

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 methodology to assess transitional climate risks as part of property valuations. Quite a mouthful.

00:00:21 --> 00:00:26: The work we're going to present today is part of our Sea change initiative, which is an industry wide program to find practical script solutions to speed up and scale up decarbonization across the real estate industry and connecting the whole real estate value chain in doing that.

00:00:26 --> 00:00:28: She changes focus on real, workable solutions to help resolve the urgent challenges that hinder the real estate industry's progress to decarbonization.

00:00:29 --> 00:00:32: We think that by connecting and mobilizing all the knowledge that already exists in the bright minds of the professionals across the value chain, we can accelerate the solutions that will transform our industry and protect our planet.

00:00:32 --> 00:00:36: So it's all about collaboration, sharing knowledge and learning from each other, aiming to then scale up and speed up the progress we make.

00:00:36 --> 00:00:40: And that's also why we very much appreciate you attending this webinar.

00:00:40 --> 00:00:44: We know that many of you are already this addressing this valuation issue in your day-to-day work and therefore your insights and experience, the challenges you face will help us sharpen and refine the methodology.

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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

00:02:38 --> 00:02:44: decarbonization,

00:02:44 --> 00:02:45: many other member organizations, professional

00:02:45 --> 00:02:48: organizations, all had initiative and

00:02:49 --> 00:02:49: what we noticed.

00:02:50 --> 00:02:54: Was that an A tremendous amount of work was already

00:02:54 --> 00:02:57: being done?

00:02:58 --> 00:03:01: But what were not so much focus was on what

00:03:02 --> 00:03:04: the real practical hurdles were. So what we did is

00:03:04 --> 00:03:09: made them an audit of all those initiatives that were

00:03:09 --> 00:03:13: going on where the focus was.

00:03:13 --> 00:03:17: And we overlaid that with the priorities that our Members

00:03:17 --> 00:03:22: felt were important to focus on. And obviously that created

00:03:22 --> 00:03:26: some overlap because there were a couple of priorities that

00:03:27 --> 00:03:30: were actually already being taken on by other organizations,

00:03:30 --> 00:03:34: for

00:03:34 --> 00:03:34: example, related to definitions of of decarbonization. So what

00:03:35 --> 00:03:40: we

00:03:40 --> 00:03:47: decided to do is focus on those areas which were

00:03:48 --> 00:03:51: felt as being high priorities, but no work was being

00:03:51 --> 00:03:56: done yet.

00:03:56 --> 00:03:59: And two priorities stood out in that respect. One was

00:04:00 --> 00:04:04: around properly assessing transitional climate risks in real

00:04:04 --> 00:04:08: estate valuations.

00:04:08 --> 00:04:11: To be able to properly make the business case for

00:04:11 --> 00:04:14: making the transformations, as a lot of almost

00:04:14 --> 00:04:17: underestimation was

00:04:17 --> 00:04:20: going on of what the real risks were as they

00:04:20 --> 00:04:23: weren't properly reflected in in valuations at the moment. And

00:04:23 --> 00:04:26: the other big topic was around alignment between tenants

00:04:26 --> 00:04:29: 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: Trajectory 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
00:12:52 --> 00:12:55: development. We've
00:12:55 --> 00:12:58: been in deep stakeholder engagement and in parallel to that
00:12:58 --> 00:13:00: working up the publication development and now we're in
00:13:00 --> 00:13:03: that
00:13:03 --> 00:13:05: last Sprint. So this is the time where you can
00:13:05 --> 00:13:07: really add the most value to be able to shape
00:13:07 --> 00:13:10: what we're doing and how we're thinking before we get
00:13:10 --> 00:13:12: to the our first sort of stake in the ground
00:13:12 --> 00:13:14: consultation moment in October. Next slide please.
00:13:14 --> 00:13:16: And again.
00:13:16 --> 00:13:18: OK, so we're gonna move into pricing transition risk. This
00:13:18 --> 00:13:21: is why we're here today. So First off, again, start
00:13:21 --> 00:13:23: at the top of the tree. What is our objective
00:13:23 --> 00:13:25: now? And we are here to be able to enable
00:13:25 --> 00:13:27: greater quantification and integration of transition risks into
00:13:27 --> 00:13:30: property values.
00:13:30 --> 00:13:33: You'll notice here this isn't about creating a case for
00:13:33 --> 00:13:35: decarbonisation. We're trying to take a much more neutral
00:13:35 --> 00:13:38: stance
00:13:38 --> 00:13:41: to talk about what are the facts, what are the
00:13:41 --> 00:13:43: absolute data that we can find and how can we
00:13:43 --> 00:13:45: provide that to the right individuals to make the decisions
00:13:45 --> 00:13:48: that they need to make expected outputs.
00:13:48 --> 00:13:51: In relation to that, there is a spreadsheet based tool
00:13:51 --> 00:13:54: to be able to help investment decision makers integrate these
00:13:54 --> 00:13:57: transition risks and then accompanying guidelines when we
00:13:57 --> 00:13:59: get to
00:13:59 --> 00:14:02: October summit. As Lizzette has mentioned, that will take the
00:14:02 --> 00:14:04: form of a consultation paper before we move into the
00:14:04 --> 00:14:06: development of the tool.
00:14:06 --> 00:14:09: Thank you. Next slide please.
00:14:09 --> 00:14:12: OK. So where are we now? So as mentioned, we
00:14:12 --> 00:14:15: have been doing an inordinate amount of 1 to one.
00:14:15 --> 00:14:18: So I was counting up the other day, I think
00:14:18 --> 00:14:21: I've done about 200 or 200 plus during the course
00:14:21 --> 00:14:24: of this, this program so far and 75 at the
00:14:24 --> 00:14:27: beginning. And actually when it got down to the specific
00:14:27 --> 00:14:30: interventions and the deep dives, we have had a lot.
00:14:30 --> 00:14:33: 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 got.

00:16:04 --> 00:16:04: Internals, sustainability, capacity, and their tendrils out to the various

00:16:04 --> 00:16:09: different support consultant consultants or indeed to wider industry intelligence.

00:16:09 --> 00:16:14: Say for instance the Insight reports we're seeing coming from

00:16:14 --> 00:16:18: CBR etcetera, over over many years. At climate risk,

00:16:18 --> 00:16:22: 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

00:16:28 --> 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

00:16:40 --> 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

00:16:55 --> 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.

00:17:21 --> 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

00:20:21 --> 00:20:23: strategic level

00:20:24 --> 00:20:26: and you could argue that this is actually probably the

00:20:26 --> 00:20:29: highest impact place to be able to create to to

00:20:29 --> 00:20:31: for a risk to impact. And a really good example

00:20:31 --> 00:20:32: of that is the reputational risk of say the SFR

00:20:32 --> 00:20:35: D or the FDR rollback.

00:20:35 --> 00:20:38: Leaving from I been claiming I'm a sustainable fund. Now

00:20:38 --> 00:20:40: I've actually got to this new guidelines around that. If

00:20:40 --> 00:20:43: I have to roll back on that, what does that

00:20:43 --> 00:20:46: mean for my institutional investors? That's not a quantifiable

00:20:46 --> 00:20:48: risk,

00:20:49 --> 00:20:52: but it's an incredibly big risk and creates and creates

00:20:52 --> 00:20:54: things can change an entire strategy as a result.

00:20:54 --> 00:20:57: Next level down you've got decisions. So a really good

00:20:57 --> 00:21:00: example of a risk that impacts decisions is a physical

00:21:00 --> 00:21:02: risk. Let's just say you've got a property in a

00:21:02 --> 00:21:04: certain area. It wasn't necessarily in a catastrophic floodplain

00:21:05 --> 00:21:07: or

00:21:07 --> 00:21:09: as far as we knew, but actually as a result

00:21:09 --> 00:21:12: of a one in 1000 year flood event shifting to

00:21:12 --> 00:21:15: A1 in 100 year flood event, all of a sudden

00:21:15 --> 00:21:17: that area becomes less attractive and it could make a

00:21:17 --> 00:21:19: go, no go decision. Now that can come in qualitative

00:21:19 --> 00:21:22: and quantitative form, but essentially it shifts the decision of

00:21:22 --> 00:21:25: I'm going to invest in that asset or I'm not.

00:21:25 --> 00:21:28: This is uninsurable or it's not and.

00:21:28 --> 00:21:31: And then finally, we get down to price and this

00:21:31 --> 00:21:33: is where we're really interested and it's the, it's where

00:21:33 --> 00:21:35: transition risks sits really nicely. And a really a classic

00:21:35 --> 00:21:37: 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

00:22:08 --> 00:22:11: with us

00:22:11 --> 00:22:14: is is happening in industry today. So on the left

00:22:14 --> 00:22:17: we have a classic market value appraisal coming from a

00:22:17 --> 00:22:21: valuation service provider. This is top left, sorry.

00:22:21 --> 00:22:25: I've driven from comparables as it absolutely should do.

00:22:25 --> 00:22:28: Outside

00:22:28 --> 00:22:32: of that, we often have tools, industry intelligence, prop, tech

00:22:32 --> 00:22:35: providers, et cetera coming up with these goals that are,

00:22:35 --> 00:22:38: sorry, these these analysis which gives us a climate value

00:22:38 --> 00:22:41: at risk and then what what and that comes from

00:22:41 --> 00:22:44: best estimates, it comes from comparables and it arrives and

00:22:44 --> 00:22:47: what we've got here in the middle of this slide

00:22:48 --> 00:22:51: is that is, is a line which represents sort of

00:22:51 --> 00:22:54: the outside world and then what happens within the

00:22:54 --> 00:22:57: investment.

00:22:57 --> 00:22:59: Committee on the investment decision making process and

00:23:00 --> 00:23:02: we think

00:23:02 --> 00:23:05: when we get when we historically when we've been pushing

00:23:05 --> 00:23:08: these sort of here's here's the market value of a

00:23:08 --> 00:23:11: property and here's the climate value at risk. It it

00:23:11 --> 00:23:14: pushes it goes over into the sort of into the

00:23:14 --> 00:23:17: investment side of the business as a value at risk

00:23:17 --> 00:23:18: which we feel pushes it closer towards the sustainability team

00:23:18 --> 00:23:21: and sustainability modelling and further away from the sort of

00:23:21 --> 00:23:24: OK so let's get to the guts of this investment

00:23:24 --> 00:23:27: decision and in the investment committee. So our approach

00:23:27 --> 00:23:30: to

00:23:30 --> 00:23:33: this and.

00:23:33 --> 00:23:36: In in relation to that is OK, let's start with

00:23:36 --> 00:23:39: 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

00:33:03 --> 00:33:06: standardised

00:33:06 --> 00:33:09: comparables to be able to work from to be able

00:33:09 --> 00:33:12: to accelerate the whole process that we're in now. So

00:33:12 --> 00:33:16: for us this tool will work industry sorry, investment and

00:33:16 --> 00:33:19: industry side to standardize the process of integrating risks

00:33:19 --> 00:33:22: into

00:33:22 --> 00:33:24: and and to standardize it into an industry standard DCF.

00:33:24 --> 00:33:27: So in the the format that any investment professional would

00:33:27 --> 00:33:30: like to see it and we believe if we do

00:33:30 --> 00:33:33: this, this tool will help the industry be better.

00:33:33 --> 00:33:35: Informed and it's not. So it's not for us to

00:33:35 --> 00:33:39: say how the market will value or ultimately accept the

00:33:39 --> 00:33:42: price of an asset. That's not what we're here to

00:33:42 --> 00:33:45: do. That's largely valuation service providers assertions.

00:33:45 --> 00:33:49: What we want

00:33:49 --> 00:33:52: to do is focus on what the industry needs to

00:33:52 --> 00:33:55: know in terms of the quantified costs and financial benefits

00:33:55 --> 00:33:58: so that it can inform those decisions at Investment

00:33:58 --> 00:34:01: Committee

00:34:01 --> 00:34:04: to inform their assessment of worth and the ultimate price

00:34:04 --> 00:34:07: negotiation. And should we achieve this then we can create

00:34:07 --> 00:34:10: 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

00:36:33 --> 00:36:36: your

00:36:36 --> 00:36:36: net your income and ultimately your network operating

00:36:36 --> 00:36:39: 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

00:36:56 --> 00:36:58: 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

00:37:09 --> 00:37:12: share

00:37:09 --> 00:37:12: with you shortly. We've already agreed with Oxford

00:37:12 --> 00:37:16: economics of

00:37:12 --> 00:37:16: what they've got really interesting data, but also really

00:37:16 --> 00:37:19: interesting

00:37:16 --> 00:37:19: mindset about the the way that they're analyzing things

00:37:19 --> 00:37:20: 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

00:37:20 --> 00:37:23: 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

00:38:10 --> 00:38:11: decarbonisation,

00:38:10 --> 00:38:11: the estimated rental.

00:38:11 --> 00:38:16: Income increase or decrease the operating expenses and

00:38:11 --> 00:38:16: that largely

00:38:16 --> 00:38:21: links to energy costs, technology, technological depreciation

00:38:16 --> 00:38:21: which largely links

00:38:21 --> 00:38:25: to retrofit technologies, making sure we don't discount that

00:38:21 --> 00:38:25: 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

00:38:41 --> 00:38:45: 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

00:39:23 --> 00:39:27: 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

00:40:24 --> 00:40:26: vendors and and,

00:40:26 --> 00:40:29: but how do we get hold of that? And So

00:40:29 --> 00:40:32: what we've created or what we're in the process of

00:40:32 --> 00:40:34: speccing out of the moment that we need your feedback

00:40:34 --> 00:40:37: on is a tool that let's say for instance, you're

00:40:37 --> 00:40:40: in your discounted cash flow, you've added in your the

00:40:40 --> 00:40:43: the, the the buildings you've added in the square meter

00:40:43 --> 00:40:46: you've added in the location of it, you've added in

00:40:46 --> 00:40:49: the typology of the building, let's say it's a logistics

00:40:49 --> 00:40:50: building. And so then at the back end, what would

00:40:50 --> 00:40:53: happen for this?

00:40:53 --> 00:40:55: And so the company would enter in that criteria and

00:40:55 --> 00:40:58: then the model would draw from the creme data to

00:40:58 --> 00:41:01: be able to give the average emissions intensity of the

00:41:01 --> 00:41:03: of of that type of building per square foot. And

00:41:03 --> 00:41:06: if you actually had that data and you had it

00:41:06 --> 00:41:09: more accurate data, you could enter that, but it's already

00:41:09 --> 00:41:12: there that that average is already there. Then from that

00:41:12 --> 00:41:15: the model would draw from Arabs decarbonization data to be

00:41:15 --> 00:41:18: able to identify what climatic zone in this country is

00:41:18 --> 00:41:20: in. So let's say we chose this logistics company in

00:41:20 --> 00:41:23: Italy, it would then go ohh, Italy's in that.

00:41:23 --> 00:41:26: 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

00:48:06 --> 00:48:09: flagged

00:48:09 --> 00:48:13: that there were greater there were there were ways to

00:48:13 --> 00:48:16: be able to quantifiably assess the the the the banking

00:48:16 --> 00:48:19: sector and and where we're at and we've subsequently gone

00:48:19 --> 00:48:23: off and had calls with the banking sector and it

00:48:23 --> 00:48:26: feels like there is evidence but not standardized evidence. So

00:48:26 --> 00:48:29: what we've tried to do with this program is a

00:48:29 --> 00:48:32: little bit like OK so when you when there's a

00:48:32 --> 00:48:33: a minimum income drop off point from a minimum standard.

00:48:33 --> 00:48:36: That is.

00:48:36 --> 00:48:39: That there is, there is no sort of Gray area

00:48:39 --> 00:48:42: around that that's there's a there's a Cliff edge there

00:48:42 --> 00:48:46: whereas with the banking sector we're finding it's really

00:48:46 --> 00:48:49: anecdotal

00:48:49 --> 00:48:51: between the different banks. There is no set regulation from

00:48:51 --> 00:48:54: which we can then give a give an absolute recommendation

00:48:54 --> 00:48:55: for. So at the moment we've sort of we recognise

00:48:55 --> 00:48:59: that those terms are available. We have got the within

00:48:59 --> 00:49:02: the the industry to.

00:49:02 --> 00:49:05: 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

00:50:41 --> 00:50:44: coming

00:50:44 --> 00:50:46: from, but I would say please get in touch with

00:50:47 --> 00:50:50: 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.

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