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 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 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 changed the
00:07:46 --> 00:07:50: very business models and the consumer behavior that is linked
00:07:50 --> 00:07:53: 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 that's
00:08:10 --> 00:08:11: 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 you
00:08:49 --> 00:08:50: 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 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 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 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 essence category we
00:25:54 --> 00:25:57: like to do it in a sustainable way and so
00:25:57 --> 00:26:00: we do that in the various cities across
00:26:00 --> 00:26:03: the globe. Regardless the sectors and well.
00:26:03 --> 00:26:07: But this, I think for now this is a good
00:26:07 --> 00:26:08: introduction.
00:26:08 --> 00:26:11: And Greg, thank you, in your slides
00:26:11 --> 00:26:14: 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 already
00:26:44 --> 00:26:45: convinced of this.
00:26:45 --> 00:26:50: I mean, many consumer surveys show that consumers are now
00:26:50 --> 00:26:53: much happier with a blend of the sort of as
00:26:53 --> 00:26:55: a service digitized,
00:26:55 --> 00:27:00: less carbon intensive way of consuming certain things.
00:27:00 --> 00:27:03: And it's also very clear if you read any of
00:27:03 --> 00:27:04: the surveys of the,
00:27:04 --> 00:27:07: you know the Forbes 500 of the Forbes 1000.
00:27:07 --> 00:27:12: Many, many CEOs anticipate in the future are very different
00:27:12 --> 00:27:15: blend of how their staff are going to work.
00:27:15 --> 00:27:18: So there's, if you like some aspects of living life
00:27:19 --> 00:27:20: in a more decarbonized way,
00:27:20 --> 00:27:23: announce team is better by people.
00:27:23 --> 00:27:26: So this is the big opportunity if you like for
00:27:26 --> 00:27:31: both companies and for workers and consumers to take advantage.
00:27:31 --> 00:27:34: Of the experience that they've had that's been positive.
00:27:34 --> 00:27:37: I mean, that's one thing the second thing.
00:27:37 --> 00:27:40: Of course, Andrea is that the big uptick in technology
00:27:40 --> 00:27:44: has also been a boost for various low carbon technologies.
00:27:44 --> 00:27:48: We could think about things like particularly electric vehicles.
00:27:48 --> 00:27:51: There's been a massive growth in demand for them,
00:27:51 --> 00:27:55: a massive growth in investment in the infrastructure required to
00:27:55 --> 00:27:56: support them.
00:27:56 --> 00:27:59: So if you like we're getting there on the market
00:27:59 --> 00:28:01: conditions that that will be.
00:28:01 --> 00:28:04: Better for this to occur and then the third thing
00:28:04 --> 00:28:07: I think that's been really important is that in the
00:28:07 --> 00:28:08: 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
00:32:00 --> 00:32:00: cities?
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
00:32:10 --> 00:32:11: investments in the future?
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
00:32:19 --> 00:32:22: invest we invest in let's say the top 100 cities
00:32:22 --> 00:32:25: in the world and most of them were already let's
00:32:25 --> 00:32:27: say more or less in the center of the slide
00:32:28 --> 00:32:31: register showed and I think it's fair to say that
00:32:31 --> 00:32:34: many European cities there a bit ahead of the curve
00:32:34 --> 00:32:37: so we're happy with that and we expect them to
00:32:37 --> 00:32:39: be very sustainable going forward.
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 knew
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 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 business
00:39:56 --> 00:39:58: 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 onboard,
00:40:26 --> 00:40:30: different organisations are going to have different risk 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 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 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

players,
00:44:33 --> 00:44:36: those types of things. Do you see that you know
00:44:36 --> 00:44:39: what we traditionally do as an industry evolving in that
00:44:39 --> 00:44:40: way?
00:44:40 --> 00:44:43: Yeah, but that's not going via the real estate arm,
00:44:43 --> 00:44:45: but that's going Friday infrastructure.
00:44:45 --> 00:44:48: Or it could also be the private equity arm,
00:44:48 --> 00:44:50: but there's definitely a role to be played,
00:44:50 --> 00:44:54: and for instance, within the equity portfolio we have a
00:44:54 --> 00:44:55: passive mandate.
00:44:55 --> 00:44:58: But also bigger and bigger active mandates?
00:44:58 --> 00:45:01: And those companies qualify. We were really making the difference
00:45:02 --> 00:45:04: our like and Nikki said BP is working very hard.
00:45:04 --> 00:45:07: They say on their new strategy to let's say to
00:45:07 --> 00:45:10: make the change let me put it that way then.
00:45:10 --> 00:45:13: Could be part of our portfolio as well.
00:45:13 --> 00:45:16: So active portfolio invest more in BP for that reason.
00:45:16 --> 00:45:19: So that's how we use the money or the capital
00:45:19 --> 00:45:22: to steer our portfolio and Greg can I also at
00:45:22 --> 00:45:24: the same sort of topic really?
00:45:24 --> 00:45:28: I mean when you observe the real estate industry,
00:45:28 --> 00:45:31: do you think it can come together and act almost
00:45:31 --> 00:45:34: kind of organize itself to do this well on a
00:45:34 --> 00:45:34: city level?
00:45:34 --> 00:45:38: And you know, for those you know not institutions.
00:45:38 --> 00:45:41: Do you see other partnerships happening around?
00:45:41 --> 00:45:43: Around these topics.
00:45:43 --> 00:45:47: Well, I think it's obviously clear Andrea that the real
00:45:47 --> 00:45:50: estate industry needs to be part of a kind of
00:45:50 --> 00:45:54: an alliance for change and reform in our cities.
00:45:54 --> 00:45:57: If it's not there, it's going to miss out some
00:45:57 --> 00:46:01: parts of the real estate industry are very active in
00:46:01 --> 00:46:05: sort of civic leadership platforms that others are not so
00:46:05 --> 00:46:09: active. It's very important that that that that real estate
00:46:09 --> 00:46:11: is part of this conversation,
00:46:11 --> 00:46:14: but I think we can learn an awful lot.
00:46:14 --> 00:46:18: From what happened in retail real estate over the last
00:46:18 --> 00:46:19: decade or two?
00:46:19 --> 00:46:20: If you think about it,
00:46:20 --> 00:46:23: we've been going through a kind of 5th revolution in
00:46:24 --> 00:46:27: 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 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 as
00:51:30 --> 00:51:30: well.
00:51:32 --> 00:51:35: Yeah, we think that the city will survive,
00:51:35 --> 00:51:38: so it's still very much a city play,
00:51:38 --> 00:51:41: but we have to be more flexible and more thinking
00:51:41 --> 00:51:42: more,
00:51:42 --> 00:51:45: creative. So we very much location believe it,
00:51:45 --> 00:51:49: but we have to accept that today it's it's retail
00:51:49 --> 00:51:49: tomorrow.
00:51:49 --> 00:51:54: It can be something else and that is something you
00:51:54 --> 00:51:56: have to take in mind.
00:51:56 --> 00:51:59: 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 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 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 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 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 income
00:54:54 --> 00:54:58: groups and different backgrounds to mix together and to 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 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 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 protection and
00:56:20 --> 00:56:23: privacy and the other is more specifically about something called
00:56:23 --> 00:56:26: positive energy districts which I'm hoping you know about.
00:56:26 --> 00:56:28: The idea, right? So I'm.
00:56:30 --> 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 actually for
00:56:40 --> 00:56:41: organizations,
00:56:41 --> 00:56:45: typically large corporate organisations to be more transparent so that
00:56:45 --> 00:56:49: it will enable them to be more trustworthy with everybody
00:56:49 --> 00:56:51: that they're dealing with.
00:56:51 --> 00:56:55: And in Europe, clearly we've got some really great rules
00:56:55 --> 00:56:56: and regulations about this,
00:56:56 --> 00:57:00: and customers have options to opt in or opt out
00:57:00 --> 00:57:03: of data privacy regulations and what they sign up to,
00:57:03 --> 00:57:06: but it fundamentally comes down to me.
00:57:06 --> 00:57:08: It's about transparency and trust.
00:57:08 --> 00:57:13: What are corporations doing to demonstrate that citizens that customers
00:57:13 --> 00:57:17: should have trust in them and digitising is one way
00:57:17 --> 00:57:21: of driving efficiency and therefore we need to make sure
00:57:21 --> 00:57:25: we've got the right systems and solutions in place to
00:57:25 --> 00:57:28: manage that balance of privacy as well.
00:57:28 --> 00:57:32: The second question around positive energy districts,
00:57:32 --> 00:57:36: 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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