

# Webinar

## ULI & HSBC: Reactivating Europe

Date: December 07, 2020

00:00:03 --> 00:00:06: Good morning, welcome to the UI in HSBC webinar.

00:00:06 --> 00:00:08: My name is Andrea Carpenter,

00:00:08 --> 00:00:12: Director women talk real estate and I'll be your moderator

00:00:12 --> 00:00:13: for this session.

00:00:13 --> 00:00:16: Our theme today is reactivating Europe,

00:00:16 --> 00:00:19: the role of cities. We know that the pandemic has

00:00:19 --> 00:00:22: revealed challenging social inequality.

00:00:22 --> 00:00:25: Zan triggered a significant economic shock,

00:00:25 --> 00:00:28: however, at the same time it has been identified as

00:00:28 --> 00:00:31: a moment whereby through recovery,

00:00:31 --> 00:00:34: cities can adjust and adapt with a focus on long-term

00:00:34 --> 00:00:35: change.

00:00:35 --> 00:00:38: The ambition is to do this within an increased focus

00:00:38 --> 00:00:39: on sustainability.

00:00:39 --> 00:00:42: Accelerated net zero carbon strategies,

00:00:42 --> 00:00:46: healthy living, public spaces, an active travel among others.

00:00:46 --> 00:00:49: Today we're going to look at how Europe cities,

00:00:49 --> 00:00:52: an real estate investors can use this crisis to foster.

00:00:52 --> 00:00:56: Cities which are more resilient and more sustainable.

00:00:56 --> 00:00:58: Will do this in two parts.

00:00:58 --> 00:01:01: Will begin with an overview by Professor Greg Clark,

00:01:01 --> 00:01:04: Global Head of Future Cities and New Industries,

00:01:04 --> 00:01:08: HSBC and Senior Fellow at the Urban Land Institute.

00:01:08 --> 00:01:11: This will be followed by a panel with Greg and

00:01:11 --> 00:01:12: our two other guests,

00:01:12 --> 00:01:16: Nikki Grady Smith, Senior Vice President of City and

00:01:16 --> 00:01:18: corporate

00:01:16 --> 00:01:18: Integrated Solutions at BP.

00:01:18 --> 00:01:22: Guido Verhoef head of private real estate at PGG

00:01:18 --> 00:01:22: Investments.

00:01:22 --> 00:01:25: We welcome questions, so please do so you do use  
00:01:25 --> 00:01:29: the Q&A function and will shine incorporate those as we  
00:01:29 --> 00:01:32: go along with our discussion or in our remaining 5  
00:01:32 --> 00:01:34: or 10 minutes at the end for Q&A.  
00:01:34 --> 00:01:37: But to begin I'm going to hand over to Greg  
00:01:37 --> 00:01:39: to set the scene on this topic.  
00:01:41 --> 00:01:45: Well, good morning everyone and thank you very much  
Andrea.  
00:01:45 --> 00:01:48: I just need to ask to be able to share  
00:01:48 --> 00:01:52: my screen and that means that other people need to  
00:01:52 --> 00:01:52: stop.  
00:01:52 --> 00:01:56: Thank you very much if we can enable my screen  
00:01:56 --> 00:01:57: sharing wonderful.  
00:01:57 --> 00:02:00: OK well I want to say firstly thank you very  
00:02:01 --> 00:02:04: much both to HSBC and ULI for making this possible  
00:02:04 --> 00:02:08: and a particular welcome to Nikki and to Guido joining  
00:02:08 --> 00:02:10: me in this panel discussion.  
00:02:10 --> 00:02:14: This is potentially a very fascinating conversation.  
00:02:14 --> 00:02:19: Firstly, about how to reactivate Europe and Secondly what  
role  
00:02:19 --> 00:02:22: Europe cities will play in that I want to spend  
00:02:22 --> 00:02:26: about 10 minutes now positioning the conversation so that it  
00:02:26 --> 00:02:28: has a context to it.  
00:02:28 --> 00:02:31: As we move along. Perhaps the first thing to say  
00:02:32 --> 00:02:35: is that as we enter this fifth decade of the  
00:02:35 --> 00:02:36: century of the cities,  
00:02:36 --> 00:02:40: COVID-19 has arrived as a kind of big agent of  
00:02:40 --> 00:02:41: change.  
00:02:41 --> 00:02:44: I'll come back and talk about all of that in  
00:02:44 --> 00:02:44: a minute,  
00:02:44 --> 00:02:48: but the purpose of this rather detailed slide is to  
00:02:48 --> 00:02:51: show you firstly on the left hand side how much  
00:02:51 --> 00:02:56: the world's population is urbanising and how rapidly that's  
happening  
00:02:56 --> 00:02:58: looking at it decade by decade,  
00:02:58 --> 00:03:01: but also to try to plot across a series of  
00:03:01 --> 00:03:03: themes to do with drivers of change,  
00:03:03 --> 00:03:07: knew spatial forms, the kinds of industries that are emerging  
00:03:07 --> 00:03:10: and what the new wave of urban policies are,  
00:03:10 --> 00:03:13: as it were a chart for how this century.  
00:03:13 --> 00:03:17: Of the cities is evolving and how COVID-19 is perhaps  
00:03:17 --> 00:03:19: a key accelerator,  
00:03:19 --> 00:03:23: maybe even a catalyst or a turning point will talk

00:03:23 --> 00:03:25: much more about this shortly,  
 00:03:25 --> 00:03:28: but a key part of my agenda today is to  
 00:03:28 --> 00:03:29: see COVID-19,  
 00:03:29 --> 00:03:32: not simply as a health crisis or not,  
 00:03:32 --> 00:03:35: simply as an economic shock,  
 00:03:35 --> 00:03:39: but rather as something that reveals a set of imperatives  
 00:03:39 --> 00:03:40: for change,  
 00:03:40 --> 00:03:43: which the real estate industry.  
 00:03:43 --> 00:03:47: and our cities need to address if they're going to  
 00:03:47 --> 00:03:52: take advantage from what is otherwise a very challenging  
 situation.  
 00:03:52 --> 00:03:55: Now when we think about European cities,  
 00:03:55 --> 00:04:00: there's already a global conversation going on about whether  
 European  
 00:04:00 --> 00:04:02: cities are already in decline.  
 00:04:02 --> 00:04:06: As everybody knows, compared to to many cities in the  
 00:04:06 --> 00:04:06: US,  
 00:04:06 --> 00:04:09: but compared to a majority of cities in Asia,  
 00:04:09 --> 00:04:13: European cities are relatively small.  
 00:04:13 --> 00:04:16: European cities are increasingly quite a long way from the  
 00:04:16 --> 00:04:20: main centres of economic growth in the world as they  
 00:04:20 --> 00:04:22: shift eastwards and southwards.  
 00:04:22 --> 00:04:25: European cities and indeed European Society,  
 00:04:25 --> 00:04:29: suffers from a kind of adverse demographic outlook.  
 00:04:29 --> 00:04:33: But generally speaking, in comparison to North America,  
 00:04:33 --> 00:04:36: European cities have been slower to integrate,  
 00:04:36 --> 00:04:41: new an exponential technologies, and there's only a modest  
 track  
 00:04:41 --> 00:04:44: record when you look at the whole of Europe in  
 00:04:44 --> 00:04:48: innovation and in venturing and investing in the future,  
 00:04:48 --> 00:04:53: as well as many challenges that beset European cities  
 recently,  
 00:04:53 --> 00:04:57: particularly externalities to do with things like over tourism.  
 00:04:57 --> 00:05:00: A kind of erratic appetite to growth.  
 00:05:00 --> 00:05:05: Many European cities feeling challenged between this desire  
 to maintain  
 00:05:05 --> 00:05:08: a sort of established quality of life versus the need  
 00:05:08 --> 00:05:11: to be able to densify to grow and to attract  
 00:05:11 --> 00:05:15: newcomers, and also social and political polarization is on  
 the  
 00:05:16 --> 00:05:17: rise in Europe,  
 00:05:17 --> 00:05:18: not just within our cities,  
 00:05:18 --> 00:05:21: but at the national level as well.

00:05:21 --> 00:05:23: Now for all of these reasons,  
 00:05:23 --> 00:05:25: there's a global mood that says,  
 00:05:25 --> 00:05:30: perhaps Europe, and perhaps European cities don't have quite the  
 00:05:30 --> 00:05:31: rosy future.  
 00:05:31 --> 00:05:34: We might have thought of some time ago.  
 00:05:34 --> 00:05:37: Now you won't be surprised to hear that I want  
 00:05:37 --> 00:05:39: to dispel this and to to see it as a  
 00:05:39 --> 00:05:40: myth,  
 00:05:40 --> 00:05:41: but let's try to get there,  
 00:05:41 --> 00:05:45: and let's use COVID-19 as part of our journey.  
 00:05:45 --> 00:05:48: You see I think it makes sense to think of  
 00:05:48 --> 00:05:52: COVID-19 as having three distinctive phases and being three rather  
 00:05:52 --> 00:05:53: different things.  
 00:05:53 --> 00:05:55: As I've already said, it's a health crisis.  
 00:05:55 --> 00:05:59: It's an economic shock that's triggering a recession,  
 00:05:59 --> 00:06:02: but it's also potentially an agent of change,  
 00:06:02 --> 00:06:04: and it's that role. I want to think about now,  
 00:06:04 --> 00:06:06: and it makes sense to address it.  
 00:06:06 --> 00:06:09: Address it as having three key phases.  
 00:06:09 --> 00:06:13: If you like this. The pandemic management phase that we  
 00:06:13 --> 00:06:14: are in currently.  
 00:06:14 --> 00:06:17: Then there's a kind of recovery phase which is already  
 00:06:17 --> 00:06:20: beginning in some parts of Europe and is already well  
 00:06:20 --> 00:06:22: established in many parts of Asia.  
 00:06:22 --> 00:06:25: And then there's a kind of reset if you like  
 00:06:25 --> 00:06:28: what have we carried from the pandemic phase in the  
 00:06:28 --> 00:06:32: recovery phase into something that's often called the the new  
 00:06:32 --> 00:06:36: normal, I would perhaps prefer to call it the new  
 00:06:36 --> 00:06:36: cycle.  
 00:06:36 --> 00:06:39: But I said that in its role as an agent  
 00:06:39 --> 00:06:40: of change,  
 00:06:40 --> 00:06:44: COVID-19 has kind of revealed or accelerated or intensified a  
 00:06:44 --> 00:06:47: number of imperatives for change very quickly.  
 00:06:47 --> 00:06:51: I think there are six of them that we need  
 00:06:51 --> 00:06:52: to pay attention to.  
 00:06:52 --> 00:06:56: The first one is that COVID-19 has revealed that our  
 00:06:56 --> 00:06:59: trade and supply systems simply are not fit for purpose.  
 00:06:59 --> 00:07:02: They're not resilient to the kind of shock that comes  
 00:07:02 --> 00:07:04: from a public health crisis,  
 00:07:04 --> 00:07:06: or indeed from a climate crisis,

00:07:06 --> 00:07:10: and as a consequence, trade and supply chains are going  
00:07:10 --> 00:07:14: to be reorganized along the lines of resilience rather than  
00:07:14 --> 00:07:15: efficiency.  
00:07:15 --> 00:07:16: This gives rise, I think,  
00:07:16 --> 00:07:19: to the opportunities for both urban and regional economies in  
00:07:20 --> 00:07:22: Europe to do some different things and to do the  
00:07:22 --> 00:07:25: things they already do in some different ways.  
00:07:25 --> 00:07:27: No doubt we'll talk about that.  
00:07:27 --> 00:07:31: The second thing is that COVID-19 has clearly been a  
00:07:31 --> 00:07:34: major accelerator in the way we use technology,  
00:07:34 --> 00:07:37: not just how we work and how we consume goods  
00:07:37 --> 00:07:38: and entertainment,  
00:07:38 --> 00:07:41: or how we learn, or how we talk to our  
00:07:41 --> 00:07:41: doctors,  
00:07:41 --> 00:07:45: but these technologies and how we're adopting them  
00:07:46 --> 00:07:50: changed the very business models and the consumer behavior that is  
00:07:50 --> 00:07:53: linked to them across a very wide range of sectors,  
00:07:53 --> 00:07:56: including real estate. If you like the as a service  
00:07:56 --> 00:07:58: business model has been accelerated.  
00:07:58 --> 00:08:02: Two decades in one short year.  
00:08:02 --> 00:08:04: The third big area of change,  
00:08:04 --> 00:08:06: of course, is to do with health,  
00:08:06 --> 00:08:10: both public health. Both the inequity and the inadequacy  
00:08:10 --> 00:08:11: that's been revealed by this crisis,  
00:08:11 --> 00:08:14: but also the desire for more healthy living,  
00:08:14 --> 00:08:17: and in particular for us for more healthy cities and  
00:08:17 --> 00:08:19: for more healthy real estate.  
00:08:19 --> 00:08:22: Something we'll talk about soon.  
00:08:22 --> 00:08:24: The fourth big area, of course,  
00:08:24 --> 00:08:28: is around the planet. One of the effects that COVID-19  
00:08:28 --> 00:08:30: has done in the way it's revealed.  
00:08:30 --> 00:08:34: For example, inequality's in health is to show that people  
00:08:34 --> 00:08:37: who are exposed to poor air quality are much more  
00:08:37 --> 00:08:41: likely to suffer very adverse consequences from the virus.  
00:08:41 --> 00:08:44: So if you like, there are very specific ways now  
00:08:44 --> 00:08:48: in which we understand that climate change actually makes  
00:08:49 --> 00:08:50: you sick and climate change,  
00:08:50 --> 00:08:53: particularly poor air quality. Pollution,  
00:08:53 --> 00:08:57: poor quality in terms of energy supplies and systems,

00:08:57 --> 00:09:01: and indeed the way that we've interrupted the animal Kingdom

00:09:01 --> 00:09:03: with our food ecosystems.

00:09:03 --> 00:09:07: All of these things have been connected to COVID-19,

00:09:07 --> 00:09:11: which is why I wrote recently that COVID-19 can be

00:09:11 --> 00:09:15: viewed as an environmental catastrophe just as much as a

00:09:15 --> 00:09:16: health catastrophe.

00:09:16 --> 00:09:20: Now the experience of lock down and trying to manage

00:09:20 --> 00:09:23: the pandemic has led to a kind of.

00:09:23 --> 00:09:27: obvious decoupling of productive activity from carbon emissions.

00:09:27 --> 00:09:30: One of the ways I would put this is that

00:09:30 --> 00:09:35: we've had a kind of accidental experiment in lower carbon,

00:09:35 --> 00:09:38: lower consumption, lower travel living,

00:09:38 --> 00:09:42: which has demonstrated to us that it's still possible to

00:09:42 --> 00:09:47: maintain relatively high levels of productivity whilst we lose greater

00:09:47 --> 00:09:48: amounts of carbon.

00:09:48 --> 00:09:52: So this decoupling has been proven to be possible.

00:09:52 --> 00:09:55: Of course, there's much further to go.

00:09:55 --> 00:09:58: And the evidence shows us that many of the carbon

00:09:58 --> 00:10:01: emissions that have been reduced are not quite as much

00:10:01 --> 00:10:02: as we as we thought or hoped.

00:10:02 --> 00:10:07: They might have been, but nevertheless the idea is there.

00:10:07 --> 00:10:10: The fifth big area of changes to do with citizens

00:10:10 --> 00:10:13: lives and it's to do with politics and geopolitics.

00:10:13 --> 00:10:16: Governments have been much more active in citizens lives during

00:10:16 --> 00:10:17: the pandemic,

00:10:17 --> 00:10:20: and if you like a new settlement has been reached

00:10:20 --> 00:10:23: about what people expect of governments in this time,

00:10:23 --> 00:10:25: including the fact, of course,

00:10:25 --> 00:10:29: that governments have been intervening in the economy in all

00:10:29 --> 00:10:32: sorts of extraordinary ways and at the same time,

00:10:32 --> 00:10:35: we've begun to see a remaking of geopolitical alliances.

00:10:35 --> 00:10:39: Some retreat from multilateralism. In certain parts of the world,

00:10:39 --> 00:10:41: but some enhancements to multilateralism,

00:10:41 --> 00:10:43: in other parts of the world,

00:10:43 --> 00:10:47: particularly in Asia. I think there's a six dimension to

00:10:47 --> 00:10:51: these areas of change or vectors of change that COVID-19

00:10:51 --> 00:10:52: is inducing,

00:10:52 --> 00:10:55: and this I would call a new social contract.

00:10:55 --> 00:10:58: On the one hand, we expect governments to support the  
00:10:58 --> 00:11:01: economy in new ways that might have been unthinkable.  
00:11:01 --> 00:11:03: Two or even three years ago.  
00:11:03 --> 00:11:05: On the other hand, the fairness,  
00:11:05 --> 00:11:08: particularly the Social Fairness agenda,  
00:11:08 --> 00:11:12: has grown and the agenda around healthy quality has  
become  
00:11:12 --> 00:11:13: more important.  
00:11:13 --> 00:11:16: At the same time, we've seen increased neighborliness.  
00:11:16 --> 00:11:22: Social capital philanthropic activity alongside great concern  
for how increased  
00:11:22 --> 00:11:28: digitalization might lead to both unfair distributions of  
opportunities for  
00:11:28 --> 00:11:32: those people who have less access to digital systems and  
00:11:32 --> 00:11:36: at the same time a drive for greater fairness in  
00:11:36 --> 00:11:36: taxation.  
00:11:36 --> 00:11:40: Particularly how we tax digital activities,  
00:11:40 --> 00:11:42: I see all of this leading to a kind of  
00:11:42 --> 00:11:46: GNU social contract that could come out of COVID-19 where  
00:11:46 --> 00:11:50: there's a re framing of the license to operate the  
00:11:50 --> 00:11:53: business, and a clear set of challenges around how we  
00:11:53 --> 00:11:56: put together a new agenda that is seen to be  
00:11:56 --> 00:11:59: fair for people fair for the environment and fair for  
00:11:59 --> 00:12:02: business in the context of all of these changes now  
00:12:02 --> 00:12:06: there are many implications in all of this for population  
00:12:06 --> 00:12:07: and for jobs.  
00:12:07 --> 00:12:10: For cities, for regions and for other places,  
00:12:10 --> 00:12:14: and for utility's, an infrastructure and real estate as no  
00:12:14 --> 00:12:15: doubt you will understand.  
00:12:15 --> 00:12:18: Let's just look at some of them very,  
00:12:18 --> 00:12:22: very quickly. One of the effects of COVID-19,  
00:12:22 --> 00:12:26: I think, is to accelerate the agenda around the new  
00:12:26 --> 00:12:30: shapes and sizes of cities in this century of the  
00:12:30 --> 00:12:30: city.  
00:12:30 --> 00:12:33: If you like from 1980 through to 2020,  
00:12:33 --> 00:12:37: we were already shifting from this idea of looking at  
00:12:38 --> 00:12:42: cities as individual entities with single centers,  
00:12:42 --> 00:12:47: and we were moving much more quickly towards polycentric  
cities,  
00:12:47 --> 00:12:49: multi city regions, urban corridors.  
00:12:49 --> 00:12:52: And many other kinds of shapes and sizes.  
00:12:52 --> 00:12:56: COVID-19. With the big uptick in digitalization is clearly going  
00:12:56 --> 00:13:00: to accelerate this and make it much more important for

00:13:00 --> 00:13:01: all of us.

00:13:01 --> 00:13:04: As a consequence, will think much more about the network

00:13:04 --> 00:13:08: effects of cities and how they could work together with

00:13:08 --> 00:13:10: other kinds of spaces and more,

00:13:10 --> 00:13:14: as it were integrated kind of territory in the future.

00:13:14 --> 00:13:17: Another way of thinking about this is to say that

00:13:18 --> 00:13:21: the debate now hangs between whether we will go back

00:13:21 --> 00:13:24: to the physical city or whether many of us will

00:13:24 --> 00:13:27: simply embrace the virtual city that we've got used to

00:13:28 --> 00:13:30: during our lockdown experiences.

00:13:30 --> 00:13:33: I rather think that what's going to emerge here is

00:13:33 --> 00:13:34: a new kind of hybridity,

00:13:34 --> 00:13:37: something we might call the blended city,

00:13:37 --> 00:13:41: where we take advantage of the physical assets of the

00:13:41 --> 00:13:41: city,

00:13:41 --> 00:13:44: but on a more optional and selective basis.

00:13:44 --> 00:13:47: And we combine them. With the advantages of the virtual

00:13:47 --> 00:13:50: world that we've all been enjoying,

00:13:50 --> 00:13:54: this gives citizens some new choices about where they live,

00:13:54 --> 00:13:57: how they work and consume when and how they travel,

00:13:57 --> 00:13:59: and at the same time,

00:13:59 --> 00:14:02: it requires cities to adjust their services to having both

00:14:02 --> 00:14:04: permanent populations.

00:14:04 --> 00:14:06: And as it were part time populations,

00:14:06 --> 00:14:10: the city as a service operated through a kind of

00:14:10 --> 00:14:11: subscription system.

00:14:11 --> 00:14:12: But it also, I think,

00:14:12 --> 00:14:15: will change the dynamics of which kinds of.

00:14:15 --> 00:14:18: economic activities that are located in cities.

00:14:18 --> 00:14:21: As I'll say, a little bit more about very shortly.

00:14:21 --> 00:14:23: All of this, I think,

00:14:23 --> 00:14:26: leads to changes in the effective shape and size of

00:14:26 --> 00:14:27: cities.

00:14:27 --> 00:14:30: It accelerates the hybrid nature of cities so that we

00:14:30 --> 00:14:34: are all potentially a members or users in more than

00:14:34 --> 00:14:35: one city,

00:14:35 --> 00:14:39: but it also risks great fragmentation through the digital divide

00:14:40 --> 00:14:42: that I've already mentioned.

00:14:42 --> 00:14:45: Now very quickly to conclude the conversation,

00:14:45 --> 00:14:49: I think this gives rise to firstly some new mantra.

00:14:49 --> 00:14:53: If you like what evolves for real estate from COVID-19

00:14:53 --> 00:14:55: a new mantra about agility,



00:14:55 --> 00:15:01: the ability to change and perform multiple functions hybridity how

00:15:01 --> 00:15:05: we combine the physical with the virtual world and this

00:15:05 --> 00:15:09: servicisation how real estate as a service becomes

00:15:09 --> 00:15:14: accelerated by COVID-19. I think it means major reforms ahead.

00:15:14 --> 00:15:18: In particularly our office our retail and our hotel forms

00:15:18 --> 00:15:22: of real estate as they have to move towards these

00:15:22 --> 00:15:26: new mantras and begin to change the way they operate.

00:15:26 --> 00:15:29: But I think it also provides an opportunity for our

00:15:29 --> 00:15:33: cities and our city centers to get much more involved

00:15:33 --> 00:15:37: in new forms of residential experience to drive much more

00:15:37 --> 00:15:41: directly the innovation economy and to focus not so much

00:15:41 --> 00:15:43: on the consumption economy.

00:15:43 --> 00:15:47: But more on the experience economy and the opportunities that

00:15:47 --> 00:15:52: it brings to combine placemaking with surprise and personal and

00:15:52 --> 00:15:53: social fulfillment.

00:15:53 --> 00:15:55: Now in all of this,

00:15:55 --> 00:15:57: when we think about Europe cities,

00:15:57 --> 00:16:01: we might instead of saying that Europe cities are in

00:16:01 --> 00:16:01: decline,

00:16:01 --> 00:16:05: begin to ask the question whether Europe cities have the

00:16:06 --> 00:16:10: attributes needed to make the journey that this COVID-19 inspired

00:16:10 --> 00:16:12: change requires.

00:16:12 --> 00:16:15: One way to think about this is to think about

00:16:15 --> 00:16:19: how successfully European cities in the last two decades have

00:16:19 --> 00:16:22: been adjusting to the new economy and its challenges,

00:16:22 --> 00:16:27: and have become recognized and success as successful cities at

00:16:27 --> 00:16:28: the global level.

00:16:28 --> 00:16:31: And here's a chart prepared by my colleagues at JLL

00:16:31 --> 00:16:35: and the business of Cities looking at how European cities

00:16:35 --> 00:16:37: have actually re emerged,

00:16:37 --> 00:16:41: as some of the leaders in 21st century living environment

00:16:41 --> 00:16:43: and economic activity.

00:16:43 --> 00:16:47: Another way of thinking about this is that Europe's system

00:16:47 --> 00:16:50: of cities is already of course highly urbanized,

00:16:50 --> 00:16:55: but much more integrated and distributed perhaps than the cities

00:16:55 --> 00:16:58: that we see in North America and Asia,

00:16:58 --> 00:17:02: and many of the of European cities have already been  
00:17:02 --> 00:17:07: through several cycles of successful urban restructuring and  
have developed

00:17:07 --> 00:17:12: much more collaborative relationships with their neighbors,  
00:17:12 --> 00:17:16: if you like. Europe cities might actually be more ready  
00:17:16 --> 00:17:21: for these COVID-19 induced changes than other cities in  
other

00:17:21 --> 00:17:22: parts of the world.  
00:17:22 --> 00:17:25: So if we put this together to kind of finalize  
00:17:25 --> 00:17:27: my introduction,  
00:17:27 --> 00:17:30: yes, I think it's fair to say that Europe cities  
00:17:30 --> 00:17:34: when we compare them to cities in North America and  
00:17:34 --> 00:17:37: Asia may be seen to have some weaknesses.  
00:17:37 --> 00:17:41: But the opportunity to address those weaknesses now exists,  
00:17:41 --> 00:17:46: particularly the ability to speed up integration of new  
technologies

00:17:46 --> 00:17:49: or to develop a much stronger focus on the innovation  
00:17:50 --> 00:17:50: economy,  
00:17:50 --> 00:17:54: or to think much more about how adverse demographics can  
00:17:54 --> 00:17:57: be addressed both through migration and of course,  
00:17:57 --> 00:18:00: through technology. But even more important,  
00:18:00 --> 00:18:03: I would suggest this is a great time for us  
00:18:03 --> 00:18:07: to think about how European cities can play to their  
00:18:07 --> 00:18:08: strengths.  
00:18:08 --> 00:18:11: They are highly diverse and specialized,  
00:18:11 --> 00:18:15: and they're highly recognized cities that have good  
reputations overall.

00:18:15 --> 00:18:19: We can enhance that. Europe cities have been leaders on  
00:18:19 --> 00:18:21: sustainable city futures.  
00:18:21 --> 00:18:25: They've been the leaders in the decarbonization agenda in  
the

00:18:25 --> 00:18:26: Healthy Cities Agenda.  
00:18:26 --> 00:18:30: They've been the leaders in active travel and transport,  
00:18:30 --> 00:18:33: and many other kinds of solutions.  
00:18:33 --> 00:18:37: European cities have created a kind of deep urban culture  
00:18:37 --> 00:18:41: over a lot of time that sustains their desirability,  
00:18:41 --> 00:18:44: their identity and their investment attractiveness.  
00:18:44 --> 00:18:47: If you like, there's a long term,  
00:18:47 --> 00:18:53: deeply embedded psychological confidence about European  
cities that needs to

00:18:53 --> 00:18:54: be leveraged.  
00:18:54 --> 00:18:58: European cities on the whole have been better at producing  
00:18:58 --> 00:18:59: a more distributed,

00:18:59 --> 00:19:01: compact city kind of approach.

00:19:01 --> 00:19:04: This is why the 15 minute city idea has really

00:19:04 --> 00:19:06: emerged very strongly in Europe,

00:19:06 --> 00:19:11: because in a way European cities are more ready for

00:19:11 --> 00:19:11: it.

00:19:11 --> 00:19:13: And European cities. Of course,

00:19:13 --> 00:19:15: despite their relatively small size,

00:19:15 --> 00:19:19: are massive producers of knowledge and know how and are

00:19:19 --> 00:19:22: very willing to use that to serve the world in

00:19:22 --> 00:19:23: environmentalism,

00:19:23 --> 00:19:25: in knowledge production, in health,

00:19:25 --> 00:19:28: in culture, and many other kinds of output.

00:19:28 --> 00:19:31: And then, finally, I would suggest to you that European

00:19:32 --> 00:19:36: cities have been better overall at long-term regional planning,

00:19:36 --> 00:19:40: thinking about how neighboring cities and towns and rural

00:19:40 --> 00:19:41: areas

00:19:40 --> 00:19:41: can work together.

00:19:41 --> 00:19:43: And over the last two decades,

00:19:43 --> 00:19:48: European cities have had a continuously high rate of

00:19:48 --> 00:19:48: infrastructure

00:19:48 --> 00:19:48: investment.

00:19:48 --> 00:19:51: So I put it to you and I look forward

00:19:51 --> 00:19:54: to discussing with Guido and with Nicky,

00:19:54 --> 00:19:57: that actually COVID-19, although it's a health crisis,

00:19:57 --> 00:20:00: as in it's an economic shock as an agent of

00:20:00 --> 00:20:01: change,

00:20:01 --> 00:20:04: it begins to produce a set of imperatives to which

00:20:04 --> 00:20:08: European cities are actually more ready to respond than

00:20:08 --> 00:20:11: many

00:20:08 --> 00:20:11: other cities in other parts of the world.

00:20:11 --> 00:20:15: Thank you very much back to Andrea to begin the

00:20:16 --> 00:20:17: discussion.

00:20:17 --> 00:20:19: Thank you very much, Greg and thank you for that

00:20:19 --> 00:20:21: very thoughtful overview.

00:20:21 --> 00:20:22: And as you can tell,

00:20:22 --> 00:20:25: this topic is all about big ideas and big thoughts

00:20:25 --> 00:20:28: and really pleased to have two amazing guests with us

00:20:28 --> 00:20:29: to talk through.

00:20:29 --> 00:20:32: Some of those ideas and you'll see that we have

00:20:32 --> 00:20:34: keyed over here for many of you will know from

00:20:34 --> 00:20:37: PGM investments from the institutional investor side.

00:20:37 --> 00:20:41: But also really pleased to have Nikki Grady Smith here

00:20:41 --> 00:20:41: from BP.

00:20:41 --> 00:20:43: And I I think Nikki maybe I can ask you  
00:20:43 --> 00:20:47: to respond first to Greg's point about this being an  
00:20:47 --> 00:20:48: agent of change.  
00:20:48 --> 00:20:50: You know this moment you know the pandemic being a  
00:20:50 --> 00:20:54: moment where cities can kind of reset themselves and  
maybe  
00:20:54 --> 00:20:56: through that you can also tell us a little  
00:20:56 --> 00:20:58: bit more about what you do at BP and how  
00:20:58 --> 00:21:02: that fits into how you see that fitting into the  
00:21:02 --> 00:21:02: picture.  
00:21:02 --> 00:21:05: Andrea, really happy to do that and thank you to  
00:21:05 --> 00:21:06: everyone for inviting me.  
00:21:06 --> 00:21:10: I'm sure I'm not your usual guest on these webinars.  
00:21:10 --> 00:21:13: Greg and I have recently got to know each other  
00:21:13 --> 00:21:14: quite well.  
00:21:14 --> 00:21:17: He's one of the new partners that you know people  
00:21:17 --> 00:21:20: I'm talking to as we set up this new business  
00:21:20 --> 00:21:22: and if I take a step back,  
00:21:22 --> 00:21:25: the reason BP's interested in participating is we took a  
00:21:25 --> 00:21:29: look at all of our stakeholders or shareholders or staff  
00:21:29 --> 00:21:32: and society in general and as a result of that  
00:21:32 --> 00:21:35: in February this year, we set out a new purpose  
00:21:35 --> 00:21:38: and a new ambition for the company.  
00:21:38 --> 00:21:41: And that purpose and ambition was all about how could  
00:21:41 --> 00:21:45: we reimagine energy for people and the planet and achieve.  
00:21:45 --> 00:21:47: Net 0 by 2050 or sooner and we laid out  
00:21:47 --> 00:21:50: 10 aims as part of that strategy.  
00:21:50 --> 00:21:53: And one of those aims was was actually to create  
00:21:53 --> 00:21:55: the business that I'm setting up now,  
00:21:55 --> 00:21:59: which was around cities and corporate integrated solutions.  
00:21:59 --> 00:22:02: And really, we see an opportunity here to work in  
00:22:02 --> 00:22:06: partnership with lots of different organizations.  
00:22:06 --> 00:22:09: To create a business and to achieve net zero for  
00:22:09 --> 00:22:10: the world,  
00:22:10 --> 00:22:12: but specifically on Greg sides and on.  
00:22:12 --> 00:22:15: Why do we think the pandemic is an agent for  
00:22:15 --> 00:22:16: change?  
00:22:16 --> 00:22:19: I'm actually aligned with a huge amount for what Greg  
00:22:19 --> 00:22:22: says and prior to taking on this role on the  
00:22:23 --> 00:22:23: 1st of July,  
00:22:23 --> 00:22:26: I was fortunate enough to run our UK retail and  
00:22:27 --> 00:22:28: fuels business.

00:22:28 --> 00:22:30: So a number of the points he makes are really  
00:22:31 --> 00:22:31: pertinent.  
00:22:31 --> 00:22:33: So resilience of supply chain.  
00:22:33 --> 00:22:36: For example, absolutely critical and.  
00:22:36 --> 00:22:39: I've got numerous examples, be they food or fuel,  
00:22:39 --> 00:22:43: where the team that I was running and leading you  
00:22:43 --> 00:22:47: know whether that be to provide fuel to emergency services  
00:22:47 --> 00:22:51: or taking food parcels to elderly people from our local  
00:22:51 --> 00:22:56: stores was really important. As part of that resilient effort,  
00:22:56 --> 00:23:01: but I think the pandemic really is accelerating technology  
changes  
00:23:01 --> 00:23:06: and accelerating the advancement of technologies and  
trends that as  
00:23:06 --> 00:23:07: Greg said,  
00:23:07 --> 00:23:11: would seen emerging. And they've come even faster forward.  
00:23:11 --> 00:23:16: So energy and mobility trends are definitely.  
00:23:16 --> 00:23:19: Works that kind of two or three years advanced to  
00:23:19 --> 00:23:21: where we were expecting them to be historically,  
00:23:21 --> 00:23:24: and I'm going to pause there and give somebody else  
00:23:24 --> 00:23:26: an opportunity to talk Guido.  
00:23:26 --> 00:23:28: I think. Thanks, thank you.  
00:23:28 --> 00:23:30: I'm here to yes, I suppose in a way a  
00:23:30 --> 00:23:33: similar view your observations on Greg Clark from a need  
00:23:33 --> 00:23:36: to change institutional investors POV.  
00:23:36 --> 00:23:38: Now you're investing for the long term,  
00:23:38 --> 00:23:40: so maybe you see the panic as a pandemic.  
00:23:40 --> 00:23:43: Sorry as a short term trend in among that?  
00:23:43 --> 00:23:44: Or does it kind of?  
00:23:44 --> 00:23:46: Is it also a reset for you and how you  
00:23:46 --> 00:23:49: see cities and how you want to take that going  
00:23:49 --> 00:23:49: forward?  
00:23:51 --> 00:23:54: And maybe you can also tell the bit about yourself  
00:23:54 --> 00:23:55: as well in your role at PGM,  
00:23:55 --> 00:23:56: as you do that.  
00:23:58 --> 00:24:00: OK, I will do Andrea.  
00:24:00 --> 00:24:02: Thank you. Good morning everyone.  
00:24:02 --> 00:24:06: I've got a bit of a unstable Internet so hopefully  
00:24:06 --> 00:24:08: you can hear me loud and clear.  
00:24:08 --> 00:24:12: But let me start by saying that  
00:24:12 --> 00:24:15: PGGM is investing across the globe,  
00:24:15 --> 00:24:18: so we normally a city investor instead of a country  
00:24:18 --> 00:24:19: investor.

00:24:19 --> 00:24:23: We do 15 billion euro across the globe and equally

00:24:23 --> 00:24:26: divide it in Asia in the US and in the

00:24:26 --> 00:24:26: Europe.

00:24:26 --> 00:24:30: And like I said, we don't do that in cities.

00:24:30 --> 00:24:33: If I look at the various sectors we love to

00:24:33 --> 00:24:35: invest in logistics and residential

00:24:35 --> 00:24:38: And as Rick already pointed out,

00:24:38 --> 00:24:42: a logistic has been very successful in last couple of

00:24:42 --> 00:24:42: years.

00:24:42 --> 00:24:45: Of course due to this.

00:24:45 --> 00:24:48: Let's say technology changes in the E Commerce.

00:24:48 --> 00:24:52: First, the retail investments we have been in the retail

00:24:52 --> 00:24:53: invested as well,

00:24:53 --> 00:24:55: but we're happy to do sort of.

00:24:55 --> 00:24:59: Sell offs are part of the portfolio already in the

00:24:59 --> 00:24:59: past,

00:24:59 --> 00:25:03: but what we currently see an EMS been known as

00:25:03 --> 00:25:06: a sustainable investment for quite some time that we get

00:25:06 --> 00:25:07: a lot of,

00:25:07 --> 00:25:11: let's say questions from our pensioners that they say,

00:25:11 --> 00:25:14: OK, you've got a lot of capital and please do

00:25:14 --> 00:25:15: something good with it.

00:25:15 --> 00:25:17: So really make an impact.

00:25:17 --> 00:25:22: Make a difference. And it's something that has been created

00:25:22 --> 00:25:25: as a lot of awareness within our investment.

00:25:25 --> 00:25:28: So beside of going for a financial ambition,

00:25:28 --> 00:25:32: so making return for the patients and we also are,

00:25:32 --> 00:25:36: let's say, ask to make an impact and to make

00:25:36 --> 00:25:38: a real difference in the portfolio.

00:25:38 --> 00:25:42: And we do that across all the portfolios and we

00:25:42 --> 00:25:46: like to do sustainability in an integral way.

00:25:46 --> 00:25:48: So not making a couple of let's say.

00:25:48 --> 00:25:54: Green or sustainable investments. But regardless the

00:25:54 --> 00:25:57: essence category we

00:25:57 --> 00:26:00: like to do it in a sustainable way and so

00:26:00 --> 00:26:03: we do that in the various cities across

00:26:03 --> 00:26:07: the globe. Regardless the sectors and well.

00:26:07 --> 00:26:08: But this, I think for now this is a good

00:26:08 --> 00:26:11: introduction.

00:26:11 --> 00:26:14: And Greg, thank you, in your slides

00:26:14 --> 00:26:16: you talked about this decoupling of the economy from the

00:26:14 --> 00:26:16: environment and you know we were in survival.

00:26:16 --> 00:26:19: We felt survival situation when that happened when we stop  
00:26:20 --> 00:26:20: traveling,  
00:26:20 --> 00:26:22: we stop using our cars so much,  
00:26:22 --> 00:26:23: you know. And things like that,  
00:26:23 --> 00:26:24: and I suppose  
00:26:24 --> 00:26:27: I worry that we will revert back to the mean.  
00:26:27 --> 00:26:29: Will go back to what we did before.  
00:26:29 --> 00:26:32: But how do we convince people that these things that  
00:26:32 --> 00:26:36: we can have the product productivity with that lower carbon  
00:26:36 --> 00:26:39: environment within cities were changing our behavior?  
00:26:39 --> 00:26:44: Well, I think both consumers and business people are  
00:26:44 --> 00:26:45: already  
00:26:45 --> 00:26:50: convinced of this.  
00:26:50 --> 00:26:53: I mean, many consumer surveys show that consumers are  
00:26:53 --> 00:26:55: now  
00:26:55 --> 00:27:00: much happier with a blend of the sort of as  
00:27:00 --> 00:27:03: a service digitized,  
00:27:03 --> 00:27:04: less carbon intensive way of consuming certain things.  
00:27:04 --> 00:27:07: And it's also very clear if you read any of  
00:27:07 --> 00:27:12: the surveys of the,  
00:27:12 --> 00:27:15: you know the Forbes 500 of the Forbes 1000.  
00:27:15 --> 00:27:18: Many, many CEOs anticipate in the future are very different  
00:27:18 --> 00:27:20: blend of how their staff are going to work.  
00:27:20 --> 00:27:23: So there's, if you like some aspects of living life  
00:27:23 --> 00:27:26: in a more decarbonized way,  
00:27:26 --> 00:27:31: announce team is better by people.  
00:27:31 --> 00:27:34: So this is the big opportunity if you like for  
00:27:34 --> 00:27:37: both companies and for workers and consumers to take  
00:27:37 --> 00:27:40: advantage.  
00:27:40 --> 00:27:44: Of the experience that they've had that's been positive.  
00:27:44 --> 00:27:48: I mean, that's one thing the second thing.  
00:27:48 --> 00:27:51: Of course, Andrea is that the big uptick in technology  
00:27:51 --> 00:27:55: has also been a boost for various low carbon technologies.  
00:27:55 --> 00:27:56: We could think about things like particularly electric vehicles.  
00:27:56 --> 00:27:59: There's been a massive growth in demand for them,  
00:27:59 --> 00:28:01: a massive growth in investment in the infrastructure required  
00:28:01 --> 00:28:04: to  
00:28:04 --> 00:28:07: support them.  
00:28:07 --> 00:28:08: So if you like we're getting there on the market  
00:28:08 --> 00:28:09: conditions that that will be.  
00:28:09 --> 00:28:12: Better for this to occur and then the third thing  
00:28:12 --> 00:28:15: I think that's been really important is that in the  
00:28:15 --> 00:28:18: real estate sector,

00:28:08 --> 00:28:11: which no doubt will talk a little bit more about,  
 00:28:11 --> 00:28:14: I think on the investor side and Guido will understand  
 00:28:14 --> 00:28:17: this very well and on the utility side,  
 00:28:17 --> 00:28:20: which Nikki of course will understand very well there simply  
 00:28:20 --> 00:28:24: a much stronger alliance coming out of COVID-19 to really  
 00:28:24 --> 00:28:28: accelerate the decarbonization of real estate and for people  
 to  
 00:28:28 --> 00:28:32: see that as adding greater residual value to buildings overall.  
 00:28:32 --> 00:28:36: Embracing circularity allows us to reuse building  
 components,  
 00:28:36 --> 00:28:38: so if you like the logic of the circular economy  
 00:28:39 --> 00:28:42: is becoming more real and more obvious to people,  
 00:28:42 --> 00:28:44: I think Nikki how much do you see this as  
 00:28:44 --> 00:28:47: a cities conversation when you look at it from an  
 00:28:47 --> 00:28:48: energy perspective,  
 00:28:48 --> 00:28:52: you look a bit what's driving change in city library,  
 00:28:52 --> 00:28:55: regulation, consumer pressure? How much is it for you at  
 00:28:55 --> 00:28:56: that city level?  
 00:28:56 --> 00:28:59: As you approach the topic?  
 00:28:59 --> 00:29:02: I think for us you know if you look at  
 00:29:02 --> 00:29:02: cities,  
 00:29:02 --> 00:29:05: half of the world's population live there.  
 00:29:05 --> 00:29:08: They are the center of economic activity and equally it's  
 00:29:08 --> 00:29:12: a place where people come together and we see that  
 00:29:12 --> 00:29:15: dim and continuing to increase across the world.  
 00:29:15 --> 00:29:17: And as you see, the complexity,  
 00:29:17 --> 00:29:20: particularly around energy and mobility solutions,  
 00:29:20 --> 00:29:23: coming to the marketplace. There's a need to manage that  
 00:29:23 --> 00:29:24: complexity,  
 00:29:24 --> 00:29:28: and this is where this service solution that Greg mentioned  
 00:29:28 --> 00:29:30: earlier comes to the forefront.  
 00:29:30 --> 00:29:33: There's just many more choices available,  
 00:29:33 --> 00:29:35: and customers want those choices,  
 00:29:35 --> 00:29:40: so that's where you see that customer demand coming in.  
 00:29:40 --> 00:29:42: And it's about cities. As municipalities,  
 00:29:42 --> 00:29:45: it's about corporates within those cities.  
 00:29:45 --> 00:29:48: So seeing the city is the geographical region as well.  
 00:29:48 --> 00:29:52: That's really important and we think that you know we  
 00:29:52 --> 00:29:55: have a role to play working in partnership with,  
 00:29:55 --> 00:29:59: perhaps other market sectors and business sectors that we  
 have  
 00:29:59 --> 00:30:04: not worked with before as well as customers and citizens.  
 00:30:04 --> 00:30:07: This, you know, the historical past of there is one



00:30:07 --> 00:30:10: solution and there is one way forward doesn't exist anymore,

00:30:10 --> 00:30:13: so these new partnerships are going to be really important

00:30:13 --> 00:30:17: as we transition through the convergence of many different market

00:30:17 --> 00:30:19: sectors coming together and great.

00:30:19 --> 00:30:23: Do you think this is a conversation for cities these

00:30:23 --> 00:30:23: days?

00:30:23 --> 00:30:27: You know not making it too political rather than sort

00:30:27 --> 00:30:28: of national governments?

00:30:28 --> 00:30:33: Well, I think national governments were actually catching up now

00:30:33 --> 00:30:35: Andrea or over the last decade.

00:30:35 --> 00:30:38: I would say it's been cities and the investor community

00:30:38 --> 00:30:41: that have really led this discussion,

00:30:41 --> 00:30:44: particularly in the area of decarbonization of cities.

00:30:44 --> 00:30:48: And we're talking about COVID-19 as an accelerator of that.

00:30:48 --> 00:30:53: But national governments have increasingly recognized that what this pandemic

00:30:53 --> 00:30:56: has done is to reveal a much deeper rooted set

00:30:56 --> 00:30:57: of challenges,

00:30:57 --> 00:30:59: and they realize that they need to

00:30:59 --> 00:31:02: Partner with cities to invest differently.

00:31:02 --> 00:31:03: As I said, you know,

00:31:03 --> 00:31:07: we've never seen national governments investing on the scale they've

00:31:07 --> 00:31:10: been investing in the last year since World War Two

00:31:10 --> 00:31:11: in Europe,

00:31:11 --> 00:31:14: and as a consequence, I think there's a kind of.

00:31:14 --> 00:31:17: There's a new benchmark or a new threshold at which

00:31:17 --> 00:31:20: national governments are willing to engage,

00:31:20 --> 00:31:23: and I think that the scale of the revealed challenges

00:31:23 --> 00:31:27: and inequality's means that national governments are going to have

00:31:27 --> 00:31:30: to show that they've got a very proactive and positive

00:31:30 --> 00:31:33: agenda here. So cities are on in the lead in

00:31:33 --> 00:31:35: terms of innovation.

00:31:35 --> 00:31:37: That's not as exactly as Nicki says,

00:31:37 --> 00:31:41: that's not just municipal governments that cities as hubs of

00:31:41 --> 00:31:44: activity are partnerships between governments,

00:31:44 --> 00:31:47: businesses, investors, civil society, citizens,

00:31:47 --> 00:31:51: but also national governments. I think you're going to now

00:31:51 --> 00:31:53: play a big catch up phase.

00:31:53 --> 00:31:55: Thank you again. So bleeding off that.

00:31:55 --> 00:32:00: I mean that's there for Bout City competitiveness and which cities?

00:32:00 --> 00:32:00:

00:32:00 --> 00:32:03: Does it change how you look at cities?

00:32:03 --> 00:32:07: Do you look at City leadership in terms of sustainability?

00:32:07 --> 00:32:10: Does that factor into where you want to make your investments in the future?

00:32:10 --> 00:32:11:

00:32:14 --> 00:32:16: I think it is already the case Andrea,

00:32:16 --> 00:32:19: and if we look at our portfolio and where we invest we invest in let's say the top 100 cities

00:32:19 --> 00:32:22: in the world and most of them were already let's

00:32:22 --> 00:32:25: say more or less in the center of the slide

00:32:25 --> 00:32:27: register showed and I think it's fair to say that

00:32:28 --> 00:32:31: many European cities there a bit ahead of the curve

00:32:31 --> 00:32:34: so we're happy with that and we expect them to

00:32:34 --> 00:32:37: be very sustainable going forward.

00:32:37 --> 00:32:39:

00:32:39 --> 00:32:42: And told him, we said that we also see cities

00:32:43 --> 00:32:46: in Asia like or Australia for that sake and also

00:32:46 --> 00:32:49: cities like here Sydney or Singapore.

00:32:49 --> 00:32:51: They already are working at.

00:32:51 --> 00:32:53: We see them as let's say,

00:32:53 --> 00:32:57: long-term interesting cities to invest from sustainable perspective.

00:32:57 --> 00:33:00: If you compare that to many US cities,

00:33:00 --> 00:33:03: I would say they're they're lagging behind.

00:33:03 --> 00:33:07: And but if we look at where we make investments

00:33:07 --> 00:33:07: in the US,

00:33:07 --> 00:33:09: we make them in more,

00:33:09 --> 00:33:14: let's say European like. Cities which have less sustainable characteristics

00:33:14 --> 00:33:17: like New York or Arden for instance,

00:33:17 --> 00:33:20: or Seattle. So that's really on top of our agenda.

00:33:20 --> 00:33:24: With selecting our cities across the globe and Greg,

00:33:24 --> 00:33:28: you talked about European cities seen as lagging.

00:33:28 --> 00:33:31: Sometimes it sounds like this is also a moment where

00:33:31 --> 00:33:35: we could catch up again if that was the case

00:33:35 --> 00:33:39: in terms of leadership and using technology correctly.

00:33:39 --> 00:33:42: Well, yes, I mean that's really my key point,

00:33:42 --> 00:33:44: Andrea. So to put it in a nutshell,

00:33:44 --> 00:33:48: I think that COVID-19 shifts the global agenda more towards

00:33:48 --> 00:33:51: things that European cities are relatively better at.

00:33:51 --> 00:33:55: And so I'm making the point that European cities need

00:33:55 --> 00:33:58: to see this as an opportunity to play to their

00:33:58 --> 00:34:02: strengths and national governments in Europe need to see

that

00:34:02 --> 00:34:04: as well, but I think also investors,

00:34:04 --> 00:34:07: large corporates, major banks and others.

00:34:07 --> 00:34:10: You know there's three of us here on this call.

00:34:10 --> 00:34:14: Will begin to see European cities as having a new

00:34:14 --> 00:34:14: edge,

00:34:14 --> 00:34:17: as it were in their attractiveness.

00:34:17 --> 00:34:22: Because of this deep rooted commitment to sustainability to culture,

00:34:22 --> 00:34:28: to knowledge, to social inclusion to collaboration between neighboring places

00:34:28 --> 00:34:30: to infrastructure investment,

00:34:30 --> 00:34:34: this sense of place sense of identity is going to

00:34:34 --> 00:34:38: be so important in the experience economy now that so

00:34:38 --> 00:34:39: much more is digitized,

00:34:39 --> 00:34:42: if you like. My big point is that there's an

00:34:42 --> 00:34:46: opportunity for European cities to somehow reclaim the advantage from

00:34:46 --> 00:34:49: Asia and from North America because of COVID-19.

00:34:49 --> 00:34:52: That's about the most direct way I can put it.

00:34:52 --> 00:34:54: Yeah, I think if I can stay with you,

00:34:54 --> 00:34:57: Greg, I think we have to quickly move to the

00:34:57 --> 00:34:58: to the topic of money.

00:34:58 --> 00:35:00: You know, governments are overstretched,

00:35:00 --> 00:35:03: you know, public, private public funding is difficult,

00:35:03 --> 00:35:06: and we've had a question about that.

00:35:06 --> 00:35:08: You know? How do we take the lead on such

00:35:08 --> 00:35:09: opportunities,

00:35:09 --> 00:35:12: given that you know government resources are?

00:35:12 --> 00:35:15: stretched to breaking point to certain extent and I,

00:35:15 --> 00:35:18: I suppose that really lends us to kind of wall.

00:35:18 --> 00:35:20: Is the business case for you know this time?

00:35:20 --> 00:35:25: How are environmental and sustainable kind of future adds up

00:35:25 --> 00:35:26: really?

00:35:26 --> 00:35:29: Yes, well, I think there's two parts to the answer

00:35:29 --> 00:35:30: to this question,

00:35:30 --> 00:35:32: Andrew, if I may so the first bit.

00:35:32 --> 00:35:34: What's the business case? Well,

00:35:34 --> 00:35:36: the business case is partly about,

00:35:36 --> 00:35:40: you know, sustainable markets and partly about having a business

00:35:40 --> 00:35:43: model which is sustainable in the very long term and

00:35:43 --> 00:35:45: aligned with global imperatives.

00:35:45 --> 00:35:46: But in the short term,

00:35:46 --> 00:35:48: it's much more about savings.

00:35:48 --> 00:35:51: On the one hand, it's also as I was saying,

00:35:51 --> 00:35:55: in relation to circularity about building much longer term residual

00:35:55 --> 00:35:55: value,

00:35:55 --> 00:35:59: which is now investable. It's also of course about public

00:35:59 --> 00:36:03: health and and the returns from having healthier workforce.

00:36:03 --> 00:36:06: If you're creating healthier buildings,

00:36:06 --> 00:36:08: you get a healthier workforce.

00:36:08 --> 00:36:13: As a consequence. It's also about having a healthier population,

00:36:13 --> 00:36:15: more generally, reducing the tax burden.

00:36:15 --> 00:36:19: It's also, I think, about places that are able to

00:36:19 --> 00:36:22: demonstrate that they are innovators just to take a quick

00:36:22 --> 00:36:23: example,

00:36:23 --> 00:36:26: when Oslo was the green capital of Europe in,

00:36:26 --> 00:36:30: you know. Last year it was able to demonstrate that

00:36:30 --> 00:36:33: it used that to really innovate in its approach to

00:36:33 --> 00:36:35: the built environment,

00:36:35 --> 00:36:38: changing the way that construction occurs,

00:36:38 --> 00:36:41: creating an opportunity for the real estate sector in that

00:36:41 --> 00:36:46: city to demonstrate that it could use progressive regulation to

00:36:46 --> 00:36:47: induce innovation,

00:36:47 --> 00:36:50: which was then tradeable into other markets.

00:36:50 --> 00:36:53: So a lot of this is about inducing innovation that

00:36:53 --> 00:36:56: then allows you to trade more effectively.

00:36:56 --> 00:36:59: It's about a new system of enterprise.

00:36:59 --> 00:37:02: But I think it's also about talent attraction.

00:37:02 --> 00:37:05: I mean Nikki mentioned this earlier that if you like

00:37:05 --> 00:37:09: intelligent consumers are also intelligent workers and they want to

00:37:10 --> 00:37:12: work for firms and in places where they

00:37:12 --> 00:37:15: feel that progress is really being made.

00:37:15 --> 00:37:18: So I think the business case is a combination of

00:37:18 --> 00:37:20: these sorts of things.

00:37:20 --> 00:37:23: But I think that there's a kind of broader point

00:37:23 --> 00:37:23: here.

00:37:23 --> 00:37:26: If I may say that I think we do have

00:37:26 --> 00:37:29: to find new ways of financing some of the things

00:37:29 --> 00:37:31: we're talking about here,

00:37:31 --> 00:37:34: I don't think it's all going to be taxation and

00:37:34 --> 00:37:35: transfer payments.

00:37:35 --> 00:37:37: Let me pick one quick example.

00:37:37 --> 00:37:40: I think we're going to move in many parts of

00:37:40 --> 00:37:43: Europe towards Dynamic Rd user charging,

00:37:43 --> 00:37:46: where instead of thinking that our roads are paid for

00:37:46 --> 00:37:47: by a Road tax,

00:37:47 --> 00:37:51: what will happen is we'll pay for roads much more

00:37:51 --> 00:37:52: by the use of them.

00:37:52 --> 00:37:56: So much more dynamic smart tolling happening in cities and

00:37:56 --> 00:37:59: this will have the Joule effect of raising revenues but

00:37:59 --> 00:38:01: also of reducing carbon emissions.

00:38:01 --> 00:38:04: Because when you have dynamic pricing you can charge not

00:38:04 --> 00:38:06: just by the size of the vehicle.

00:38:06 --> 00:38:09: The nature of the pollutants that it's producing,

00:38:09 --> 00:38:12: but also the number of passengers that are in it.

00:38:12 --> 00:38:14: The time of day that it's traveling,

00:38:14 --> 00:38:17: the contribution it's making or not,

00:38:17 --> 00:38:19: to heat island effects. So I expect to see a

00:38:19 --> 00:38:23: lot more smart pricing of the environmental consequences.

00:38:23 --> 00:38:26: Of activity and much more public and private collaboration on

00:38:27 --> 00:38:28: how to finance these things.

00:38:28 --> 00:38:30: Sorry for the long answer.

00:38:30 --> 00:38:33: No worries, Nikki.

00:38:33 --> 00:38:36: Come to you about that business card business case point

00:38:36 --> 00:38:36: as well.

00:38:36 --> 00:38:39: Obviously is BP. You know you're looking at this from

00:38:39 --> 00:38:41: as a multinational company.

00:38:41 --> 00:38:43: Why are you stepping into this arena and how do

00:38:43 --> 00:38:44: you know?

00:38:44 --> 00:38:45: How do you see? Also,

00:38:45 --> 00:38:48: you know, leading on from Greg's answer about different

00:38:48 --> 00:38:49: types

00:38:48 --> 00:38:49: of tax.

00:38:49 --> 00:38:52: Let's call him payments and taxes as well.

00:38:52 --> 00:38:54: I think it's a really great question.

00:38:54 --> 00:38:57: I mean, the bottom line is BP is a business

00:38:57 --> 00:39:00: and we have to satisfy a number of shareholders and

00:39:00 --> 00:39:01: stakeholders as well.

00:39:01 --> 00:39:04: So we see this is a business opportunity as much

00:39:04 --> 00:39:07: as we see it is a societal imperative as.

00:39:07 --> 00:39:10: And you know, picking up on the few the points

00:39:10 --> 00:39:12: that Greg actually raised we are seeing demand.

00:39:12 --> 00:39:15: You know when I stepped into this role on the  
00:39:15 --> 00:39:16: first of July.  
00:39:16 --> 00:39:19: You know flippantly. I could have seen myself as a  
00:39:19 --> 00:39:20: traveling saleswoman,  
00:39:20 --> 00:39:23: having to knock on lots of doors with with this  
00:39:23 --> 00:39:23: opportunity.  
00:39:23 --> 00:39:26: It's actually being completely. The reverse scenario.  
00:39:26 --> 00:39:28: The demand is out there.  
00:39:28 --> 00:39:31: It's from governments. It's from business to business.  
00:39:31 --> 00:39:34: It's from large corporates and it's from our customers and  
00:39:34 --> 00:39:37: where you see this from our customers be they business,  
00:39:37 --> 00:39:39: business governments or.  
00:39:39 --> 00:39:41: or rent consumers on a daily basis.  
00:39:41 --> 00:39:44: It is going to require us to experiment though,  
00:39:44 --> 00:39:47: which is why we've set out to look at 10  
00:39:47 --> 00:39:49: to 15 cities initially to look at.  
00:39:49 --> 00:39:51: What are the right business models?  
00:39:51 --> 00:39:56: What are the right solutions that create long-term sustainable  
00:39:56 --> 00:39:58: business  
00:39:58 --> 00:40:01: models moving forward?  
00:39:58 --> 00:40:01: And that's why we're working with the City of Houston  
00:40:01 --> 00:40:04: and the City of Aberdeen to understand what are the  
00:40:04 --> 00:40:07: complexities involved in these models?  
00:40:07 --> 00:40:09: What are the options that are right?  
00:40:09 --> 00:40:13: Both for the city itself and for BP's organization,  
00:40:13 --> 00:40:17: and it is going to require different partnerships and different  
00:40:17 --> 00:40:18: financing solutions.  
00:40:18 --> 00:40:21: You know where we are used to managing risk and  
00:40:21 --> 00:40:22: BP.  
00:40:22 --> 00:40:26: And as the world converges and more complexity comes  
00:40:26 --> 00:40:30: onboard,  
00:40:26 --> 00:40:30: different organisations are going to have different risk  
00:40:30 --> 00:40:34: appetites and  
00:40:30 --> 00:40:34: they might not necessarily have all of the capabilities to  
00:40:34 --> 00:40:36: manage that risk as well.  
00:40:36 --> 00:40:39: So one of the things that you know we can  
00:40:39 --> 00:40:41: offer and we can bring to the party.  
00:40:41 --> 00:40:43: Is that risk management solution?  
00:40:43 --> 00:40:47: We recently arranged in agreement with Amazon of all  
00:40:47 --> 00:40:51: people  
00:40:47 --> 00:40:51: to help them through wind and solar generation across their  
00:40:51 --> 00:40:56: European centers to manage their risk through DBP trading  
00:40:51 --> 00:40:56: business.

00:40:56 --> 00:41:00: And that was all about providing them with sustainable energy

00:41:00 --> 00:41:01: solutions.

00:41:01 --> 00:41:04: I think kind of picking up on your second point,

00:41:04 --> 00:41:06: Andrea, which is around you,

00:41:06 --> 00:41:09: know different ways of financing the solution.

00:41:09 --> 00:41:13: Clearly green stimulus packages are certainly going to help accelerate

00:41:13 --> 00:41:16: the pace of change that we're already seeing,

00:41:16 --> 00:41:20: and they're going to be vital to enabling organizations to

00:41:20 --> 00:41:23: have more of a level playing field to operate.

00:41:23 --> 00:41:24: Be that a carbon tax,

00:41:24 --> 00:41:27: which is something that we've spoken about as a group

00:41:27 --> 00:41:28: before.

00:41:28 --> 00:41:32: Carbon pricing done well is a really important factor in

00:41:32 --> 00:41:33: this conversation.

00:41:33 --> 00:41:36: Equally agree with Greg that there will be numerous other

00:41:36 --> 00:41:39: solutions that we will need to look at and see

00:41:39 --> 00:41:41: where the right sources of value are.

00:41:41 --> 00:41:43: I think you need to do you see a role

00:41:43 --> 00:41:46: in institutions funding some of these initiatives.

00:41:46 --> 00:41:48: You're big, you know, as a group of as a

00:41:49 --> 00:41:50: group of capital pension funds,

00:41:50 --> 00:41:53: insurance companies are big funders of our cities.

00:41:53 --> 00:41:56: Do you see a changing role in becoming involved in

00:41:56 --> 00:41:58: more initiatives like in funding,

00:41:58 --> 00:42:01: decarbonization, sustainability and travel initiatives?

00:42:04 --> 00:42:07: Oh yes, for sure, but it always has to come

00:42:07 --> 00:42:07: with return.

00:42:07 --> 00:42:10: That's the thing we have to do.

00:42:10 --> 00:42:12: But like I said in the beginning,

00:42:12 --> 00:42:16: there's much more awareness now of doing good as well,

00:42:16 --> 00:42:19: so it's always the combination of the two and being

00:42:19 --> 00:42:21: this long term investor,

00:42:21 --> 00:42:25: we think managing risk sustainability is key to the whole

00:42:25 --> 00:42:25: portfolio.

00:42:25 --> 00:42:28: So we are definitely interested into that.

00:42:28 --> 00:42:32: And if, for instance, we have a large infrastructure portfolio

00:42:32 --> 00:42:34: that invests in renewable energy,

00:42:34 --> 00:42:37: for instance, or in. In solar power,

00:42:37 --> 00:42:40: wind energy, all kinds of networks like fiber for instance

00:42:41 --> 00:42:42: to digitalise cities.

00:42:42 --> 00:42:46: So we also look at it from that perspective,

00:42:46 --> 00:42:49: and maybe I can save the day to talk about  
00:42:49 --> 00:42:50: the role of real estate.  
00:42:50 --> 00:42:52: Really, when it comes down to,  
00:42:52 --> 00:42:56: I suppose my observation that you know as big as  
00:42:56 --> 00:42:59: some of the companies we have in the industry,  
00:42:59 --> 00:43:02: then it's quite still quite Frank fragmented.  
00:43:02 --> 00:43:06: You know, how do you think companies and institutions can  
00:43:06 --> 00:43:08: play like a meaningful role in cities?  
00:43:08 --> 00:43:13: So outside the stewardship of their own individual buildings.  
00:43:13 --> 00:43:15: Yeah, in principle you're right.  
00:43:15 --> 00:43:17: I mean, we invest assets  
00:43:17 --> 00:43:19: so it's hard to make a big difference,  
00:43:19 --> 00:43:22: but I think we could lead by example and the  
00:43:22 --> 00:43:22: sector.  
00:43:22 --> 00:43:25: Such is super large, but if you look at the  
00:43:25 --> 00:43:28: skyline of any of those cities which has been mentioned  
00:43:28 --> 00:43:29: before,  
00:43:29 --> 00:43:32: I think big part of those buildings are owned by  
00:43:32 --> 00:43:33: institutional investors.  
00:43:33 --> 00:43:37: So definitely there's a role to be played by institutional  
00:43:37 --> 00:43:40: investors to lead by example and to make sure that  
00:43:40 --> 00:43:43: the essence we have we built we develop.  
00:43:43 --> 00:43:48: redevelop that there are the most sustainable buildings in  
itself.  
00:43:48 --> 00:43:51: So I think that is important and if we do  
00:43:51 --> 00:43:51: so,  
00:43:51 --> 00:43:55: we have to work very close together with local municipalities,  
00:43:55 --> 00:43:59: local governments, local. Let's say with the whole all the  
00:43:59 --> 00:44:04: all the stakeholders in the direct and indirect environment as  
00:44:04 --> 00:44:04: well.  
00:44:04 --> 00:44:08: But usually that role is taken by the managers we  
00:44:08 --> 00:44:09: hire across the globe.  
00:44:09 --> 00:44:12: But we are very keen and we do have that  
00:44:12 --> 00:44:16: discussion with those managers as well that we feel that  
00:44:16 --> 00:44:16: is.  
00:44:16 --> 00:44:19: Very important because we think we have to be there  
00:44:19 --> 00:44:21: for the long term and money really talks.  
00:44:21 --> 00:44:24: And do you think you see your role widening and  
00:44:24 --> 00:44:27: therefore the type of partnerships that you might have  
broadening?  
00:44:27 --> 00:44:29: You know whether that's you know,  
00:44:29 --> 00:44:33: teaming up with mobility players or renewable energy



00:44:33 --> 00:44:36: players,  
 00:44:36 --> 00:44:39: those types of things. Do you see that you know  
 00:44:39 --> 00:44:40: what we traditionally do as an industry evolving in that  
 00:44:40 --> 00:44:43: way?  
 00:44:43 --> 00:44:45: Yeah, but that's not going via the real estate arm,  
 00:44:45 --> 00:44:48: but that's going Friday infrastructure.  
 00:44:48 --> 00:44:50: Or it could also be the private equity arm,  
 00:44:50 --> 00:44:54: but there's definitely a role to be played,  
 00:44:54 --> 00:44:55: and for instance, within the equity portfolio we have a  
 00:44:55 --> 00:44:58: passive mandate.  
 00:44:58 --> 00:45:01: But also bigger and bigger active mandates?  
 00:45:02 --> 00:45:04: And those companies qualify. We were really making the  
 00:45:04 --> 00:45:07: difference  
 00:45:07 --> 00:45:10: our like and Nikki said BP is working very hard.  
 00:45:10 --> 00:45:13: They say on their new strategy to let's say to  
 00:45:13 --> 00:45:16: make the change let me put it that way then.  
 00:45:16 --> 00:45:19: Could be part of our portfolio as well.  
 00:45:19 --> 00:45:22: So active portfolio invest more in BP for that reason.  
 00:45:22 --> 00:45:24: So that's how we use the money or the capital  
 00:45:24 --> 00:45:28: to steer our portfolio and Greg can I also at  
 00:45:28 --> 00:45:31: the same sort of topic really?  
 00:45:31 --> 00:45:34: I mean when you observe the real estate industry,  
 00:45:34 --> 00:45:38: do you think it can come together and act almost  
 00:45:38 --> 00:45:41: kind of organize itself to do this well on a  
 00:45:41 --> 00:45:43: city level?  
 00:45:43 --> 00:45:47: And you know, for those you know not institutions.  
 00:45:47 --> 00:45:50: Do you see other partnerships happening around?  
 00:45:50 --> 00:45:54: Around these topics.  
 00:45:54 --> 00:45:57: Well, I think it's obviously clear Andrea that the real  
 00:45:57 --> 00:46:01: estate industry needs to be part of a kind of  
 00:46:01 --> 00:46:05: an alliance for change and reform in our cities.  
 00:46:05 --> 00:46:09: If it's not there, it's going to miss out some  
 00:46:09 --> 00:46:11: parts of the real estate industry are very active in  
 00:46:11 --> 00:46:14: sort of civic leadership platforms that others are not so  
 00:46:14 --> 00:46:18: active. It's very important that that that that real estate  
 00:46:18 --> 00:46:19: is part of this conversation,  
 00:46:19 --> 00:46:20: but I think we can learn an awful lot.  
 00:46:20 --> 00:46:23: From what happened in retail real estate over the last  
 00:46:23 --> 00:46:27: decade or two?  
 00:46:27 --> 00:46:30: If you think about it,  
 00:46:30 --> 00:46:33: we've been going through a kind of 5th revolution in  
 00:46:33 --> 00:46:36: retail with the impact of digitisation on the way people

00:46:27 --> 00:46:29: buy and consume goods.

00:46:29 --> 00:46:32: The implication that's had for logistics and fulfillment,

00:46:32 --> 00:46:35: the impact it's had on what we call it in

00:46:35 --> 00:46:36: the UK,

00:46:36 --> 00:46:38: high streets or what are sometimes called,

00:46:38 --> 00:46:42: you know, main commercial districts and what it's done to

00:46:42 --> 00:46:43: particular formats.

00:46:43 --> 00:46:45: And if you like, we've.

00:46:45 --> 00:46:48: we've ended up with the realization that much of what

00:46:48 --> 00:46:51: was built for the retail industry of the 80s and

00:46:51 --> 00:46:54: the 90s is not what we need going forward.

00:46:54 --> 00:46:57: And there's been a very large scale approach to try

00:46:57 --> 00:46:59: to reconfigure that.

00:46:59 --> 00:47:02: And we know which of those kinds of retail formats

00:47:02 --> 00:47:03: can survive,

00:47:03 --> 00:47:06: which ones won't, but I put it to you that

00:47:06 --> 00:47:09: actually exactly the same process is now going to happen

00:47:10 --> 00:47:12: with offices with hotels with student housing,

00:47:12 --> 00:47:15: it's going to happen with a wide range of.

00:47:15 --> 00:47:18: other kinds of real estate usages,

00:47:18 --> 00:47:23: including in residential, which I think means that the real

00:47:23 --> 00:47:25: estate industry as a whole,

00:47:25 --> 00:47:28: now needs to embrace this agenda of agility.

00:47:28 --> 00:47:32: hybridity sustainability, innovation, and of course,

00:47:32 --> 00:47:37: many people who are here on the web today will

00:47:37 --> 00:47:40: realize that takes money.

00:47:40 --> 00:47:43: It takes leadership and it takes a certain amount of

00:47:43 --> 00:47:44: courage as well.

00:47:44 --> 00:47:46: So I think it's going to be interesting to see

00:47:46 --> 00:47:49: who are the leaders in this process and who are

00:47:49 --> 00:47:50: the followers.

00:47:50 --> 00:47:53: They'll be big returns. I think to those who take

00:47:53 --> 00:47:53: the lead.

00:47:53 --> 00:47:55: So real estate as a service,

00:47:55 --> 00:47:57: I think is here to stay and I think

00:47:57 --> 00:48:00: COVID-19 has been a big accelerator of that much more

00:48:00 --> 00:48:01: to say about city centres.

00:48:01 --> 00:48:03: But let's discuss that later yesterday.

00:48:03 --> 00:48:06: Nikki not to put you too much on the spot,

00:48:06 --> 00:48:09: but where does the real estate industry sit on your

00:48:09 --> 00:48:12: list of priorities in terms of getting to know us

00:48:12 --> 00:48:12: and.

00:48:12 --> 00:48:16: partnering with us. It's actually a really important part really  
 00:48:17 --> 00:48:19: keen to work with real estate suppliers,  
 00:48:19 --> 00:48:23: providers, customers, partners. You know if I give you an  
 00:48:23 --> 00:48:26: example of a partnership that's public with us,  
 00:48:26 --> 00:48:28: it's not a real estate example,  
 00:48:28 --> 00:48:30: but historically BP wouldn't be known.  
 00:48:30 --> 00:48:34: For example, to have partnerships with big tech companies.  
 00:48:34 --> 00:48:37: And one of the things that we've done as part  
 00:48:37 --> 00:48:41: of setting up this new business create a new partnership  
 00:48:41 --> 00:48:43: with Microsoft an on one level,  
 00:48:43 --> 00:48:46: you could say it's quite come transactional.  
 00:48:46 --> 00:48:49: Kind of, you know, we provide them with some services  
 00:48:49 --> 00:48:53: and supply solutions to help decarbonize their datacenters.  
 00:48:53 --> 00:48:55: They provide us with some cloud services,  
 00:48:55 --> 00:48:59: but actually what's much more interesting is in this true  
 00:48:59 --> 00:49:01: partnership it is about Co.  
 00:49:01 --> 00:49:05: Creating and Co innovating solutions that on our own.  
 00:49:05 --> 00:49:09: We're not as powerfully able to impact cities with,  
 00:49:09 --> 00:49:11: so we're looking at actually,  
 00:49:11 --> 00:49:15: how can we accelerate the advancement of clean city  
 solutions?  
 00:49:15 --> 00:49:19: How can we accelerate and develop solutions that we can  
 00:49:19 --> 00:49:21: take to corporate partners?  
 00:49:21 --> 00:49:24: And I think there's something that we can do with  
 00:49:25 --> 00:49:29: real estate industry with the sector that is very different.  
 00:49:29 --> 00:49:32: Now I don't know what that looks like yet,  
 00:49:32 --> 00:49:35: but I know that working together in what is a  
 00:49:35 --> 00:49:36: complex system.  
 00:49:36 --> 00:49:39: Through one of Greg's models that you showed in his  
 00:49:39 --> 00:49:41: slide is going to be really important.  
 00:49:41 --> 00:49:43: We have some of the solutions,  
 00:49:43 --> 00:49:45: but we don't have all of them,  
 00:49:45 --> 00:49:48: and we're willing to make some bets which you see  
 00:49:48 --> 00:49:51: with things like investing in chargemaster.  
 00:49:51 --> 00:49:52: For example in the UK.  
 00:49:52 --> 00:49:55: You know, if you looked at the pure economics,  
 00:49:55 --> 00:49:57: it was a chicken and egg scenario.  
 00:49:57 --> 00:49:59: There were some people who say,  
 00:49:59 --> 00:50:02: well, there aren't enough electric vehicles on the road.  
 00:50:02 --> 00:50:04: And then there are consumers going,  
 00:50:04 --> 00:50:06: yes, but I'm really concerned I'm not going to buy  
 00:50:06 --> 00:50:10: an electric vehicle because there aren't enough charging

points,

00:50:10 --> 00:50:11: so we we stepped into that.

00:50:11 --> 00:50:14: We leant into that and I think there's something about

00:50:14 --> 00:50:17: working together with leaders in your sector to see you

00:50:17 --> 00:50:20: know what is it we need to lead into lean

00:50:20 --> 00:50:22: into? What is it we need to Co create to

00:50:22 --> 00:50:25: accelerate some opportunities from a business perspective?

00:50:25 --> 00:50:28: And from a societal perspective as well.

00:50:28 --> 00:50:31: Thank you yes, that and just get a great touched

00:50:32 --> 00:50:32: on it.

00:50:32 --> 00:50:35: Guido one of the main problems in our cities at

00:50:35 --> 00:50:38: the moment is the damage being done to city centers

00:50:38 --> 00:50:42: because of the change in retail and you know potentially

00:50:42 --> 00:50:45: also the change in how we work as well.

00:50:45 --> 00:50:48: How central do you think cities survivalist to this topic

00:50:48 --> 00:50:52: and how can we use this up green and sustainable

00:50:52 --> 00:50:55: agenda to really help reconfigure our city centers.

00:50:59 --> 00:51:00: So why did he tell you that?

00:51:00 --> 00:51:03: So did you? Can I put that question to you

00:51:03 --> 00:51:05: later if you can hear me?

00:51:05 --> 00:51:09: Up, you come off me great yeah there was a

00:51:09 --> 00:51:11: bit of a disturbance in there.

00:51:11 --> 00:51:14: You repeat your last mark the question.

00:51:14 --> 00:51:17: Yeah, it's really about you know where does the city,

00:51:17 --> 00:51:20: where does the survival of the city centers fit into

00:51:20 --> 00:51:22: the conversation we're having today?

00:51:22 --> 00:51:24: You know, how can we use the green agenda in

00:51:24 --> 00:51:26: recovery too to help improve out?

00:51:26 --> 00:51:29: You know, post retail post potentially office working changing

00:51:30 --> 00:51:30: as

00:51:32 --> 00:51:35: well.

00:51:35 --> 00:51:38: Yeah, we think that the city will survive,

00:51:38 --> 00:51:41: so it's still very much a city play,

00:51:41 --> 00:51:42: but we have to be more flexible and more thinking

00:51:42 --> 00:51:45: more,

00:51:45 --> 00:51:49: creative. So we very much location believe it,

00:51:49 --> 00:51:49: but we have to accept that today it's it's retail

00:51:49 --> 00:51:54: tomorrow.

00:51:54 --> 00:51:56: It can be something else and that is something you

00:51:56 --> 00:51:59: have to take in mind.

00:51:59 --> 00:52:02: With every investment you make,

00:51:59 --> 00:52:02: what we also feel is it is very important to

00:52:02 --> 00:52:07: make cities more vibrant in terms of housing and one  
00:52:07 --> 00:52:09: of the key points there is,  
00:52:09 --> 00:52:11: I think to invest in.  
00:52:11 --> 00:52:15: affordable housing in every city you will see a lot  
00:52:15 --> 00:52:17: of cities across the globe,  
00:52:17 --> 00:52:21: but you see big differences and big.  
00:52:21 --> 00:52:24: Being lesser, the haves and the have not and that's  
00:52:25 --> 00:52:27: really a killer to make a city investable.  
00:52:27 --> 00:52:30: So I think that is key going forward and so  
00:52:30 --> 00:52:34: looking out all the functions a city or inner city  
00:52:34 --> 00:52:34: will have.  
00:52:34 --> 00:52:39: I think having residential there affordable residential as well  
00:52:39 --> 00:52:43: that  
00:52:39 --> 00:52:43: is key for for being a long term interesting city  
00:52:43 --> 00:52:45: for consumers and for investors as well.  
00:52:45 --> 00:52:49: Yeah, I think that topic of affordable housing is come  
00:52:49 --> 00:52:51: up in one of the questions.  
00:52:51 --> 00:52:53: We have an. Greg, we're gonna move the questions in  
00:52:53 --> 00:52:54: just one moment.  
00:52:54 --> 00:52:56: I wanted to talk to you about people because we  
00:52:56 --> 00:52:59: feel like we're talking about solutions for cities.  
00:52:59 --> 00:53:01: But actually it's really about what the people want.  
00:53:01 --> 00:53:03: Someone's asked about immigration, you know.  
00:53:03 --> 00:53:06: European cities attract a lot of immigration that people  
00:53:06 --> 00:53:07: touching  
00:53:06 --> 00:53:07: affordable housing.  
00:53:07 --> 00:53:09: How do we make sure this is the right social  
00:53:09 --> 00:53:10: agenda as well?  
00:53:10 --> 00:53:14: That this is right for the communities we have in  
00:53:14 --> 00:53:15: our cities?  
00:53:15 --> 00:53:19: Well, European cities don't attract as much immigration as  
00:53:19 --> 00:53:20: cities  
00:53:19 --> 00:53:20: do.  
00:53:20 --> 00:53:24: Generally in North America, or indeed increasingly in the hot  
00:53:24 --> 00:53:26: spots in Asia Pacific,  
00:53:26 --> 00:53:30: and actually more immigration would be very helpful for  
00:53:30 --> 00:53:34: European  
00:53:30 --> 00:53:34: cities given the demographic challenges that they face.  
00:53:34 --> 00:53:37: So you know that there's a key issue there,  
00:53:37 --> 00:53:41: but you know all of the issues we've been talking  
00:53:41 --> 00:53:41: about.  
00:53:41 --> 00:53:45: Have a social dimension and a social lens to them,  
00:53:45 --> 00:53:49: and I think. Guido's final point in the comment that

00:53:49 --> 00:53:52: he just made that if you like cities that are  
 00:53:52 --> 00:53:53: more inequitable,  
 00:53:53 --> 00:53:57: more polarized, more divided, are harder to invest in.  
 00:53:57 --> 00:54:00: I think that's a really interesting way of putting it  
 00:54:00 --> 00:54:02: an I think that creates,  
 00:54:02 --> 00:54:06: as it were, the link between sustainable shared prosperity,  
 00:54:06 --> 00:54:09: as it were, and the need to address the social  
 00:54:09 --> 00:54:10: agenda look.  
 00:54:10 --> 00:54:14: My view of cities is that cities are essentially sharing  
 00:54:14 --> 00:54:15: platforms,  
 00:54:15 --> 00:54:17: right? You share a housing market.  
 00:54:17 --> 00:54:19: You share a labor market.  
 00:54:19 --> 00:54:21: You share an infrastructure system.  
 00:54:21 --> 00:54:24: You share an institutional framework.  
 00:54:24 --> 00:54:27: Cities are sharing platforms. The extent to which a city  
 00:54:28 --> 00:54:31: is successful is determined by the degree of sharing that  
 00:54:31 --> 00:54:33: actually happens.  
 00:54:33 --> 00:54:35: This is why COVID-19 has been so stuck,  
 00:54:35 --> 00:54:38: because many of the shared systems,  
 00:54:38 --> 00:54:40: the public transport, the open spaces,  
 00:54:40 --> 00:54:44: the public spaces, the institutions, the theaters,  
 00:54:44 --> 00:54:48: the gallery's the universities they have not been able to  
 00:54:48 --> 00:54:49: function in the normal way.  
 00:54:49 --> 00:54:54: Cities produce these platforms that enable people of different  
 00:54:54 --> 00:54:58: income  
 00:54:58 --> 00:54:58: groups and different backgrounds to mix together and to  
 00:54:58 --> 00:54:59: enjoy  
 00:54:58 --> 00:54:59: the same systems.  
 00:54:59 --> 00:55:02: And that's what cities need to be good at.  
 00:55:02 --> 00:55:05: So if you build upon what Guido was saying a  
 00:55:05 --> 00:55:06: minute ago,  
 00:55:06 --> 00:55:08: that's why I would say that the future of our  
 00:55:09 --> 00:55:12: city centers is not so much about corporate commuters or  
 00:55:12 --> 00:55:13: about consumption,  
 00:55:13 --> 00:55:16: or about the delivery of services.  
 00:55:16 --> 00:55:20: It's much more about having a broadly based residential  
 00:55:20 --> 00:55:23: offer.  
 00:55:20 --> 00:55:23: It's much more about kind of bottom up enterprise where  
 00:55:24 --> 00:55:26: individuals can get much more involved,  
 00:55:26 --> 00:55:30: and it's much more about this experience economy where  
 00:55:30 --> 00:55:33: people  
 00:55:30 --> 00:55:33: can experience their city in all of it's in all  
 00:55:33 --> 00:55:37: of its manifestations doing different things in the same places

00:55:37 --> 00:55:40: at the same time. So we have to emphasize the

00:55:40 --> 00:55:41: public space,

00:55:41 --> 00:55:44: the shared space, the shared systems of cities.

00:55:44 --> 00:55:47: That's the way to make the cities investable in the

00:55:47 --> 00:55:48: long term.

00:55:48 --> 00:55:51: So that means reinvesting in public transport.

00:55:51 --> 00:55:53: It means reinvesting in good schooling.

00:55:53 --> 00:55:57: It means reinvesting in a healthcare service that works.

00:55:57 --> 00:56:00: Those things are actually the critical thing to deliver.

00:56:00 --> 00:56:04: The promise of cities. Otherwise they become privatized,

00:56:04 --> 00:56:08: fragmented islands of activity that simply don't work.

00:56:08 --> 00:56:10: OK, thank you Greg. I just got Nikki.

00:56:10 --> 00:56:12: Maybe you can cover up a couple of our questions

00:56:12 --> 00:56:14: quickly and one is about privacy where I think always

00:56:15 --> 00:56:16: comes up around new technology.

00:56:16 --> 00:56:19: New solutions just concerns about the boundaries of

00:56:20 --> 00:56:23: protection and

00:56:23 --> 00:56:26: privacy and the other is more specifically about something

00:56:26 --> 00:56:28: called

00:56:28 --> 00:56:31: positive energy districts which I'm hoping you know about.

00:56:31 --> 00:56:33: The idea, right? So I'm.

00:56:33 --> 00:56:35: So on privacy, I think it actually links to.

00:56:35 --> 00:56:40: Something about transparency and trust and a requirement

00:56:40 --> 00:56:41: actually for

00:56:41 --> 00:56:45: organizations,

00:56:45 --> 00:56:49: typically large corporate organisations to be more transparent

00:56:49 --> 00:56:51: so that

00:56:51 --> 00:56:55: it will enable them to be more trustworthy with everybody

00:56:55 --> 00:56:56: that they're dealing with.

00:56:56 --> 00:57:00: And in Europe, clearly we've got some really great rules

00:57:00 --> 00:57:03: and regulations about this,

00:57:03 --> 00:57:06: and customers have options to opt in or opt out

00:57:06 --> 00:57:08: of data privacy regulations and what they sign up to,

00:57:08 --> 00:57:13: but it fundamentally comes down to me.

00:57:13 --> 00:57:17: It's about transparency and trust.

00:57:17 --> 00:57:21: What are corporations doing to demonstrate that citizens that

00:57:21 --> 00:57:25: customers

00:57:25 --> 00:57:28: should have trust in them and digitising is one way

00:57:28 --> 00:57:32: of driving efficiency and therefore we need to make sure

00:57:32 --> 00:57:36: we've got the right systems and solutions in place to

00:57:36 --> 00:57:40: manage that balance of privacy as well.

00:57:40 --> 00:57:44: The second question around positive energy districts,

00:57:44 --> 00:57:48: assuming that the question is relating more to.

00:57:36 --> 00:57:39: sSome organizations so Microsoft. For example,  
00:57:39 --> 00:57:43: I've spoken about being net carbon positive and so I'm  
00:57:43 --> 00:57:45: assuming it's in relation to that,  
00:57:45 --> 00:57:48: so if it's not, please do flag in the box.  
00:57:48 --> 00:57:53: Yeah, I think related assets more integrated approaches  
yeah?  
00:57:53 --> 00:57:56: Yeah, so I think integrated approaches are going to be  
00:57:56 --> 00:57:57: more important.  
00:57:57 --> 00:58:01: As we've already mentioned from an energy mobility  
perspective,  
00:58:01 --> 00:58:05: there are more and more solutions available in the  
marketplace  
00:58:05 --> 00:58:09: and therefore creating bespoke solutions to specific areas  
are going  
00:58:09 --> 00:58:10: to be critical.  
00:58:10 --> 00:58:13: So for example, I'm going to use the Houston Aberdeen  
00:58:13 --> 00:58:13: example.  
00:58:13 --> 00:58:17: Offshore wind is going to be massively important in the  
00:58:17 --> 00:58:18: environment,  
00:58:18 --> 00:58:21: the geography, the weather patterns of Aberdeen solar,  
00:58:21 --> 00:58:22: perhaps a little less so,  
00:58:22 --> 00:58:25: whereas in Houston Solar's gonna be.  
00:58:25 --> 00:58:27: A particularly important source of energy,  
00:58:27 --> 00:58:30: actually alongside wind, so it's really about how do we  
00:58:30 --> 00:58:34: create the right solutions in the right environmental context in  
00:58:34 --> 00:58:36: which they are finding to meet the needs of the  
00:58:36 --> 00:58:39: population in which we are working together to provide all  
00:58:39 --> 00:58:41: of their solutions for great.  
00:58:41 --> 00:58:44: Well, we knew that this conversation was going to take  
00:58:44 --> 00:58:46: us past the hour if we let it thank you.  
00:58:46 --> 00:58:48: Always have those questions. Apologies,  
00:58:48 --> 00:58:51: we haven't managed to get to all of them,  
00:58:51 --> 00:58:53: but I really want to thank Greg, Guido and Nikki  
00:58:53 --> 00:58:54: for starting off.  
00:58:54 --> 00:58:57: Well, I think is really important conversations about.  
00:58:57 --> 00:59:01: These are really marrying up that green agenda with the  
00:59:01 --> 00:59:03: health and wealth of our city,  
00:59:03 --> 00:59:05: so thank you so much for your time on that,  
00:59:05 --> 00:59:08: so we're going to we've got a a survey that's  
00:59:08 --> 00:59:10: going to be popped into the chat box to maybe  
00:59:10 --> 00:59:13: if you as an attendee are able to click on  
00:59:13 --> 00:59:14: that and just takes 2 minutes.  
00:59:14 --> 00:59:18: We really appreciate your feedback on all those and also



00:59:18 --> 00:59:20: we have got a couple more and there are couple  
00:59:20 --> 00:59:22: more you webinars coming up.  
00:59:22 --> 00:59:24: There's the UI. Belgium annual conference.  
00:59:24 --> 00:59:26: What's next for real estate and cities,  
00:59:26 --> 00:59:30: as you can see we're continuing the conversation again.  
00:59:30 --> 00:59:34: And in another way reuse and recycle positive change  
through  
00:59:34 --> 00:59:35: circularity.  
00:59:35 --> 00:59:39: We continue this digital program and the 2021 agenda will  
00:59:39 --> 00:59:42: also you'll see that soon followed by email and on  
00:59:42 --> 00:59:44: social media and of course,  
00:59:44 --> 00:59:47: the annual gathering of ULI will happen for Europe,  
00:59:47 --> 00:59:51: the virtual Europe conference will happen on the 8th.  
00:59:51 --> 00:59:54: The 10th of February. On 20 next year,  
00:59:54 --> 00:59:58: so please. You'll see lots more details about that online  
00:59:58 --> 01:00:01: so I just want to thank you very much for.  
01:00:01 --> 01:00:03: But all your attention today.  
01:00:03 --> 01:00:05: Thanks again to the panelists and we look forward to  
01:00:05 --> 01:00:08: seeing you again at the next Web and our until  
01:00:08 --> 01:00:08: then.  
01:00:08 --> 01:00:10: I hope you have a pleasant Monday morning.  
01:00:10 --> 01:00:11: So thanks very much.

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