

# Webinar

## Beyond the Pandemic: The Importance of Social Value

Date: May 27, 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:04:49 --> 00:04:50: britches

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

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

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

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

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

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

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

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

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

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

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

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

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

00:05:26 --> 00:05:30: solely dedicated to investing in the transition to a more

00:05:30 --> 00:05:33: sustainable and inclusive economy.

00:05:33 --> 00:05:35: We started some time ago.

00:05:35 --> 00:05:40: As you say, 2002. We launched bridges and really our

00:05:40 --> 00:05:44: vision there and was to take the the tool of

00:05:44 --> 00:05:49: investment capital and use it to help solve societal

00:05:49 --> 00:05:54: challenges.

00:05:49 --> 00:05:54: And we actually started in the private equity space and

00:05:54 --> 00:05:59: we actually started simply with the challenge of under

00:05:59 --> 00:06:02: neighborhoods so lower income,

00:06:02 --> 00:06:06: inner city areas and our first ever fund invested in

00:06:06 --> 00:06:09: growth businesses in those areas.

00:06:09 --> 00:06:11: As we went through the process,

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

00:08:10 --> 00:08:15: Format of under invested areas under invested communities.

00:08:18 --> 00:08:21: Thank you, that's very helpful.

00:08:21 --> 00:08:25: Maybe one more question, how do you define social value?

00:08:25 --> 00:08:28: I know you don't talk about social value.

00:08:28 --> 00:08:30: Do you talk about impact?

00:08:30 --> 00:08:32: What does it mean for you,

00:08:32 --> 00:08:35: however? So in every investment that we make,

00:08:35 --> 00:08:39: we're looking for the reason that that investment is going

00:08:39 --> 00:08:44: to progress our economy towards a more sustainable or more

00:08:44 --> 00:08:45: inclusive economy.

00:08:45 --> 00:08:48: We do use the four themes as guidance,

00:08:48 --> 00:08:51: so we are when we are sourcing when we originate

00:08:52 --> 00:08:53: Ng investments.

00:08:53 --> 00:08:57: We're looking at what are the macro trends in health,

00:08:57 --> 00:09:00: for example, and how could that lead us to to

00:09:00 --> 00:09:03: to an interesting real estate investment.

00:09:03 --> 00:09:08: That's why we've done things like assisted living for the

00:09:08 --> 00:09:08: elderly,

00:09:08 --> 00:09:12: care environmentally friendly care homes,

00:09:12 --> 00:09:16: and then we measure the impact using.

00:09:16 --> 00:09:20: Uh, an impact statement, which is driven from the work

00:09:20 --> 00:09:25: of the Impact management project that we might come to

00:09:25 --> 00:09:25: later.

00:09:25 --> 00:09:31: So for our investors, they're always given annually their financial

00:09:31 --> 00:09:33: and commercial updates,

00:09:33 --> 00:09:37: and then also an impact statement and Impact Update,

00:09:37 --> 00:09:40: which we now score. So we score on firemen,

00:09:40 --> 00:09:46: fundamentals of impact underneath each of the four themes in

00:09:46 --> 00:09:48: which we invest.

00:09:48 --> 00:09:54: Thank you. Yeah, we'll talk a bit more about measurement

00:09:54 --> 00:09:57: and creating impact later.

00:09:57 --> 00:09:59: Philip, can I go to you now?

00:09:59 --> 00:10:01: Could you please switch on your mic?

00:10:01 --> 00:10:04: Your yes great.

00:10:04 --> 00:10:08: Your base in Spain. Your business focuses heavily on retail.

00:10:08 --> 00:10:12: We all know retail is in quite a difficult position

00:10:12 --> 00:10:17: currently facing a lot of structural change following the growth

00:10:17 --> 00:10:21: of E Commerce and now cyclically being basically in the

00:10:21 --> 00:10:25: fire line of the COVID-19 crisis.

00:10:25 --> 00:10:29: So how do you use shared value social value to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:14:21 --> 00:14:22: So as a long term investor,

00:14:22 --> 00:14:26: we're committed to creating living spaces that foster well being

00:14:27 --> 00:14:31: of people and communities while reducing our environmental footprint.

00:14:31 --> 00:14:35: So we invest alongside partners and major real estate funds

00:14:35 --> 00:14:38: that are leaders in their respective markets.

00:14:38 --> 00:14:44: Through subsidiaries and partnership, we hold interest in more than

00:14:44 --> 00:14:45: 1000 buildings,

00:14:45 --> 00:14:49: primarily in the industrial and Logistics Office,

00:14:49 --> 00:14:53: residential and retail sectors. As of December 2019,

00:14:53 --> 00:14:57: we have close to 64 billion in Canadian dollars.

00:14:57 --> 00:14:59: So to answer your question,

00:14:59 --> 00:15:03: our latest strategic plan, position CSR at the heart of

00:15:03 --> 00:15:05: our business model,

00:15:05 --> 00:15:10: we want to create sustainable impact with Capri comprehensive.

00:15:10 --> 00:15:14: Urban solution focus on people's needs so so that's our

00:15:14 --> 00:15:15: daily task.

00:15:20 --> 00:15:22: Thank you, that's it. Thank you.

00:15:22 --> 00:15:25: Yeah, we'll go into detail a bit more later on.

00:15:27 --> 00:15:29: And last, but definitely not least,

00:15:29 --> 00:15:32: you worked for urgent for many years.

00:15:32 --> 00:15:35: Many people know urgent of Kings Cross and you were

00:15:35 --> 00:15:37: also very involved in that.

00:15:37 --> 00:15:39: Um?

00:15:39 --> 00:15:43: Please explain why you now set up your own development

00:15:43 --> 00:15:48: business stories and with the sole focus on social responsible

00:15:48 --> 00:15:49: development.

00:15:49 --> 00:15:52: And what drives your business model?

00:15:52 --> 00:15:55: Thanks, thanks very much for inviting me to be part

00:15:55 --> 00:15:56: of today.

00:15:56 --> 00:15:59: And yes, I spent 15 years at Kings Cross and

00:15:59 --> 00:16:02: and hopefully that project in its own right created a

00:16:02 --> 00:16:04: lot of positive social value as well.

00:16:04 --> 00:16:07: But I got to a point where I suppose that

00:16:07 --> 00:16:09: you just get to stage of your career where

00:16:10 --> 00:16:12: you have a bit of an ambition or an idea

00:16:12 --> 00:16:15: you want to test it out and that's that's where

00:16:15 --> 00:16:17: I got to and my my idea and my aim

00:16:17 --> 00:16:19: was to really say to ourselves.



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

00:17:55 --> 00:17:57: So I thought just just in brief,

00:17:57 --> 00:18:00: the first project that we that we want in competition

00:18:00 --> 00:18:02: and ODU competition is with St.

00:18:02 --> 00:18:04: Mungo's, which is a homeless charity.

00:18:04 --> 00:18:08: In Westminster and what it involves doing is creating a

00:18:08 --> 00:18:10: new facility and new building for them,

00:18:10 --> 00:18:14: which will offer thousands of 10s of thousands of Knights

00:18:14 --> 00:18:17: of care per year for for for their customers from

00:18:17 --> 00:18:20: emergency to longer term accommodation,

00:18:20 --> 00:18:22: and involves 100 rental homes,

00:18:22 --> 00:18:26: and then ultimately will have other impacts within the wider

00:18:26 --> 00:18:27: community as well.

00:18:27 --> 00:18:28: So so it's very much,

00:18:28 --> 00:18:32: you know we saw. I suppose you could say it's

00:18:32 --> 00:18:35: taking quite a broadview of what social value is.

00:18:35 --> 00:18:38: Really about just finding ways in which we can change,

00:18:38 --> 00:18:40: you know.

00:18:40 --> 00:18:43: Change people's lives and help people get on in life

00:18:43 --> 00:18:44: little bit better as well.

00:18:44 --> 00:18:46: So so perhaps we can talk a little bit more

00:18:46 --> 00:18:48: about that project in a bit as well.

00:18:51 --> 00:18:54: Thanks Richard, that's very helpful.

00:18:54 --> 00:18:57: I would now like to dig in a bit more

00:18:57 --> 00:19:00: on the measurement of of impact and how do you

00:19:01 --> 00:19:03: actually create that impact,

00:19:03 --> 00:19:05: because we hear a lot about that,

00:19:05 --> 00:19:08: but OK, what is at the heart of it?

00:19:08 --> 00:19:11: And also how dead links to returns?

00:19:11 --> 00:19:15: Because that's all seems to be always and ever coming

00:19:15 --> 00:19:16: back question.

00:19:16 --> 00:19:19: And yes, that's nice social impact,

00:19:19 --> 00:19:22: but it probably comes at the cost of your financial

00:19:23 --> 00:19:23: return.

00:19:23 --> 00:19:25: So let's talk about it.

00:19:25 --> 00:19:27: More about that, but before we do that,

00:19:27 --> 00:19:32: I would like to get the second polling question.

00:19:32 --> 00:19:35: Which is how do you think the real estate industry

00:19:35 --> 00:19:39: can make to create the greatest impact an which and

00:19:39 --> 00:19:41: we have a couple of options?

00:19:41 --> 00:19:44: And actually you can choose as many as you want,

00:19:44 --> 00:19:49: creating more affordable housing, creating more social

equality,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:24:09 --> 00:24:12: In terms of things like measurement,

00:24:12 --> 00:24:16: we tend to move more down the line of.

00:24:16 --> 00:24:19: Assessing initially, incidentally, we did just.

00:24:19 --> 00:24:22: We just did assess output and we didn't do very

00:24:22 --> 00:24:23: well at all.

00:24:23 --> 00:24:25: So he tried to move further down the line and

00:24:26 --> 00:24:27: assess outcomes,

00:24:27 --> 00:24:30: and that created a very different image of what was

00:24:30 --> 00:24:31: what was going on,

00:24:31 --> 00:24:33: and but the success rates we were having.

00:24:33 --> 00:24:36: So really it's it's information and its metrics,

00:24:36 --> 00:24:40: but it's information and metrics to help us better what

00:24:40 --> 00:24:43: we're trying to undertake as part of a core strategy.

00:24:47 --> 00:24:51: Yeah, thanks a lot, that's very useful and maybe Richard

00:24:51 --> 00:24:54: you talked about kind of embedding social impact in your

00:24:54 --> 00:24:55: business.

00:24:55 --> 00:24:58: So how does the. How do you create that value?

00:24:58 --> 00:25:01: How do you embed that in practice?

00:25:01 --> 00:25:04: Well I mean, firstly, yeah there's a few things we

00:25:04 --> 00:25:07: do it you could say at a corporate level that

00:25:07 --> 00:25:10: we've tried to do to ensure that we hold ourselves

00:25:10 --> 00:25:13: account to what we're trying to achieve.

00:25:13 --> 00:25:16: Around you would see that we are a B Corp

00:25:16 --> 00:25:18: pending status at the moment and I can I can

00:25:18 --> 00:25:21: come back to that in a bit if there's time

00:25:21 --> 00:25:24: but but I mean ultimately that's that's about us having

00:25:24 --> 00:25:28: a mechanism to actually just support our broader aspirations

00:25:28 --> 00:25:31: and

00:25:28 --> 00:25:31: names that we've talked about already,

00:25:31 --> 00:25:32: and so when creating, you know,

00:25:32 --> 00:25:35: in terms of what are the tools that we would

00:25:35 --> 00:25:38: apply as a developer in trying to create more impact

00:25:38 --> 00:25:41: or one of the key ones is actually trying to

00:25:41 --> 00:25:44: not sort of. Price not not try to sort of

00:25:44 --> 00:25:48: take returns and so on for mispriced risk.

00:25:48 --> 00:25:52: But to actually try to better align interests between the

00:25:52 --> 00:25:55: landowner in particular and the capital.

00:25:55 --> 00:25:59: So typically that involves. Both of those parties wanting to

00:25:59 --> 00:26:02: have a longer term interest in what they're what they're

00:26:02 --> 00:26:04: trying to achieve.

00:26:04 --> 00:26:06: We think that that makes quite a quite a quite

00:26:07 --> 00:26:10: quite a set things up to create better outcomes and,

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

00:27:50 --> 00:27:52: think on did it come about this sort of,

00:27:52 --> 00:27:56: you know how do we maximize shared value?

00:27:56 --> 00:28:00: And stakeholder value, rather than necessarily just shareholder value.

00:28:00 --> 00:28:03: You know, for us, that means that actually our particular

00:28:03 --> 00:28:03: return,

00:28:03 --> 00:28:06: because we've been able to hopefully dearest some things as

00:28:06 --> 00:28:06: well,

00:28:06 --> 00:28:09: can be a little bit more modest at the end

00:28:09 --> 00:28:09: of the day,

00:28:09 --> 00:28:11: it's appropriate for what we want,

00:28:11 --> 00:28:12: and it's trying to say,

00:28:12 --> 00:28:14: can we just get a little bit of about a

00:28:14 --> 00:28:17: balance in terms of who benefits from any given any

00:28:17 --> 00:28:18: given project?

00:28:20 --> 00:28:23: Actually check that's very helpful.

00:28:23 --> 00:28:27: And Michelle, you've been in this business for the longest,

00:28:27 --> 00:28:30: so you can really comment on the the tradeoff between

00:28:30 --> 00:28:33: the financial return and the impact it what we hear

00:28:34 --> 00:28:36: often is that on an absolute basis,

00:28:36 --> 00:28:39: financial returns might not be as high as in other

00:28:39 --> 00:28:42: parts or real estate worlds or private equity,

00:28:42 --> 00:28:44: but on a risk adjusted basis,

00:28:44 --> 00:28:48: they're very compelling and and we hear about long-term versus

00:28:48 --> 00:28:49: short-term.

00:28:49 --> 00:28:51: What's your view?

00:28:51 --> 00:28:55: And so my view is that that that question itself

00:28:55 --> 00:28:57: is quite a blunt instrument.

00:28:57 --> 00:29:01: It very much depends what you are investing in.

00:29:01 --> 00:29:05: So if I look first just to practically at our

00:29:05 --> 00:29:07: own real estate funds,

00:29:07 --> 00:29:14: those vehicles, they're opportunistic. We're doing lots of development redevelopment,

00:29:14 --> 00:29:17: they are highly and utterly commercial.

00:29:17 --> 00:29:21: And in those funds, we think that having a lens

00:29:21 --> 00:29:22: on the societal.

00:29:22 --> 00:29:25: Outcomes of the buildings that we are investing in makes

00:29:26 --> 00:29:27: us better investors.

00:29:27 --> 00:29:28: Why does it do that?

00:29:28 --> 00:29:31: Well, it does it partly because it's to do with

00:29:31 --> 00:29:32: spotting trends,

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

investments still delivers better performance over the long term than than their regular and irregular than the US market SP 5500 for example. So when they were when the comparing Mssi KLD 400 social index to the SP 500. More often than not, the social. Index performs better than the SP 500 in the in over 10 years, so between 2000 seven 2016 it was between plus 6% to minus 3% of return. So on average on a 10 year. The Sri index or the social index performed better than the SP 500 so. I think in itself you know that we're going to see that's proof in the pudding, and when you're an investor, your Co investors and your your your stakeholders always ask you what is the global performance of your of your portfolio. And obviously and we'll talk about it later. I think measurement it is key to that. We realized in the past few months that many investors are at the same I call it being on the corner of the street where we all look at each other to see. So how do we measure that impact? You know, when you have huge portfolios like we have in when you have such diversified portfolio an where we're all looking at each other to to to find what? Which model would make sense for the business and what we realize is that in measuring an impact you can have the overarching measurement of it. But then there are so many specifics KPI and targets that you can identify that it makes it hard to have. An A standardized measurement so so we started working on a more. Custom I'm going to call it like that and more custom model so we're testing something with our affordable housing portfolio to see if it makes sense to with the KPI that makes sense for us that are that are

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:41:13 --> 00:41:16: OK, what makes more sense for us to measure?

00:41:16 --> 00:41:20: And what makes more sense for us to communicate?

00:41:20 --> 00:41:21: And as Richard was saying,

00:41:21 --> 00:41:24: and that's the name of his company,

00:41:24 --> 00:41:26: what is the story of Ivanhoe Cambridge?

00:41:26 --> 00:41:29: What we know though, is that at the heart of

00:41:29 --> 00:41:32: our story is that we want to create a positive

00:41:32 --> 00:41:36: positive impact with a little bit of French coming in

00:41:36 --> 00:41:39: the conversation. And we want to create a positive positive

00:41:40 --> 00:41:40: impact.

00:41:40 --> 00:41:43: And we want to create value for all our stakeholders

00:41:43 --> 00:41:46: and mainly at the at the heart of real estate

00:41:46 --> 00:41:49: is people you know when we spend 8090%

00:41:49 --> 00:41:52: of our time indoors. Most of us in the industrial

00:41:52 --> 00:41:54: country that leaves an enigma,

00:41:54 --> 00:41:57: now even developing countries. So real estate is at the

00:41:57 --> 00:41:58: heart of what you do.

00:41:58 --> 00:41:59: So people are, you know,

00:41:59 --> 00:42:01: we work for the people you want to.

00:42:01 --> 00:42:04: You want to create value for our communities.

00:42:06 --> 00:42:09: Thanks for saying that's really helpful.

00:42:09 --> 00:42:12: Let's move on to the measurement topic you for many

00:42:13 --> 00:42:15: of you have already commented on it.

00:42:15 --> 00:42:18: We've already heard quite a few frameworks.

00:42:18 --> 00:42:21: Dilip talked about shared value initiative.

00:42:21 --> 00:42:24: Richard, you mentioned bicorp Christine.

00:42:24 --> 00:42:28: I know I've now Cambridge is supporting or is addressing

00:42:28 --> 00:42:31: four of the 17 UN sustainable development Goals.

00:42:31 --> 00:42:35: And Michelle, you've been involved as bridge is very happy

00:42:36 --> 00:42:37: with the measurement.

00:42:37 --> 00:42:40: The Impact measurement project.

00:42:42 --> 00:42:47: We've seen similar things with sustainability where we have

00:42:47 --> 00:42:50: Braham,

00:42:47 --> 00:42:50: we have lead how. How helpful is it to have

00:42:50 --> 00:42:52: all these different initiatives?

00:42:52 --> 00:42:56: How important is measurement? We see that often as an

00:42:56 --> 00:42:58: impediment for further focus.

00:42:58 --> 00:43:00: What what's the next step?

00:43:00 --> 00:43:04: Do we need to make those measurement systems common?

00:43:04 --> 00:43:07: Who if you want to comment on that?

00:43:07 --> 00:43:10: I would be I'd be delighted to kick off if

00:43:10 --> 00:43:15: that's OK just because it's something that we've really

agonized

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

00:49:05 --> 00:49:09: And another question also about measurement is how do you

00:49:09 --> 00:49:13: measure the various and numerous indirect social impact effects that

00:49:13 --> 00:49:15: stem from an initial investment.

00:49:15 --> 00:49:18: The example given is around affordable housing.

00:49:18 --> 00:49:21: And the impact on higher future savings.

00:49:21 --> 00:49:25: Better education, Christine. Some of the topics you talked about.

00:49:25 --> 00:49:30: Better job matching. Is there a standard tool that government

00:49:30 --> 00:49:33: industry and government use to attach these values?

00:49:33 --> 00:49:36: If not, how are the differences aligned?

00:49:36 --> 00:49:39: I think this is the the challenge that keeps us

00:49:39 --> 00:49:40: all busy.

00:49:40 --> 00:49:43: No, Christine, you want to comment.

00:49:43 --> 00:49:47: Well, well, you said it is that it is challenging

00:49:47 --> 00:49:48: and it is.

00:49:48 --> 00:49:50: It is very hard to evaluate.

00:49:50 --> 00:49:54: I think we we were looking into working with with

00:49:54 --> 00:49:58: with a group that could help us identify the indirect

00:49:58 --> 00:50:01: benefits of social housing for example,

00:50:01 --> 00:50:04: and health as the person who asked the question on

00:50:04 --> 00:50:07: the forum and mentioned it health.

00:50:07 --> 00:50:11: It is one of those indirect impact you know when

00:50:11 --> 00:50:13: people are well loved.

00:50:13 --> 00:50:16: Obviously they they have more time to take care of

00:50:16 --> 00:50:17: themselves,

00:50:17 --> 00:50:19: they are there. We feel more secure.

00:50:19 --> 00:50:21: So in terms of well being,

00:50:21 --> 00:50:24: that also has an impact on their mental health and

00:50:24 --> 00:50:26: eventually on their physical health.

00:50:26 --> 00:50:29: So just to say that we are at the beginning

00:50:30 --> 00:50:33: of working on that and we're looking into.

00:50:33 --> 00:50:37: Some kind of partnership with with an agency to to

00:50:37 --> 00:50:42: understand that and behind all of that is is huge

00:50:42 --> 00:50:45: databases and an algorithm and.

00:50:45 --> 00:50:48: Historical data to show the outcomes of that you know.

00:50:48 --> 00:50:52: So we have to identify proxy that makes sense for

00:50:52 --> 00:50:54: our business model and see how to apply it.

00:50:54 --> 00:50:57: Because as I was saying earlier,

00:50:57 --> 00:51:00: it's not something that you will have an immediate result

00:51:00 --> 00:51:03: on an it's not something that as a company will

00:51:04 --> 00:51:07: be able to identify clearly 'cause we don't have necessarily

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

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

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

00:51:13 --> 00:51:15: Approximate with proxies and and and so it's not an easy task.

00:51:20 --> 00:51:21: Thank you, I feel we've just got up to steam,

00:51:21 --> 00:51:24: but we're actually have only 8 minutes left,

00:51:24 --> 00:51:27: so we need to start closing already.

00:51:27 --> 00:51:29: I'm very sorry for that so I would like to

00:51:29 --> 00:51:32: move to the last part of the conversation.

00:51:32 --> 00:51:34: And can I have the last polling question please,

00:51:34 --> 00:51:38: which is what do you think would be needed to

00:51:38 --> 00:51:41: attract more capital,

00:51:41 --> 00:51:42: social value, impact investing strategies?

00:51:42 --> 00:51:45: Helping us to look forward with the options are better

00:51:45 --> 00:51:48: understanding of definitions and scope.

00:51:48 --> 00:51:51: I feel free to already answer again.

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

00:51:53 --> 00:51:56: Better understanding of the risk return profile,

00:51:56 --> 00:51:59: better ability to measure impact,

00:51:59 --> 00:52:01: more pressure from investors, stakeholders,

00:52:01 --> 00:52:03: more and better products for investors,

00:52:03 --> 00:52:06: orders or not sure.

00:52:06 --> 00:52:07: Could I have the results please?

00:52:15 --> 00:52:18: Argon, quite a mixed picture.

00:52:20 --> 00:52:22: Again similar to Glass, but well,

00:52:22 --> 00:52:24: we've been talking about this a lot already.

00:52:24 --> 00:52:28: Better ability to measure impact and then we see similar

00:52:28 --> 00:52:31: results for more pressure from investors stakeholders.

00:52:32 --> 00:52:35: 49% better understanding of the risk return profile 57 and

00:52:35 --> 00:52:40: I interpret that as also a measurement.

00:52:40 --> 00:52:43: Issue because if you have a better understanding you need

00:52:43 --> 00:52:47: to to do that.

00:52:47 --> 00:52:48: You need to measure better understanding of definitions and

00:52:48 --> 00:52:53: scope.

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

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

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

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

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

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

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

the

00:55:09 --> 00:55:12: Social Value Act and so on have been expanded a

00:55:12 --> 00:55:15: bit to take into account broader definitions of what what

00:55:15 --> 00:55:18: best consideration is. But it ended the day.

00:55:18 --> 00:55:21: Often coming back to to money and opportunity,

00:55:21 --> 00:55:24: might my other ask is an opportunity for public sector

00:55:24 --> 00:55:26: to be able to take up more joined up approach

00:55:26 --> 00:55:30: in terms of how they value the consideration that's coming

00:55:30 --> 00:55:33: their way. If they're going to partner with somebody on

00:55:33 --> 00:55:35: a piece of land is also one way in which

00:55:35 --> 00:55:37: one can one can move things forward,

00:55:37 --> 00:55:40: so it's it's as much about how land values treated,

00:55:40 --> 00:55:43: particularly the public sector, can be involved in it as

00:55:43 --> 00:55:46: much as it is how investors perceive it when they're

00:55:46 --> 00:55:48: making an investment decision as well.

00:55:52 --> 00:55:55: Thanks Richard, that's very helpful.

00:55:55 --> 00:55:58: Um, Michelle, you want to comment?

00:55:58 --> 00:56:02: Gosh and definitely one of the biggest obstacles that we

00:56:02 --> 00:56:03: have is is planning,

00:56:03 --> 00:56:06: so just that's a that's a very UK element because

00:56:06 --> 00:56:09: we we as I tried to say in the case

00:56:09 --> 00:56:12: for example of the affordable housing we've got so much

00:56:12 --> 00:56:16: in common with planners in terms of what we want

00:56:16 --> 00:56:16: to achieve,

00:56:16 --> 00:56:20: but actually just being able to move quicker through that

00:56:20 --> 00:56:24: process would release a lot more capital into those kinds

00:56:24 --> 00:56:25: of investments,

00:56:25 --> 00:56:28: but much more generally than that I think.

00:56:28 --> 00:56:30: I think.

00:56:30 --> 00:56:33: I'm going to call out expertise,

00:56:33 --> 00:56:36: so I think that one of the reasons that you

00:56:36 --> 00:56:38: know ESG has become so prevalent,

00:56:38 --> 00:56:42: in part because it's become a norm to have somebody

00:56:42 --> 00:56:46: in an investment firm that is specialized in it.

00:56:46 --> 00:56:49: And I do think it's really important if you look

00:56:49 --> 00:56:52: at the real estate sector too.

00:56:52 --> 00:56:57: Just training and expertise to allow traditional real estate

00:56:57 --> 00:57:01: investors

00:56:57 --> 00:57:01: to better understand the opportunities associated with.

00:57:01 --> 00:57:05: Social value lens in investing will be a very positive

00:57:06 --> 00:57:06: thing.

00:57:06 --> 00:57:11: No doubt that LP investor investor pressure remains

00:57:11 --> 00:57:16: important,  
00:57:16 --> 00:57:20: but I think there's something and there was a question  
00:57:20 --> 00:57:25: on the on the Q&A there about financial returns  
00:57:25 --> 00:57:30: on what happens if financial returns are not market and  
00:57:30 --> 00:57:31: I think just openness about which strategies can be can  
00:57:31 --> 00:57:35: involve.  
00:57:35 --> 00:57:37: Market rates of return and which can't to ensure that  
00:57:37 --> 00:57:39: investors then can self select.  
00:57:39 --> 00:57:42: So if you think about bridges,  
00:57:42 --> 00:57:46: we've got the funds. I've mostly talked about or are  
00:57:46 --> 00:57:50: sustainable alternative property funds and they enjoy,  
00:57:50 --> 00:57:52: you know, market returns, so there's a lot of institutional  
00:57:52 --> 00:57:56: investors can invest there,  
00:57:56 --> 00:57:59: but we do do some other property investments like ethical  
00:58:00 --> 00:58:01: Housing Company which is only going to ever generate low  
00:58:01 --> 00:58:05: single digit returns.  
00:58:05 --> 00:58:06: Very derisked though. And the investor base is really quite  
00:58:06 --> 00:58:10: different,  
00:58:10 --> 00:58:13: so segmentation of the investor base and understanding their  
00:58:13 --> 00:58:16: impact  
00:58:16 --> 00:58:20: does not mean a tradeoff in returns,  
00:58:20 --> 00:58:22: but you know. But but being really clear about both,  
00:58:22 --> 00:58:26: what impact can be achieved and what financial returns can  
00:58:26 --> 00:58:31: be achieved in different products.  
00:58:31 --> 00:58:33: I think would lift a veil of confusion from a  
00:58:33 --> 00:58:35: lot of capital that is slightly doubtful about whether there  
00:58:35 --> 00:58:39: is a trade off or not.  
00:58:39 --> 00:58:40: Thank you, delete.  
00:58:40 --> 00:58:43: So could you remind me what the question was?  
00:58:43 --> 00:58:46: Again, I'm sorry, could you?  
00:58:46 --> 00:58:50: Well, what do you think is needed?  
00:58:50 --> 00:58:52: Going forward to get a bigger focus on social value,  
00:58:52 --> 00:58:55: more integrated role of public private sector.  
00:58:55 --> 00:58:56: The any of that? Yeah,  
00:58:56 --> 00:59:00: I mean, I think I'll just take a different perspective.  
00:59:00 --> 00:59:02: I mean, I think that well,  
00:59:02 --> 00:59:04: Michelle Richard have said it's really correct and there's a  
00:59:04 --> 00:59:07: lot of issues like at the local level.  
00:59:07 --> 00:59:10: You need to map out a system people need to  
00:59:10 --> 00:59:13: need to understand each other better.  
00:59:13 --> 00:59:16: And perhaps when you're trying to create something together  
00:59:16 --> 00:59:19: you  
00:59:19 --> 00:59:22: want me to understand as well that capital isn't the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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