

Webinar

ULI Global Sustainability Outlook 2023

Date: January 11, 2023

00:00:00 --> 00:00:03: Hello, everyone, and welcome to today's webinar on the newest

00:00:03 --> 00:00:07: USLI publication at the UNI, Global Sustainability Outlook 2023. In

00:00:07 --> 00:00:11: partnership with Ferguson Partners, we are very pleased to bring

00:00:11 --> 00:00:15: together industry leaders on emerging topics surrounding sustainability and real

00:00:15 --> 00:00:19: estate to discuss the report's findings. Today, a couple of

00:00:19 --> 00:00:22: admin notes before we dig in. This webinar is being

00:00:22 --> 00:00:25: recorded and we will share the recording on knowledge Finder

00:00:25 --> 00:00:28: after the webinar, the slides as well and if you

00:00:28 --> 00:00:30: have any questions, please put them.

00:00:30 --> 00:00:33: In the Q&A box so that we can.

00:00:33 --> 00:00:37: Call through them during the webinar and panelists will also

00:00:37 --> 00:00:39: do their best to respond in real time, either verbally

00:00:40 --> 00:00:42: or by typing just a quick response into the Q&A

00:00:42 --> 00:00:45: box itself, depending on how many questions we get during

00:00:45 --> 00:00:47: the webinar itself. Next slide, please.

00:00:49 --> 00:00:52: I will let everyone introduce themselves fully when they first

00:00:52 --> 00:00:54: speak, but for now a quick set of introductions just

00:00:54 --> 00:00:57: to set the stage. My name is Marta Schantz. I'm

00:00:57 --> 00:00:59: with the Urban Land Institute and I am the staff

00:00:59 --> 00:01:02: here to introduce the reports, findings today. I'm also the

00:01:02 --> 00:01:05: Co executive director for the UI, Randall Lewis Center for

00:01:05 --> 00:01:07: Sustainability and Real Estate. I would like to give a

00:01:07 --> 00:01:11: special thanks to Ferguson partners for being our global corporate

00:01:11 --> 00:01:14: sponsor for this publication. And we have Sarah Collins, the

00:01:14 --> 00:01:17: managing director at Ferguson Partners, who will be

moderating the

00:01:17 --> 00:01:19: panel discussion and then we have 3 panelists.

00:01:19 --> 00:01:22: All of who participated in the round table discussions of

00:01:22 --> 00:01:25: UI members to inform this publication. Katie Bloom, the director

00:01:25 --> 00:01:29: of development with East West Partners, Daniel Chang, the European

00:01:29 --> 00:01:31: head of ESG with Heinz Europe and Sonia Khan, and

00:01:31 --> 00:01:33: the Managing director of Four Bright Bank.

00:01:34 --> 00:01:37: Our next slide please. So in late 2022 at the

00:01:37 --> 00:01:40: end of last year, you will I interviewed members of

00:01:40 --> 00:01:43: UI product councils from across the globe to inform an

00:01:43 --> 00:01:46: outlook for the coming year. And the question is what's

00:01:46 --> 00:01:49: sustainability topics and issues are on the rise? Why do

00:01:49 --> 00:01:53: they matter and what should the industry pursue moving forward

00:01:53 --> 00:01:56: on this? What should real estate do? And so and

00:01:56 --> 00:01:59: UI Asia Pacific that included the Resilient Cities Council, UI

00:01:59 --> 00:02:04: Europe Sustainability Council and you align America's Sustainable Development Council.

00:02:05 --> 00:02:09: The link to the report is here on the slideui.org/sustainability

00:02:09 --> 00:02:11: outlook. I have a feeling it will go in the

00:02:11 --> 00:02:15: chat shortly as well. It's available for download. We we

00:02:15 --> 00:02:17: hope you all take a read, but you know this

00:02:17 --> 00:02:20: is the webinar for it. And so on the next

00:02:20 --> 00:02:23: slide we have the the top five issues that raised

00:02:23 --> 00:02:23: to.

00:02:24 --> 00:02:27: To the top for what will shape real estate decision

00:02:27 --> 00:02:30: making in 2023 on sustainability.

00:02:30 --> 00:02:33: And so my plan is to talk through these briefly

00:02:33 --> 00:02:36: to set the stage before our panelists and moderators really

00:02:36 --> 00:02:39: dig into what it means for them as real estate

00:02:39 --> 00:02:42: leaders. So the first one here is around adjusting the

00:02:42 --> 00:02:46: ESG strategy of real estate because of these macroeconomic complications

00:02:46 --> 00:02:50: that we're seeing. There's a pending recession, there's a war

00:02:50 --> 00:02:52: in Ukraine, a lot of macroeconomic.

00:02:53 --> 00:02:56: Complications are are facing the real estate sector and sustainability.

00:02:58 --> 00:03:01: Is still an incredibly important strategy. This is not an

00:03:01 --> 00:03:04: excuse for punting on sustainability by any means, but it's

00:03:04 --> 00:03:04: a.

00:03:05 --> 00:03:08: Prompt for real estate to double down ring fence financing

00:03:08 --> 00:03:12: to continue supporting sustainability in in their businesses as a

00:03:12 --> 00:03:17: piece of core business. These obstacles these complications rising inflation

00:03:17 --> 00:03:20: and beyond, it's forcing the industry to to grapple with

00:03:20 --> 00:03:24: how to prioritize sustainability despite these challenges and and we

00:03:24 --> 00:03:28: see this as a very important issue for sustainability and

00:03:28 --> 00:03:29: real estate this year.

00:03:30 --> 00:03:33: The next one on the list is around embedding transition

00:03:33 --> 00:03:37: risk and transitions and valuation transactions and evaluations of real

00:03:37 --> 00:03:39: estate. Now when we think about climate risk, we have

00:03:39 --> 00:03:42: physical climate risk like will my building flood, and we

00:03:42 --> 00:03:46: have transition climate risk, which looks more at the economic

00:03:46 --> 00:03:49: and financial side of of climate mitigation and decarbonization. Is

00:03:49 --> 00:03:52: my building green enough for investors to still want to

00:03:52 --> 00:03:55: invest, for tenants to still want to lease the space,

00:03:55 --> 00:03:57: for prospective buyers to want to acquire it in the

00:03:58 --> 00:04:00: future, and for governments to still permit it?

00:04:00 --> 00:04:03: I mean there are all of these economic and.

00:04:04 --> 00:04:08: Pressures that are a part of transition climate risk and

00:04:08 --> 00:04:11: investors and owners are facing a lot of pressure to

00:04:11 --> 00:04:15: price this climate risk into their investment life cycles. And

00:04:15 --> 00:04:18: this challenge is continuing to grow in 2023 as the

00:04:18 --> 00:04:23: appetite for achieving net zero and other sustainability leadership milestones

00:04:23 --> 00:04:27: grows. So accounting for the costs and efforts incorporating sustainability

00:04:27 --> 00:04:31: into due diligence and other aspects of transactions and valuations

00:04:32 --> 00:04:34: is becoming a much bigger piece of real estate.

00:04:34 --> 00:04:36: Decision making this year.

00:04:36 --> 00:04:40: The third piece when it comes to these sustainability issues

00:04:40 --> 00:04:44: for 2023 is around responding to government influence. Now, regardless

00:04:44 --> 00:04:47: of the format or the overall kind of step of

00:04:47 --> 00:04:52: any firm's journey and sustainability, there is increasing acknowledgement globally

00:04:52 --> 00:04:56: for the importance of of climate and so federal funding,

00:04:56 --> 00:05:00: local policy incentives, regional regulations all have a piece here.

00:05:00 --> 00:05:03: Governments are playing a much bigger role when it comes

00:05:03 --> 00:05:07: to encouraging sustainability leadership in real estate.

00:05:07 --> 00:05:10: And this goes all the way at the granular level

00:05:10 --> 00:05:14: at a specific building when I'm locality requests additional sustainability

00:05:14 --> 00:05:18: innovations to get a development approved by Council, for example

00:05:18 --> 00:05:22: to the regional level where a city may require benchmarking

00:05:22 --> 00:05:25: or building performance standards of an asset to a national

00:05:25 --> 00:05:28: or regional level where we're seeing in the US for

00:05:28 --> 00:05:32: example, the Securities and Exchange Commission releasing.

00:05:33 --> 00:05:37: A proposed disclosure requirement for climate risk and we're seeing

00:05:37 --> 00:05:40: in the UK in the EU this SFDR regulations also

00:05:40 --> 00:05:44: looking a lot at climate risk reporting and alignment with

00:05:44 --> 00:05:47: TCF D so we're seeing a lot of government influence

00:05:47 --> 00:05:50: push more than ever before for real estate to to

00:05:50 --> 00:05:52: make moves on on climate action.

00:05:53 --> 00:05:56: The next piece is around physical climate risk and that's

00:05:56 --> 00:06:00: specifically addressing the global flood challenges. We see this as

00:06:00 --> 00:06:03: a very key part of sustainability for real estate to

00:06:03 --> 00:06:05: look at in this calendar year 2023. I mean global

00:06:05 --> 00:06:09: water challenges the cross cut influence effects of many climate

00:06:09 --> 00:06:12: hazards. So we have flooding and storms and drought and

00:06:12 --> 00:06:15: extreme heat, but flooding in particular was really raised from

00:06:15 --> 00:06:19: the the Roundtable discussions of arguably sustainability members and.

00:06:20 --> 00:06:23: We're seeing decision making being affected by these flood risks.

00:06:23 --> 00:06:26: We're seeing it affect the bottom line. We're seeing it

00:06:26 --> 00:06:29: affect long term plans and short term plans when it

00:06:29 --> 00:06:32: comes to real estate based on those flooding climate events.

00:06:32 --> 00:06:35: So that is very much something that I look forward

00:06:35 --> 00:06:37: to hearing our our speakers talk about today. And the

00:06:37 --> 00:06:39: last piece is it ends on a bit of a

00:06:39 --> 00:06:43: positive note thinking about harnessing the power of collaboration. I

00:06:43 --> 00:06:46: think anyone here on the webinar today understands that no

00:06:46 --> 00:06:49: one stakeholder can solve the climate crisis alone specifically for

00:06:49 --> 00:06:50: the building.

00:06:50 --> 00:06:53: Sector, you know, it's not just the developer, it's not

00:06:53 --> 00:06:56: just the owner or the contractor or the construction firm
00:06:56 --> 00:06:59: or the architect or the tenant or the government or
00:06:59 --> 00:06:59: or the investor.
00:07:00 --> 00:07:05: Collaboration is essential to reaching the climate goals that
so
00:07:05 --> 00:07:07: many stakeholders have at scale.
00:07:08 --> 00:07:11: And so the power of effective collaboration on climate, I
00:07:11 --> 00:07:14: mean at the industry level, at the Community level, at
00:07:14 --> 00:07:15: the building level, it.
00:07:15 --> 00:07:20: It uplifts the voices of underserved communities for example
with
00:07:20 --> 00:07:24: environmental justice and social equity considerations and it
also drives
00:07:24 --> 00:07:29: accelerated climate progress because of the the collective
innovation and
00:07:29 --> 00:07:33: collective collaboration on climate action for real estate. So
we're
00:07:33 --> 00:07:38: we're seeing collaboration as being everyone has always
collaborated but
00:07:38 --> 00:07:41: this year we're seeing it more than ever as a
00:07:41 --> 00:07:44: key piece of of progress cost effectively to to drive
00:07:44 --> 00:07:46: decarbonization and overall.
00:07:46 --> 00:07:50: Sustainability and real estate. So again, I highly recommend
everyone
00:07:50 --> 00:07:55: visitsuli.org/sustainability outlook to download the report,
read the results fully,
00:07:55 --> 00:07:58: all in, it's a pretty short publication by ULI Standards.
00:07:58 --> 00:08:01: So now our plan for this webinar is to have
00:08:01 --> 00:08:04: a free flowing discussion that covers these five topic areas
00:08:04 --> 00:08:08: from the perspective of our expert panelists. So we are
00:08:08 --> 00:08:11: very excited about this dialogue. We hope the webinar
attendees,
00:08:11 --> 00:08:14: you all will contribute your thoughts in the Q&A box
00:08:14 --> 00:08:17: and the questions especially for the panelists.
00:08:17 --> 00:08:19: So with that, I will pass it to Sarah from
00:08:19 --> 00:08:23: Ferguson Partners to tee up and and moderate the
discussion
00:08:23 --> 00:08:25: and also tee up our speakers. So panelists, please make
00:08:25 --> 00:08:28: sure your videos are on and Sarah, please take it
00:08:28 --> 00:08:29: from here.
00:08:30 --> 00:08:33: Thank you so much, Martha. I appreciate that. Welcome
everyone.
00:08:33 --> 00:08:35: Excited to be here and to be part of this
00:08:35 --> 00:08:38: conversation. It's obviously a topical issue and in our industry

00:08:38 --> 00:08:41: as well as within our space specifically. So thrilled to
00:08:41 --> 00:08:43: be a part of it. Wanted to take a few
00:08:43 --> 00:08:45: minutes at the outset as part of mentioned to give
00:08:45 --> 00:08:48: each of the panelists an opportunity to speak a bit
00:08:48 --> 00:08:51: more about their organization and maybe share with
everyone a
00:08:51 --> 00:08:54: bit about your organization's top priorities as it relates to
00:08:54 --> 00:08:57: sustainability in the coming year and just provide a little
00:08:57 --> 00:08:59: bit more background there before we dive into some of
00:08:59 --> 00:09:00: the topics that.
00:09:00 --> 00:09:03: Your outline, Daniel, did you want to take a minute
00:09:03 --> 00:09:04: and go first?
00:09:05 --> 00:09:09: Sure. Thanks very much, Sarah and Marta. My name is
00:09:09 --> 00:09:13: Daniel Chang and I'm the European league for SG at
00:09:13 --> 00:09:17: Heinz. Heinz is a global privately held real estate company
00:09:17 --> 00:09:21: with over 65 years of experience and present in over
00:09:21 --> 00:09:26: 28 countries. And sort of jumping into the question around
00:09:26 --> 00:09:30: our top priorities at Heinz, we we recognize the impact
00:09:30 --> 00:09:34: that carbon has on climate and the environmental and social
00:09:34 --> 00:09:35: costs that.
00:09:35 --> 00:09:38: As are associated with that impact. And so for us
00:09:38 --> 00:09:42: that's really one of the most important challenges for the
00:09:42 --> 00:09:45: industry. And and with that in mind, last year in
00:09:46 --> 00:09:49: 2022 Heinz set out its net zero and operations carbon
00:09:49 --> 00:09:53: commitment of 2040. And so implementing and taking steps
to
00:09:53 --> 00:09:56: to reach that commitment is really going to be the
00:09:56 --> 00:10:01: main priorities going forward. And specifically the top
priorities are
00:10:01 --> 00:10:04: going to be to drive net zero ambitions through a
00:10:04 --> 00:10:06: systems approach to align.
00:10:06 --> 00:10:09: Ourselves with the science whenever it's available and to
harness
00:10:09 --> 00:10:13: and leverage innovation and technology in a systematic way.
And
00:10:13 --> 00:10:17: then finally just being really holistic and comprehensive
throughout that
00:10:17 --> 00:10:18: approach.
00:10:20 --> 00:10:22: Thanks Daniel and maybe handing it off to Sonia.
00:10:24 --> 00:10:27: Hi, I'm Sonia Khanna and I leave the sustainable real
00:10:27 --> 00:10:31: estate group at 4 Bright Bank. For those who don't
00:10:31 --> 00:10:34: know, for bright, we are \$10 billion in assets and
00:10:34 --> 00:10:38: are headquartered outside of Washington DC we've been

around since
00:10:38 --> 00:10:42: the early 2000s, but we rebranded to four Bright Bank
00:10:42 --> 00:10:45: at the beginning of 2022 alongside a reimagining of our
00:10:45 --> 00:10:49: mission to be a full service bank that's focused on
00:10:49 --> 00:10:52: sustainability. In support of this mission, we have set an
00:10:52 --> 00:10:54: ambitious goal to dedicate.
00:10:54 --> 00:10:59: Half of our portfolio to sustainable finance opportunities by
the
00:10:59 --> 00:11:03: end of 2025. My group, the sustainable real estate group
00:11:03 --> 00:11:07: lends on commercial real estate properties within four major
themes,
00:11:07 --> 00:11:09: green buildings.
00:11:09 --> 00:11:13: Affordable housing and Community development, historic
preservation and.
00:11:15 --> 00:11:17: And Brownfield develop redevelopment.
00:11:18 --> 00:11:20: We also have a team that offers free pace, which
00:11:21 --> 00:11:24: is another form of financing for property improvements at
forthright.
00:11:24 --> 00:11:28: We believe that allocating capital to decarbonization will
ultimately create
00:11:29 --> 00:11:32: the most long term value for our investors, our employees
00:11:32 --> 00:11:33: and our customers.
00:11:35 --> 00:11:37: OK. Thank you, Sonia. Katie.
00:11:40 --> 00:11:43: Hello everyone. My name is Katie Blum. I work with
00:11:43 --> 00:11:48: East West Partners. We're a real estate development firm
headquartered
00:11:48 --> 00:11:52: in Colorado. While we've offices throughout Colorado, Deer
Valley, UT,
00:11:52 --> 00:11:56: why and Charleston, SC we developed resort and urban
communities
00:11:57 --> 00:12:00: and office buildings and hotels. I have been with the
00:12:00 --> 00:12:03: firm for seven years. I started in Denver and moved
00:12:03 --> 00:12:07: to Charleston in 2020 to run a project on Kiawah
00:12:07 --> 00:12:09: Island called the Cape on Kiawah.
00:12:10 --> 00:12:12: One of our core values is to build green. And
00:12:13 --> 00:12:16: while while it's one of our values, we've never had
00:12:16 --> 00:12:20: a baseline requirement across all of our projects until this
00:12:20 --> 00:12:23: past year. Our executive team decided this past summer and
00:12:23 --> 00:12:27: we needed to set a standard across all markets. So
00:12:27 --> 00:12:30: our current goal is to build all new projects 100%
00:12:30 --> 00:12:33: operating net 0 carbon. And while I say it's a
00:12:33 --> 00:12:36: goal, it's a requirement. So while while our focus is
00:12:36 --> 00:12:39: also operating net 0 carbon, you know that.
00:12:39 --> 00:12:42: Does not mean we will not be focusing on and

00:12:42 --> 00:12:45: body carbon or other certifications, but that's the baseline and

00:12:45 --> 00:12:47: we're really excited about it.

00:12:49 --> 00:12:52: Fantastic. Appreciate that. And and I think we thought as

00:12:52 --> 00:12:54: a group that would be great to start the the

00:12:55 --> 00:12:59: conversation focusing on the impact of the current economic environment

00:12:59 --> 00:13:03: just given how that impacts everybody. Clearly the sustainability efforts

00:13:03 --> 00:13:06: that each of these firms are undertaking as well. But

00:13:06 --> 00:13:10: really recognizing as Marta introduced at the current global climate

00:13:10 --> 00:13:13: is raising a lot of challenges. There's a lot of

00:13:13 --> 00:13:17: uncertainty and there's obstacles that come with that, particularly as

00:13:17 --> 00:13:19: it relates to progress on the SG.

00:13:19 --> 00:13:22: Time and specifically within the real estate sector. So now

00:13:22 --> 00:13:26: firms are required to balance the need for capital and

00:13:26 --> 00:13:30: put behind sustainability efforts while remaining profitable and managing through

00:13:30 --> 00:13:34: economic difficulties like a pending recession and rising inflation. So

00:13:34 --> 00:13:37: that being said, I guess, Sonia, how is 4 bright

00:13:37 --> 00:13:42: at this point really thinking about prioritizing their sustainability investments

00:13:42 --> 00:13:44: despite some of these recessionary concerns?

00:13:45 --> 00:13:48: Right. So 4 Bright is a sustainability focused bank.

00:13:49 --> 00:13:53: Therefore, while we have a fiduciary duty as a bank

00:13:53 --> 00:13:56: to underwrite the credit of each of our loans, ESG

00:13:56 --> 00:14:00: and sustainability are top of mind. For every loan that

00:14:00 --> 00:14:04: we do, we have a responsible investment policy and an

00:14:04 --> 00:14:08: accompanying E SG due diligence tool credit across all of

00:14:08 --> 00:14:12: our lending verticals to facilitate a dedicated ESG assessment which

00:14:12 --> 00:14:16: accompanies our underwriting memo. For each new loan, we have

00:14:17 --> 00:14:19: a 3 tiered system that classifieds alone.

00:14:19 --> 00:14:23: Neither as restrictive, which means we're not gonna do the

00:14:23 --> 00:14:27: loan. Uh responsible, which means we can pursue the loan

00:14:27 --> 00:14:30: but it doesn't qualify for our uh 50% sustainability goal.

00:14:30 --> 00:14:34: And then sustainable, which means the borrower business plan is

00:14:34 --> 00:14:39: actively promoting sustainability. So essentially our strategy has not changed

00:14:39 --> 00:14:43: given the macroeconomic conditions. However, we do have to underwrite

00:14:43 --> 00:14:47: to the higher interest rate environment and recessionary risks as

00:14:48 --> 00:14:50: other banks do, which is certainly.

00:14:50 --> 00:14:51: Challenging in this environment.

00:14:53 --> 00:14:56: Makes sense. And and Katie, how is this reflected in

00:14:56 --> 00:14:56: in your firm?

00:14:57 --> 00:15:01: Well, as I just mentioned since every new project has

00:15:01 --> 00:15:04: to be 100% operating net zero carbon. I think it's

00:15:04 --> 00:15:08: really important that this is actually a requirement, especially right

00:15:08 --> 00:15:11: now because it's difficult to get projects to pencil with

00:15:11 --> 00:15:16: high construction costs high interest rates and in tough environments.

00:15:16 --> 00:15:19: I think unfortunately sustainable features of a project can get

00:15:20 --> 00:15:22: cut in order to make a project work. So you

00:15:22 --> 00:15:25: know as an example in my current project. We are

00:15:25 --> 00:15:29: grappling with whether or not, we should pursue LEED gold.

00:15:29 --> 00:15:32: As construction costs are coming in extremely high, but we

00:15:32 --> 00:15:36: decided you know we have to treat sustainability features as

00:15:36 --> 00:15:40: a mandatory component of projects just like any other amenity

00:15:40 --> 00:15:43: and it's a non negotiable. So to be honest, I'm

00:15:43 --> 00:15:46: excited that this is a new requirement and especially in

00:15:46 --> 00:15:50: a tough environment because we don't have an excuse not

00:15:50 --> 00:15:53: not to build sustainably and 200% operating net 0 carbon.

00:15:55 --> 00:15:57: Right. And and Daniel, what about for Heinz?

00:15:59 --> 00:16:01: Yeah, I would. I would echo what what page is

00:16:01 --> 00:16:05: also just mentioned is that for us our important stakeholders

00:16:05 --> 00:16:09: like our investors and our occupiers are really demanding to

00:16:09 --> 00:16:12: be in an energy performance and and and ESG performance

00:16:12 --> 00:16:17: buildings more than ever even despite the Mecca macroeconomic headwinds.

00:16:17 --> 00:16:20: And I would say that the headwinds that we're having

00:16:20 --> 00:16:24: today are different in in other downturns that we've had

00:16:24 --> 00:16:27: where now we have signs that shows you know what

00:16:27 --> 00:16:29: needs to happen by 2050 to avoid.

00:16:29 --> 00:16:33: You know, you know, disastrous impact on, on climate and

00:16:33 --> 00:16:36: on the planet. We have more tools to to help

00:16:36 --> 00:16:39: us to get there, to be more transparent and accountable

00:16:39 --> 00:16:42: to get there. So I think more than ever our,

00:16:42 --> 00:16:46: our stakeholders are asking us for that. And I think

00:16:46 --> 00:16:49: you know, if there is a silver lining in Europe
00:16:49 --> 00:16:52: where we said price it. You know, with the energy
00:16:52 --> 00:16:55: crisis being so acute you know, it has brought occupiers
00:16:56 --> 00:16:59: closer to us as landlords to want to collaborate in
00:16:59 --> 00:17:00: terms of reducing.
00:17:00 --> 00:17:04: So that their operational expenses and their energy costs
and
00:17:04 --> 00:17:07: as a result also to bring down operational carbon. So
00:17:07 --> 00:17:10: in that regard it's actually been positive and we're hoping
00:17:10 --> 00:17:14: that that's a relationship that we're going to build on
00:17:14 --> 00:17:17: going forward. And I would say that even though you
00:17:17 --> 00:17:20: know there is the contention temptation maybe on some of
00:17:20 --> 00:17:23: the BSG CapEx upgrades to push those further down the
00:17:23 --> 00:17:26: line. But the flip argument of that is that the
00:17:26 --> 00:17:29: payback periods are also shorter now with the higher energy
00:17:30 --> 00:17:30: costs.
00:17:30 --> 00:17:33: So I would say to sum it up that you
00:17:33 --> 00:17:38: know more than ever investors and occupiers are really
wanting
00:17:39 --> 00:17:41: to be in EG performance buildings.
00:17:43 --> 00:17:46: Right. So it sounds like not so much that much
00:17:46 --> 00:17:49: is changing, but just more of a commitment to the
00:17:49 --> 00:17:53: ongoing strategy and continuing to find ways to evolve
despite
00:17:53 --> 00:17:56: some of the economic challenges that may be out there.
00:17:56 --> 00:17:59: Umm, so yeah, do you think about the next year,
00:17:59 --> 00:18:02: is there anything that you, your firm or is planning
00:18:02 --> 00:18:05: to leverage in terms of new types of incentive strategies
00:18:05 --> 00:18:09: or financing strategies to ensure your progress on this front?
00:18:10 --> 00:18:15: I think one of the most interesting, interesting and exciting
00:18:15 --> 00:18:18: financing tools out there right now um is, is C
00:18:18 --> 00:18:22: pace. It's a product that for Bright Bank as well
00:18:22 --> 00:18:25: as other institutions offer. See pace is a way of
00:18:26 --> 00:18:30: financing building upgrades and is currently active in 30
states.
00:18:30 --> 00:18:34: In the United States it can finance up to 100%
00:18:34 --> 00:18:38: of property upgrades and essentially can be layered on top
00:18:38 --> 00:18:40: of existing senior debt.
00:18:40 --> 00:18:44: It's structured as a tax assessment and is typically fixed
00:18:44 --> 00:18:46: rate over a term of 20 to 30 years. It's
00:18:46 --> 00:18:50: our view that given the current economic environment and
the
00:18:50 --> 00:18:53: need for buildings to be decarbonized, whether due to net

00:18:53 --> 00:18:57: zero pledges or because of government regulation requiring it, C

00:18:57 --> 00:19:00: pace will become more widely adopted over the next couple

00:19:00 --> 00:19:01: of years.

00:19:03 --> 00:19:05: Wonderful. And and maybe this is a good time to

00:19:06 --> 00:19:09: transition from there to talking a little bit about the

00:19:09 --> 00:19:13: transition risk that is showing up within some transactions and

00:19:13 --> 00:19:16: and how you all are thinking about factoring climate risk

00:19:16 --> 00:19:20: into your prospective investments and and that approach going forward.

00:19:20 --> 00:19:24: I guess Daniel, how is Heinz measuring that transition risk

00:19:24 --> 00:19:27: and your assets or your funds and has anything changed

00:19:27 --> 00:19:30: that over the last year that you expect to change

00:19:30 --> 00:19:31: going into this year?

00:19:32 --> 00:19:35: Yeah, I think so. For Heinz.

00:19:37 --> 00:19:40: What has changed for us is that you know with

00:19:40 --> 00:19:44: that net 0 carbon commitment, we have now embedded in

00:19:44 --> 00:19:48: our acquisition process to also seek to understand the performance

00:19:48 --> 00:19:52: of our assets against Creme. And so really plotting the

00:19:52 --> 00:19:57: transitional risks and and including that in the acquisition process

00:19:57 --> 00:20:01: and just to to to quickly give an explanation around

00:20:01 --> 00:20:04: what crime is, crime stands for the climate risk real

00:20:04 --> 00:20:08: estate monitoring which is basically monitor.

00:20:08 --> 00:20:11: Which is essentially a tool that allows you to understand

00:20:11 --> 00:20:15: the carbon intensity performance of a building year on year

00:20:15 --> 00:20:18: over time such that you get to net 0 by

00:20:18 --> 00:20:21: 2050. And so you essentially seek to be aligned with

00:20:21 --> 00:20:24: that and if you aren't at any point that's when

00:20:24 --> 00:20:28: your asset is stranded. And So what Heinz is doing

00:20:28 --> 00:20:31: is to align ourselves with cream and to make sure

00:20:31 --> 00:20:35: that when we're looking at opportunities and and and and

00:20:35 --> 00:20:38: acquisition that we're plotting the performance of our.

00:20:38 --> 00:20:43: Buildings from a transitional risk perspective against that crime pathway.

00:20:43 --> 00:20:46: And what that means is that also then allows us

00:20:46 --> 00:20:49: to understand what initiatives it would take to make sure

00:20:49 --> 00:20:53: that our buildings are constantly aligned with cream and therefore

00:20:53 --> 00:20:57: understanding what the cost of those initiatives would be and

00:20:57 --> 00:21:00: what those implications of those costs would be on evaluations.

00:21:00 --> 00:21:03: So very much we are focused on making sure that
00:21:03 --> 00:21:07: transitional risks are being factored in and understanding
what the
00:21:07 --> 00:21:08: implications are and.
00:21:08 --> 00:21:13: Regulations and I think for me what's been really interesting
00:21:13 --> 00:21:16: as recently as, as in the last three or four
00:21:16 --> 00:21:20: months, we had a discussion with an investor in Europe
00:21:20 --> 00:21:23: who a large investor who basically asked that all of
00:21:24 --> 00:21:28: their investment managers make sure that the stranding
period of
00:21:28 --> 00:21:32: their assets are always 10 years out on the crime
00:21:32 --> 00:21:36: benchmark. So for them really intrinsically it means that
they're
00:21:36 --> 00:21:38: tying the the preserve preserve.
00:21:40 --> 00:21:44: Preservation of the value of the building with ten years
00:21:44 --> 00:21:47: out and make sure making sure that it's liquid so
00:21:47 --> 00:21:49: we see that there's a lot of.
00:21:52 --> 00:21:57: Importance between transition risks and valuations and
actually one thing
00:21:57 --> 00:22:00: that we're really excited about is also being a Co
00:22:00 --> 00:22:04: sponsor of the ULI initiative called Sea Change, which was
00:22:04 --> 00:22:07: launched last October, which is exactly one of the main
00:22:07 --> 00:22:10: focus areas of that is to seek to standardize an
00:22:11 --> 00:22:15: approach to linking transition risks with valuation risks. So
we're
00:22:15 --> 00:22:18: really excited about how that's going to shape the way
00:22:18 --> 00:22:21: that we talk about transition risk and values.
00:22:21 --> 00:22:22: Right. Forward.
00:22:23 --> 00:22:27: Wonderful. And Sonia, what has been your experience or
perspective
00:22:27 --> 00:22:28: in in this regards?
00:22:29 --> 00:22:31: So I'd say as a bank and and like many
00:22:31 --> 00:22:35: other banks we are really starting with the physical risk
00:22:35 --> 00:22:39: aspect of the equation. So we've been really working to
00:22:39 --> 00:22:44: try to incorporate physical risk into our underwriting transition.
Risk
00:22:44 --> 00:22:47: is definitely trickier, is there a lot of lot more
00:22:47 --> 00:22:52: variables involved with this, we don't currently necessarily
take into
00:22:52 --> 00:22:53: account you know.
00:22:53 --> 00:22:57: Transition risk across our portfolio. However, we are looking
at
00:22:57 --> 00:23:01: various tools and evaluating them right now to see how
00:23:01 --> 00:23:03: best to address it in the future.

00:23:05 --> 00:23:09: Interesting and and understanding that in addition to the transition

00:23:09 --> 00:23:11: risk we you know it was it was talked about

00:23:11 --> 00:23:15: the influence that government is having in this space right

00:23:15 --> 00:23:18: now and that there are obviously getting much more actively

00:23:18 --> 00:23:21: involved at all levels and and have a lot of

00:23:21 --> 00:23:24: influence on everything from recognizing the importance of climate to

00:23:24 --> 00:23:28: federal funding to local policy initiatives and regulations across the

00:23:28 --> 00:23:31: board. Katie, would you mind sharing with the group maybe

00:23:32 --> 00:23:35: an example of how the government's influence has impacted or.

00:23:35 --> 00:23:38: Have you, have you and your team kind of rethought

00:23:38 --> 00:23:41: your approach or strategy around a project or an initiative?

00:23:42 --> 00:23:45: Well, I think you know we are seeing a wave

00:23:45 --> 00:23:49: of regulation across the country and in some cities and

00:23:49 --> 00:23:52: states more so than others. And I think in some

00:23:52 --> 00:23:56: cases we're seeing that you know building sustainably and in

00:23:56 --> 00:24:01: particular with net zero carbons helped entitlement process which has

00:24:01 --> 00:24:04: been a great incentive. I think a good example from

00:24:04 --> 00:24:07: East West is in Denver on the city's goal is

00:24:07 --> 00:24:11: to have all buildings and homes being net zero energy

00:24:11 --> 00:24:13: by 2030 and so our local team.

00:24:13 --> 00:24:16: There was like, well, you know, we know we're building

00:24:16 --> 00:24:19: buildings before 2030. We might as well make them net

00:24:19 --> 00:24:23: zero energy now, you know, separate from our goals versus

00:24:23 --> 00:24:26: waiting till 2030 because if we don't then we're just

00:24:26 --> 00:24:29: going to have to retrofit them in a few years.

00:24:29 --> 00:24:33: So I think knowing that upcoming code requirements really helped

00:24:33 --> 00:24:37: change the way we're thinking about designing buildings now versus

00:24:37 --> 00:24:39: having to make changes in the future. So I think

00:24:40 --> 00:24:43: kind of those sort of regulations and codes can help.

00:24:43 --> 00:24:47: Drive developers to make decisions on real time to hopefully

00:24:47 --> 00:24:51: develop buildings that are, you know, long lasting and valuable

00:24:51 --> 00:24:52: assets.

00:24:55 --> 00:24:57: No, I think that's a great example. And and Sonia,

00:24:57 --> 00:25:00: has there been an example in in your role where

00:25:00 --> 00:25:02: you could speak to sort of the government's influence here

00:25:02 --> 00:25:05: in some situations you've had to navigate or respond to?

00:25:07 --> 00:25:11: Say, we're going to be really responding to these government,

00:25:11 --> 00:25:15: the government influence here shortly as more and more local

00:25:15 --> 00:25:19: laws are passed. Just looking at, you know, various jurisdictions

00:25:19 --> 00:25:22: up and down the East Coast of the US, you

00:25:22 --> 00:25:25: have local law 97 in New York City, which is

00:25:25 --> 00:25:29: probably the most talked about regulation as it requires buildings

00:25:29 --> 00:25:33: greater than 25,000 square feet to meet new energy efficiency

00:25:34 --> 00:25:36: and greenhouse gas emissions limits by 2024.

00:25:37 --> 00:25:40: With stricter limits in place by 2030, Washington, DC's Clean

00:25:40 --> 00:25:45: Energy Act also requires buildings to meet certain energy efficiency

00:25:45 --> 00:25:49: standards by 2026. Montgomery County, Maryland, which is where I

00:25:49 --> 00:25:52: sit, just passed a bill as well that requires buildings

00:25:52 --> 00:25:56: to meet certain building performance standards, or bats. I think,

00:25:56 --> 00:26:00: you know, the major difference with some of these newer

00:26:00 --> 00:26:04: laws is that they don't necessarily just provide incentives to

00:26:04 --> 00:26:07: build green and they don't just deal with new.

00:26:07 --> 00:26:11: Construction, it's for existing buildings that need to comply with

00:26:11 --> 00:26:16: certain emissions limits, and if they don't, they're financial penalties

00:26:16 --> 00:26:20: for it. So building owners will definitely have to figure

00:26:20 --> 00:26:23: out how to address these laws or face consequences for

00:26:23 --> 00:26:27: it. So from a lender's point of view, this will

00:26:27 --> 00:26:30: provide a really good opportunity for us to finance these

00:26:30 --> 00:26:34: upgrades either via products like cpace or, you know, other

00:26:34 --> 00:26:36: traditional debt sources.

00:26:38 --> 00:26:41: That's a really good point. And and Daniel, how about

00:26:41 --> 00:26:42: for you and with Heinz?

00:26:43 --> 00:26:46: Yeah, I would say we're so from where I sit

00:26:46 --> 00:26:50: in Europe there's legislation at many different levels. So at

00:26:50 --> 00:26:54: a European level for example, we've got the European taxonomy

00:26:54 --> 00:26:58: and also the sustainable Finance disclosure Regulation, SFDR, which is

00:26:58 --> 00:27:01: an extension of EU taxonomy and how that applies to

00:27:01 --> 00:27:05: funds. And so these are regulations that have been designed

00:27:05 --> 00:27:09: not necessarily with real estate in mind. So they have

00:27:09 --> 00:27:12: created a little bit of confusion in terms of how
00:27:12 --> 00:27:14: they are ought to be adopted.
00:27:14 --> 00:27:16: By the by the industry. But I I do think
00:27:16 --> 00:27:20: that they are helping to push forward the understanding in
00:27:20 --> 00:27:23: a more comprehensive way so that people can talk and
00:27:23 --> 00:27:28: communicate about ESP and hold themselves accountable.
The one thing
00:27:28 --> 00:27:31: that that it's also highlighting is that that you know
00:27:31 --> 00:27:34: we also need to be careful about making sure that
00:27:35 --> 00:27:39: we're following those regulations accurately and and not sort
of
00:27:39 --> 00:27:42: seeking to sort of you know stretch some of the
00:27:42 --> 00:27:44: things that I've seen you know recently.
00:27:45 --> 00:27:48: In the industry, many managers think from one SFDR
regulation
00:27:49 --> 00:27:52: category to another to make sure that they're avoiding being
00:27:53 --> 00:27:57: perceived as as greenwashing. And I think that's something
that
00:27:57 --> 00:28:00: is you know is is really important in the context
00:28:00 --> 00:28:03: of regulation. The last thing I would say about about
00:28:03 --> 00:28:07: regulation is that, you know, in Europe there is a
00:28:07 --> 00:28:11: lot of different levels at European level, at country level,
00:28:11 --> 00:28:14: even at district level, but in tandem with that there's
00:28:14 --> 00:28:15: also many.
00:28:16 --> 00:28:20: Industry LED voluntary initiatives like grass like global real
estate,
00:28:20 --> 00:28:24: sustainability benchmark or tools like cram or tools like
science
00:28:24 --> 00:28:28: based target initiative, all that help to bring the market
00:28:28 --> 00:28:32: forward and help to hold ourselves accountable as we
communicate
00:28:32 --> 00:28:33: about our performance.
00:28:35 --> 00:28:38: That's great. And I think those are all hopefully very
00:28:38 --> 00:28:41: helpful examples and really showed a lot of the different
00:28:41 --> 00:28:44: kind of variations that we're seeing across some of the
00:28:44 --> 00:28:47: regulatory changes and the increase that's coming in terms
of
00:28:47 --> 00:28:50: just the volume and and how more frequent this is
00:28:50 --> 00:28:53: becoming much more common across lots of different levels
and
00:28:53 --> 00:28:54: and different markets.
00:28:56 --> 00:28:59: As we think about you know the physical risk piece
00:28:59 --> 00:29:01: as well you know that one I I think becomes
00:29:01 --> 00:29:06: increasingly important to better understand how to really

00:29:06 --> 00:29:10: analyze and quantify the physical risk associated with a potential asset.

00:29:10 --> 00:29:14: Katie, how are you measuring physical risk or particularly around flooding?

00:29:14 --> 00:29:18: I know the water piece was mentioned as being particularly topical at the time you know and how do you

00:29:18 --> 00:29:20: think about that and and how in your approach?

00:29:20 --> 00:29:23: OK. You're on mute, sorry.

00:29:26 --> 00:29:28: Sorry about that. Well, sliding an issue in Charleston, as

00:29:30 --> 00:29:34: I think many people are aware and I'm really anywhere

00:29:34 --> 00:29:37: along the coast if you're developing and so, you know,

00:29:37 --> 00:29:41: we know it's an issue and I think it's important

00:29:41 --> 00:29:44: that every stakeholder is involved and does what they can

00:29:44 --> 00:29:47: to address flooding. You know, for example, example,

00:29:47 --> 00:29:52: whether it's

00:29:52 --> 00:29:56: like the city investing and updated infrastructure, passing new regulations

00:29:56 --> 00:30:00: or developers on thinking through ways to create.

00:30:00 --> 00:30:03: More pervious surface in areas for water to flow. So

00:30:03 --> 00:30:06: it just has to be top of mind when we're

00:30:06 --> 00:30:09: designing a project. And and my current project on kiawah,

00:30:09 --> 00:30:13: we've taken a number of steps to address flooding concerns.

00:30:13 --> 00:30:16: So I can give you some examples. For example, on

00:30:16 --> 00:30:20: the first level of every building, there's no living space,

00:30:20 --> 00:30:24: it's all garage and there's breakaway walls with flood vents,

00:30:24 --> 00:30:28: all materials or flood resistance. We have 4 drains. So

00:30:28 --> 00:30:30: essentially the first levels designed.

00:30:31 --> 00:30:33: So water can come in and we would not have

00:30:33 --> 00:30:37: to replace the materials. Hopefully that's not the case, but

00:30:37 --> 00:30:41: that's how it's designed. The second level, which is really

00:30:41 --> 00:30:44: the first living level is higher than what's required by

00:30:44 --> 00:30:47: code. We have a big storm water retention pond in

00:30:47 --> 00:30:51: the middle of our site that really day-to-day is used

00:30:51 --> 00:30:54: as a grand lawn where owners can sit outside, play

00:30:54 --> 00:30:58: games, etcetera. So it's an amenity for the community, but

00:30:58 --> 00:31:00: it really is a stormwater retention pond.

00:31:01 --> 00:31:05: Um, we're reconstructing dunes all throughout the site. And then

00:31:05 --> 00:31:09: finally, our building lock coverage is about 13.8% where we

00:31:09 --> 00:31:12: were allowed to have up to 25%. And so in

00:31:12 --> 00:31:16: our initial entitlements, we are allowed to have more buildings

00:31:17 --> 00:31:20: across the site, but with fewer units. And so we

00:31:20 --> 00:31:23: went through a rezoning process, so we were able to

00:31:23 --> 00:31:28: have fewer buildings with more units, therefore reducing them previous

00:31:28 --> 00:31:31: service on the site. So those are.

00:31:31 --> 00:31:34: Some examples of of what we've done and and Kiowa.

00:31:35 --> 00:31:38: Right. And Sonia, how do you think about, I know

00:31:38 --> 00:31:41: you mentioned physical risk being perhaps more top of mind

00:31:41 --> 00:31:44: than transitional risk. How are you thinking about that and

00:31:44 --> 00:31:47: particularly does it impact of a flood risk have any

00:31:47 --> 00:31:50: more significant impact on how you think about a potential

00:31:51 --> 00:31:52: investment of strategy?

00:31:52 --> 00:31:57: Yeah, definitely. I mean they're there. As I mentioned before,

00:31:57 --> 00:32:01: there are various softwares out there that take into account

00:32:01 --> 00:32:05: certain climate scenarios and then can help you quantify.

00:32:06 --> 00:32:10: What physical climate risk would be for your asset over

00:32:10 --> 00:32:14: your hold. So we've been looking at these various softwares

00:32:14 --> 00:32:18: and basically it would apply essentially a loss factor over

00:32:18 --> 00:32:21: the term. I guess for us it would be the

00:32:21 --> 00:32:25: turn of term of our loan or for an investor

00:32:25 --> 00:32:28: the term of the term of their ownership and we

00:32:28 --> 00:32:32: would apply that to our underwriting. So essentially what it

00:32:33 --> 00:32:35: would do is decrease the value of.

00:32:36 --> 00:32:40: Of properties that are in more disaster prone areas and

00:32:40 --> 00:32:44: so that's something that we are definitely employing right now.

00:32:47 --> 00:32:49: And Daniel, how are you taking this into consideration?

00:32:50 --> 00:32:53: Yeah, so you know in in the acquisition phase and

00:32:54 --> 00:32:57: due diligence that's where we really start looking at all

00:32:57 --> 00:33:01: risks and and you know including physical risks like flooding

00:33:01 --> 00:33:05: risks. So traditionally that would have been you know probably

00:33:05 --> 00:33:07: looking at the historical 100 year flood.

00:33:09 --> 00:33:12: Tendency, but in Europe now and in many of our

00:33:12 --> 00:33:16: funds, we're looking at what we have been obtaining climate

00:33:16 --> 00:33:20: risk studies, which many of those, the one that we

00:33:20 --> 00:33:24: work with 427 that's part of Moody's includes a projection

00:33:24 --> 00:33:27: of the impact on flooding and other physical risks. If

00:33:27 --> 00:33:32: there's a four degree increase in temperature, 4 degrees Celsius.

00:33:32 --> 00:33:35: And so that then helps to show what potential risks

00:33:35 --> 00:33:39: and flooding could be in, you know, as temperatures rise.

00:33:39 --> 00:33:42: Which you know, we know is the case. And so

00:33:42 --> 00:33:44: with that in mind that helps us to put in
00:33:44 --> 00:33:48: place, you know, in the business plan mitigation measures if
00:33:48 --> 00:33:49: needed.
00:33:51 --> 00:33:54: Wonderful. And and I guess sort of getting to the
00:33:54 --> 00:33:56: the final point in terms of how many of these
00:33:56 --> 00:34:00: issues are addressed, the importance of collaboration both at the
00:34:00 --> 00:34:03: industry level, the Community level across all levels and sort
00:34:03 --> 00:34:07: of recognizing the importance of that in terms of being
00:34:07 --> 00:34:10: able to make meaningful progress. And in much of this
00:34:10 --> 00:34:12: area. Katie, do you want to share an example of
00:34:12 --> 00:34:15: sort of how collaboration has really enabled you and your
00:34:16 --> 00:34:19: firm to make progress and sustainability and and kind of
00:34:19 --> 00:34:20: move your own strategy forward?
00:34:22 --> 00:34:25: Sure. So you know I think it really starts with
00:34:25 --> 00:34:28: our, our team or our design team and you know
00:34:28 --> 00:34:32: as developers we know enough to be dangerous but we're
00:34:32 --> 00:34:36: not, not the experts. And so it's really important that
00:34:36 --> 00:34:40: we have a team that's knowledgeable and passionate about what
00:34:40 --> 00:34:43: we're doing and from the get go. So you know
00:34:43 --> 00:34:47: in terms of the layout on the site, the initial
00:34:47 --> 00:34:51: design like the the envelope, the mechanical systems, it's also
00:34:51 --> 00:34:52: important.
00:34:52 --> 00:34:55: Um, in terms of initial design to in order to
00:34:55 --> 00:34:57: meet our goals and if if we don't have a
00:34:58 --> 00:35:00: team off the bat that is excited to pursue our
00:35:01 --> 00:35:04: sustainability goals and to work with us, then it's really
00:35:04 --> 00:35:07: hard to do that. We are under construction on a
00:35:07 --> 00:35:11: building in Snowmass right now called Electric Pass Lodge.
00:35:11 --> 00:35:15: So
00:35:15 --> 00:35:19: it's an all electric building net zero ready and when
00:35:19 --> 00:35:23: we were, you know working through the entitlement process
00:35:23 --> 00:35:27: knowing
00:35:27 --> 00:35:30: that this building was going to have all these sustainable.
00:35:30 --> 00:35:33: Stainability features really made the local government excited
00:35:33 --> 00:35:36: and really
00:35:36 --> 00:35:39: was a huge benefit for the entitlement process. So you
00:35:39 --> 00:35:42: know that was great in terms of working with the
00:35:42 --> 00:35:45: local government and then we've had a great team on
00:35:45 --> 00:35:48: that building as well. And in particular we worked with
00:35:48 --> 00:35:51: an engineer integral group out of Canada and they've just

00:35:42 --> 00:35:45: been kind of thought leaders in terms of our design
00:35:45 --> 00:35:48: and innovative systems that have helped us think outside of
00:35:48 --> 00:35:50: the box and and achieve our goals.
00:35:52 --> 00:35:54: That's fantastic, Daniel, how about for you? Is there an
00:35:54 --> 00:35:56: example that comes to mind?
00:35:57 --> 00:36:01: Yeah, I think to to the point I'm just mentioned
00:36:01 --> 00:36:06: and Martin introduced in terms of really harnessing
collaboration to
00:36:06 --> 00:36:09: be able to extend the remit of of you know
00:36:09 --> 00:36:13: pushing the HT agenda forward beyond just you know a
00:36:13 --> 00:36:17: small team it's it's really about engaging the stakeholders
whether
00:36:18 --> 00:36:22: they're internal or external. And so a couple of examples
00:36:22 --> 00:36:25: that come to mind are you know we have one
00:36:25 --> 00:36:27: project in Germany where it's it's.
00:36:27 --> 00:36:31: Sitting right outside of Munich and a district called No
00:36:31 --> 00:36:35: parallel where we have two two buildings, one building is
00:36:35 --> 00:36:39: currently being redeveloped and the other one is sitting
vacant
00:36:39 --> 00:36:43: while we're seeking to get the the RE permit. And
00:36:43 --> 00:36:46: in that vacant building, the the local project team have
00:36:46 --> 00:36:52: basically created a Community Center and provided cultural
facilities, training
00:36:52 --> 00:36:56: facilities, educational facilities and even a community kitchen
with a
00:36:57 --> 00:36:58: local provider.
00:36:58 --> 00:37:02: Really embedding that project in the community and and
providing
00:37:02 --> 00:37:05: impact for that community. And you know I think it's
00:37:05 --> 00:37:09: already mentioned also providing a better link if you will
00:37:09 --> 00:37:13: with the local municipality in terms of the permitting process
00:37:13 --> 00:37:17: as well and establishing that building and the future use
00:37:17 --> 00:37:20: is firmly in, in, in, in that Community. And so
00:37:20 --> 00:37:24: I think you know that that collaboration is really important.
00:37:25 --> 00:37:28: Another stakeholder that I think is is really important to
00:37:28 --> 00:37:32: talk about is one that I've mentioned earlier, which is
00:37:32 --> 00:37:35: the occupiers and and collaborating with them.
00:37:36 --> 00:37:39: As much as we can going forward, it's structurally so
00:37:40 --> 00:37:42: that we can align on our EST strategies whether it
00:37:43 --> 00:37:45: be on carbon or whether it be on social issues.
00:37:45 --> 00:37:48: So I've talked about you know some of the the
00:37:48 --> 00:37:51: silver lining if you will about the energy crisis and
00:37:51 --> 00:37:54: being able to get closer with them as a result

00:37:54 --> 00:37:56: of that. But I I do think that we need

00:37:56 --> 00:37:59: to continue to do that if any of us want

00:37:59 --> 00:38:02: to get to net zero because they are ultimately the

00:38:02 --> 00:38:02: the main.

00:38:04 --> 00:38:06: Users of the spaces that we build and manage.

00:38:08 --> 00:38:10: That's great. And Sonia.

00:38:12 --> 00:38:16: Yeah. So as part of the Forebridge sustainable real estate

00:38:16 --> 00:38:22: platform, we we've included historic preservation and

00:38:22 --> 00:38:27: community development. In

00:38:22 --> 00:38:27: my experience historic redevelopment projects can

00:38:27 --> 00:38:32: demonstrate the best of

00:38:27 --> 00:38:32: what we can achieve both from a sustainability and

00:38:32 --> 00:38:37: collaboration

00:38:32 --> 00:38:37: perspective. Generally these projects have tax credits

00:38:38 --> 00:38:42: involved and.

00:38:38 --> 00:38:42: And you know also have energy efficiency aspects to them

00:38:42 --> 00:38:47: as they are improving the energy efficiency essentially of of

00:38:47 --> 00:38:52: older buildings and repurposing them into more useful space.

00:38:52 --> 00:38:55: A

00:38:52 --> 00:38:55: deal that crossed my desk which I think was was

00:38:55 --> 00:38:59: a really exciting deal that really kind of showed this

00:38:59 --> 00:39:04: collaboration was an old manufacturing facility that was

00:39:04 --> 00:39:08: housing a

00:39:04 --> 00:39:08: number of small tenants on month to month leases.

00:39:08 --> 00:39:12: The owner of the building had the vision to complete

00:39:12 --> 00:39:15: an adaptive reuse project on the building, converting it to

00:39:15 --> 00:39:19: creative office space with retail along the ground floor. Given

00:39:19 --> 00:39:23: it was an industrial building, it had the right feel

00:39:23 --> 00:39:27: for creative office and the owner had signed multiple leases

00:39:27 --> 00:39:30: for the ground floor retail with local retailers. The capital

00:39:31 --> 00:39:35: stack included historic tax credits, renovation tax credits and

00:39:35 --> 00:39:39: tax

00:39:35 --> 00:39:39: increment financing. The project touched on a number of

00:39:39 --> 00:39:45: sustainability.

00:39:39 --> 00:39:45: Teams which was historical historic redevelopment energy

00:39:45 --> 00:39:48: efficiency with the

00:39:45 --> 00:39:48: new new lighting new HVAC system.

00:39:49 --> 00:39:52: New Windows, um and as part of our loan, we

00:39:52 --> 00:39:57: would require at least a 25% improvement in energy

00:39:57 --> 00:39:59: efficiency

00:39:57 --> 00:39:59: when the project is completed.

00:40:00 --> 00:40:03: And then there was a community development aspect to it

00:40:03 --> 00:40:06: as well. There was going to be a retail incubator

00:40:06 --> 00:40:09: so that small businesses could begin leasing spaces at low

00:40:09 --> 00:40:12: leasing space at lower rents and then as they, as

00:40:12 --> 00:40:16: they become more profitable, you know, grow, grow rents as

00:40:16 --> 00:40:19: the business grows. And then there was also space for

00:40:19 --> 00:40:22: local artists to display their work. So I thought this

00:40:22 --> 00:40:26: was a great example of collaboration between the

00:40:26 --> 00:40:29: government providing

00:40:29 --> 00:40:30: tax credits and then the owner who's giving back to

00:40:30 --> 00:40:33: the community.

00:40:33 --> 00:40:35: Via these retail and art incubator spaces.

00:40:35 --> 00:40:37: That's a great example. I agree. I guess as we

00:40:37 --> 00:40:41: start winding down the discussion here and and getting ready

00:40:41 --> 00:40:43: to open up the session to the to the Group

00:40:43 --> 00:40:45: for a Q&A. I thought it would be helpful to

00:40:45 --> 00:40:49: maybe just taking all these different factors into consideration

00:40:49 --> 00:40:51: is

00:40:51 --> 00:40:55: a lot of different variables and in terms of thinking

00:40:55 --> 00:40:57: about how to move ahead with your sustainability strategy.

00:40:57 --> 00:41:00: And

00:41:00 --> 00:41:02: I guess I'd be curious to hear from each of

00:41:02 --> 00:41:06: those each of you, you know, what are you either

00:41:06 --> 00:41:08: most concerned about? What do you see as your biggest

00:41:08 --> 00:41:11: challenge in terms of the goals that you your organization?

00:41:11 --> 00:41:14: They set out over the next year and and how

00:41:14 --> 00:41:15: you're anticipating kind of navigating some of those. Maybe

00:41:15 --> 00:41:19: I'll

00:41:19 --> 00:41:23: start with you Sonia and we can move around the

00:41:23 --> 00:41:25: group again.

00:41:25 --> 00:41:26: Yeah. I'd say the biggest challenge is definitely the

00:41:26 --> 00:41:30: macroeconomic

00:41:30 --> 00:41:32: environment right now, given where interest rates are.

00:41:32 --> 00:41:35: It's, you know.

00:41:35 --> 00:41:39: It's really tough, uh, to make, to make deals. Pencil.

00:41:39 --> 00:41:41: You know, while developers may want to build sustainable

00:41:41 --> 00:41:44: buildings

00:41:44 --> 00:41:47: or building owners may want to retrofit existing building, the

00:41:47 --> 00:41:50: lack of capital in the market is going to be

00:41:50 --> 00:41:54: an issue definitely over this year as we as we

00:41:54 --> 00:41:57: face, you know, recessionary risks here in the US.

00:41:57 --> 00:42:00: That makes sense. And Katie, how about for you?

00:42:00 --> 00:42:03: I I mean I echo what Sonia said. I think

00:42:03 --> 00:42:04: the biggest rest is the economy. You know it's top

00:42:04 --> 00:42:07: of mind for many and we're trying to get projects

00:42:07 --> 00:42:09: to work and it is really difficult to make them

00:42:07 --> 00:42:10: pencil right now. And so I mean having local governments
00:42:10 --> 00:42:15: and partners on that especially valued decarbonization you know is

00:42:15 --> 00:42:18: hugely helpful in the the new report you know that
00:42:18 --> 00:42:22: mentions how buildings should be valued in relation to their
00:42:22 --> 00:42:24: decarbonization status.

00:42:24 --> 00:42:27: And you know I think that would be hugely beneficial.
00:42:27 --> 00:42:30: I agree. I don't think that has yet the norm.

00:42:31 --> 00:42:34: So in terms of like our underwriting and our exit
00:42:34 --> 00:42:38: values, I don't think we're we're adding extra value to
00:42:38 --> 00:42:41: having you know net 0 operating carbon buildings. But I
00:42:41 --> 00:42:45: do think that's important and so I that just becoming
00:42:45 --> 00:42:49: more and more aware and hopefully I'll become industry standard.

00:42:50 --> 00:42:53: Just a couple other, you know things I was noting
00:42:53 --> 00:42:56: down is when we're right now building a lot of
00:42:56 --> 00:42:58: condos, you know our goal at the end of the
00:42:58 --> 00:43:01: day is to sell the condos. So you know we
00:43:01 --> 00:43:03: have to make sure owners want to buy these condos.

00:43:04 --> 00:43:06: And you know, I guess one challenge is like how
00:43:06 --> 00:43:09: are people are respond, you know they're buying a luxury
00:43:09 --> 00:43:12: condo and they don't have their gas fireplace or they
00:43:12 --> 00:43:15: don't have their gas cook top that they've always had
00:43:15 --> 00:43:18: and expect Umm. And so you know a lot of
00:43:18 --> 00:43:21: it for us we're learning it's just higher education.

00:43:21 --> 00:43:24: And there's a lot of great electric fireplaces out there,
00:43:24 --> 00:43:27: you know, induction cook tops. So it's been a process
00:43:27 --> 00:43:30: of, OK, here's the education we need, you know, we
00:43:30 --> 00:43:33: need to do and and talk to our buyers about
00:43:33 --> 00:43:36: and and so far we've seen it actually hasn't been
00:43:36 --> 00:43:38: a big deal. And if some people maybe aren't as
00:43:38 --> 00:43:42: they don't care as much about the sustainable aspects, they
00:43:42 --> 00:43:45: actually do care about what's healthy for them. And so,
00:43:45 --> 00:43:48: you know, getting rid of natural gas in the home
00:43:48 --> 00:43:51: and you know, there's these studies of course of.

00:43:51 --> 00:43:54: You know the gas stove tops have a correlation to
00:43:54 --> 00:43:58: childhood asthma. So when we start having those studies as
00:43:58 --> 00:44:01: well that helps I think our buyers be like OK,
00:44:01 --> 00:44:04: well we do care about our health. So it is
00:44:04 --> 00:44:08: important. So that's just something that we we've been
00:44:08 --> 00:44:11: talking
00:44:11 --> 00:44:14: about internally and on and I don't know as a
take away we were we were having a presentation internally

00:44:14 --> 00:44:17: to our firm about you know why is it so
00:44:17 --> 00:44:21: important for us to be building 100% operating AT0 carbon
00:44:21 --> 00:44:21: and.
00:44:21 --> 00:44:26: Our managing partners, Snowmass, Andy Gunyon did this
great presentation.
00:44:26 --> 00:44:29: And one statement that stuck with me was, you know,
00:44:29 --> 00:44:33: unfortunately climate crisis has been politicized. And you
know, whatever
00:44:33 --> 00:44:36: you may believe, if 97 of 100 experts told you
00:44:36 --> 00:44:39: that your house is going to burn down unless you
00:44:39 --> 00:44:41: make a change, what would you do? And so when
00:44:41 --> 00:44:44: we think about it like that, you know, we have
00:44:44 --> 00:44:47: one planet. This is our collective home. And so from
00:44:47 --> 00:44:50: our standpoint, we're doing what we can to make a
00:44:50 --> 00:44:52: change. So and a lot of that.
00:44:52 --> 00:44:54: Tom comes down to the built environment.
00:44:56 --> 00:44:59: Great. Thank you, Katie and Daniel, how about for you?
00:45:01 --> 00:45:04: I think that's a that's a good transition from Katie
00:45:04 --> 00:45:06: to say that, you know, I think.
00:45:07 --> 00:45:10: For me the biggest concern is not moving quickly enough.
00:45:10 --> 00:45:13: You know you know to 2050 it's 27 years for
00:45:13 --> 00:45:17: our commitment behind 2040 it's 17 years. It's it's really
00:45:17 --> 00:45:21: around the corner. I've heard many people say already that
00:45:21 --> 00:45:25: it's already too late and that you know we're never
00:45:25 --> 00:45:27: going to be able to to get to where we
00:45:27 --> 00:45:30: need to to to get to by 2050 unless we
00:45:30 --> 00:45:34: really changed dramatically what we're doing and you know
when
00:45:34 --> 00:45:36: I was looking at A at A at a shopping
00:45:36 --> 00:45:37: center.
00:45:37 --> 00:45:41: In Ireland recently, and there was the proposal to some
00:45:41 --> 00:45:44: of the boilers were coming up for, for, for replacement.
00:45:45 --> 00:45:48: You know, those boilers had a shelf life of 20
00:45:48 --> 00:45:51: years or something, or maybe 25 years and so, you
00:45:51 --> 00:45:51: know.
00:45:52 --> 00:45:55: Your decision to maybe just replace them like for like
00:45:55 --> 00:45:58: for a new boilers mean that those weather is going
00:45:58 --> 00:46:01: to be around pretty much till 2050 and that's as
00:46:01 --> 00:46:04: I said really around the corner. So making knowing that
00:46:04 --> 00:46:08: the decisions that you're making today can very much make
00:46:08 --> 00:46:10: have an implication on where we end up in by
00:46:10 --> 00:46:13: 20402050 is is really important and so.
00:46:14 --> 00:46:17: You know being aware of that and being conscious and

00:46:17 --> 00:46:20: deliberate around the decisions is is is something that I

00:46:20 --> 00:46:23: think we really need to to focus on because as

00:46:23 --> 00:46:27: as we mentioned it's, it's ultimately without analogy of your

00:46:27 --> 00:46:29: house burning down is, is is going to have that

00:46:29 --> 00:46:31: impact on our planet.

00:46:34 --> 00:46:37: That's all for sure. Umm, well, I think that seems

00:46:37 --> 00:46:38: like a great place to.

00:46:40 --> 00:46:42: Open it up for the Q&A session, I think.

00:46:43 --> 00:46:44: We were.

00:46:46 --> 00:46:49: We have a number of options within the chat box,

00:46:50 --> 00:46:52: and so hopefully I can get through a few of

00:46:52 --> 00:46:56: those quickly. Maybe I'll put it out there and whoever

00:46:56 --> 00:46:59: thinks that they have the best answer, we'll take it

00:46:59 --> 00:47:02: from there. Or who wants to feel that? So one

00:47:02 --> 00:47:06: attendee asked. How many cities and states have regulated

00:47:06 --> 00:47:10: current

00:47:06 --> 00:47:10: physical risks versus future climate risks and your

00:47:21 --> 00:47:24: experience?

00:47:21 --> 00:47:24: I don't know. Is that something that we're seeing is

00:47:24 --> 00:47:27: even being factored in or being kind of differentiated between

00:47:27 --> 00:47:28: at this point?

00:47:33 --> 00:47:35: Sorry, I'm not seeing the OK. The question up there,

00:47:35 --> 00:47:37: can you just repeat it one more time?

00:47:38 --> 00:47:42: Oh, sorry. How many cities and states have regulated current

00:47:42 --> 00:47:44: physical risks versus future climate risk?

00:47:51 --> 00:47:55: Yeah, I, I I think that's, that's definitely a tough

00:47:55 --> 00:47:55: one, um.

00:47:56 --> 00:47:56: Yeah.

00:47:57 --> 00:47:58: To.

00:47:59 --> 00:48:00: To respond.

00:48:01 --> 00:48:02: Go ahead.

00:48:03 --> 00:48:05: I was going to say not that I know and

00:48:05 --> 00:48:09: I do believe that some, some cities, some are looking

00:48:09 --> 00:48:10: at it, particularly cities.

00:48:12 --> 00:48:16: You know, close to bodies of water like Hamburger

00:48:16 --> 00:48:19: Amsterdam

00:48:16 --> 00:48:19: I'm sure are focusing on that, but I wouldn't be

00:48:19 --> 00:48:23: able to comment specifically on, on what they're, what their

00:48:23 --> 00:48:23: plans are.

00:48:25 --> 00:48:26: Understand.

00:48:27 --> 00:48:32: Another question around kind of reliability of electricity. So

00:48:32 --> 00:48:37: another

00:48:32 --> 00:48:37: question was comment committing to sustainability. Using

electricity seems to be the norm. Is anyone concerned with the power grid reliability and or supply meeting demand for electricity?

I can answer that first. I mean that's a great question and something we've been talking a lot about because especially with larger buildings, you know there's so much we can do and try to do with the design to rely less and less on outside power and then so much renewable energy we can have on site. So you know then we're moving all electric and hopes that. You know, we can have renewable energy from the grid and and I think for example in like Colorado that seems much more realistic in the near term than maybe in South Carolina. So you know, while there's other options and credits for example, I do think having renewable power through the grid is, is going to be huge and the sooner that happens the better it's going to be for everyone.

And I think the question for Sonya around what software platforms you are evaluating to use to determine transitional risk?

So I'd say we've looked at S&P that has one oak, N is another company that has one Jupiter and those are the three that we've really been looking at so far.

State.

Thank you.

Umm.

In terms of collaboration, I I thought an interesting question. What has been the greatest challenge to some of your collaboration efforts given the challenging environment in the industry?

I mean, I I guess, you know, I gave an example from Snowmass, but here, you know, in Charleston. Yeah. We don't have a lot of partners locally that have done, you know, net serial operating buildings for example.

And so we're trying to figure out, you know, do we need to bring in outside engineers that have experience designing buildings and systems that we're looking to design or do you think we can work with our local partners

00:50:52 --> 00:50:55: and and figure it out and our current on a

00:50:55 --> 00:50:59: current project, we're like, you know, we have a great

00:50:59 --> 00:51:02: team locally. Everyone's really excited about it.

00:51:02 --> 00:51:05: They all want to learn. So like let's let's work

00:51:05 --> 00:51:08: together locally with our current partners instead of trying to

00:51:08 --> 00:51:11: find a new partner and and see what we can

00:51:11 --> 00:51:13: do. So that's one and then I just think, you

00:51:13 --> 00:51:16: know I'm excited to work more and more with our

00:51:16 --> 00:51:18: local government here just in terms of.

00:51:20 --> 00:51:25: Incentives that they could offer for example, for for

00:51:25 --> 00:51:29: developing

00:51:29 --> 00:51:34: sustainable, sustainable buildings and I just I I think the

00:51:34 --> 00:51:36: government's going to have a huge impact and especially at

00:51:37 --> 00:51:40: the local level. So, yeah.

00:51:40 --> 00:51:42: Yeah, I would agree with that and echo with that

00:51:42 --> 00:51:45: I think it's it's a lot about education and awareness

00:51:45 --> 00:51:48: and and bringing along a lot of our partners. You

00:51:48 --> 00:51:51: know whether it's operational partners or even in the

00:51:51 --> 00:51:55: construction

00:51:55 --> 00:51:58: process we're talking about embodied carbon and even just

00:51:58 --> 00:52:00: making

00:52:01 --> 00:52:03: sure that everyone's talking the same language around the

00:52:03 --> 00:52:06: standards

00:52:06 --> 00:52:07: around embodied carbon. And so it's, it's, it's really making

00:52:07 --> 00:52:09: sure that everyone is using the same standards and I

00:52:09 --> 00:52:12: think that is moving forward very quickly in the last

00:52:12 --> 00:52:15: two years it's been incredible just the the, the, the

00:52:15 --> 00:52:18: number of tools.

00:52:18 --> 00:52:20: And an adoption of those tools to be able to

00:52:20 --> 00:52:21: communicate. But there's a I think there's still a long

00:52:21 --> 00:52:24: way to go.

00:52:24 --> 00:52:25: And a lot of those funds embodied carbon being one

00:52:25 --> 00:52:27: of them.

00:52:27 --> 00:52:30: Before we move on to Sonya, is there anything you'd

00:52:30 --> 00:52:33: want to comment on there?

00:52:33 --> 00:52:36: And nothing, nothing to add on that one.

00:52:36 --> 00:52:38: Right. Umm, I think another person asking maybe this is

00:52:38 --> 00:52:41: directed at usonia, see pace loan interest rates have been

00:52:41 --> 00:52:45: higher than normal debt. Do you see that changing as

00:52:45 --> 00:52:49: interest rates continue to rise?

00:52:49 --> 00:52:52: Well, I don't see that necessarily changing actually you know

00:52:52 --> 00:52:55: it's fixed rate. So you know typically where the land

00:52:55 --> 00:52:59: where I am in is floating rate debt. So if

00:52:52 --> 00:52:55: you look at fixed rate C pace loans which you
00:52:55 --> 00:52:59: know are outstanding for 20 to 30 years, they actually
00:52:59 --> 00:53:02: look very attractive right now in this you know rising
00:53:02 --> 00:53:06: interest rate environment in the in the US so Umm,
00:53:06 --> 00:53:10: you know they look pretty attractive compared to floating rate
00:53:10 --> 00:53:11: debt.
00:53:11 --> 00:53:13: I think sometimes they can even be lower at this
00:53:13 --> 00:53:15: point than floating rates in your debt.
00:53:17 --> 00:53:17: Currently.
00:53:21 --> 00:53:25: And perhaps Katie, this was a question more directed
towards
00:53:25 --> 00:53:30: you, but what certifications are most desired for development
companies
00:53:30 --> 00:53:33: as it relates to ESG and NET 0 carbon purposes?
00:53:34 --> 00:53:35: Umm.
00:53:35 --> 00:53:38: It's interesting because they're, you know, they're really.
00:53:39 --> 00:53:42: For us, we've done a lot of the lead certifications
00:53:42 --> 00:53:46: or building healthy certifications now with operating net zero,
there
00:53:47 --> 00:53:50: isn't really just like a certification for that, so.
00:53:51 --> 00:53:54: I actually think it's good in some ways that you
00:53:54 --> 00:53:58: know, allows us to have innovative ideas in terms of
00:53:58 --> 00:54:01: how we're going to approach it and how we're going
00:54:01 --> 00:54:05: to design the buildings. So we and Charleston, we're looking
00:54:05 --> 00:54:09: at different Energy Star level ratings, for example, but there
00:54:09 --> 00:54:13: isn't like a particular certification outside of kind of the
00:54:13 --> 00:54:16: standard ones that we've been that we plan to use.
00:54:18 --> 00:54:21: That's helpful. And and Daniel, I think this question was
00:54:21 --> 00:54:25: for you. Could you provide any other examples of transitional
00:54:25 --> 00:54:27: risks other than eliminating gas from buildings?
00:54:31 --> 00:54:32: Umm.
00:54:35 --> 00:54:38: Other than gods, I mean I guess it would be
00:54:38 --> 00:54:41: you know making sure that your building is is energy
00:54:41 --> 00:54:44: efficient to begin with. So making sure that Umm I
00:54:44 --> 00:54:47: mean there's there's many different risks. So one is is
00:54:47 --> 00:54:51: operational risk. So making sure that you're being efficient
around
00:54:51 --> 00:54:55: temperature settings starting to stop time of certain
equipment in
00:54:55 --> 00:54:59: your building and just having that done correctly and and
00:54:59 --> 00:55:02: and and and and efficient and there's risks around you
00:55:02 --> 00:55:03: know the the.
00:55:03 --> 00:55:07: Um, ability to to preserve energy in your building. So

00:55:07 --> 00:55:11: the envelope of your building and and making sure that

00:55:11 --> 00:55:15: you're insulating your building in the best way so that

00:55:15 --> 00:55:18: you don't have to use as much energy. So there

00:55:18 --> 00:55:23: there's, there's you know those are a couple energy procurement

00:55:23 --> 00:55:25: at the end of the day as well.

00:55:27 --> 00:55:31: You know, electrification from green and renewable sources, so there's

00:55:31 --> 00:55:32: quite a few.

00:55:35 --> 00:55:38: And I guess this is another question I would open

00:55:38 --> 00:55:40: up to the group and and see if you have

00:55:40 --> 00:55:44: any thoughts around, Umm, another question, how do you stay

00:55:44 --> 00:55:48: competitive and highly unregulated markets where there aren't climate or

00:55:48 --> 00:55:52: other transition goals while maintaining your own target?

00:56:03 --> 00:56:05: I guess I can touch on that. I and I

00:56:05 --> 00:56:08: I think in some sense I I have touched on

00:56:08 --> 00:56:11: this and that you know we have a mandate company

00:56:11 --> 00:56:14: wide. So whether no matter what market we're at we

00:56:14 --> 00:56:18: are in and what regulations like this is what we're

00:56:18 --> 00:56:21: going to do. So even though you know may not

00:56:21 --> 00:56:24: be required in Texas or may not be required in

00:56:24 --> 00:56:27: South Carolina like we're trying to to go beyond what's

00:56:27 --> 00:56:30: required and be more industry leaders.

00:56:33 --> 00:56:36: And again, I think another maybe as we're wrapping up

00:56:36 --> 00:56:38: here a question for the the full panel. How do

00:56:38 --> 00:56:42: you think about training and upskilling, upskilling your leaders within

00:56:42 --> 00:56:45: your company so they understand some of the things that

00:56:46 --> 00:56:49: we've talked about today recognizing to Daniel's point earlier sort

00:56:49 --> 00:56:52: of the the sense of urgency that's needed here?

00:56:57 --> 00:57:00: I can just quickly say I mean I think it's,

00:57:00 --> 00:57:02: it's, it's, it's it's a very fast move. You know

00:57:02 --> 00:57:05: their urgency is also part of the fact that they

00:57:05 --> 00:57:06: it's a fast moving.

00:57:08 --> 00:57:10: I'm pleased to be in, in terms of the SG

00:57:11 --> 00:57:14: with many new tools and information that that are being

00:57:15 --> 00:57:19: provided. So I would say it's an ongoing discussion with

00:57:19 --> 00:57:22: a formal forum to bring the C-Suite up to speed

00:57:22 --> 00:57:26: as well. I would say that fortunately it means we

00:57:26 --> 00:57:29: have the full, the full years of of the C-Suite

00:57:29 --> 00:57:32: with respect to SG and it is one of the

00:57:32 --> 00:57:35: priorities for the firm. But I do think that is

00:57:35 --> 00:57:38: because it is moving quickly.

00:57:38 --> 00:57:40: It does require constant discussion.

00:57:42 --> 00:57:45: Yeah, I, I, I'll just chime in. I, I'm constantly

00:57:45 --> 00:57:50: collaborating with our head of ESD or sustainability who

00:57:50 --> 00:57:54: basically

00:57:54 --> 00:57:57: has very periodic calls internally within within business

00:57:57 --> 00:58:01: groups to

00:58:01 --> 00:58:05: educate them on on issues that are out there. And

00:58:05 --> 00:58:08: then she's also educating up to the C-Suite and to

00:58:08 --> 00:58:12: board members. So there's there is a requirement for

00:58:12 --> 00:58:16: constant

00:58:16 --> 00:58:19: dialogue with all employees of the company.

00:58:19 --> 00:58:23: And for us I mean we're I think we're going

00:58:23 --> 00:58:27: beyond just this with these we we're trying to make

00:58:27 --> 00:58:30: sure every employee knows what's going on and this is

00:58:30 --> 00:58:34: educated as possible. So we have company wide calls you

00:58:34 --> 00:58:37: know it could be monthly or every couple months. But

00:58:37 --> 00:58:39: to talk about issues such as the sustainability and and

00:58:39 --> 00:58:43: our goals and and why it's important and what we're

00:58:43 --> 00:58:47: doing and then try to give updates on projects and

00:58:47 --> 00:58:50: I mean we use you know teams.

00:58:50 --> 00:58:53: We're like enter company sharing given our markets or

00:58:53 --> 00:58:56: across

00:58:56 --> 00:58:59: the country, we just think it's important that we're sharing

00:58:59 --> 00:59:02: best practices. And you know for a project manager in

00:59:02 --> 00:59:04: Denver is working on a project and has questions, you

00:59:04 --> 00:59:09: know that they're reaching out to people in Snowmass and

00:59:09 --> 00:59:11: and Charleston. So we all know what's going on and

00:59:11 --> 00:59:14: I think just sharing lessons learned is is a huge

00:59:14 --> 00:59:17: benefit and something we need to keep doing.

00:59:17 --> 00:59:18: Thank you all. Well, I really want to I think

00:59:18 --> 00:59:21: to that point where I'm going to hand it back

00:59:21 --> 00:59:24: to Marta here so we can wrap things up. But

00:59:24 --> 00:59:27: thank you all. Appreciate all of your insights and and

00:59:27 --> 00:59:30: comments today.

00:59:30 --> 00:59:32: I just want to echo there and say thank you

00:59:32 --> 00:59:35: to Ferguson partners for sponsoring this report. Thank you,

00:59:35 --> 00:59:38: Sarah.

00:59:38 --> 00:59:41: Thank you to your company and thank you to Daniel

00:59:41 --> 00:59:44: and Sonia and Katie for your tremendous input today. For

00:59:44 --> 00:59:47: all of our listeners, we we have recorded this webinar.

00:59:32 --> 00:59:35: The slides will be shared on Dualized Knowledge Finder website

00:59:35 --> 00:59:39: shortly after the webinar completes with the recording. So feel

00:59:39 --> 00:59:41: free to take a look there. You'll also get an

00:59:41 --> 00:59:43: e-mail follow up as soon as it's ready with the

00:59:43 --> 00:59:46: link to take a survey to to provide some feedback

00:59:46 --> 00:59:48: on this webinar itself. So as a reminder you Li.

00:59:48 --> 00:59:52: Dot org slash sustainability outlook. Please download, breed, share and

00:59:52 --> 00:59:54: have a good one everyone. Thank you.

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