

# Webinar

## Beyond the Pandemic: The Importance of Social Value

Date: May 27, 2020

00:00:16 --> 00:00:21: Good afternoon, ladies and gentlemen. Welcome to today's you like

00:00:21 --> 00:00:22: Europe webinar.

00:00:22 --> 00:00:26: Beyond the pandemic, the importance of social value.

00:00:26 --> 00:00:29: We're very excited about today's theme as it this is

00:00:29 --> 00:00:31: at the heart of what we do.

00:00:31 --> 00:00:35: Would you lie? We've done a lot of work and

00:00:35 --> 00:00:40: research around smart Urban Development in the past five six

00:00:40 --> 00:00:40: years,

00:00:40 --> 00:00:44: which started off with looking at good density,

00:00:44 --> 00:00:49: followed by looking at the potential return of investing in

00:00:49 --> 00:00:50: code density.

00:00:50 --> 00:00:53: AM. And. At the core of the of all of

00:00:54 --> 00:00:59: that work is an integral focus on commercial development,

00:00:59 --> 00:01:04: alongside social infrastructure and placemaking.

00:01:04 --> 00:01:08: We are currently working on the launch of a new

00:01:08 --> 00:01:12: research project that's the natural next step of the previous

00:01:12 --> 00:01:16: work we've done and it will focus on the measurement

00:01:16 --> 00:01:19: of social value or social impact.

00:01:19 --> 00:01:22: Assessing the current practice used by developers,

00:01:22 --> 00:01:27: investors and manager managers aimed to combine all of this

00:01:27 --> 00:01:33: collective expertise to come up with a common measurement framework

00:01:33 --> 00:01:36: that the industry then confer to build on.

00:01:36 --> 00:01:40: An impressive list of member companies have already agreed to

00:01:40 --> 00:01:41: support that project,

00:01:41 --> 00:01:44: and if this is something that could be of interest

00:01:44 --> 00:01:45: to you,  
00:01:45 --> 00:01:46: just let me know. OK,  
00:01:46 --> 00:01:49: that's enough for today on UNICE projects.  
00:01:49 --> 00:01:52: I would like to get started and before of that  
00:01:52 --> 00:01:54: just a bit of housekeeping.  
00:01:54 --> 00:01:56: Um, if you have any technical problems,  
00:01:56 --> 00:01:58: please let the staff know.  
00:01:58 --> 00:02:01: You can do that either through the chat or through  
00:02:01 --> 00:02:04: the Q and a button and it will pick it  
00:02:04 --> 00:02:04: up.  
00:02:04 --> 00:02:09: We would encourage everyone to actively participate in the  
survey  
00:02:09 --> 00:02:12: in the in the web and R and you can  
00:02:12 --> 00:02:16: do that by posting your questions in the Q&A.  
00:02:16 --> 00:02:19: Clicking on the button.  
00:02:19 --> 00:02:21: And.  
00:02:21 --> 00:02:24: Anne and then will will address those questions during the  
00:02:25 --> 00:02:25: conversation.  
00:02:27 --> 00:02:31: I'm very pleased to be joined by such a high  
00:02:31 --> 00:02:36: level panel with such a broad and longstanding expertise on  
00:02:36 --> 00:02:41: the on this theme of social value and impact investing.  
00:02:41 --> 00:02:43: First of all, I would like to welcome Michelle Gayden.  
00:02:43 --> 00:02:47: She's the partner and co-founder of Bridges Fund  
Management.  
00:02:47 --> 00:02:52: We have delete cooler is managing director of Estipona  
management  
00:02:52 --> 00:02:53: based in Spain,  
00:02:53 --> 00:02:58: Richard Meyer, co-founder of stories based in UK and  
Christine  
00:02:58 --> 00:02:59: Babkin.  
00:02:59 --> 00:03:04: She's a director of corporate social responsibility at Ivanhoe  
Cambridge.  
00:03:04 --> 00:03:07: Before we move into the conversation,  
00:03:07 --> 00:03:11: I would also like to engage you as the audience  
00:03:11 --> 00:03:15: and we have prepared a couple of polling questions.  
00:03:15 --> 00:03:19: Can I have the first question please?  
00:03:19 --> 00:03:22: Because we would like to know a bit how much  
00:03:22 --> 00:03:25: involvement you already have with this topic.  
00:03:25 --> 00:03:28: So the first question is my company is active in  
00:03:28 --> 00:03:32: creating social impact or impact investing or exploring the  
options,  
00:03:32 --> 00:03:36: and the options are yes no or don't know.  
00:03:36 --> 00:03:39: Please respond to the to the pole now.  
00:03:52 --> 00:03:54: Could I see the results?

00:03:58 --> 00:04:02: Oh, so we we can expect some we have 81%

00:04:02 --> 00:04:04: yes 11% no and 8%

00:04:04 --> 00:04:11: don't know. So that's an overwhelmingly positive response which I

00:04:11 --> 00:04:17: think will makes that we can expect some very interesting

00:04:17 --> 00:04:19: questions along the way.

00:04:19 --> 00:04:22: I would like now like to.

00:04:22 --> 00:04:24: Open it up to the speakers,

00:04:24 --> 00:04:28: giving each of them the opportunity to give a couple

00:04:28 --> 00:04:30: of opening remarks.

00:04:30 --> 00:04:33: How involved are each of you in the topic.

00:04:33 --> 00:04:37: What is the background of your company?

00:04:37 --> 00:04:42: And then we'll move on to in the subsequent discussion.

00:04:42 --> 00:04:45: Ann Michelle. Could I kick off with you?

00:04:45 --> 00:04:49: Can you please explain your thinking behind setting up

00:04:49 --> 00:04:50: front management?

00:04:50 --> 00:04:54: Almost 20 years ago at a time that probably nobody

00:04:54 --> 00:04:58: was thinking about impact or social value.

00:04:58 --> 00:05:00: And maybe describe the journey since then.

00:05:00 --> 00:05:05: Also because you are not only active in real estate

00:05:05 --> 00:05:07: but also in order.

00:05:07 --> 00:05:12: Business is an asset classes and could you please elaborate

00:05:12 --> 00:05:12: on that?

00:05:12 --> 00:05:17: Thank you absolutely knows that and it's a great pleasure

00:05:17 --> 00:05:18: to be here.

00:05:18 --> 00:05:20: Thank you for inviting me.

00:05:20 --> 00:05:26: Yes, bridges is now a private funds manager uniquely

00:05:26 --> 00:05:30: dedicated,

00:05:30 --> 00:05:33: solely dedicated to investing in the transition to a more

00:05:33 --> 00:05:35: sustainable and inclusive economy.

00:05:35 --> 00:05:40: We started some time ago.

00:05:40 --> 00:05:44: As you say, 2002. We launched bridges and really our

00:05:44 --> 00:05:49: vision there and was to take the the tool of

00:05:49 --> 00:05:54: investment capital and use it to help solve societal

00:05:54 --> 00:05:59: challenges.

00:05:59 --> 00:06:02: And we actually started in the private equity space and

00:06:02 --> 00:06:06: we actually started simply with the challenge of under

00:06:06 --> 00:06:09: invested

00:06:09 --> 00:06:11: neighborhoods so lower income,

00:06:11 --> 00:06:11: inner city areas and our first ever fund invested in

00:06:11 --> 00:06:11: growth businesses in those areas.

00:06:11 --> 00:06:11: As we went through the process,

00:06:11 --> 00:06:16: we started thinking well, what is the competitive advantage of  
00:06:16 --> 00:06:18: those under invested in a city,  
00:06:18 --> 00:06:22: areas and actually affordable unloved buildings?  
00:06:22 --> 00:06:26: Was one of the competitive advantages that led us into  
00:06:26 --> 00:06:29: making investments like the office group,  
00:06:29 --> 00:06:33: which was an early example of flexible space for small  
00:06:33 --> 00:06:39: businesses which we then introduced an environmental  
dimension into our  
00:06:39 --> 00:06:39: retrofits.  
00:06:39 --> 00:06:42: And we also invested in a number of budget but  
00:06:42 --> 00:06:43: boutique hotels.  
00:06:43 --> 00:06:47: The Hoxton Hotel in London being an example and this  
00:06:47 --> 00:06:50: led us to realize a couple of interesting things about  
00:06:50 --> 00:06:51: real estate out,  
00:06:51 --> 00:06:56: one that clearly making an investment in unloved building  
stock,  
00:06:56 --> 00:06:59: turning it into a vibrant hotel or small business space,  
00:06:59 --> 00:07:04: really unlocked regeneration in the local neighborhood and  
the other  
00:07:04 --> 00:07:07: words we got to understand the carbon impacts of buildings,  
00:07:07 --> 00:07:10: which in the UK are somewhere between.  
00:07:10 --> 00:07:13: Probably around 40% of the UK's total emissions come from  
00:07:13 --> 00:07:17: our building stock and that got us really interested in  
00:07:17 --> 00:07:20: the power of real estate investing to be part of  
00:07:20 --> 00:07:22: a more inclusive and sustainable economy.  
00:07:22 --> 00:07:26: So we now have private equity funds with the platform  
00:07:26 --> 00:07:28: of three or four types of funds.  
00:07:28 --> 00:07:30: We have private equity funds,  
00:07:30 --> 00:07:32: traditional growth, capital investing funds.  
00:07:32 --> 00:07:34: We have real estate funds,  
00:07:34 --> 00:07:38: so we currently investing about 400 million Sterling in  
property  
00:07:38 --> 00:07:39: alternatives,  
00:07:39 --> 00:07:40: but always with a focus.  
00:07:40 --> 00:07:45: On sustainability and impact. And by the way double digit  
00:07:45 --> 00:07:46: returns.  
00:07:46 --> 00:07:50: To be clear, those funds are opportunistic style,  
00:07:50 --> 00:07:55: high returning funds. And then we also have a long  
00:07:55 --> 00:07:56: hold growth fund.  
00:07:56 --> 00:08:02: A business on our platform and social outcomes contract  
investing.  
00:08:02 --> 00:08:07: So for platforms and now for fanatics sustainable Planet,  
00:08:07 --> 00:08:10: Education, Health and then our original.

00:08:10 --> 00:08:15: Format of under invested areas under invested communities.  
00:08:18 --> 00:08:21: Thank you, that's very helpful.  
00:08:21 --> 00:08:25: Maybe one more question, how do you define social value?  
00:08:25 --> 00:08:28: I know you don't talk about social value.  
00:08:28 --> 00:08:30: Do you talk about impact?  
00:08:30 --> 00:08:32: What does it mean for you,  
00:08:32 --> 00:08:35: however? So in every investment that we make,  
00:08:35 --> 00:08:39: we're looking for the reason that that investment is going  
00:08:39 --> 00:08:44: to progress our economy towards a more sustainable or  
more  
00:08:44 --> 00:08:45: inclusive economy.  
00:08:45 --> 00:08:48: We do use the four themes as guidance,  
00:08:48 --> 00:08:51: so we are when we are sourcing when we originate  
00:08:52 --> 00:08:53: Ng investments.  
00:08:53 --> 00:08:57: We're looking at what are the macro trends in health,  
00:08:57 --> 00:09:00: for example, and how could that lead us to to  
00:09:00 --> 00:09:03: to an interesting real estate investment.  
00:09:03 --> 00:09:08: That's why we've done things like assisted living for the  
00:09:08 --> 00:09:08: elderly,  
00:09:08 --> 00:09:12: care environmentally friendly care homes,  
00:09:12 --> 00:09:16: and then we measure the impact using.  
00:09:16 --> 00:09:20: Uh, an impact statement, which is driven from the work  
00:09:20 --> 00:09:25: of the Impact management project that we might come to  
00:09:25 --> 00:09:25: later.  
00:09:25 --> 00:09:31: So for our investors, they're always given annually their  
financial  
00:09:31 --> 00:09:33: and commercial updates,  
00:09:33 --> 00:09:37: and then also an impact statement and Impact Update,  
00:09:37 --> 00:09:40: which we now score. So we score on firemen,  
00:09:40 --> 00:09:46: fundamentals of impact underneath each of the four themes  
in  
00:09:46 --> 00:09:48: which we invest.  
00:09:48 --> 00:09:54: Thank you. Yeah, we'll talk a bit more about measurement  
00:09:54 --> 00:09:57: and creating impact later.  
00:09:57 --> 00:09:59: Philip, can I go to you now?  
00:09:59 --> 00:10:01: Could you please switch on your mic?  
00:10:01 --> 00:10:04: Your yes great.  
00:10:04 --> 00:10:08: Your base in Spain. Your business focuses heavily on retail.  
00:10:08 --> 00:10:12: We all know retail is in quite a difficult position  
00:10:12 --> 00:10:17: currently facing a lot of structural change following the growth  
00:10:17 --> 00:10:21: of E Commerce and now cyclically being basically in the  
00:10:21 --> 00:10:25: fire line of the COVID-19 crisis.  
00:10:25 --> 00:10:29: So how do you use shared value social value to

00:10:29 --> 00:10:34: create the value in in the retail centers you own  
00:10:34 --> 00:10:35: and and manage?  
00:10:35 --> 00:10:39: Yes, I think that it's important to separate out different  
00:10:39 --> 00:10:40: trends.  
00:10:40 --> 00:10:43: I mean, the code is relatively recent experience.  
00:10:43 --> 00:10:46: We could put it that way and really we haven't  
00:10:46 --> 00:10:49: been able to come to terms with with a social  
00:10:49 --> 00:10:53: strategy that could could overcome overcome those issues  
that are  
00:10:53 --> 00:10:56: now being generated in the economy at large and also  
00:10:56 --> 00:11:01: in in local communities were essentially an asset  
management company  
00:11:01 --> 00:11:04: where we Co invest or reinvest off her own balance  
00:11:04 --> 00:11:07: sheet, just in retail properties.  
00:11:07 --> 00:11:09: We've been operating in Spain.  
00:11:09 --> 00:11:12: Esteban has been operating in Spain since 2014.  
00:11:12 --> 00:11:15: I've been working in Spain since 1990 for companies like  
00:11:15 --> 00:11:17: traffic on in Heinz,  
00:11:17 --> 00:11:21: etc, and we've done about 220,000 square meters of  
leasable  
00:11:21 --> 00:11:21: projects.  
00:11:21 --> 00:11:24: We our experience to some extent,  
00:11:24 --> 00:11:28: is quite similar to that of Michelle and that we  
00:11:28 --> 00:11:32: really focused on non performing retail properties and we try  
00:11:33 --> 00:11:36: and create part of our an integral part of our  
00:11:36 --> 00:11:41: strategy is to create value in those properties using social  
00:11:41 --> 00:11:42: initiatives.  
00:11:42 --> 00:11:45: What we refer to as shared value were a member  
00:11:45 --> 00:11:50: of the Shared Value Initiative which is an organization that  
00:11:50 --> 00:11:52: was created by Mark.  
00:11:52 --> 00:11:56: Kramer, and probably better known Michael Porter of the  
University  
00:11:56 --> 00:11:57: of Harvard,  
00:11:57 --> 00:12:00: and we've our teams have undertaken courses with with  
them  
00:12:00 --> 00:12:02: on how you create shared value.  
00:12:02 --> 00:12:06: We tried to apply those strategies which essentially focused  
on  
00:12:06 --> 00:12:09: on on on different levels is either an input level  
00:12:09 --> 00:12:12: in the world you try and make sure that your  
00:12:12 --> 00:12:16: supplies are all correct and they're all following similar  
strategies.  
00:12:16 --> 00:12:19: We trying to solve a social problem,  
00:12:19 --> 00:12:21: which is what we try and do in our retail

00:12:21 --> 00:12:23: Centers for example.

00:12:23 --> 00:12:25: And we can come on to that perhaps later on.

00:12:25 --> 00:12:29: But creating we use a retail center assistant to try

00:12:29 --> 00:12:30: and create.

00:12:30 --> 00:12:34: To solve social problems, we have like schools we have.

00:12:34 --> 00:12:38: Formal structure classes for people with mental disabilities and we

00:12:38 --> 00:12:40: try and place them in the retail center and we

00:12:40 --> 00:12:43: create a business model out of that and it becomes

00:12:43 --> 00:12:46: self serving. It really doesn't actually cost money,

00:12:46 --> 00:12:48: it produces a return as well which is the

00:12:48 --> 00:12:51: show at the second level of a shared value initiative

00:12:51 --> 00:12:54: in the third level would be what I would try

00:12:54 --> 00:12:56: and look at it through the lens of placemaking.

00:12:56 --> 00:12:59: In other words, you trying maximize an ecosystem and other

00:12:59 --> 00:13:03: stakeholders around you and create value for those stakeholders,

00:13:03 --> 00:13:06: stakeholders as well. So really how we part with NGOs?

00:13:06 --> 00:13:07: We got NGO partners in.

00:13:07 --> 00:13:09: Spain and we proceed on that basis.

00:13:12 --> 00:13:16: Thanks Phillip, I think you raise a few very interesting

00:13:16 --> 00:13:20: points on returns versus impact and we'll talk about that.

00:13:20 --> 00:13:23: Also a little later.

00:13:23 --> 00:13:26: Christine. Based out of Canada.

00:13:26 --> 00:13:28: Welcome good morning for you.

00:13:28 --> 00:13:32: Um, I've been OK. Rich is globally active as investor

00:13:32 --> 00:13:34: developer manager of Real Estate.

00:13:34 --> 00:13:38: And how does corporate social responsibility as you call it

00:13:38 --> 00:13:41: feature into all these elements?

00:13:41 --> 00:13:46: Anne, how do you incorporate that in your business?

00:13:46 --> 00:13:50: Thank you lizette. Thank you for inviting me to share.

00:13:50 --> 00:13:53: Ivanhoe Cambridge you on the social impact and if I

00:13:53 --> 00:13:56: may let me start by thinking a few seconds to

00:13:56 --> 00:13:57: present.

00:13:57 --> 00:14:01: Ivanhoe Cambridge might as well be recognized in Europe.

00:14:01 --> 00:14:03: We are the real estate arm of the CD PQ,

00:14:03 --> 00:14:06: which is Quebec's pension fund.

00:14:06 --> 00:14:09: So basically our job is to contribute to the financial

00:14:09 --> 00:14:11: security of all Quebecers.

00:14:11 --> 00:14:14: So in itself that is a corporate responsibility.

00:14:14 --> 00:14:17: This is our focus, our daily focus.

00:14:17 --> 00:14:21: To make sure every dollar we invest has an impact.

00:14:21 --> 00:14:22: So as a long term investor,  
00:14:22 --> 00:14:26: we're committed to creating living spaces that foster well being  
00:14:27 --> 00:14:31: of people and communities while reducing our environmental footprint.  
00:14:31 --> 00:14:35: So we invest alongside partners and major real estate funds  
00:14:35 --> 00:14:38: that are leaders in their respective markets.  
00:14:38 --> 00:14:44: Through subsidiaries and partnership, we hold interest in more than  
00:14:44 --> 00:14:45: 1000 buildings,  
00:14:45 --> 00:14:49: primarily in the industrial and Logistics Office,  
00:14:49 --> 00:14:53: residential and retail sectors. As of December 2019,  
00:14:53 --> 00:14:57: we have close to 64 billion in Canadian dollars.  
00:14:57 --> 00:14:59: So to answer your question,  
00:14:59 --> 00:15:03: our latest strategic plan, position CSR at the heart of  
00:15:03 --> 00:15:05: our business model,  
00:15:05 --> 00:15:10: we want to create sustainable impact with Capri comprehensive.  
00:15:10 --> 00:15:14: Urban solution focus on people's needs so so that's our  
00:15:14 --> 00:15:15: daily task.  
00:15:20 --> 00:15:22: Thank you, that's it. Thank you.  
00:15:22 --> 00:15:25: Yeah, we'll go into detail a bit more later on.  
00:15:27 --> 00:15:29: And last, but definitely not least,  
00:15:29 --> 00:15:32: you worked for urgent for many years.  
00:15:32 --> 00:15:35: Many people know urgent of Kings Cross and you were  
00:15:35 --> 00:15:37: also very involved in that.  
00:15:37 --> 00:15:39: Um?  
00:15:39 --> 00:15:43: Please explain why you now set up your own development  
00:15:43 --> 00:15:48: business stories and with the sole focus on social responsible  
00:15:48 --> 00:15:49: development.  
00:15:49 --> 00:15:52: And what drives your business model?  
00:15:52 --> 00:15:55: Thanks, thanks very much for inviting me to be part  
00:15:55 --> 00:15:56: of today.  
00:15:56 --> 00:15:59: And yes, I spent 15 years at Kings Cross and  
00:15:59 --> 00:16:02: and hopefully that project in its own right created a  
00:16:02 --> 00:16:04: lot of positive social value as well.  
00:16:04 --> 00:16:07: But I got to a point where I suppose that  
00:16:07 --> 00:16:09: you just get get to stage of your career where  
00:16:10 --> 00:16:12: you have a bit of an ambition or an idea  
00:16:12 --> 00:16:15: you want to test it out and that's that's where  
00:16:15 --> 00:16:17: I got to and my my idea and my aim  
00:16:17 --> 00:16:19: was to really say to ourselves.



00:16:19 --> 00:16:21: Or how can we. How can how can we look  
00:16:21 --> 00:16:24: through how can we change the sort of lens that  
00:16:24 --> 00:16:26: we have on property development?  
00:16:26 --> 00:16:29: So could we could we look through a lens of  
00:16:29 --> 00:16:33: positive outcomes that we want you know good positive  
outcomes  
00:16:33 --> 00:16:35: that we want to create for people?  
00:16:35 --> 00:16:37: And how can we use property development as a tool  
00:16:38 --> 00:16:39: to facilitate that in a way?  
00:16:39 --> 00:16:43: That's why the business which the property business is  
called  
00:16:43 --> 00:16:46: stories because it's ultimately about the outcomes,  
00:16:46 --> 00:16:49: the stories that people tell about how they've been able  
00:16:49 --> 00:16:51: to get on better in life and so.  
00:16:51 --> 00:16:53: And I thought, well, if I wanted to sort of  
00:16:54 --> 00:16:55: challenge myself on that,  
00:16:55 --> 00:16:58: let's go co-founder new business because it gave the  
opportunity  
00:16:59 --> 00:17:01: to sort of embed that DNA from the outset.  
00:17:01 --> 00:17:03: Gave you a clean sheet of paper and you sort  
00:17:03 --> 00:17:05: of got yourself to our support.  
00:17:05 --> 00:17:08: If you're not successful in getting there.  
00:17:08 --> 00:17:10: So, so we set the business up at the end  
00:17:10 --> 00:17:10: of 2018.  
00:17:10 --> 00:17:13: And actually, with a little bit of a little bit  
00:17:13 --> 00:17:16: of similarity to some of the observations made earlier,  
00:17:16 --> 00:17:18: right from, I think Michelle's comments.  
00:17:18 --> 00:17:20: What are we actually sort of?  
00:17:20 --> 00:17:22: Projects we're working on? Well,  
00:17:22 --> 00:17:25: actually, we. We become involved in maybe slightly more  
challenging  
00:17:25 --> 00:17:28: projects or something that might be seen as a little  
00:17:28 --> 00:17:29: unloved.  
00:17:29 --> 00:17:32: There projects that generally fall within the lowest third.  
00:17:32 --> 00:17:35: The indices of multiple deprivation.  
00:17:35 --> 00:17:38: They generally focused around social infrastructure.  
00:17:38 --> 00:17:40: You know, housing, health, education,  
00:17:40 --> 00:17:43: and so on, and generally what we where we think  
00:17:43 --> 00:17:46: we can get the model to work best and perhaps  
00:17:46 --> 00:17:49: talk about later on is is where we've got the  
00:17:49 --> 00:17:53: best alignment or optimum alignment of interests between  
landowner,  
00:17:53 --> 00:17:55: Thunder and and others as well.

00:17:55 --> 00:17:57: So I thought just just in brief,  
00:17:57 --> 00:18:00: the first project that we that we want in competition  
00:18:00 --> 00:18:02: and ODU competition is with St.  
00:18:02 --> 00:18:04: Mungo's, which is a homeless charity.  
00:18:04 --> 00:18:08: In Westminster and what it involves doing is creating a  
00:18:08 --> 00:18:10: new facility and new building for them,  
00:18:10 --> 00:18:14: which will offer thousands of 10s of thousands of Knights  
00:18:14 --> 00:18:17: of care per year for for for their customers from  
00:18:17 --> 00:18:20: emergency to longer term accommodation,  
00:18:20 --> 00:18:22: and involves 100 rental homes,  
00:18:22 --> 00:18:26: and then ultimately will have other impacts within the wider  
00:18:26 --> 00:18:27: community as well.  
00:18:27 --> 00:18:28: So so it's very much,  
00:18:28 --> 00:18:32: you know we saw. I suppose you could say it's  
00:18:32 --> 00:18:35: taking quite a broadview of what social value is.  
00:18:35 --> 00:18:38: Really about just finding ways in which we can change,  
00:18:38 --> 00:18:40: you know.  
00:18:40 --> 00:18:43: Change people's lives and help people get on in life  
00:18:43 --> 00:18:44: little bit better as well.  
00:18:44 --> 00:18:46: So so perhaps we can talk a little bit more  
00:18:46 --> 00:18:48: about that project in a bit as well.  
00:18:51 --> 00:18:54: Thanks Richard, that's very helpful.  
00:18:54 --> 00:18:57: I would now like to dig in a bit more  
00:18:57 --> 00:19:00: on the measurement of of impact and how do you  
00:19:01 --> 00:19:03: actually create that impact,  
00:19:03 --> 00:19:05: because we hear a lot about that,  
00:19:05 --> 00:19:08: but OK, what is at the heart of it?  
00:19:08 --> 00:19:11: And also how dead links to returns?  
00:19:11 --> 00:19:15: Because that's all seems to be always and ever coming  
00:19:15 --> 00:19:16: back question.  
00:19:16 --> 00:19:19: And yes, that's nice social impact,  
00:19:19 --> 00:19:22: but it probably comes at the cost of your financial  
00:19:23 --> 00:19:23: return.  
00:19:23 --> 00:19:25: So let's talk about it.  
00:19:25 --> 00:19:27: More about that, but before we do that,  
00:19:27 --> 00:19:32: I would like to get the second polling question.  
00:19:32 --> 00:19:35: Which is how do you think the real estate industry  
00:19:35 --> 00:19:39: can make to create the greatest impact an which and  
00:19:39 --> 00:19:41: we have a couple of options?  
00:19:41 --> 00:19:44: And actually you can choose as many as you want,  
00:19:44 --> 00:19:49: creating more affordable housing, creating more social  
equality,

00:19:49 --> 00:19:53: mobility, reducing the environmental impact of the built environment,

00:19:53 --> 00:19:57: creating thriving communities. Order don't know.

00:19:57 --> 00:20:01: Can you please give your votes now?

00:20:17 --> 00:20:19: Can I have the results please?

00:20:22 --> 00:20:26: OK, well we see quite equal outcomes with still the

00:20:27 --> 00:20:32: biggest focus on reducing the environmental impact of the built

00:20:32 --> 00:20:34: environment with 63%.

00:20:34 --> 00:20:37: Um, voting for that, and now we have 60%

00:20:37 --> 00:20:42: for creating thriving communities. A bit less 50%

00:20:42 --> 00:20:46: for affordable housing and creating more social equity,

00:20:46 --> 00:20:54: equality and mobility. 44% interesting outcomes with quite similar results.

00:20:54 --> 00:20:58: I would like to dig in a bit on how

00:20:58 --> 00:21:00: do you create the impact we see.

00:21:00 --> 00:21:04: Kind of the last two three years I think we've

00:21:04 --> 00:21:08: seen a real tendency for impact investing funds.

00:21:08 --> 00:21:11: Well, sometimes it seems as a I often draw the

00:21:11 --> 00:21:17: analogy to the development of sustainability save 1520 years ago

00:21:17 --> 00:21:22: where that first started with specific funds focused on sustainability,

00:21:22 --> 00:21:27: where you had your cream front almost as a unique

00:21:27 --> 00:21:29: selling point.

00:21:29 --> 00:21:32: Often when I hear about impact investing funds,

00:21:32 --> 00:21:33: I get the same thought.

00:21:33 --> 00:21:36: Is there's a unique selling point and how does that

00:21:36 --> 00:21:40: relate to kind of integrally incorporating it in in your

00:21:40 --> 00:21:41: business and kind of?

00:21:41 --> 00:21:43: What are the skills need?

00:21:43 --> 00:21:45: What is the operational focus?

00:21:45 --> 00:21:48: How do you successfully create that impact?

00:21:48 --> 00:21:50: Delete can I start with you?

00:21:56 --> 00:21:57: You are mute delete.

00:22:01 --> 00:22:05: Sorry about that. I think first of all is a

00:22:05 --> 00:22:07: as a general comment.

00:22:07 --> 00:22:09: I would I would view that,

00:22:09 --> 00:22:11: for example, that ESG or what is known as CST,

00:22:11 --> 00:22:15: and there's a lot of different sort of symbols that

00:22:15 --> 00:22:18: significant the setting of the same thing.

00:22:18 --> 00:22:21: And impact or what you want to call shared value

00:22:21 --> 00:22:23: are not necessarily the same thing.

00:22:23 --> 00:22:25: They can be the same thing or for example in  
00:22:25 --> 00:22:26: the SG.  
00:22:26 --> 00:22:29: The social aspect could be could refer to two different  
00:22:29 --> 00:22:31: types of social social investment,  
00:22:31 --> 00:22:34: but really they can follow two quite different,  
00:22:34 --> 00:22:37: quite different paths. And an example of that could be.  
00:22:37 --> 00:22:40: For example. I remember reading an article in fact by  
00:22:40 --> 00:22:43: by some other people at the Shared value initiative Mark  
00:22:43 --> 00:22:44: Kramer,  
00:22:44 --> 00:22:47: who raised when I thought was interesting point that for  
00:22:47 --> 00:22:47: example,  
00:22:47 --> 00:22:50: if you look at the subprime crisis.  
00:22:50 --> 00:22:53: In 2008, all those banks received full marks in terms  
00:22:53 --> 00:22:55: of their yest initiatives,  
00:22:55 --> 00:22:57: and they were all they got.  
00:22:57 --> 00:23:02: It got a very clean slate and yet they created.  
00:23:02 --> 00:23:05: Well, they were partly assisted in creating a situation that  
00:23:05 --> 00:23:06: was far from optimal.  
00:23:06 --> 00:23:08: Looking at the way that they they,  
00:23:08 --> 00:23:11: perhaps they behaved in terms of.  
00:23:11 --> 00:23:13: That alone, let alone our portfolio,  
00:23:13 --> 00:23:16: so that brings it on to the next question of  
00:23:16 --> 00:23:17: I look for.  
00:23:17 --> 00:23:20: We tend to look through things from the lens of  
00:23:20 --> 00:23:22: shared value from that point of view.  
00:23:22 --> 00:23:25: What we try and look at is how much societal  
00:23:25 --> 00:23:28: value you can create through a series of specific initiatives.  
00:23:28 --> 00:23:32: But within a corporate structure so that from that point  
00:23:32 --> 00:23:35: of view we are relatively different in that,  
00:23:35 --> 00:23:38: for example, Michelle is clearly an impact investor,  
00:23:38 --> 00:23:41: and the funds that she has constituted our our impact  
00:23:41 --> 00:23:42: fund.  
00:23:42 --> 00:23:44: Where is really what we're trying to do to certain  
00:23:44 --> 00:23:44: extent,  
00:23:44 --> 00:23:48: is something a little different in that way we're using.  
00:23:48 --> 00:23:52: Shared value strategies that form a central part of our  
00:23:52 --> 00:23:56: strategy is not necessarily something that an adjunct to a  
00:23:56 --> 00:23:57: core strategy.  
00:23:57 --> 00:24:00: It's an integral part of that core strategy,  
00:24:00 --> 00:24:02: and we buy. As I said,  
00:24:02 --> 00:24:07: non performing retail and we use those strategies to create  
00:24:07 --> 00:24:09: more resonance with the community.

00:24:09 --> 00:24:12: In terms of things like measurement,  
00:24:12 --> 00:24:16: we tend to move more down the line of.  
00:24:16 --> 00:24:19: Assessing initially, incidentally, we did just.  
00:24:19 --> 00:24:22: We just did assess output and we didn't do very  
00:24:22 --> 00:24:23: well at all.  
00:24:23 --> 00:24:25: So he tried to move further down the line and  
00:24:26 --> 00:24:27: assess outcomes,  
00:24:27 --> 00:24:30: and that created a very different image of what was  
00:24:30 --> 00:24:31: what was going on,  
00:24:31 --> 00:24:33: and but the success rates we were having.  
00:24:33 --> 00:24:36: So really it's it's information and its metrics,  
00:24:36 --> 00:24:40: but it's information and metrics to help us better what  
00:24:40 --> 00:24:43: we're trying to undertake as part of a core strategy.  
00:24:47 --> 00:24:51: Yeah, thanks a lot, that's very useful and maybe Richard  
00:24:51 --> 00:24:54: you talked about kind of embedding social impact in your  
00:24:54 --> 00:24:55: business.  
00:24:55 --> 00:24:58: So how does the. How do you create that value?  
00:24:58 --> 00:25:01: How do you embed that in practice?  
00:25:01 --> 00:25:04: Well I mean, firstly, yeah there's a few things we  
00:25:04 --> 00:25:07: do it you could say at a corporate level that  
00:25:07 --> 00:25:10: we've tried to do to ensure that we hold ourselves  
00:25:10 --> 00:25:13: account to what we're trying to achieve.  
00:25:13 --> 00:25:16: Around you would see that we are a B Corp  
00:25:16 --> 00:25:18: pending status at the moment and I can I can  
00:25:18 --> 00:25:21: come back to that in a bit if there's time  
00:25:21 --> 00:25:24: but but I mean ultimately that's that's about us having  
00:25:24 --> 00:25:28: a mechanism to actually just support our broader aspirations  
and  
00:25:28 --> 00:25:31: names that we've talked about already,  
00:25:31 --> 00:25:32: and so when creating, you know,  
00:25:32 --> 00:25:35: in terms of what are the tools that we would  
00:25:35 --> 00:25:38: apply as a developer in trying to create more impact  
00:25:38 --> 00:25:41: or one of the key ones is actually trying to  
00:25:41 --> 00:25:44: not sort of. Price not not try to sort of  
00:25:44 --> 00:25:48: take returns and so on for mispriced risk.  
00:25:48 --> 00:25:52: But to actually try to better align interests between the  
00:25:52 --> 00:25:55: landowner in particular and the capital.  
00:25:55 --> 00:25:59: So typically that involves. Both of those parties wanting to  
00:25:59 --> 00:26:02: have a longer term interest in what they're what they're  
00:26:02 --> 00:26:04: trying to achieve.  
00:26:04 --> 00:26:06: We think that that makes quite a quite a quite  
00:26:07 --> 00:26:10: quite a set things up to create better outcomes and,

00:26:10 --> 00:26:13: and Secondly, we we think there are tools that we  
00:26:13 --> 00:26:15: can deploy which don't actually cost anything.  
00:26:15 --> 00:26:19: So in terms of your comment about.  
00:26:19 --> 00:26:22: You know, is there a sort of tradeoff between economic  
00:26:22 --> 00:26:26: returns and maybe broader value that broader social returns  
that  
00:26:26 --> 00:26:27: can be achieved well?  
00:26:27 --> 00:26:30: Actually, some of the things I think we can do,  
00:26:30 --> 00:26:33: you know, not necessarily having to invest more money,  
00:26:33 --> 00:26:36: for example, but just doing it better or doing it  
00:26:36 --> 00:26:37: more thoroughly,  
00:26:37 --> 00:26:39: or doing more deeply. So one of the key things  
00:26:39 --> 00:26:40: can be around,  
00:26:40 --> 00:26:42: you know how we engage with people,  
00:26:42 --> 00:26:44: for example.  
00:26:44 --> 00:26:47: And what tools and methods we used to do that?  
00:26:47 --> 00:26:48: You know whether it's using,  
00:26:48 --> 00:26:50: you know feet on the ground,  
00:26:50 --> 00:26:53: but also technology such as you know these various tools  
00:26:53 --> 00:26:55: like built ID and things like that to find it  
00:26:55 --> 00:26:58: get a deeper level of engagement people so we can  
00:26:58 --> 00:27:01: better understand, need and then better actually propose a  
set  
00:27:01 --> 00:27:04: or generate a set of outcomes for any given project  
00:27:04 --> 00:27:06: that we're proposing to to work on.  
00:27:06 --> 00:27:09: And actually sure you might spend a little bit more  
00:27:09 --> 00:27:10: money on that.  
00:27:10 --> 00:27:12: But actually, if you consider the sum of money,  
00:27:12 --> 00:27:14: you spend marketing a project.  
00:27:14 --> 00:27:17: Person to sum of money you spend engaged,  
00:27:17 --> 00:27:20: he said, was if I transferred a bit of that  
00:27:20 --> 00:27:23: budget from marketing to to investing in the engagement  
piece  
00:27:23 --> 00:27:27: and actually that could be your marketing in a very  
00:27:27 --> 00:27:30: different way for the project as well as maybe a  
00:27:30 --> 00:27:32: sort of final final thoughts on it.  
00:27:32 --> 00:27:35: Is that the you know we as a business also  
00:27:35 --> 00:27:37: do genuinely seek to take a a sort of Fair  
00:27:37 --> 00:27:39: distribution of the returns.  
00:27:39 --> 00:27:43: You know, we ours is a commercial business again today.  
00:27:43 --> 00:27:44: We're not a not for profit.  
00:27:44 --> 00:27:47: The charity we need to make some sensible returns,  
00:27:47 --> 00:27:50: but it's about trying to make it fair and I

00:27:50 --> 00:27:52: think on did it come about this sort of,  
00:27:52 --> 00:27:56: you know how do we maximize shared value?  
00:27:56 --> 00:28:00: And stakeholder value, rather than necessarily just shareholder value.

00:28:00 --> 00:28:03: You know, for us, that means that actually our particular  
00:28:03 --> 00:28:03: return,  
00:28:03 --> 00:28:06: because we've been able to hopefully dearest some things as  
00:28:06 --> 00:28:06: well,  
00:28:06 --> 00:28:09: can be a little bit more modest at the end  
00:28:09 --> 00:28:09: of the day,  
00:28:09 --> 00:28:11: it's appropriate for what we want,  
00:28:11 --> 00:28:12: and it's trying to say,  
00:28:12 --> 00:28:14: can we just get a little bit of about a  
00:28:14 --> 00:28:17: balance in terms of who benefits from any given any  
00:28:17 --> 00:28:18: given project?  
00:28:20 --> 00:28:23: Actually check that's very helpful.  
00:28:23 --> 00:28:27: And Michelle, you've been in this business for the longest,  
00:28:27 --> 00:28:30: so you can really comment on the the tradeoff between  
00:28:30 --> 00:28:33: the financial return and the impact it what we hear  
00:28:34 --> 00:28:36: often is that on an absolute basis,  
00:28:36 --> 00:28:39: financial returns might not be as high as in other  
00:28:39 --> 00:28:42: parts or real estate worlds or private equity,  
00:28:42 --> 00:28:44: but on a risk adjusted basis,  
00:28:44 --> 00:28:48: they're very compelling and and we hear about long-term versus  
00:28:48 --> 00:28:49: short-term.  
00:28:49 --> 00:28:51: What's your view?  
00:28:51 --> 00:28:55: And so my view is that that that question itself  
00:28:55 --> 00:28:57: is quite a blunt instrument.  
00:28:57 --> 00:29:01: It very much depends what you are investing in.  
00:29:01 --> 00:29:05: So if I look first just to practically at our  
00:29:05 --> 00:29:07: own real estate funds,  
00:29:07 --> 00:29:14: those vehicles, they're opportunistic. We're doing lots of development redevelopment,  
00:29:14 --> 00:29:17: they are highly and utterly commercial.  
00:29:17 --> 00:29:21: And in those funds, we think that having a lens  
00:29:21 --> 00:29:22: on the societal.  
00:29:22 --> 00:29:25: Outcomes of the buildings that we are investing in makes  
00:29:26 --> 00:29:27: us better investors.  
00:29:27 --> 00:29:28: Why does it do that?  
00:29:28 --> 00:29:31: Well, it does it partly because it's to do with  
00:29:31 --> 00:29:32: spotting trends,

00:29:32 --> 00:29:35: so I gave the example and we were looking at  
00:29:35 --> 00:29:37: unloved buildings in inner city areas,  
00:29:37 --> 00:29:41: but the customer using actually Michael Porter Dilip.  
00:29:41 --> 00:29:44: The competitive advantage of the inner city we were looking  
00:29:44 --> 00:29:47: for where they could be really interesting.  
00:29:47 --> 00:29:50: Commercial and social value opportunities.  
00:29:50 --> 00:29:51: So it's very old story,  
00:29:51 --> 00:29:53: but the Hot Sun Hotel.  
00:29:53 --> 00:29:55: Actually made us about 7 times our money.  
00:29:55 --> 00:29:57: Why did it do that?  
00:29:57 --> 00:30:01: Because it was looking early at taking those inner city  
00:30:01 --> 00:30:03: buildings and creating budget boutique.  
00:30:03 --> 00:30:07: So our focus on those geographies led us because we've  
00:30:07 --> 00:30:10: commercially minded to say well how can we come up  
00:30:10 --> 00:30:14: with something creative that uses that building in a way  
00:30:14 --> 00:30:18: that's actually going to play into macro trends and do  
00:30:18 --> 00:30:19: really well.  
00:30:19 --> 00:30:22: So one of the reasons that our outcomes focus we  
00:30:22 --> 00:30:23: think delivers.  
00:30:23 --> 00:30:27: Superior Financial returns is because it takes us into looking  
00:30:27 --> 00:30:32: at challenges of SoC and then looking for investable  
opportunities.  
00:30:32 --> 00:30:34: So that has led us over the years into,  
00:30:34 --> 00:30:37: for example, those period of time when nobody wanted to  
00:30:38 --> 00:30:40: invest in building elderly care homes,  
00:30:40 --> 00:30:42: care homes for the elderly.  
00:30:42 --> 00:30:45: Those are incredibly important for the body of our SoC  
00:30:45 --> 00:30:48: and we went in and we were the ones that  
00:30:48 --> 00:30:49: were prepared to work with.  
00:30:49 --> 00:30:54: Had a partnership with one particular developer developed  
100 million  
00:30:54 --> 00:30:54: pounds worth.  
00:30:54 --> 00:30:57: Of care homes for the elderly that is now a  
00:30:57 --> 00:31:01: sector that's moved on an institutional money will very  
happily  
00:31:01 --> 00:31:03: do that kind of investment.  
00:31:03 --> 00:31:05: So we've moved on to what we think the next  
00:31:05 --> 00:31:06: challenge is,  
00:31:06 --> 00:31:08: which is aging in place.  
00:31:08 --> 00:31:11: And so we've looked. We're looking now at assisted living  
00:31:11 --> 00:31:14: for elderly people for rentals so that they can not  
00:31:15 --> 00:31:17: have to end up in a care home at the  
00:31:17 --> 00:31:20: end of their lives. They can hopefully age in place



00:31:20 --> 00:31:22: with as much as little care as they need,  
00:31:22 --> 00:31:25: and perhaps hopefully even die in place.  
00:31:25 --> 00:31:28: So we feel that by using this outcomes based approach,  
00:31:28 --> 00:31:32: we're spotting macro trends and spotting opportunities and kind of  
00:31:32 --> 00:31:35: getting there before the more institutional investors.  
00:31:35 --> 00:31:39: And then we're exiting to the institution investors and then  
00:31:39 --> 00:31:41: the other element of future proofing,  
00:31:41 --> 00:31:44: or of measuring and thinking about societal impact is that  
00:31:44 --> 00:31:46: you do you future proof any investment.  
00:31:46 --> 00:31:50: So by looking by just being smarter to Richard's point,  
00:31:50 --> 00:31:53: just thinking more when we are building a new building,  
00:31:53 --> 00:31:55: how can we use the cutting edge in terms of.  
00:31:55 --> 00:31:59: Being as environmentally friendly as we can within our cost  
00:31:59 --> 00:32:00: constraints,  
00:32:00 --> 00:32:03: we're going to get a building that we think is  
00:32:03 --> 00:32:06: going to be occupied faster and is going to sell  
00:32:06 --> 00:32:09: well because it's being built in that way and then  
00:32:09 --> 00:32:11: finally in low income housing.  
00:32:11 --> 00:32:14: We've also found it really kind of ties with Richard.  
00:32:14 --> 00:32:16: Was saying it's about approach,  
00:32:16 --> 00:32:19: so we were looking at building some.  
00:32:19 --> 00:32:23: Large residential accommodation in Croydon.  
00:32:23 --> 00:32:26: It was a situation in which it had been approved  
00:32:26 --> 00:32:26: with only a 15%  
00:32:26 --> 00:32:29: affordable elements, and then there had been a change in  
00:32:29 --> 00:32:30: the politics.  
00:32:30 --> 00:32:32: The majority of the Council and they said,  
00:32:32 --> 00:32:35: right? We're taking that. You have to do higher.  
00:32:35 --> 00:32:38: The developer walked away. We walked in with our joint  
00:32:38 --> 00:32:39: venture partners,  
00:32:39 --> 00:32:42: saying, OK, we want to build as much affordable as  
00:32:42 --> 00:32:43: we possibly can.  
00:32:43 --> 00:32:44: How can we work with you to do it?  
00:32:44 --> 00:32:47: And we ended up with a situation in which the  
00:32:47 --> 00:32:49: Council put in the land and we didn't have to  
00:32:49 --> 00:32:52: pay for it until after we had already finished the  
00:32:52 --> 00:32:54: property. They actually made some affordable.  
00:32:54 --> 00:32:56: Loans available as a result,  
00:32:56 --> 00:32:59: we did 50% affordable. We did not reduce the returns  
00:32:59 --> 00:33:00: on that at all.  
00:33:00 --> 00:33:03: It's partly just breaking down that sort of war between

00:33:03 --> 00:33:07: developers who are seeking to always minimize the affordable elements

00:33:07 --> 00:33:10: and planners who are seeking to try to maximize it

00:33:10 --> 00:33:12: by having a different view.

00:33:12 --> 00:33:14: So I don't say that all impact investing is at

00:33:15 --> 00:33:16: market rates of return,

00:33:16 --> 00:33:19: but I definitely depending on the assets we think it's

00:33:19 --> 00:33:22: enhancing of return and the last thing I wanted to

00:33:22 --> 00:33:24: say was slightly more technical.

00:33:24 --> 00:33:26: Point about. PSG versus impact,

00:33:26 --> 00:33:29: I suppose. The major difference that we see there is

00:33:29 --> 00:33:32: ESG tends to be very focused on risk D risking

00:33:32 --> 00:33:33: buildings or D.

00:33:33 --> 00:33:36: Risking investments tend to be very focused on processes and

00:33:36 --> 00:33:40: what I've already heard from the others on this panel

00:33:40 --> 00:33:41: is this new language.

00:33:41 --> 00:33:44: We think of an impact language which is more about

00:33:44 --> 00:33:46: what is material one the material,

00:33:46 --> 00:33:50: negatives, material positives. How do we maximize the material and

00:33:50 --> 00:33:53: positives and minimize material negatives?

00:33:53 --> 00:33:55: And let's think about outcomes.

00:33:55 --> 00:33:59: Not just process is an let's think about opportunity and

00:33:59 --> 00:34:00: not just risk.

00:34:04 --> 00:34:06: I think that's very interesting.

00:34:06 --> 00:34:09: Your last comment and maybe Christine I can come to

00:34:09 --> 00:34:12: you because you operate globally all across the real estate

00:34:12 --> 00:34:13: spectrum.

00:34:13 --> 00:34:17: An often in in collaboration with local partners if I'm

00:34:18 --> 00:34:18: correct.

00:34:18 --> 00:34:22: So if I if I take Michelle's latest comment,

00:34:22 --> 00:34:27: last comment on ESG is around the risking.

00:34:27 --> 00:34:30: And in fact, it's more about material optimizing the positive

00:34:31 --> 00:34:34: elements and minimizing the negative focusing on outcomes.

00:34:34 --> 00:34:37: How do you deal with that internally?

00:34:37 --> 00:34:40: Is it more process focused in your due diligence,

00:34:40 --> 00:34:44: your management, or is it outcome focused?

00:34:44 --> 00:34:46: I think we have a part of both.

00:34:46 --> 00:34:49: You know, we use the ESG language to define our

00:34:50 --> 00:34:53: aspects to understand what is material for us,

00:34:53 --> 00:34:57: and we obviously work with our risk group for due

00:34:57 --> 00:35:01: diligence to understand there with with our partners where

the  
00:35:01 --> 00:35:03: risks of the markets are.  
00:35:03 --> 00:35:06: But I think in our philosophy,  
00:35:06 --> 00:35:08: in our into, in our eight,  
00:35:08 --> 00:35:10: in our DNA we were impact focus,  
00:35:10 --> 00:35:14: you know, are the title of our latest strategic plan  
00:35:14 --> 00:35:14: is.  
00:35:14 --> 00:35:20: Investing with this conviction to to make a lasting impact.  
00:35:20 --> 00:35:25: So it's definitely in our way of doing things so.  
00:35:25 --> 00:35:29: Creating and measuring impact is a mindset for us,  
00:35:29 --> 00:35:33: ultimately. So you know, we've been trusted some capital to  
00:35:33 --> 00:35:34: best in this.  
00:35:34 --> 00:35:38: To create that impact. So real estate by definition is  
00:35:38 --> 00:35:40: a long term investment,  
00:35:40 --> 00:35:43: you know and and we want to create value for  
00:35:43 --> 00:35:47: all our stakeholders and that does include our communities.  
00:35:47 --> 00:35:50: It includes the occupants of the building.  
00:35:50 --> 00:35:56: It includes our shareholders. It includes our employees and  
and  
00:35:56 --> 00:35:57: our suppliers.  
00:35:57 --> 00:36:01: That is, that is income tax in the return that  
00:36:01 --> 00:36:02: we want to calculate.  
00:36:02 --> 00:36:06: SO extra financial aspects need to be considered to,  
00:36:06 --> 00:36:09: and that's where we maybe call them ESG.  
00:36:09 --> 00:36:13: But ultimately we want to have the global picture of  
00:36:14 --> 00:36:17: our impact either on the financial side,  
00:36:17 --> 00:36:21: which has been which where the frameworks I've been  
present  
00:36:21 --> 00:36:22: forever,  
00:36:22 --> 00:36:25: the ROI, and now we're working on Sr.  
00:36:25 --> 00:36:28: Wise. So the difference between all of that.  
00:36:28 --> 00:36:32: Is I think and and some of you mentioned it  
00:36:32 --> 00:36:34: is is the notion of time,  
00:36:34 --> 00:36:39: so the financial, environmental, economical and social  
impacts are not  
00:36:39 --> 00:36:42: measured or evaluated on the same time stand.  
00:36:42 --> 00:36:46: We, although we don't believe that we can have good  
00:36:46 --> 00:36:51: returns in integrating those easy astic in having that impact,  
00:36:51 --> 00:36:55: it you know one the return does not come on  
00:36:55 --> 00:36:59: sacrifice of being a responsible company and vice versa.  
00:36:59 --> 00:37:03: Anne Anne Anne. I've made a little research 'cause I  
00:37:03 --> 00:37:07: if you know there are still some skeptics around there,  
00:37:07 --> 00:37:13: but it's been demonstrated that responsible invest

investments still delivers

00:37:13 --> 00:37:18: better performance over the long term than than their regular

00:37:18 --> 00:37:22: and irregular than the US market SP 5500 for example.

00:37:22 --> 00:37:25: So when they were when the comparing Mssi KLD 400

00:37:25 --> 00:37:27: social index to the SP 500.

00:37:27 --> 00:37:30: More often than not, the social.

00:37:30 --> 00:37:34: Index performs better than the SP 500 in the in

00:37:34 --> 00:37:36: over 10 years,

00:37:36 --> 00:37:41: so between 2000 seven 2016 it was between plus 6%

00:37:41 --> 00:37:43: to minus 3% of return.

00:37:43 --> 00:37:45: So on average on a 10 year.

00:37:45 --> 00:37:51: The Sri index or the social index performed better than

00:37:52 --> 00:37:53: the SP 500 so.

00:37:53 --> 00:37:56: I think in itself you know that we're going to

00:37:56 --> 00:37:58: see that's proof in the pudding,

00:37:58 --> 00:38:00: and when you're an investor,

00:38:00 --> 00:38:04: your Co investors and your your your stakeholders always ask

00:38:04 --> 00:38:08: you what is the global performance of your of your

00:38:08 --> 00:38:08: portfolio.

00:38:08 --> 00:38:11: And obviously and we'll talk about it later.

00:38:11 --> 00:38:14: I think measurement it is key to that.

00:38:14 --> 00:38:17: We realized in the past few months that many investors

00:38:18 --> 00:38:20: are at the same I call it being on the

00:38:20 --> 00:38:23: corner of the street where we all look at each

00:38:23 --> 00:38:26: other to see. So how do we measure that impact?

00:38:26 --> 00:38:30: You know, when you have huge portfolios like we have

00:38:30 --> 00:38:34: in when you have such diversified portfolio an where we're

00:38:34 --> 00:38:37: all looking at each other to to to find what?

00:38:37 --> 00:38:41: Which model would make sense for the business and what

00:38:41 --> 00:38:44: we realize is that in measuring an impact you can

00:38:44 --> 00:38:47: have the overarching measurement of it.

00:38:47 --> 00:38:50: But then there are so many specifics KPI and targets

00:38:51 --> 00:38:54: that you can identify that it makes it hard to

00:38:54 --> 00:38:54: have.

00:38:54 --> 00:39:01: An A standardized measurement so so we started working

00:39:01 --> 00:39:02: on

00:39:01 --> 00:39:02: a more.

00:39:02 --> 00:39:05: Custom I'm going to call it like that and more

00:39:05 --> 00:39:09: custom model so we're testing something with our affordable

00:39:09 --> 00:39:12: housing

00:39:09 --> 00:39:12: portfolio to see if it makes sense to with the

00:39:12 --> 00:39:15: KPI that makes sense for us that are that are

00:39:15 --> 00:39:18: material as Michelle was saying.

00:39:18 --> 00:39:22: To our stakeholders and for the success of our business

00:39:22 --> 00:39:25: and then with a different.

00:39:25 --> 00:39:27: Investment vehicles in affordable housing.

00:39:27 --> 00:39:29: We're looking to see which one makes.

00:39:29 --> 00:39:32: Seems to have more impact in our community and for

00:39:32 --> 00:39:33: the community.

00:39:33 --> 00:39:34: And when I say impact.

00:39:34 --> 00:39:37: Obviously I'm talking about positive impacts.

00:39:37 --> 00:39:39: Anne Anne Anne. In time,

00:39:39 --> 00:39:43: we've realized, and that's that's where I think there's a.

00:39:43 --> 00:39:47: There's a progression between environmental impact.

00:39:47 --> 00:39:51: So in an or measurement and social measurements.

00:39:51 --> 00:39:54: So environmental measurements I, I think,

00:39:54 --> 00:39:57: can be. I'm going to be easier 'cause when you

00:39:57 --> 00:40:00: you measure an environmental footprint,

00:40:00 --> 00:40:04: you obviously most of it is related to energy

00:40:04 --> 00:40:06: or or a waste or water.

00:40:06 --> 00:40:08: And most of those have a cost.

00:40:08 --> 00:40:10: No and or a fee attached to it.

00:40:10 --> 00:40:14: Because when somebody picks up the recycling or deals with

00:40:14 --> 00:40:15: compost,

00:40:15 --> 00:40:17: there's a cost associated to that.

00:40:17 --> 00:40:20: So when we reduce our environmental footprint,

00:40:20 --> 00:40:24: we're able to attach an economy call value to it.

00:40:24 --> 00:40:28: For the social measurement, it's a little different because.

00:40:28 --> 00:40:31: Did the time span is different?

00:40:31 --> 00:40:33: You know in affordable housing,

00:40:33 --> 00:40:36: how do you measure the quality of life of the

00:40:36 --> 00:40:40: of the tenants and then their success into education into

00:40:40 --> 00:40:41: job?

00:40:41 --> 00:40:44: The fact that you you've been able to to

00:40:44 --> 00:40:49: offer affordable housing so it leaves them with.

00:40:49 --> 00:40:52: A larger discretionary budget. So what do they do with

00:40:52 --> 00:40:53: that budget?

00:40:53 --> 00:40:56: Do they eat better than they get educated?

00:40:56 --> 00:40:59: Better you do, they save to be able to go

00:40:59 --> 00:41:02: to the next level of housing so all those impacts

00:41:03 --> 00:41:05: you know it could be two years,

00:41:05 --> 00:41:09: five years, 10 years. Depending on on this subject itself.

00:41:09 --> 00:41:11: So so so. I think I know where at the

00:41:11 --> 00:41:13: corner of that to figure out.

00:41:13 --> 00:41:16: OK, what makes more sense for us to measure?  
00:41:16 --> 00:41:20: And what makes more sense for us to communicate?  
00:41:20 --> 00:41:21: And as Richard was saying,  
00:41:21 --> 00:41:24: and that's the name of his company,  
00:41:24 --> 00:41:26: what is the story of Ivanhoe Cambridge?  
00:41:26 --> 00:41:29: What we know though, is that at the heart of  
00:41:29 --> 00:41:32: our story is that we want to create a positive  
00:41:32 --> 00:41:36: positive impact with a little bit of French coming in  
00:41:36 --> 00:41:39: the conversation. And we want to create a positive positive  
00:41:40 --> 00:41:40: impact.  
00:41:40 --> 00:41:43: And we want to create value for all our stakeholders  
00:41:43 --> 00:41:46: and mainly at the at the heart of real estate  
00:41:46 --> 00:41:49: is people you know when we spend 8090%  
00:41:49 --> 00:41:52: of our time indoors. Most of us in the industrial  
00:41:52 --> 00:41:54: country that leaves an enigma,  
00:41:54 --> 00:41:57: now even developing countries. So real estate is at the  
00:41:57 --> 00:41:58: heart of what you do.  
00:41:58 --> 00:41:59: So people are, you know,  
00:41:59 --> 00:42:01: we work for the people you want to.  
00:42:01 --> 00:42:04: You want to create value for our communities.  
00:42:06 --> 00:42:09: Thanks for saying that's really helpful.  
00:42:09 --> 00:42:12: Let's move on to the measurement topic you for many  
00:42:13 --> 00:42:15: of you have already commented on it.  
00:42:15 --> 00:42:18: We've already heard quite a few frameworks.  
00:42:18 --> 00:42:21: Dilip talked about shared value initiative.  
00:42:21 --> 00:42:24: Richard, you mentioned bicorp Christine.  
00:42:24 --> 00:42:28: I know I've now Cambridge is supporting or is addressing  
00:42:28 --> 00:42:31: four of the 17 UN sustainable development Goals.  
00:42:31 --> 00:42:35: And Michelle, you've been involved as bridge is very happy  
00:42:36 --> 00:42:37: with the measurement.  
00:42:37 --> 00:42:40: The Impact measurement project.  
00:42:42 --> 00:42:47: We've seen similar things with sustainability where we have  
00:42:47 --> 00:42:50: Braham,  
00:42:47 --> 00:42:50: we have lead how. How helpful is it to have  
00:42:50 --> 00:42:52: all these different initiatives?  
00:42:52 --> 00:42:56: How important is measurement? We see that often as an  
00:42:56 --> 00:42:58: impediment for further focus.  
00:42:58 --> 00:43:00: What what's the next step?  
00:43:00 --> 00:43:04: Do we need to make those measurement systems common?  
00:43:04 --> 00:43:07: Who if you want to comment on that?  
00:43:07 --> 00:43:10: I would be I'd be delighted to kick off if  
00:43:10 --> 00:43:15: that's OK just because it's something that we've really

agonized

00:43:15 --> 00:43:15: about.

00:43:15 --> 00:43:18: I just want to clarify one thing.

00:43:18 --> 00:43:22: First of all, when I made my comments about ESG

00:43:22 --> 00:43:23: and impact,

00:43:23 --> 00:43:26: I suppose the way I see it is that now

00:43:26 --> 00:43:27: I don't.

00:43:27 --> 00:43:31: I think that ESG practitioners on the whole are themselves

00:43:31 --> 00:43:36: moving from a focus on processes and checklists to a

00:43:36 --> 00:43:37: focus on outcomes,

00:43:37 --> 00:43:41: so I wasn't seeking to say sort of impact is

00:43:41 --> 00:43:44: there than you better version than the ESG.

00:43:44 --> 00:43:47: I think we've seen. ESG and Impact grow up in

00:43:47 --> 00:43:51: separate silos and now we see them coming together and

00:43:51 --> 00:43:53: it's part of what you said is that about?

00:43:53 --> 00:43:57: Is this something that will be a specialist activity or

00:43:57 --> 00:44:00: is this something that everyone will be doing?

00:44:00 --> 00:44:03: And I suppose bridges own experience has been we started

00:44:03 --> 00:44:06: out with a relatively small goal which was let's take

00:44:07 --> 00:44:10: this tool of investment and use it for some societal

00:44:10 --> 00:44:13: purpose and we thought that would always sort of just

00:44:13 --> 00:44:17: sit on the on the outside of mainstream investing.

00:44:17 --> 00:44:20: But we've always also had a mission to try to

00:44:20 --> 00:44:24: get more capital invested in that way as we went

00:44:24 --> 00:44:26: into our second decade,

00:44:26 --> 00:44:29: we realized a much more ambitious goal,

00:44:29 --> 00:44:32: which is actually impact outcomes.

00:44:32 --> 00:44:36: Should be one of the dimensions included in every single

00:44:36 --> 00:44:39: business and investment decision.

00:44:39 --> 00:44:42: Now, if that is going to be the case,

00:44:42 --> 00:44:46: then we absolutely cannot carry on with so many different

00:44:46 --> 00:44:48: and competing approaches.

00:44:48 --> 00:44:52: And standards, it makes it incredibly difficult for LP's like

00:44:52 --> 00:44:54: the ones that Christine is.

00:44:54 --> 00:44:57: Is is working with, where they've got multiple investments.

00:44:57 --> 00:45:01: They're trying to compare. Different asset cards are trying to

00:45:02 --> 00:45:05: compare different managers or different projects.

00:45:05 --> 00:45:09: And those projects are really using the Corporation or they're

00:45:09 --> 00:45:09: using Iris,

00:45:09 --> 00:45:11: or they're using the PRI,

00:45:11 --> 00:45:12: or they're using. I mean,

00:45:12 --> 00:45:16: the list goes on. So we decided through we've got

00:45:16 --> 00:45:19: a nonprofit at Bridges whose job is,  
00:45:19 --> 00:45:22: you know, to try to be impactful in the world  
00:45:22 --> 00:45:26: through using intellectual capital as opposed to financial capital and  
00:45:26 --> 00:45:29: trying to see where could we do some thinking that  
00:45:29 --> 00:45:32: might push the market and born out of that.  
00:45:32 --> 00:45:37: Was this thing called the Impact Management Project Impact Management  
00:45:37 --> 00:45:38: project number one?  
00:45:38 --> 00:45:41: It's a project, doesn't want to last forever.  
00:45:41 --> 00:45:44: It's project is to try to get globally accepted norms  
00:45:44 --> 00:45:45: and standards.  
00:45:45 --> 00:45:47: Not just for measurement actually,  
00:45:47 --> 00:45:50: but for management of impact because management of impact means  
00:45:50 --> 00:45:53: identifying what are the material positives and negatives,  
00:45:53 --> 00:45:56: because every investment has them.  
00:45:56 --> 00:46:00: And then the process of trying to enhance the positive  
00:46:00 --> 00:46:02: and trying to decrease the negatives.  
00:46:02 --> 00:46:05: That process is the management of impact.  
00:46:05 --> 00:46:09: In order to do it you need to measure impact  
00:46:09 --> 00:46:12: so that you can identify what is material and you  
00:46:12 --> 00:46:13: can manage it.  
00:46:13 --> 00:46:15: What have we done so far?  
00:46:15 --> 00:46:19: So this is a collaborative efforts over 2000.  
00:46:19 --> 00:46:23: The first thing that the group in our non-profit brought  
00:46:23 --> 00:46:26: together was a 2000 asset owners and asset managers.  
00:46:26 --> 00:46:29: To try to agree, what are the five dimensions of?  
00:46:29 --> 00:46:32: We came up with five dimensions of impacts and what  
00:46:32 --> 00:46:34: do we even mean by impact outcomes?  
00:46:34 --> 00:46:35: We came up with the five dimensions.  
00:46:35 --> 00:46:38: It's all publicly available on the Impact management site,  
00:46:38 --> 00:46:41: but there are things like who is impacted with what,  
00:46:41 --> 00:46:44: how much, what is the contribution of the business of  
00:46:44 --> 00:46:45: the investor,  
00:46:45 --> 00:46:46: and what is the risk?  
00:46:46 --> 00:46:49: What is the impact risk as we should always remember  
00:46:49 --> 00:46:52: that impacts can be negative as well as positive.  
00:46:52 --> 00:46:55: So we came up with the five fundamentals that were  
00:46:55 --> 00:46:58: agreed by that practitioner group of about 2000,  
00:46:58 --> 00:47:00: and now we've moved into the next stage.  
00:47:00 --> 00:47:03: We continue with that, but the project is now working  
00:47:03 --> 00:47:06: with 13 of the global standard setters,



00:47:06 --> 00:47:08: so that is the global impact investment network,  
00:47:08 --> 00:47:12: the PRI. It's the United Nations Development Program because of  
00:47:12 --> 00:47:15: the Sustainable Development Goals and the project,  
00:47:15 --> 00:47:19: the Impact Management project is working with them to try  
00:47:19 --> 00:47:22: to have them come up with shared standards and shared  
00:47:22 --> 00:47:22: norms.  
00:47:22 --> 00:47:26: And it's hopefully hopefully going to get to a place  
00:47:26 --> 00:47:29: where it could even be apart of the G7 and  
00:47:29 --> 00:47:33: hopefully the G20 in terms of governments coming in and  
00:47:33 --> 00:47:35: recognizing some of those norms.  
00:47:35 --> 00:47:37: So the projects very ambitious.  
00:47:37 --> 00:47:42: It's trying to essentially do for accounting do for impact  
00:47:42 --> 00:47:47: outcomes measurements what was done for financial  
accounting around the  
00:47:47 --> 00:47:50: time of the Wall Street crash in 100 years ago,  
00:47:50 --> 00:47:53: so I've stopped there, but fundamentally.  
00:47:53 --> 00:47:58: What we're about there is is ensuring that.  
00:47:58 --> 00:48:02: Investments and managers can be assessed not on how  
good  
00:48:02 --> 00:48:06: they are at measuring impact through their own systems for  
00:48:06 --> 00:48:06: it,  
00:48:06 --> 00:48:10: but actually. What is their impact on society?  
00:48:10 --> 00:48:13: Because we have some shared norms.  
00:48:13 --> 00:48:15: And I would love you know.  
00:48:15 --> 00:48:18: I think a lot of this originates in.  
00:48:18 --> 00:48:21: Business investing and then there is a terrific opportunity is  
00:48:22 --> 00:48:23: very excited about your project.  
00:48:23 --> 00:48:27: I think there's a particular a terrific opportunity meant maybe  
00:48:27 --> 00:48:29: even to collaborate to think about,  
00:48:29 --> 00:48:31: you know this has to happen across all asset classes  
00:48:31 --> 00:48:35: and a lot of corporate social responsibility has originated in  
00:48:35 --> 00:48:37: companies and how they think about themselves.  
00:48:37 --> 00:48:40: How do we? How do we really make it work  
00:48:40 --> 00:48:44: and make it sing for real estate investing and then  
00:48:44 --> 00:48:46: infrastructure and will be other assets?  
00:48:46 --> 00:48:48: I think it's a great initiative.  
00:48:48 --> 00:48:51: Anyone else who wants to comment on that.  
00:48:51 --> 00:48:54: In the meantime, I can also raise a few questions  
00:48:54 --> 00:48:59: which you maybe could incorporate because someone asks  
about reconciling  
00:48:59 --> 00:49:03: the need for measurement at corporate level with the danger  
00:49:03 --> 00:49:05: of instrumentalization at ground level.

00:49:05 --> 00:49:09: And another question also about measurement is how do you  
00:49:09 --> 00:49:13: measure the various and numerous indirect social impact  
effects that  
00:49:13 --> 00:49:15: stem from an initial investment.  
00:49:15 --> 00:49:18: The example given is around affordable housing.  
00:49:18 --> 00:49:21: And the impact on higher future savings.  
00:49:21 --> 00:49:25: Better education, Christine. Some of the topics you talked  
about.  
00:49:25 --> 00:49:30: Better job matching. Is there a standard tool that government  
00:49:30 --> 00:49:33: industry and government use to attach these values?  
00:49:33 --> 00:49:36: If not, how are the differences aligned?  
00:49:36 --> 00:49:39: I think this is the the challenge that keeps us  
00:49:39 --> 00:49:40: all busy.  
00:49:40 --> 00:49:43: No, Christine, you want to comment.  
00:49:43 --> 00:49:47: Well, well, you said it is that it is challenging  
00:49:47 --> 00:49:48: and it is.  
00:49:48 --> 00:49:50: It is very hard to evaluate.  
00:49:50 --> 00:49:54: I think we we were looking into working with with  
00:49:54 --> 00:49:58: with a group that could help us identify the indirect  
00:49:58 --> 00:50:01: benefits of social housing for example,  
00:50:01 --> 00:50:04: and health as the person who asked the question on  
00:50:04 --> 00:50:07: the forum and mentioned it health.  
00:50:07 --> 00:50:11: It is one of those indirect impact you know when  
00:50:11 --> 00:50:13: people are well loved.  
00:50:13 --> 00:50:16: Obviously they they have more time to take care of  
00:50:16 --> 00:50:17: themselves,  
00:50:17 --> 00:50:19: they are there. We feel more secure.  
00:50:19 --> 00:50:21: So in terms of well being,  
00:50:21 --> 00:50:24: that also has an impact on their mental health and  
00:50:24 --> 00:50:26: eventually on their physical health.  
00:50:26 --> 00:50:29: So just to say that we are at the beginning  
00:50:30 --> 00:50:33: of working on that and we're looking into.  
00:50:33 --> 00:50:37: Some kind of partnership with with an agency to to  
00:50:37 --> 00:50:42: understand that and behind all of that is is huge  
00:50:42 --> 00:50:45: databases and an algorithm and.  
00:50:45 --> 00:50:48: Historical data to show the outcomes of that you know.  
00:50:48 --> 00:50:52: So we have to identify proxy that makes sense for  
00:50:52 --> 00:50:54: our business model and see how to apply it.  
00:50:54 --> 00:50:57: Because as I was saying earlier,  
00:50:57 --> 00:51:00: it's not something that you will have an immediate result  
00:51:00 --> 00:51:03: on an it's not something that as a company will  
00:51:04 --> 00:51:07: be able to identify clearly 'cause we don't have necessarily

00:51:07 --> 00:51:09: direct access to the data.

00:51:09 --> 00:51:13: You know some of that data is kept into governmental hands.

00:51:13 --> 00:51:13: hands.

00:51:13 --> 00:51:15: Some of that data is is.

00:51:15 --> 00:51:20: Approximate with proxies and and and so it's not an easy task.

00:51:20 --> 00:51:21: easy task.

00:51:21 --> 00:51:24: Thank you, I feel we've just got up to steam,

00:51:24 --> 00:51:27: but we're actually have only 8 minutes left,

00:51:27 --> 00:51:29: so we need to start closing already.

00:51:29 --> 00:51:32: I'm very sorry for that so I would like to move to the last part of the conversation.

00:51:32 --> 00:51:34: move to the last part of the conversation.

00:51:34 --> 00:51:38: And can I have the last polling question please,

00:51:38 --> 00:51:41: which is what do you think would be needed to attract more capital,

00:51:41 --> 00:51:42: attract more capital,

00:51:42 --> 00:51:45: social value, impact investing strategies?

00:51:45 --> 00:51:48: Helping us to look forward with the options are better understanding of definitions and scope.

00:51:48 --> 00:51:51: understanding of definitions and scope.

00:51:51 --> 00:51:53: I feel free to already answer again.

00:51:53 --> 00:51:56: You can choose as many as you want.

00:51:56 --> 00:51:59: Better understanding of the risk return profile,

00:51:59 --> 00:52:01: better ability to measure impact,

00:52:01 --> 00:52:03: more pressure from investors, stakeholders,

00:52:03 --> 00:52:06: more and better products for investors,

00:52:06 --> 00:52:07: orders or not sure.

00:52:15 --> 00:52:18: Could I have the results please?

00:52:20 --> 00:52:22: Argon, quite a mixed picture.

00:52:22 --> 00:52:24: Again similar to Glass, but well,

00:52:24 --> 00:52:28: we've been talking about this a lot already.

00:52:28 --> 00:52:31: Better ability to measure impact and then we see similar results for more pressure from investors stakeholders.

00:52:32 --> 00:52:35: results for more pressure from investors stakeholders.

00:52:35 --> 00:52:40: 49% better understanding of the risk return profile 57 and I interpret that as also a measurement.

00:52:40 --> 00:52:43: I interpret that as also a measurement.

00:52:43 --> 00:52:47: Issue because if you have a better understanding you need to do that.

00:52:47 --> 00:52:48: to do that.

00:52:48 --> 00:52:53: You need to measure better understanding of definitions and scope.

00:52:53 --> 00:52:56: 33% more and better products for investors at 18%.

00:52:58 --> 00:53:01: I would like you to ask all of you the last question more.

00:53:01 --> 00:53:03: last question more.

00:53:03 --> 00:53:04: Is it kind of what?

00:53:04 --> 00:53:08: What do you think is needed to?

00:53:08 --> 00:53:13: To kind of increase of focus on social outcomes all

00:53:13 --> 00:53:15: across the industry,  
00:53:15 --> 00:53:18: and um. And what what do you think are the  
00:53:18 --> 00:53:20: important elements for that?  
00:53:20 --> 00:53:22: And maybe Richard I can.  
00:53:22 --> 00:53:24: I can start with you.  
00:53:24 --> 00:53:28: Sure, yeah, so so my I suppose my first thing  
00:53:28 --> 00:53:31: is my my please with my developer hat on and  
00:53:31 --> 00:53:33: links to one of your questions,  
00:53:33 --> 00:53:37: which is that I would ask for a real effort  
00:53:37 --> 00:53:42: from from developers to try to actually establish projects and  
00:53:42 --> 00:53:46: opportunities that actually do further enhance outcomes.  
00:53:46 --> 00:53:50: I was quite interested in another good piece of work  
00:53:50 --> 00:53:51: which is being,  
00:53:51 --> 00:53:54: I think by the Green Building Council,  
00:53:54 --> 00:53:57: UK Green. Coding Council and was just looking at case  
00:53:57 --> 00:54:00: studies of projects that have you know that in one  
00:54:00 --> 00:54:04: way or form contribute to this debate in this discussion  
00:54:04 --> 00:54:07: and our understanding of what what impact is and actually  
00:54:07 --> 00:54:07: it was,  
00:54:07 --> 00:54:10: it was great. There was some great examples there,  
00:54:10 --> 00:54:14: but actually there were relatively few examples in away and  
00:54:14 --> 00:54:17: none of them actually or many of them didn't really  
00:54:17 --> 00:54:20: tend to have the opportunity to run in terms of  
00:54:20 --> 00:54:23: how they were measured for the continuous life of the  
00:54:23 --> 00:54:24: project as well.  
00:54:24 --> 00:54:25: So so my please to is.  
00:54:25 --> 00:54:28: This is for people such as myself to try to  
00:54:28 --> 00:54:32: create more opportunities for people to to be able to  
00:54:32 --> 00:54:36: hold up as something that we think is is move  
00:54:36 --> 00:54:38: this, you know, move, move,  
00:54:38 --> 00:54:40: move the narrative forward a bit.  
00:54:40 --> 00:54:44: I also think I think one of the things that  
00:54:44 --> 00:54:47: if I feel important is that.  
00:54:47 --> 00:54:50: There's an important conversation to be had about the role  
00:54:50 --> 00:54:53: of how public and private sector work together,  
00:54:53 --> 00:54:55: and you know, actually, there there are.  
00:54:55 --> 00:54:57: Also there's all sorts of things.  
00:54:57 --> 00:54:59: So, for example, in the UK,  
00:54:59 --> 00:55:02: when land public land is being disposed of in some  
00:55:02 --> 00:55:03: way or being procured,  
00:55:03 --> 00:55:06: there are tests you know for good reason,  
00:55:06 --> 00:55:09: like best consideration tests which which you know through

the

00:55:09 --> 00:55:12: Social Value Act and so on have been expanded a  
00:55:12 --> 00:55:15: bit to take into account broader definitions of what what  
00:55:15 --> 00:55:18: best consideration is. But it ended the day.  
00:55:18 --> 00:55:21: Often coming back to to money and opportunity,  
00:55:21 --> 00:55:24: might my other ask is an opportunity for public sector  
00:55:24 --> 00:55:26: to be able to take up more joined up approach  
00:55:26 --> 00:55:30: in terms of how they value the consideration that's coming  
00:55:30 --> 00:55:33: their way. If they're going to partner with somebody on  
00:55:33 --> 00:55:35: a piece of land is also one way in which  
00:55:35 --> 00:55:37: one can one can move things forward,  
00:55:37 --> 00:55:40: so it's it's as much about how land values treated,  
00:55:40 --> 00:55:43: particularly the public sector, can be involved in it as  
00:55:43 --> 00:55:46: much as it is how investors perceive it when they're  
00:55:46 --> 00:55:48: making an investment decision as well.  
00:55:52 --> 00:55:55: Thanks Richard, that's very helpful.  
00:55:55 --> 00:55:58: Um, Michelle, you want to comment?  
00:55:58 --> 00:56:02: Gosh and definitely one of the biggest obstacles that we  
00:56:02 --> 00:56:03: have is is planning,  
00:56:03 --> 00:56:06: so just that's a that's a very UK element because  
00:56:06 --> 00:56:09: we we as I tried to say in the case  
00:56:09 --> 00:56:12: for example of the affordable housing we've got so much  
00:56:12 --> 00:56:16: in common with planners in terms of what we want  
00:56:16 --> 00:56:16: to achieve,  
00:56:16 --> 00:56:20: but actually just being able to move quicker through that  
00:56:20 --> 00:56:24: process would release a lot more capital into those kinds  
00:56:24 --> 00:56:25: of investments,  
00:56:25 --> 00:56:28: but much more generally than that I think.  
00:56:28 --> 00:56:30: I think.  
00:56:30 --> 00:56:33: I'm going to call out expertise,  
00:56:33 --> 00:56:36: so I think that one of the reasons that you  
00:56:36 --> 00:56:38: know ESG has become so prevalent,  
00:56:38 --> 00:56:42: in part because it's become a norm to have somebody  
00:56:42 --> 00:56:46: in an investment firm that is specialized in it.  
00:56:46 --> 00:56:49: And I do think it's really important if you look  
00:56:49 --> 00:56:52: at the real estate sector too.  
00:56:52 --> 00:56:57: Just training and expertise to allow traditional real estate  
investors  
00:56:57 --> 00:57:01: to better understand the opportunities associated with.  
00:57:01 --> 00:57:05: Social value lens in investing will be a very positive  
00:57:06 --> 00:57:06: thing.  
00:57:06 --> 00:57:11: No doubt that LP investor investor pressure remains

important,  
00:57:11 --> 00:57:16: but I think there's something and there was a question  
00:57:16 --> 00:57:20: on the on the Q&A there about financial returns  
00:57:20 --> 00:57:25: on what happens if financial returns are not market and  
00:57:25 --> 00:57:30: I think just openness about which strategies can be can  
00:57:30 --> 00:57:31: involve.  
00:57:31 --> 00:57:35: Market rates of return and which can't to ensure that  
00:57:35 --> 00:57:37: investors then can self select.  
00:57:37 --> 00:57:39: So if you think about bridges,  
00:57:39 --> 00:57:42: we've got the funds. I've mostly talked about or are  
00:57:42 --> 00:57:46: sustainable alternative property funds and they enjoy,  
00:57:46 --> 00:57:50: you know, market returns, so there's a lot of institutional  
00:57:50 --> 00:57:52: investors can invest there,  
00:57:52 --> 00:57:56: but we do do some other property investments like ethical  
00:57:56 --> 00:57:59: Housing Company which is only going to ever generate low  
00:58:00 --> 00:58:01: single digit returns.  
00:58:01 --> 00:58:05: Very derisked though. And the investor base is really quite  
00:58:05 --> 00:58:06: different,  
00:58:06 --> 00:58:10: so segmentation of the investor base and understanding their  
impact  
00:58:10 --> 00:58:13: does not mean a tradeoff in returns,  
00:58:13 --> 00:58:16: but you know. But but being really clear about both,  
00:58:16 --> 00:58:20: what impact can be achieved and what financial returns can  
00:58:20 --> 00:58:22: be achieved in different products.  
00:58:22 --> 00:58:26: I think would lift a veil of confusion from a  
00:58:26 --> 00:58:31: lot of capital that is slightly doubtful about whether there  
00:58:31 --> 00:58:33: is a trade off or not.  
00:58:33 --> 00:58:35: Thank you, delete.  
00:58:35 --> 00:58:39: So could you remind me what the question was?  
00:58:39 --> 00:58:40: Again, I'm sorry, could you?  
00:58:40 --> 00:58:43: Well, what do you think is needed?  
00:58:43 --> 00:58:46: Going forward to get a bigger focus on social value,  
00:58:46 --> 00:58:50: more integrated role of public private sector.  
00:58:50 --> 00:58:52: The any of that? Yeah,  
00:58:52 --> 00:58:55: I mean, I think I'll just take a different perspective.  
00:58:55 --> 00:58:56: I mean, I think that well,  
00:58:56 --> 00:59:00: Michelle Richard have said it's really correct and there's a  
00:59:00 --> 00:59:02: lot of issues like at the local level.  
00:59:02 --> 00:59:04: You need to map out a system people need to  
00:59:05 --> 00:59:07: need to understand each other better.  
00:59:07 --> 00:59:10: And perhaps when you're trying to create something together  
you  
00:59:10 --> 00:59:13: want me to understand as well that capital isn't the

00:59:13 --> 00:59:17: necessarily the protagonist in all of these these stories,  
00:59:17 --> 00:59:20: you need to try and understand other people in this  
00:59:20 --> 00:59:22: system and try and bring them in.  
00:59:22 --> 00:59:25: And have a clear framework to to or model to  
00:59:25 --> 00:59:28: to develop a strategy initially,  
00:59:28 --> 00:59:32: but I think what's going to happen in the future  
00:59:32 --> 00:59:36: is that I think that really since about the last  
00:59:36 --> 00:59:39: since the last recession in 2008.  
00:59:39 --> 00:59:43: The impact investing shared value and ESG have all taken  
00:59:43 --> 00:59:47: on a new form and and you protagonism globally.  
00:59:47 --> 00:59:49: You can see that for example,  
00:59:49 --> 00:59:52: with the Business Roundtable in the United States,  
00:59:52 --> 00:59:57: whereby they've essentially come in and put purpose into  
their  
00:59:57 --> 00:59:58: their decision-making.  
00:59:58 --> 01:00:02: Whether that's sort of just talk over wash over or  
01:00:02 --> 01:00:02: not.  
01:00:02 --> 01:00:04: That remains to be seen,  
01:00:04 --> 01:00:08: and a board member of the Spanish equivalent in in  
01:00:08 --> 01:00:08: Madrid.  
01:00:08 --> 01:00:10: And it's an issue that is.  
01:00:10 --> 01:00:13: It's being raised a lot by civil society throughout,  
01:00:13 --> 01:00:16: and as we approach the situation with going back to  
01:00:16 --> 01:00:17: your initial question,  
01:00:17 --> 01:00:20: if you like the the situation with respect,  
01:00:20 --> 01:00:22: their covid and how that will redefine,  
01:00:22 --> 01:00:24: at least in the short term,  
01:00:24 --> 01:00:27: high society for operable. It's a bit like putting it  
01:00:27 --> 01:00:29: the other way around.  
01:00:29 --> 01:00:32: I mean, those business actually have the opportunity to  
ignore  
01:00:32 --> 01:00:33: impact investing,  
01:00:33 --> 01:00:35: social value creation, and ESG.  
01:00:35 --> 01:00:37: ESG is relatively simple. I mean,  
01:00:37 --> 01:00:41: to certain extent, environmental issues are already a clear  
business  
01:00:41 --> 01:00:44: model in in in terms of reducing your carbon footprint,  
01:00:44 --> 01:00:46: that's now gone to the next level up as much  
01:00:46 --> 01:00:48: as Michelle was was referring to.  
01:00:48 --> 01:00:51: But I would say it's the other way around.  
01:00:51 --> 01:00:53: I don't think companies now in the world that we  
01:00:53 --> 01:00:55: live in can really ignore this.  
01:00:55 --> 01:01:00: This this this. Discussed in this understanding of their role

01:01:00 --> 01:01:01: in society.

01:01:01 --> 01:01:03: That's my point. It's Christine.

01:01:03 --> 01:01:06: Do you want to close with your Maps?

01:01:06 --> 01:01:08: Yes, well, thank you for I know the time is

01:01:08 --> 01:01:09: tight.

01:01:09 --> 01:01:12: I think what we see is we're under moves.

01:01:12 --> 01:01:16: You know they're the largest investors voiced their influence to

01:01:16 --> 01:01:19: demonstrate the value or the creation of value and impact.

01:01:19 --> 01:01:21: Investing as the Philip said,

01:01:21 --> 01:01:25: the through crisis and we're going through one crisis right

01:01:25 --> 01:01:25: now.

01:01:25 --> 01:01:29: I think this will accelerate the transformation and it will

01:01:29 --> 01:01:32: offer opportunities to better understand.

01:01:32 --> 01:01:36: And focus on impact in our communities and in terms

01:01:36 --> 01:01:39: of what the role of the government can play.

01:01:39 --> 01:01:42: You know it will take courage from from them.

01:01:42 --> 01:01:46: Unfortunately they have short term mandate so that makes it

01:01:46 --> 01:01:50: a little bit more difficult to have social impact that

01:01:50 --> 01:01:53: require long term results and focus.

01:01:53 --> 01:01:57: But some decisions in the near future might not be

01:01:57 --> 01:01:57: popular,

01:01:57 --> 01:02:00: but as I was saying in transition,

01:02:00 --> 01:02:04: transition needs to happen towards a more responsible.

01:02:04 --> 01:02:08: Behavior from companies from human beings from citizens themselves.

01:02:08 --> 01:02:13: So I believe the unfortunately the actual crisis that we're

01:02:13 --> 01:02:17: going through will help us accelerate this behavioral change.

01:02:19 --> 01:02:21: Thank you, thank you all.

01:02:21 --> 01:02:24: Um, I could have gone on for a few hours

01:02:24 --> 01:02:26: and but time is up.

01:02:26 --> 01:02:28: I would think all of the panelists.

01:02:28 --> 01:02:30: So much for the contribution.

01:02:30 --> 01:02:33: I thought I found it really interesting.

01:02:33 --> 01:02:37: I would like to thank all the participants for your

01:02:37 --> 01:02:39: time and contribution.

01:02:39 --> 01:02:43: Listening in you can find this recording as well as

01:02:43 --> 01:02:47: the all the other recordings and the research on our

01:02:47 --> 01:02:50: website [theknowledgefinderknowledge.uli.org](http://theknowledgefinderknowledge.uli.org).

01:02:50 --> 01:02:54: And then finally I would like to draw your attention

01:02:54 --> 01:02:56: to the upcoming webinars next week,

01:02:56 --> 01:03:00: 3rd of June. The role of technology in managing real



**01:03:00 --> 01:03:04:** estate and on the 10th of June confronting the pandemic  
**01:03:04 --> 01:03:07:** and beyond redefining city resilience.  
**01:03:07 --> 01:03:10:** Thank you all and have a very good day.  
**01:03:10 --> 01:03:13:** Bye bye. Thank you, thank you,  
**01:03:13 --> 01:03:15:** thank you.

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