite a detailed survey that you could
00:54:54 --> 00:54:58: respond to. That is not the survey that you see
00:54:58 --> 00:55:01: here. This is to get your feedback on the webinar
00:55:01 --> 00:55:04: that you see popping up now, I think in the
00:55:04 --> 00:55:07: in the chat. Yes, here it is. Here's the poll.
00:55:07 --> 00:55:11: Please respond because that helps us to make these webinars
00:55:11 --> 00:55:12: better.
00:55:13 --> 00:55:16: We will follow up in the next few days with
00:55:16 --> 00:55:20: the recording of this session with Kates presentation as well
00:55:20 --> 00:55:23: as with that survey. And again there are different ways
00:55:23 --> 00:55:26: to respond to the survey. For those of you that
00:55:26 --> 00:55:29: are really into the topic, you can provide very detailed
00:55:29 --> 00:55:30: feedback.
00:55:31 --> 00:55:34: For those of you that have more big picture overview,
00:55:34 --> 00:55:38: we just want to give some general high level comments.
00:55:38 --> 00:55:40: There's the option to do that as well.

00:55:42 --> 00:55:44:	I want to thank everyone again.
00:55:45 --> 00:55:49:	Thank you for participating. I hope you found it useful
00:55:49 --> 00:55:52:	and and look forward to connecting again on this very
00:55:53 --> 00:55:56:	important topic. Have a great day everyone. Bye.
