



Webinar

ULI Global Sustainability Outlook 2025

Date: February 07, 2025

00:00:03 --> 00:00:04: Welcome everyone.

00:00:05 --> 00:00:06: We're going to start in a few minutes.

00:00:16 --> 00:00:18: Welcome to our attendees.

00:00:18 --> 00:00:22: This is the ULI Global Sustainability Outlook 2025.

00:00:22 --> 00:00:24: We're going to get started in a couple minutes.

00:00:24 --> 00:00:26: We're waiting for folks to join.

00:00:44 --> 00:00:46: Welcome to those just joining us.

00:00:46 --> 00:00:49: This is Uli's Global Sustainability Outlook webinar.

00:00:49 --> 00:00:52: We will be joining in just a few minutes time

00:00:52 --> 00:00:55: just waiting for folks to join the webinar.

00:01:05 --> 00:01:06: Welcome everyone.

00:01:06 --> 00:01:07: Thanks for joining us.

00:01:07 --> 00:01:09: We'll get started in just a minute or so.

00:01:10 --> 00:01:14: Our attendee number is slowly creeping up.

00:01:14 --> 00:01:15: Thank you for joining us.

00:01:15 --> 00:01:17: We're excited to see everyone.

00:01:29 --> 00:01:30: Welcome.

00:01:30 --> 00:01:32: We'll get started in about 30 seconds.

00:01:55 --> 00:01:56: OK.

00:01:56 --> 00:01:58: Welcome to all of those who have joined us.

00:01:58 --> 00:02:01: It looks like we still have some attendees joining the

00:02:01 --> 00:02:04: Zoom today, but I'll go ahead and get started.

00:02:04 --> 00:02:06: It's about two after the hour.

00:02:06 --> 00:02:11: You have joined the ULI Global Sustainability Outlook 2025.

00:02:11 --> 00:02:12: How do we move forward?

00:02:12 --> 00:02:16: Webinar based on the article that was published earlier in

00:02:16 --> 00:02:17: January.

00:02:19 --> 00:02:21: My name is Kara Kokernak.

00:02:21 --> 00:02:23: I am a senior Director on our D Carb team

00:02:23 --> 00:02:27: in the Center for Sustainability and I'm going to be

00:02:27 --> 00:02:29: hosting you through this discussion today.

00:02:30 --> 00:02:32: First thing I want to talk about is what is

00:02:32 --> 00:02:34: our global sustainability outlook.

00:02:35 --> 00:02:38: So a global sustainability outlook is a report or article

00:02:38 --> 00:02:42: that utilize the Center for Sustainability produces each year.

00:02:42 --> 00:02:45: Now we're on our 4th or 5th and we interview

00:02:45 --> 00:02:50: you and I, member experts globally to inform the outlook

00:02:50 --> 00:02:51: for the coming year.

00:02:51 --> 00:02:56: So we talked to our sustainability focused product councils in

00:02:56 --> 00:03:00: the Americas, in the EU and in Asia Pacific.

00:03:00 --> 00:03:02: We talked to them about general ideas.

00:03:02 --> 00:03:06: We don't really set an agenda or set specific topics,

00:03:06 --> 00:03:10: but we ask them what sustainability topics and issues are

00:03:10 --> 00:03:13: on the rise, why do they matter, and what actions

00:03:13 --> 00:03:17: should should the industry or their own organizations pursue

00:03:17 --> 00:03:18: moving

00:03:18 --> 00:03:19: forward?

00:03:19 --> 00:03:23: So all of those conversations occurred towards the end of

00:03:23 --> 00:03:24: 2024.

00:03:24 --> 00:03:27: We look at all of our notes, we pull out

00:03:27 --> 00:03:31: all the ideas and fantastic innovations that we talk about

00:03:31 --> 00:03:34: on those calls, and we come up with our five

00:03:34 --> 00:03:38: topics, and you can find all of these at uli.org

00:03:38 --> 00:03:39: #sustainability Outlook.

00:03:39 --> 00:03:43: We've got our reports from 2021 all the way through

00:03:43 --> 00:03:46: 2024, and this year we pivoted a little bit.

00:03:46 --> 00:03:50: We focused on producing an article on urban land Online,

00:03:50 --> 00:03:51: so please visit those links.

00:03:51 --> 00:03:53: We will also have someone drop that in the chat

00:03:53 --> 00:03:54: for you all.

00:03:56 --> 00:03:57: So let's jump in here.

00:03:57 --> 00:04:01: I want to introduce our fantastic panel and get started

00:04:01 --> 00:04:04: on reviewing those big topics and why they are important

00:04:04 --> 00:04:07: to the industry and how we move forward on that.

00:04:07 --> 00:04:10: We started out here with a quote from one of

00:04:10 --> 00:04:13: our participants in one of those round tables.

00:04:13 --> 00:04:16: And that we don't want to distract from what's important

00:04:16 --> 00:04:19: right now, prioritizing resilience and reduced carbon

00:04:19 --> 00:04:22: emissions.

00:04:19 --> 00:04:22: And that really is a big focus of our discussion

00:04:22 --> 00:04:24: moving forward is what to prioritize.

00:04:26 --> 00:04:29: We're going to go quickly through these introductions, those

00:04:29 --> 00:04:31: that

00:04:29 --> 00:04:31: overview of the key focus points and then AQ and

00:04:31 --> 00:04:31: A.

00:04:32 --> 00:04:34: But this is the the best part of my job

00:04:34 --> 00:04:35: today.

00:04:35 --> 00:04:38: And that is doing a quick introduction of our great

00:04:38 --> 00:04:41: panellists who are all part of that discussion in late

00:04:41 --> 00:04:41: 2024.

00:04:42 --> 00:04:43: So I'm going to pass this over to them if

00:04:43 --> 00:04:46: you want to come off mute and just introduce yourself

00:04:46 --> 00:04:48: really quickly before we dive into the topics.

00:04:48 --> 00:04:53: So we have Sonia Khanna, investment partner from Galway

00:04:53 --> 00:04:54: Sustainability

00:04:53 --> 00:04:54: Capital.

00:04:54 --> 00:04:55: Do you want to say hi quickly, Sonia?

00:04:56 --> 00:04:57: Hi everyone.

00:04:57 --> 00:05:00: I'm an investment partner at Galway Sustainable Capital.

00:05:00 --> 00:05:04: I run the green building sector for Galway.

00:05:04 --> 00:05:08: We are a specialty finance company that is focused on

00:05:08 --> 00:05:14: making investments that that promote environmental and

00:05:16 --> 00:05:16: social sustainability.

00:05:16 --> 00:05:16: Welcome.

00:05:16 --> 00:05:18: Thanks for joining us today, Mark.

00:05:19 --> 00:05:20: Thanks, Kara.

00:05:20 --> 00:05:21: I'm Mark Basin.

00:05:21 --> 00:05:24: I'm a Senior Vice President with Basis Investment Group

00:05:24 --> 00:05:25: here

00:05:24 --> 00:05:25: in New York City.

00:05:25 --> 00:05:27: We're a real estate investment manager and lender.

00:05:28 --> 00:05:30: I'm also an adjunct associate professor of finance at the

00:05:30 --> 00:05:33: NYU Stern School Business, where I teach two classes, a

00:05:33 --> 00:05:36: real estate capital markets class and a real estate finance

00:05:36 --> 00:05:37: and investments class.

00:05:37 --> 00:05:40: I'm the vice Chair of programs for the ULI Sustainable

00:05:40 --> 00:05:44: Development Council, member of the ULI New York Housing

00:05:44 --> 00:05:46: Council,

00:05:44 --> 00:05:46: and was a member of the 2018 cohort in the

00:05:47 --> 00:05:48: ULI Health Leaders.

00:05:48 --> 00:05:49: Pro program.

00:05:50 --> 00:05:51: Fantastic, Mark.

00:05:51 --> 00:05:52: Thanks for joining us today.

00:05:52 --> 00:05:53: And Antonio.

00:05:55 --> 00:05:55: Hi.

00:05:55 --> 00:05:56: Hi everyone.

00:05:56 --> 00:06:00: This is Antonio Marotta and I lead the Italian practice

00:06:00 --> 00:06:04: Catalyst where we work across a wide range of new
00:06:04 --> 00:06:09: developments and operational assets in basically all the
asset classes
00:06:09 --> 00:06:10: across the market.
00:06:11 --> 00:06:14: And I'm focused of course in SGN sustainability.
00:06:15 --> 00:06:18: And yeah, probably we will touch all the points that
00:06:18 --> 00:06:21: we, that we used to see on a day-to-day basis.
00:06:22 --> 00:06:26: And I also hold a PhD in sustainable development where
00:06:26 --> 00:06:30: I forecasted the greenhouse gas emission forecast.
00:06:30 --> 00:06:33: So well, it will be 1 of the key topics.
00:06:33 --> 00:06:34: So I leave it back to you.
00:06:36 --> 00:06:36: Thanks.
00:06:36 --> 00:06:38: Antonio gave us a little bit of a sneak peek
00:06:38 --> 00:06:39: into what's coming ahead.
00:06:39 --> 00:06:40: I love that.
00:06:41 --> 00:06:45: So let's move on to our top five sustainability issues
00:06:45 --> 00:06:45: in 2025.
00:06:46 --> 00:06:48: And I want to be clear as we list these
00:06:48 --> 00:06:51: five issues or topics, this is not meant to show
00:06:51 --> 00:06:55: the entire landscape of what's coming ahead in 2025, but
00:06:55 --> 00:06:58: these are the top five items we talked about in
00:06:58 --> 00:07:01: those discussions and that we pulled out.
00:07:01 --> 00:07:03: There are certainly other topics.
00:07:03 --> 00:07:06: There are certainly other events that will occur that will
00:07:06 --> 00:07:09: push what we're doing in 2025, but these are based
00:07:09 --> 00:07:11: on those conversations.
00:07:11 --> 00:07:13: So we'll go through these one by one.
00:07:13 --> 00:07:16: We've got simplifying goals and prioritizing decarbonization.
00:07:16 --> 00:07:19: We talked about that a little bit already and #2
00:07:19 --> 00:07:22: was emphasizing the impact of building materials.
00:07:22 --> 00:07:25: So what goes into our buildings, how we transport those
00:07:25 --> 00:07:30: building materials, where we're finding them, where we're
reusing them
00:07:30 --> 00:07:33: #3 is focusing on occupiers, demand, health and well-being.
00:07:33 --> 00:07:36: Something that we work on ULI quite a bit is
00:07:36 --> 00:07:40: the connection and collaboration between the building owner
and operator
00:07:40 --> 00:07:42: and the building user and or occupier.
00:07:42 --> 00:07:45: So that's a big topic we want to focus on
00:07:45 --> 00:07:49: in 2025 #4 is sourcing and storing green power.
00:07:49 --> 00:07:50: That was a little bit of a highlight we just
00:07:50 --> 00:07:50: heard.
00:07:51 --> 00:07:54: And then #5 investing in resilience.

00:07:54 --> 00:07:56: And we'll dive into a little bit about what that

00:07:56 --> 00:08:00: means and the nuances of investing in resilience, in particular

00:08:00 --> 00:08:01: in climate change coming up.

00:08:03 --> 00:08:06: So first, we're going to jump into that first one,

00:08:06 --> 00:08:08: simplifying goals and prioritizing decarbonization.

00:08:08 --> 00:08:12: As Daniel Chang, one of our participants with Europe ESG

00:08:12 --> 00:08:16: at Heinz, said, actionability and practical solutions are key.

00:08:16 --> 00:08:19: What do we do in in in a world where

00:08:19 --> 00:08:23: there are so many options and so many different strategies,

00:08:23 --> 00:08:27: so much different prop tech, different ideas, different ways to

00:08:27 --> 00:08:32: to hit net zero, different goals to set different requirements

00:08:32 --> 00:08:36: coming in different voluntary that you're being sent day by

00:08:36 --> 00:08:36: day.

00:08:36 --> 00:08:40: How do you simplify that, simplify that and really prioritize

00:08:40 --> 00:08:43: what works best for your organization and what works best

00:08:43 --> 00:08:46: for really increasing impact in the industry.

00:08:46 --> 00:08:49: So before we ask our panel to give their side

00:08:49 --> 00:08:52: of things, we do have something really quick we want

00:08:52 --> 00:08:55: to try today, and that is a quick poll of

00:08:55 --> 00:08:56: our our participants.

00:08:57 --> 00:08:59: So if you are at a computer or you have

00:08:59 --> 00:09:02: your cell phone or other device on you, you can

00:09:02 --> 00:09:06: join slido.com at that particular number or you can take

00:09:06 --> 00:09:10: a quick picture of that QR code and start answering

00:09:10 --> 00:09:11: this particular question.

00:09:12 --> 00:09:15: And what is the biggest priority for your company?

00:09:15 --> 00:09:17: Is it measuring energy use intensity?

00:09:18 --> 00:09:22: Is it growing ESG teams?

00:09:22 --> 00:09:23: Is it reducing material costs?

00:09:23 --> 00:09:25: It looks like we've got some folks already answering and

00:09:26 --> 00:09:28: obviously we don't know what this is going to result

00:09:28 --> 00:09:28: in.

00:09:28 --> 00:09:30: So it might change our conversation, you know, based on

00:09:30 --> 00:09:32: on what you all are thinking.

00:09:34 --> 00:09:36: I'm going to give it a just like a minute

00:09:36 --> 00:09:37: here.

00:09:37 --> 00:09:40: We're at, you know, almost 10 after after the hour.

00:09:43 --> 00:09:44: This is great.

00:09:47 --> 00:09:51: Not a complete surprise, but very interesting seeing these

00:09:51 --> 00:09:52: numbers

00:09:51 --> 00:09:52: come through.

00:09:55 --> 00:09:57: How about as folks are still voting and let me
00:09:57 --> 00:09:58: see how many folks are in their voting.
00:09:58 --> 00:10:01: We have about 5859 people voting.
00:10:01 --> 00:10:03: So we'll give it a little bit of time here.
00:10:03 --> 00:10:04: And now it's up to 61.
00:10:05 --> 00:10:10: Thank you all for for entertaining this new, new idea
00:10:10 --> 00:10:12: we had to our panel.
00:10:12 --> 00:10:15: Let's talk a little bit about simplifying goals and prioritization
00:10:15 --> 00:10:18: and what what you all's biggest priority is for your
00:10:18 --> 00:10:21: company and what you think about moving forward.
00:10:23 --> 00:10:26: Sarah, I can start on this despite at the US
00:10:26 --> 00:10:29: federal level, despite there being changes at the US federal
00:10:29 --> 00:10:32: level, notably the US being taken out of the 2015
00:10:33 --> 00:10:36: Paris Agreement for the second time, first time occurring in
00:10:36 --> 00:10:37: 2017.
00:10:37 --> 00:10:41: The good news for sustainability champions is that
sustainability or
00:10:41 --> 00:10:45: climate change sustainability, governor governance and
leadership will continue to
00:10:45 --> 00:10:48: occur at the sub national level, at the state, city
00:10:48 --> 00:10:49: and local municipality levels.
00:10:50 --> 00:10:53: So for example, Local Law 97 passed in 2019 as
00:10:53 --> 00:10:56: part of the Climate Mobilization Act is likely going to
00:10:56 --> 00:10:59: stay intact and that was a groundbreaking event.
00:10:59 --> 00:11:03: Since 2019, fifty cities have enacted building performance
standards laws
00:11:03 --> 00:11:06: or will be enacting or in the process of enacting
00:11:06 --> 00:11:09: building performance standard standards laws.
00:11:10 --> 00:11:13: These other cities include Denver with it with it's energized
00:11:14 --> 00:11:18: Denver program and the building performance standards
laws in cities
00:11:18 --> 00:11:20: such as Washington DC and and Seattle, WA.
00:11:21 --> 00:11:24: So it will continue at the at the sub national
00:11:24 --> 00:11:24: level.
00:11:25 --> 00:11:28: Also related to that is the important role of public
00:11:28 --> 00:11:32: private partnerships in addition to corporate initiatives, which
are certainly
00:11:32 --> 00:11:35: something that we should promote and embrace.
00:11:35 --> 00:11:39: The combination of financial incentives and sub national
climate policy
00:11:40 --> 00:11:44: regulations taken together in what we've seen in studies
provides
00:11:44 --> 00:11:47: the greatest greenhouse gas reduction benefit.

00:11:49 --> 00:11:51: And then my second point will be on AI, artificial
00:11:51 --> 00:11:52: intelligence.
00:11:52 --> 00:11:54: This includes generative AI or Gen.
00:11:54 --> 00:11:56: AI in those large language models.
00:11:56 --> 00:11:59: Of course, this is a huge trend in business.
00:11:59 --> 00:12:02: Generally what we find there are many use cases, positive
00:12:02 --> 00:12:05: use cases along the real estate life cycle.
00:12:05 --> 00:12:08: Many of these use cases tend to be high ROI,
00:12:08 --> 00:12:09: low friction.
00:12:09 --> 00:12:12: But some examples will be for in the pre development
00:12:12 --> 00:12:16: phase estimating the sustainability or ESG impact, in the
00:12:16 --> 00:12:20: construction
00:12:16 --> 00:12:20: phase minimizing waste and construction delays, and then in
00:12:20 --> 00:12:24: the
00:12:20 --> 00:12:24: commissioning phase ensuring that sustainability goals are
00:12:25 --> 00:12:28: met.
00:12:25 --> 00:12:28: I'd like to stop there and let some other panelists
00:12:28 --> 00:12:28: contribute.
00:12:28 --> 00:12:30: I do some other comments I can make later.
00:12:30 --> 00:12:31: Thanks, Mark.
00:12:31 --> 00:12:34: And you know really quickly before we go into Antonio
00:12:34 --> 00:12:36: Antonia is that AI was really close to being one
00:12:36 --> 00:12:38: of the five topics.
00:12:38 --> 00:12:40: We talked about that in quite a bit of the
00:12:40 --> 00:12:44: conversations and and we kind of ended that discussion in
00:12:44 --> 00:12:47: in sort of folding that into some of the other
00:12:47 --> 00:12:48: big topics.
00:12:48 --> 00:12:49: I appreciate you bringing that up.
00:12:49 --> 00:12:51: Thank you, Antonio or or Sonia.
00:12:52 --> 00:12:54: Yeah, I'm happy to go.
00:12:54 --> 00:12:59: So it's very interesting the link because we are developing
00:12:59 --> 00:13:04: a platform internally called OB and we're actually addressing
00:13:04 --> 00:13:05: those
00:13:04 --> 00:13:05: topics.
00:13:05 --> 00:13:08: So we would like to first of all track the
00:13:08 --> 00:13:12: KPI's that we set and secondly to, you know, manipulate
00:13:12 --> 00:13:14: the data in the correct way.
00:13:14 --> 00:13:17: So both in terms of, you know, data validation that
00:13:17 --> 00:13:20: we have and in terms of, you know, automatic meter
00:13:20 --> 00:13:20: reading.
00:13:20 --> 00:13:23: So you know, so to the through the to the
00:13:23 --> 00:13:27: AI, we would like to automate all this process.
00:13:27 --> 00:13:31: Now I'd like to briefly mention also the since then,

00:13:31 --> 00:13:35: the only one in the panel from Europe, I would

00:13:35 --> 00:13:38: like to to quickly make a comparison.

00:13:39 --> 00:13:42: So here we have some, some regulations that are, you

00:13:42 --> 00:13:46: know, maybe you already heard about them, the SFDR, the

00:13:46 --> 00:13:48: Sustainable Finance Disclosure Regulation.

00:13:49 --> 00:13:52: So what what's happening in that part is that we

00:13:52 --> 00:13:55: are categorizing the funds.

00:13:56 --> 00:13:59: At the moment, we have 3 type of funds that

00:13:59 --> 00:14:03: are Article 9 and six that are green, light green

00:14:04 --> 00:14:07: and without a commitment with sustainability.

00:14:08 --> 00:14:11: And this is going to change in the SFDR 2

00:14:11 --> 00:14:15: point O where we're going to see, you know, different

00:14:15 --> 00:14:17: commitments with sustainability.

00:14:17 --> 00:14:20: So there is a sustainable, proper sustainable fund that is

00:14:20 --> 00:14:21: the first product.

00:14:22 --> 00:14:24: Then the second one is a transitioning product.

00:14:24 --> 00:14:27: The third one is only an ESG collection and then

00:14:27 --> 00:14:30: the last one where there is no ESG collection.

00:14:30 --> 00:14:34: So it's interesting to see how different continents are also

00:14:34 --> 00:14:36: approaching, you know, the same topic again.

00:14:42 --> 00:14:43: Yeah, no, I was going to.

00:14:43 --> 00:14:46: You know, go back to this survey that Cara put

00:14:46 --> 00:14:50: up and just talking about measuring energy use intensity for,

00:14:50 --> 00:14:53: you know, in the US, you know, often Europe is

00:14:53 --> 00:14:54: a little bit ahead of us.

00:14:54 --> 00:14:58: But in the USA, lot of this comes down to,

00:14:58 --> 00:15:02: you know, the very basic idea of measuring and tracking

00:15:02 --> 00:15:02: data.

00:15:03 --> 00:15:06: I'd say a lot of real estate owners in the

00:15:06 --> 00:15:10: US still need to begin by doing that in order

00:15:10 --> 00:15:13: to proceed along this path of decarbonization.

00:15:13 --> 00:15:17: So when we work with our portfolio companies and our

00:15:17 --> 00:15:20: real estate partners, what we first do is have them

00:15:20 --> 00:15:24: track energy usage, water usage, waste production, and then

00:15:24 --> 00:15:28: we can start looking for those low hanging fruits in terms

00:15:28 --> 00:15:30: of ways to decarbonize those buildings.

00:15:32 --> 00:15:36: For example, we recently invested in a portfolio of multifamily

00:15:36 --> 00:15:40: buildings in Washington, DC and began tracking these

00:15:40 --> 00:15:41: metrics like

00:15:40 --> 00:15:41: I described.

00:15:42 --> 00:15:46: And now we're looking at decarbonization measures, one of

00:15:42 --> 00:15:46: which

00:15:46 --> 00:15:50: an obvious one would be adding rooftop solar, but there

00:15:50 --> 00:15:53: are other there are other products out there and many

00:15:53 --> 00:15:56: of them using AI as was just discussed.

00:15:57 --> 00:16:01: One of them in particular is putting water sensors on

00:16:01 --> 00:16:05: each toilet and each faucet in in a building, in

00:16:05 --> 00:16:07: an apartment building.

00:16:07 --> 00:16:11: And that way, when there is excess usage or leakage,

00:16:11 --> 00:16:15: a property manager can be informed immediately.

00:16:15 --> 00:16:18: These sensors all report into a centralized system.

00:16:18 --> 00:16:21: It can report that to a property manager immediately and

00:16:21 --> 00:16:24: they can go ahead and do what's necessary to fix

00:16:24 --> 00:16:26: that problem and not have to wait till the end

00:16:26 --> 00:16:29: of the month when a water bill is actually received.

00:16:30 --> 00:16:33: And, you know, based on the cost that we've seen

00:16:33 --> 00:16:36: for this, the amount of cost for installing all of

00:16:36 --> 00:16:40: those sensors would be paid back within one year based

00:16:40 --> 00:16:44: on the projected water savings from those from those

00:16:44 --> 00:16:47: sensors.

00:16:47 --> 00:16:51: So this can be really something that cut that leads

00:16:51 --> 00:16:55: to, you know, expense savings, which I'm sure all real

00:16:55 --> 00:16:57: estate investors are interested in, while also promoting, you

00:16:57 --> 00:16:59: know,

00:16:59 --> 00:17:01: sustainability and and less water use.

00:17:01 --> 00:17:03: That's a great example.

00:17:03 --> 00:17:05: A one year payback is pretty hard to beat so

00:17:05 --> 00:17:08: appreciate sharing that example.

00:17:08 --> 00:17:11: Any other comments before we move on to the second

00:17:11 --> 00:17:12: topic?

00:17:12 --> 00:17:17: Here I have one final comment and just some examples

00:17:17 --> 00:17:20: of sub national policies at the state level that will

00:17:20 --> 00:17:22: stay intact.

00:17:22 --> 00:17:24: These include State bill 253-2261 in California and the

00:17:24 --> 00:17:26: CLCPA,

00:17:26 --> 00:17:27: the so-called Climate Act in New York State.

00:17:27 --> 00:17:30: We'll come back to this when we talk about the

00:17:30 --> 00:17:32: Chippy project in topic 4.

00:17:32 --> 00:17:34: But one final theme for me will be on C

00:17:34 --> 00:17:38: pace financing.

00:17:38 --> 00:17:40: This is a bit of an exotic type of financing

00:17:40 --> 00:17:42: that was created about 15 years ago.

00:17:42 --> 00:17:44: Today, there are about 40 states here in the US

00:17:44 --> 00:17:46: authorized for C PACE financing, where it's an assessment

00:17:46 --> 00:17:48: on

00:17:38 --> 00:17:42: a mortgage providing financing for owners to complete energy efficiency

00:17:42 --> 00:17:44: upgrades to commercial real estate.

00:17:44 --> 00:17:48: At the end of 2023, about \$7 billion of cumulative

00:17:48 --> 00:17:49: C PACE loans were made.

00:17:50 --> 00:17:54: About 30% of that 2 billion were made in 2023

00:17:54 --> 00:17:55: alone.

00:17:55 --> 00:17:57: So one of the biggest drivers for C pace is

00:17:57 --> 00:17:58: what I mentioned earlier on, right?

00:17:58 --> 00:18:01: Since 2019 50 cities in the US, about 50 cities have

00:18:01 --> 00:18:05: enacted building performance standards loss or in the process of

00:18:05 --> 00:18:06: doing it.

00:18:06 --> 00:18:08: So C Pace is a type of financing that can

00:18:08 --> 00:18:12: meet some of these building performance standards loss that are

00:18:12 --> 00:18:15: now increasingly being put into effect throughout our great cities

00:18:15 --> 00:18:16: here in the US.

00:18:17 --> 00:18:17: Yeah.

00:18:17 --> 00:18:18: You know, that's a great point.

00:18:18 --> 00:18:21: And it really kind of speaks Mark to like what

00:18:21 --> 00:18:25: we're seeing here on this survey that, you know, 51%

00:18:25 --> 00:18:28: of participants and we have about 275 folks on the

00:18:29 --> 00:18:32: call right now said measuring energy use intensity.

00:18:32 --> 00:18:34: So half of the folks are looking at that.

00:18:34 --> 00:18:38: Is that a voluntary priority or is that a priority

00:18:38 --> 00:18:42: because you have to measure EUI because there are, you

00:18:43 --> 00:18:47: know, requirements in your city or jurisdiction or, or state.

00:18:47 --> 00:18:49: So that's really interesting to see.

00:18:49 --> 00:18:52: It would, it would be interesting for me, you know,

00:18:52 --> 00:18:54: at at UI looking at impact of of this webinar

00:18:54 --> 00:18:57: and beyond if we add added follow up questions and

00:18:57 --> 00:18:59: maybe we will next year.

00:18:59 --> 00:18:59: Like why is that?

00:18:59 --> 00:19:01: Is it because you are in a city that you

00:19:01 --> 00:19:02: know...

00:19:02 --> 00:19:04: but it is, you know, it kind of speaks to

00:19:04 --> 00:19:05: what's happening in the industry.

00:19:05 --> 00:19:07: Oh, and look, folks are answering it as I said

00:19:07 --> 00:19:10: that and flipped it a little bit, but not too

00:19:10 --> 00:19:10: much.

00:19:11 --> 00:19:15: All right, well, we'll move on here to number 2

00:19:15 --> 00:19:18: and this one does not have a slide.

00:19:18 --> 00:19:19: Oh quiz, but we will be doing a couple more.

00:19:20 --> 00:19:24: So the second topic was emphasizing the impact of building materials.

00:19:24 --> 00:19:25:

00:19:25 --> 00:19:29: As Clemens, our Head of Head of Sustainability at Rediffco

00:19:29 --> 00:19:33: said, we are making a bigger push towards reducing embodied

00:19:34 --> 00:19:37: carbon in our development and retro retrofit activities.

00:19:38 --> 00:19:41: For those of you that are on the webinar today,

00:19:41 --> 00:19:44: this is really focusing on the carbon content of building

00:19:44 --> 00:19:49: materials including the the carbon emissions associated with the extraction,

00:19:49 --> 00:19:54: manufacturing, transportation, construction of buildings and building material.

00:19:54 --> 00:19:58: So all of that taken into consideration in addition to

00:19:58 --> 00:20:01: what I think we commonly haul and focus on, I

00:20:01 --> 00:20:05: know an operation operational emissions what you what emissions are

00:20:05 --> 00:20:07: associated with running.

00:20:07 --> 00:20:08: Operating your building.

00:20:08 --> 00:20:11: So I'd like to hear from the panel, how are

00:20:11 --> 00:20:13: you emphasizing the impact of building materials?

00:20:13 --> 00:20:16: What are you seeing ahead in 2025?

00:20:17 --> 00:20:20: I know building material cost is a big piece of

00:20:20 --> 00:20:24: that, but also the impact of the materials themselves.

00:20:25 --> 00:20:27: I can start on this one.

00:20:28 --> 00:20:31: Just picking up on the embodied carbon idea.

00:20:32 --> 00:20:37: You know, some basic metrics are that building materials can

00:20:37 --> 00:20:40: contribute up to 80% of the embodied carbon in a

00:20:40 --> 00:20:45: building and the embodied carbon contributes 30% of overall carbon

00:20:45 --> 00:20:47: emissions of a building.

00:20:47 --> 00:20:50: So as, as you kind of mentioned there in the

00:20:50 --> 00:20:53: intro, the most sustainable thing a developer can do is

00:20:53 --> 00:20:56: to maintain an existing building and improve the energy efficiency

00:20:56 --> 00:21:00: of that building versus building a new building, even if

00:21:00 --> 00:21:03: that new building is say, lead platinum, for example.

00:21:04 --> 00:21:07: This brings up the idea of adaptive reuse or conversion

00:21:07 --> 00:21:11: of existing, perhaps stranded buildings into a use that makes

00:21:11 --> 00:21:13: more sense for that location.

00:21:14 --> 00:21:18: And you know, the most commonly heard one in the

00:21:18 --> 00:21:22: US at least today is office to multi family conversions.

00:21:22 --> 00:21:26: And while this can be very difficult to make work
00:21:26 --> 00:21:30: in certain situations from a cost and feasibility perspective,
given
00:21:30 --> 00:21:33: the number of empty office buildings that we have in
00:21:33 --> 00:21:36: a number of our downtowns in the US, you're seeing
00:21:36 --> 00:21:41: developers and architects starting to become more and more
creative
00:21:41 --> 00:21:44: as to how to convert these buildings and frankly, convert
00:21:44 --> 00:21:48: neighborhoods that are currently highly office focused to
more live
00:21:48 --> 00:21:50: work play type locations.
00:21:50 --> 00:21:53: And, you know, picking up on what Mark mentioned on
00:21:53 --> 00:21:57: public private partnerships, I think you're going to see more
00:21:57 --> 00:22:00: of these public private partnerships try to solve these issues
00:22:00 --> 00:22:03: in terms of, you know, the vacant office stock and
00:22:03 --> 00:22:06: how we can convert those existing buildings.
00:22:06 --> 00:22:09: And that whole story has a great, you know, kind
00:22:09 --> 00:22:11: of sustainability story around it.
00:22:14 --> 00:22:14: Thank you.
00:22:14 --> 00:22:18: And for those of you who are familiar with ULIHQ
00:22:18 --> 00:22:21: and DC, right across the street from our HQ at
00:22:21 --> 00:22:25: 20th and L is an office to residential conversion.
00:22:25 --> 00:22:28: So if you're looking to see that in person near
00:22:28 --> 00:22:30: us, let us know and we're happy to to pop
00:22:30 --> 00:22:32: you over there and and take a tour.
00:22:32 --> 00:22:33: Mark or Antonio?
00:22:34 --> 00:22:35: I can go.
00:22:35 --> 00:22:38: So I think that in this point is interesting also
00:22:38 --> 00:22:41: related to the the answers that we that we got
00:22:41 --> 00:22:44: from the previous question, because at the end, you know,
00:22:44 --> 00:22:47: embodied carbon is almost a trade off with energy use
00:22:47 --> 00:22:50: intensity, because the more we increase the performance of
a
00:22:51 --> 00:22:54: building, the more embodied carbon becomes important.
00:22:55 --> 00:22:57: Also because, you know, we need more material to insulate
00:22:57 --> 00:22:58: our buildings.
00:22:58 --> 00:23:02: So it's interesting to see how how we approach this
00:23:02 --> 00:23:02: problem.
00:23:02 --> 00:23:05: So here in Europe, I can mention a few things.
00:23:05 --> 00:23:08: So first of all, for the new taxonomy alignment, we
00:23:08 --> 00:23:12: need to demonstrate the global warming potential and we
demonstrated
00:23:12 --> 00:23:16: through the whole life cycle called carbon assessment of a

00:23:16 --> 00:23:20: building where we, you know, assess both the embodied carbon

00:23:20 --> 00:23:24: coming from materials and the, let's say operational carbon from,

00:23:25 --> 00:23:27: you know, the use of the building.

00:23:28 --> 00:23:31: The other thing that I wanted to mention is you

00:23:31 --> 00:23:33: know, one of the projects we have been working on

00:23:33 --> 00:23:35: was in Birmingham in the UK.

00:23:36 --> 00:23:40: And so the UK is one of the the countries

00:23:40 --> 00:23:44: that is you know pushing the most in this because

00:23:44 --> 00:23:49: we have seen that we have set threshold of embodied

00:23:49 --> 00:23:51: carbon that you can reach.

00:23:52 --> 00:23:54: So in that case was was 600 kilograms of CO2

00:23:55 --> 00:23:56: per square meter.

00:23:56 --> 00:24:00: And we had to demonstrate that, you know, the the

00:24:00 --> 00:24:03: development was not exceeding the the threshold.

00:24:04 --> 00:24:07: And in the case you exceed the threshold, you have

00:24:07 --> 00:24:10: to pay a certain amount for every tons of CO2

00:24:10 --> 00:24:13: that you exceed and you have to pay this amount

00:24:13 --> 00:24:14: for 30 years.

00:24:14 --> 00:24:18: So, you know, it introduces also the the carbon pricing

00:24:18 --> 00:24:22: and probably makes you know, it helps you know, make

00:24:22 --> 00:24:27: you know developers and then stakeholders aware of of of

00:24:27 --> 00:24:28: this issue.

00:24:32 --> 00:24:33: You're on mute, care.

00:24:35 --> 00:24:37: Mark, any thoughts on building materials?

00:24:38 --> 00:24:39: That's what happens.

00:24:39 --> 00:24:40: You have a cold when you're on a webinar.

00:24:40 --> 00:24:41: You want to mute your coffee?

00:24:42 --> 00:24:43: No, I.

00:24:44 --> 00:24:44: Don't.

00:24:44 --> 00:24:45: OK.

00:24:46 --> 00:24:47: I can just step, I can just step in a

00:24:47 --> 00:24:48: couple of the material.

00:24:48 --> 00:24:51: So if you are building ground up, you know some

00:24:51 --> 00:24:54: of the, you know, interesting building materials that are out

00:24:54 --> 00:24:54: there.

00:24:55 --> 00:24:58: Probably the most exciting from my point of view is

00:24:58 --> 00:25:02: mass timber or CLT cross laminated timber, which you know,

00:25:02 --> 00:25:06: is essentially wood you could manufactured wood that you can

00:25:06 --> 00:25:09: go vertical into a high rise building with.

00:25:09 --> 00:25:13: And it's absolutely a beautiful product for those who have

00:25:13 --> 00:25:16: not seen it, but some other some other examples are

00:25:17 --> 00:25:21: green or low carbon concrete, which which includes industrial waste

00:25:21 --> 00:25:25: products like fly ash into the concrete mixture to reduce

00:25:25 --> 00:25:26: the carbon footprint.

00:25:27 --> 00:25:31: Hemp is a carbon sequestering material that can be used

00:25:31 --> 00:25:36: in insulation and recycled wood and recycled steel in buildings

00:25:36 --> 00:25:36: as well.

00:25:36 --> 00:25:38: So these are some of the, you know, the materials

00:25:38 --> 00:25:40: that are gaining traction out there.

00:25:41 --> 00:25:44: Yeah, thank you for for adding that, Sonia, because it's

00:25:44 --> 00:25:45: it's not always about it.

00:25:46 --> 00:25:49: Often times it's about value engineering and using less materials

00:25:49 --> 00:25:52: or looking about where your materials come from.

00:25:52 --> 00:25:55: But there also are lots of innovations in the building

00:25:55 --> 00:25:57: material space as well.

00:25:57 --> 00:25:59: So looking at the different options, seeing where you can

00:25:59 --> 00:26:02: source that, seeing what the cost comparison is, there certainly

00:26:02 --> 00:26:05: are lots of tools available to help you through that.

00:26:05 --> 00:26:07: And we're happy to, you know, share some resources about

00:26:07 --> 00:26:08: that as well.

00:26:10 --> 00:26:10: OK.

00:26:10 --> 00:26:15: We are going to move on to #3 focusing on

00:26:15 --> 00:26:20: occupiers, demand, health and well-being.

00:26:20 --> 00:26:23: So as Paul Stephen with JLL mentioned during our conversations,

00:26:23 --> 00:26:27: don't forget about the energy and transport transitions too.

00:26:27 --> 00:26:29: These are a huge value pool.

00:26:29 --> 00:26:31: Landlords never had a chance to play it and now

00:26:31 --> 00:26:32: they do.

00:26:32 --> 00:26:35: This could result in more income from the site than

00:26:35 --> 00:26:36: they even receive in rent.

00:26:36 --> 00:26:38: So this is really just a focus on occupiers.

00:26:38 --> 00:26:42: We need to look at who is actually using, working

00:26:42 --> 00:26:45: and living in the buildings.

00:26:45 --> 00:26:47: We do have another quick Slido for everyone.

00:26:47 --> 00:26:51: So you all can again join slido.com at that number

00:26:51 --> 00:26:54: on the bottom or take a quick picture of the

00:26:54 --> 00:26:56: QR code with your cell phone.

00:26:56 --> 00:26:59: And as you all start in answering the question of

00:26:59 --> 00:27:02: what is the best way for your company to engage

00:27:02 --> 00:27:05: with tenants in 2025, obviously this is your two building

00:27:05 --> 00:27:08: owners and operators, but certainly want to hear from you

00:27:08 --> 00:27:09: all.

00:27:09 --> 00:27:13: Is it focused on affordability and cost saving for tenants,

00:27:13 --> 00:27:14: improve measurability?

00:27:14 --> 00:27:18: So these are your smart meters, prop tech really to

00:27:18 --> 00:27:22: meet those occupier expectations or to really focus on social

00:27:22 --> 00:27:23: impact.

00:27:23 --> 00:27:26: How do you measure the impact of your social KPIs?

00:27:26 --> 00:27:30: So as folks are answering that question, let's go to

00:27:30 --> 00:27:34: our panel and and see what you all are thinking

00:27:34 --> 00:27:36: about tenant engagement in 2025.

00:27:36 --> 00:27:39: And it's so interesting to see these answers come through.

00:27:39 --> 00:27:42: So feel free to comment on that as well.

00:27:43 --> 00:27:44: Kara, I could start here.

00:27:45 --> 00:27:48: So the healthy building movement in real estate, this was

00:27:48 --> 00:27:50: a trend with you and I before the pandemic.

00:27:50 --> 00:27:54: And of course, the pandemic has accelerated this trend

00:27:54 --> 00:27:55: towards

00:27:55 --> 00:27:59: healthier buildings.

00:27:59 --> 00:28:02: We could see this very prominently through the International

00:28:03 --> 00:28:06: Well

00:28:06 --> 00:28:09: Building Institute's WELL certification and other well related

00:28:09 --> 00:28:12: products.

00:28:12 --> 00:28:16: And we could see this in the office sector, including

00:28:16 --> 00:28:20: this bifurcation between Class A trophy office buildings today

00:28:20 --> 00:28:24: and

00:28:24 --> 00:28:27: then Class A commodity and then B&C office space.

00:28:27 --> 00:28:31: These Class A trophy office buildings, as we know we're

00:28:31 --> 00:28:34: outperforming the market as tenants are really seeking out

00:28:34 --> 00:28:35: spaces

00:28:35 --> 00:28:38: that are most amenitized, best located, but also most

00:28:38 --> 00:28:42: sustainable,

00:28:42 --> 00:28:45: healthy and also modern with things such as modern HVAC

00:28:45 --> 00:28:49: systems.

00:28:49 --> 00:28:52: So key examples here will be such as One Vanderbilt

00:28:52 --> 00:28:55: with its dual ESG certifications of lead and well Platinum

00:28:55 --> 00:28:58: certification.

00:28:58 --> 00:29:01: Also, Taipei 101, if you want to go overseas, one

00:29:01 --> 00:29:04: of the most prominent Class A trophy office buildings in

00:29:04 --> 00:29:07: Asia.

00:29:07 --> 00:29:10: But also, you know, just thinking about the operators, the

00:29:10 --> 00:29:13: tenants, some of these owner occupied buildings just

recently, Microsoft

00:28:49 --> 00:28:53: Silicon Valley campus, just well certified at the platinum level.

00:28:53 --> 00:28:56: Their Silicon Valley campus here in New York City, Citigroup's

00:28:56 --> 00:29:00: world headquarters in Tribeca, well certified platinum, other 2.6 million

00:29:00 --> 00:29:04: square feet, It's the largest well certified project in the

00:29:04 --> 00:29:04: world.

00:29:05 --> 00:29:09: And Pfizer's office at Hudson Yards just achieved well certification

00:29:09 --> 00:29:10: at the platinum level.

00:29:11 --> 00:29:13: There's also a new program that IWBI, which is the

00:29:14 --> 00:29:16: largest certification body for healthy buildings in the world.

00:29:17 --> 00:29:19: They just rolled out a well for residential program.

00:29:20 --> 00:29:22: And regardless of where you fall on the political spectrum,

00:29:22 --> 00:29:25: I think we can all agree one thing we should

00:29:25 --> 00:29:27: all promote is greater support for a military.

00:29:27 --> 00:29:30: Or if yes, one of the largest military housing operators

00:29:30 --> 00:29:34: in the US committed 22,000 homes to this welfare residential

00:29:34 --> 00:29:37: program and it's meant to improve the living conditions of

00:29:37 --> 00:29:38: our military.

00:29:38 --> 00:29:43: IWBIS also going through prototype installations with other major military

00:29:43 --> 00:29:44: housing operators in the US.

00:29:47 --> 00:29:48: Fantastic, Mark.

00:29:49 --> 00:29:53: I really like that, you know, focus on different types

00:29:53 --> 00:29:54: of tenants, right?

00:29:54 --> 00:29:57: It's not just a, a commercial tenant or a residential

00:29:57 --> 00:29:57: tenant.

00:29:57 --> 00:29:59: You, you really spoke to all the tenants across the

00:29:59 --> 00:30:00: the industry.

00:30:00 --> 00:30:02: So appreciate that insight, Antonio.

00:30:04 --> 00:30:04: Yeah.

00:30:04 --> 00:30:07: And I have a comment here that is not specifically

00:30:07 --> 00:30:11: related to the occupier itself, but a little bit broader.

00:30:11 --> 00:30:15: So I would consider also the the, the surrounding community

00:30:15 --> 00:30:18: and you know the benefits you do on the basically

00:30:18 --> 00:30:20: the place where the building is located.

00:30:20 --> 00:30:22: So I had the luck to to be participant of

00:30:23 --> 00:30:26: the the 7th cohort of the Health Leaders Network that

00:30:26 --> 00:30:28: Mark was mentioning at the beginning.

00:30:28 --> 00:30:32: And I was really, you know, I visited, we went

00:30:32 --> 00:30:35: to Vancouver and to Philadelphia.

00:30:35 --> 00:30:38: So, and this is a sponsor for this amazing QLI
00:30:38 --> 00:30:39: program.
00:30:39 --> 00:30:43: And then it really helped me, you know, increase my
00:30:43 --> 00:30:45: awareness on these, on these aspects.
00:30:46 --> 00:30:48: And at the end, you know, there are, there are
00:30:48 --> 00:30:51: tools we use also in Europe to, to measure the
00:30:51 --> 00:30:53: SROY, so the social return on investment.
00:30:54 --> 00:30:57: And as I was mentioning, for, for the carbon also
00:30:57 --> 00:31:00: these, you know, if you give a monetary value of
00:31:00 --> 00:31:05: financial quantification of the social benefit, it can really help,
00:31:05 --> 00:31:08: you know, to, to, to, to improve both the awareness
00:31:08 --> 00:31:12: and the end of positive effect of such initiatives.
00:31:12 --> 00:31:15: Just to give you an example, the project we worked
00:31:15 --> 00:31:19: on when we measured it was public spaces, job creation,
00:31:19 --> 00:31:22: accessibility to public transportation.
00:31:22 --> 00:31:25: So all of these really, you know, helped quantify the
00:31:25 --> 00:31:28: benefits that at the end the built environment was giving
00:31:28 --> 00:31:30: to to to the surrounding community.
00:31:33 --> 00:31:35: Thank you, Antonio, Sonia.
00:31:39 --> 00:31:40: Nothing to add on this one.
00:31:42 --> 00:31:43: OK, fantastic.
00:31:43 --> 00:31:48: I am noticing a couple comments from the participants that
00:31:48 --> 00:31:50: they are not seeing the presentation.
00:31:51 --> 00:31:54: If you answered SLIDO on your computer, you might have
00:31:54 --> 00:31:56: went over to a Slido screen.
00:31:56 --> 00:31:58: So you have to shift back to Zoom.
00:31:58 --> 00:32:03: Right now we are showing the SLIDO results for topic
00:32:03 --> 00:32:07: area #3 and now we are showing the screen that
00:32:07 --> 00:32:10: says #3 focusing on occupiers.
00:32:11 --> 00:32:14: So find your Zoom link if you missed that.
00:32:14 --> 00:32:18: And we are going to move on now to topic
00:32:18 --> 00:32:22: #4 sourcing and storing green power.
00:32:22 --> 00:32:26: So as John Hafner, Deputy Director of sustainability with
Hang
00:32:26 --> 00:32:30: Leung mentioned, we have got a lot more renewables on
00:32:30 --> 00:32:33: the grid and a lot more electric vehicles coming online.
00:32:33 --> 00:32:36: So that is less about what they're doing, but war,
00:32:37 --> 00:32:40: what Hang Lung is looking towards in the future and
00:32:40 --> 00:32:43: how they have to see these renewables coming online and
00:32:43 --> 00:32:46: more electric vehicles coming into play.
00:32:46 --> 00:32:49: And how are we going to work with the grid
00:32:49 --> 00:32:53: and infrastructure to be able to power this increased demand.

00:32:53 --> 00:32:55: So we don't have a Slido for this one, but

00:32:55 --> 00:32:58: maybe Antonio, do you want to start us out?

00:32:59 --> 00:33:01: I'm going to leave the other one to start with

00:33:01 --> 00:33:01: this.

00:33:02 --> 00:33:03: OK, Sonia.

00:33:04 --> 00:33:05: Yeah, sure, sure, I can.

00:33:05 --> 00:33:06: I can talk a little bit about this.

00:33:07 --> 00:33:11: There are a couple of, you know, concepts or ideas

00:33:11 --> 00:33:12: relative to the grid.

00:33:12 --> 00:33:16: Grid is certainly something that is a major concern right

00:33:17 --> 00:33:20: now here in the US So I'll start with talking

00:33:20 --> 00:33:23: about the idea of a virtual power plant, which is

00:33:24 --> 00:33:28: essentially a collection of distributed energy resources.

00:33:28 --> 00:33:32: These can be rooftop solar, battery storage, EV charging,

00:33:32 --> 00:33:37: and

00:33:32 --> 00:33:37: in in a virtual power plant, there's essentially a control

00:33:37 --> 00:33:40: mechanism in place such that energy can be produced by

00:33:40 --> 00:33:44: solar panels and then stored by the batteries and used

00:33:44 --> 00:33:47: when, you know, at the times of most needs.

00:33:47 --> 00:33:51: So this system has a significant benefit to owners in

00:33:51 --> 00:33:55: that they can use stored energy during times of peak

00:33:55 --> 00:33:59: demand and sell excess energy to the grid when that

00:33:59 --> 00:34:00: pricing makes sense.

00:34:01 --> 00:34:06: In addition, many times the transmission system operator will

00:34:06 --> 00:34:09: pay

00:34:06 --> 00:34:09: a company to be part of a virtual power plant

00:34:09 --> 00:34:13: network, which also helps with stability of the grid.

00:34:14 --> 00:34:18: And then just, I saw that there was a question

00:34:18 --> 00:34:21: that came up in the chat also related to AI

00:34:21 --> 00:34:26: and, you know, energy uses, usage requirements caused by,

00:34:21 --> 00:34:26: and

00:34:26 --> 00:34:29: I'll just add to it and say data centers that

00:34:29 --> 00:34:34: are, you know, that have growing power requirements and

00:34:29 --> 00:34:34: needs

00:34:34 --> 00:34:35: here in the US.

00:34:35 --> 00:34:40: And you know, I'd say the what's new and interesting,

00:34:40 --> 00:34:45: newish and interesting is the growth of SMRS or small

00:34:45 --> 00:34:46: modular reactors.

00:34:46 --> 00:34:51: There's a growing sentiment that the solution for powering

00:34:46 --> 00:34:51: data

00:34:51 --> 00:34:54: centers is nuclear power in the form of SMRS, as

00:34:54 --> 00:34:58: they provide a number of key benefits, one of them

00:34:58 --> 00:35:03: being a reliable, uninterrupted power supply, carbon free

energy, and
00:35:03 --> 00:35:06: they're compact and secure and scalable.
00:35:07 --> 00:35:10: There's obviously a number of hurdles in the growth of
00:35:10 --> 00:35:14: SMRS, mainly due to regulatory issues and just public
00:35:14 --> 00:35:17: perception
00:35:17 --> 00:35:20: of their safety, But there's a lot of money being
00:35:20 --> 00:35:22: poured into SMR businesses right now by companies such
00:35:22 --> 00:35:25: as
00:35:25 --> 00:35:29: Amazon, Microsoft, and Google.
00:35:29 --> 00:35:29: So it's definitely a space to watch going forward and
00:35:30 --> 00:35:31: can be, you know, part of this solution with the
00:35:31 --> 00:35:31: grid.
00:35:31 --> 00:35:31: Great.
00:35:31 --> 00:35:31: Thank you.
00:35:31 --> 00:35:34: And for those of you who haven't seen the the
00:35:34 --> 00:35:37: Q&A yet, an attendee asked is the enormous energy and
00:35:37 --> 00:35:41: water usage of AI taken into account with the sustainability
00:35:41 --> 00:35:43: carbon reduction efforts?
00:35:43 --> 00:35:46: And that is another big user obviously that we are
00:35:46 --> 00:35:47: keeping an eye out for.
00:35:47 --> 00:35:50: UI is looking into that in 2025.
00:35:51 --> 00:35:55: And Utili is also looking at this number four topic,
00:35:55 --> 00:36:00: sourcing green power, sourcing and storing green power and
00:36:00 --> 00:36:02: our
00:36:03 --> 00:36:06: work with utilities in 2025.
00:36:06 --> 00:36:08: So we're really looking to see how real estate can
00:36:08 --> 00:36:11: get green power direct from utilities.
00:36:11 --> 00:36:15: So one of our work streams starting last year and
00:36:15 --> 00:36:18: moving really quickly into 2025 is working with regional and
00:36:18 --> 00:36:21: local utilities and local develop developers to figure out the
00:36:21 --> 00:36:24: best path for getting green power to buildings.
00:36:24 --> 00:36:27: But before we talk more about Uli, Mark, did you
00:36:27 --> 00:36:28: have anything to add to to sourcing and storing green
00:36:28 --> 00:36:30: power?
00:36:30 --> 00:36:34: I, I do so this past fall at one of
00:36:34 --> 00:36:39: our NYU Stern sustainability conferences, I had the pleasure
00:36:39 --> 00:36:42: of
00:36:42 --> 00:36:45: moderating the keynote with Justin Sauber, CEO of
00:36:45 --> 00:36:47: Transmission Developers
00:36:47 --> 00:36:50: and we discussed the Chippy project.
00:36:50 --> 00:36:53: They're the, that they're the developer on which is the
00:36:53 --> 00:36:56: Champlain Hudson Power Express project.
00:36:56 --> 00:36:59: It's one of those fascinating sustainability projects around.

00:36:50 --> 00:36:52: If you haven't heard of it, you should look into it.

00:36:52 --> 00:36:52: It's a 339 mile transmission wire from the US Canada border from from Quebec to Astoria, Queens.

00:36:57 --> 00:37:00: And it's going to help New York State meet requirements under the CLCPA, which I mentioned earlier on the Climate Act, which is requiring New York State to lower fossil fuel, fossil fuel energy use relative to a 1990 baseline.

00:37:04 --> 00:37:08: But once this project is operational in a rough in spring 2026 as it's expected, it's going to provide, depending on the study, you look at 10 to 20% of New York City electricity needs going forward, which is a massive amount.

00:37:08 --> 00:37:12: It's the largest infrastructure project in New York history, and transmission developers, they're working on one or two other similar projects, not to the same scale as Chippy, but it's really a fascinating infrastructure project and something we should all look to as an example of being able to source green power.

00:37:12 --> 00:37:16: Great, thank you.

00:37:16 --> 00:37:19: I think we are ready to move on to #5

00:37:19 --> 00:37:23: and I do see Q&A questions coming through quickly.

00:37:23 --> 00:37:25: So we're going to save plenty of time for that.

00:37:25 --> 00:37:29: If you do have any questions, please put it in the Q&A box and we will address it.

00:37:29 --> 00:37:30: Let's move on to the next slide #5 is investing in resilience.

00:37:30 --> 00:37:34: As Peter Tami mentioned, how do we maintain resiliency of operations and purpose for our facilities and communities in the face of unprecedented weather extremes?

00:37:34 --> 00:37:38: Obviously, we have seen that a lot already in 2025, so it's very fresh on our minds.

00:37:38 --> 00:37:41: With that, this is our last Slido for you all today.

00:37:41 --> 00:37:46: And again, please use either your cell phone to take a picture of the QR code or visit slido.com.

00:37:46 --> 00:37:49: If you do visit slido.com and you want to come back to the Zoom call, make sure if you do come back to the Zoom or you'll be stuck on, you know, your web browser.

00:38:49 --> 00:38:52: So investing in resilience, Why should your organization invest in

00:38:52 --> 00:38:53: resilience?

00:38:53 --> 00:38:56: Why do you think the best reason for investing in

00:38:56 --> 00:39:01: resilience is reduce physical climate risk, reduce transitional climate risk

00:39:01 --> 00:39:04: or improve climate risk assessment tools or sort of the

00:39:04 --> 00:39:07: catch all, all of the above, which already is getting

00:39:07 --> 00:39:09: a lot of attention here.

00:39:09 --> 00:39:10: That was kind of our our freebie.

00:39:12 --> 00:39:16: So as folks are answering this slide out, let's address

00:39:16 --> 00:39:17: this last topic.

00:39:19 --> 00:39:20: You'd like to go first.

00:39:22 --> 00:39:24: I can start, I can start.

00:39:24 --> 00:39:28: So the the issue of, you know, climate risk is

00:39:28 --> 00:39:33: very much a daily task we are we are facing.

00:39:33 --> 00:39:38: So in terms of transitional risk, what you are seeing

00:39:38 --> 00:39:43: actually there is also here a good program called Sea

00:39:43 --> 00:39:45: Change from ULI.

00:39:45 --> 00:39:49: And the thing we are seeing here is basically to

00:39:49 --> 00:39:53: you know, quantify the transitional risk.

00:39:53 --> 00:39:57: This goes, you know, with the, you know, eventual, you

00:39:57 --> 00:39:59: know, carbon taxes or policy changes.

00:40:00 --> 00:40:04: In terms of physical risks, we can see both, you

00:40:04 --> 00:40:06: know, the, the acute risks.

00:40:06 --> 00:40:08: So you know, the, the one, the, the wildfires in

00:40:08 --> 00:40:11: LA was one of them, but also, you know, chronic

00:40:11 --> 00:40:11: events.

00:40:11 --> 00:40:14: So we see here, you know, there there will be

00:40:14 --> 00:40:16: Winter Olympics in Milan next year.

00:40:16 --> 00:40:19: And you know, the issue of, you know, global warming

00:40:19 --> 00:40:21: is, is, is something chronic and it's going to be

00:40:21 --> 00:40:22: there for sure.

00:40:23 --> 00:40:27: And what we're seeing, you know, lately is also again,

00:40:28 --> 00:40:34: converting those technical quantification quantifications into monetary value.

00:40:34 --> 00:40:39: So into financial modelling, what we use is, you know,

00:40:39 --> 00:40:43: value at risk, but you know, translated and also, you

00:40:43 --> 00:40:46: know, that considers climate risks.

00:40:46 --> 00:40:50: So we try to estimate what, what is the, the

00:40:50 --> 00:40:55: loss of valuation of a property due to these events.

00:40:55 --> 00:40:58: And you know, there are several algorithms that help to

00:40:58 --> 00:40:59: calculate this.

00:41:00 --> 00:41:03: And at the end this also relates to, you know,

00:41:03 --> 00:41:05: insurance premiums.

00:41:05 --> 00:41:10: So once we know and we can quantify this, you

00:41:10 --> 00:41:13: know, the sooner the better.

00:41:13 --> 00:41:16: So if we can quantify the development stage or before

00:41:16 --> 00:41:20: acquiring an asset, it can really helps us and you

00:41:20 --> 00:41:23: know to mitigate the risk once the asset is, is

00:41:23 --> 00:41:24: in our hand basically.

00:41:27 --> 00:41:29: Thank you, Antonio, Mark, Sonia, Mark.

00:41:31 --> 00:41:31: Yeah.

00:41:31 --> 00:41:32: Thanks, Kara.

00:41:34 --> 00:41:36: Irrespective of where you fall in the political spectrum, one

00:41:36 --> 00:41:39: thing that all owners are dealing with today with the

00:41:39 --> 00:41:42: industries dealing with today is higher insurance premiums across the

00:41:42 --> 00:41:42: board.

00:41:42 --> 00:41:45: It's not just for properties located in climate prone areas

00:41:45 --> 00:41:47: of Florida and Texas and Louisiana.

00:41:48 --> 00:41:51: It's across the board and they're three main drivers behind

00:41:51 --> 00:41:54: this very precipitous rise in insurance premiums.

00:41:55 --> 00:41:57: One is that in the 1990s, we had a billion

00:41:57 --> 00:41:59: dollar climate event once every four months.

00:41:59 --> 00:42:02: Today, we're having this billion dollar climate event once every

00:42:02 --> 00:42:02: two weeks.

00:42:03 --> 00:42:05: Second factor is the higher inflation we've seen since the

00:42:05 --> 00:42:06: pandemic.

00:42:06 --> 00:42:09: And the third reason is the higher cost in the

00:42:09 --> 00:42:13: reinsurance market driven by the higher number of billion dollar

00:42:13 --> 00:42:16: and severe climate events that we're seeing more, more often.

00:42:17 --> 00:42:19: So it's something we're grappling with in the industry and

00:42:19 --> 00:42:21: it's really throwing a lot of underwriting.

00:42:21 --> 00:42:23: Underwriting is out of whack, right?

00:42:23 --> 00:42:25: If you want to wrote a property with 100 grand

00:42:26 --> 00:42:29: insurance premium in 2019 and now it's double or something

00:42:29 --> 00:42:32: along those lines, it can have very significant impacts on

00:42:32 --> 00:42:36: your underwriting in terms of meeting your debt service coverage

00:42:36 --> 00:42:36: levels.

00:42:37 --> 00:42:39: Also, one of the trends that was in place before

00:42:39 --> 00:42:42: the pandemic was this out migration from the gateway markets

00:42:42 --> 00:42:43: to the Sunbelt.

00:42:43 --> 00:42:47: Of course, these prominent Sunbelt markets like Austin and Nashville.

00:42:47 --> 00:42:50: We, we, we think about and that trend was accelerated

00:42:50 --> 00:42:51: by the pandemic.

00:42:51 --> 00:42:54: One thing we're seeing now is that those trends are

00:42:54 --> 00:42:55: starting to reverse.

00:42:55 --> 00:42:58: In some cases, they're actually going -1 of the reasons

00:42:58 --> 00:43:00: behind that is, is climate change.

00:43:00 --> 00:43:02: You know, you're now moving to areas that are more

00:43:02 --> 00:43:04: prone to climate risk and climate change.

00:43:04 --> 00:43:08: Also, the higher insurance premiums are driving potential people away

00:43:09 --> 00:43:10: from, from those areas.

00:43:11 --> 00:43:14: And in some cases, properties just aren't insurable.

00:43:14 --> 00:43:17: So the industry's really just starting to grapple with all

00:43:17 --> 00:43:20: of these issues along insurance premiums.

00:43:21 --> 00:43:22: Yeah.

00:43:22 --> 00:43:25: I mean that that brings up the whole concept there

00:43:25 --> 00:43:29: of climate migration, right, where you start seeing people move

00:43:29 --> 00:43:33: away from locations that have that are prone to these

00:43:33 --> 00:43:35: kind of traumatic weather events.

00:43:36 --> 00:43:40: I'll just bring up, you know, in terms of resilience

00:43:40 --> 00:43:44: measures in buildings and in homes, you know, what comes

00:43:44 --> 00:43:47: to mind for me are the recent fires in LA

00:43:47 --> 00:43:50: and my heart goes out to all of those affected.

00:43:50 --> 00:43:53: I realize, you know, in the US and in California

00:43:53 --> 00:43:55: particularly, this is a very raw topic.

00:43:55 --> 00:43:59: But in the midst of all the destruction, you may

00:43:59 --> 00:44:03: have seen pictures of a single home, for example, that

00:44:03 --> 00:44:07: is standing amongst an area that is completely burned down.

00:44:07 --> 00:44:10: And some, some of it, sometimes this is due to

00:44:10 --> 00:44:11: luck.

00:44:11 --> 00:44:15: But you know, I've seen certain cases of homes that

00:44:15 --> 00:44:21: had specific resilience characteristics to them that prevented them from

00:44:21 --> 00:44:25: from perhaps burning down due to these fires.

00:44:25 --> 00:44:28: There's one in particular that I looked at that you

00:44:28 --> 00:44:32: know, for example, the yard had no vegetation or very

00:44:32 --> 00:44:34: sparse desert style landscaping.

00:44:35 --> 00:44:38: There was a concrete type fence or wall around the

00:44:38 --> 00:44:38: house.

00:44:40 --> 00:44:43: The deck was made of Class A wood, which was

00:44:43 --> 00:44:46: which is as fire resistant as concrete or steel.

00:44:46 --> 00:44:51: There's a metal roof, tempered glass for the windows.

00:44:51 --> 00:44:54: And so these types of measures, they're very expensive, but

00:44:54 --> 00:44:57: they may be what is required to kind of live

00:44:57 --> 00:44:59: in these types of locations going forward.

00:45:01 --> 00:45:05: I'll also touch on an interesting business that I looked

00:45:05 --> 00:45:07: at as an investment.

00:45:07 --> 00:45:09: And there are many of these types of businesses, I'm

00:45:09 --> 00:45:10: sure out there.

00:45:10 --> 00:45:14: But this one in particular is modular homes that are

00:45:14 --> 00:45:16: made or built out of steel.

00:45:17 --> 00:45:22: So modular homes themselves are sustainable because of

00:45:22 --> 00:45:26: the lack

00:45:22 --> 00:45:26: of waste in the building process, but in this case

00:45:26 --> 00:45:31: using steel, and this is recycled light gauge steel that

00:45:31 --> 00:45:36: that you know, that obviously helps with the fire issue

00:45:36 --> 00:45:38: that I was just talking about.

00:45:38 --> 00:45:41: And these homes in particular are built to almost passive

00:45:41 --> 00:45:42: house standards.

00:45:42 --> 00:45:47: In addition, when this group builds these homes, they build

00:45:47 --> 00:45:50: them in a community and have them essentially be an

00:45:50 --> 00:45:55: integrated virtual power plant amongst the homes in a

00:45:56 --> 00:46:00: community.

00:45:56 --> 00:46:00: So it's solutions like these that are I think super

00:46:00 --> 00:46:03: interesting and could be some of the some of the

00:46:04 --> 00:46:07: path in terms of rebuilding parts of LA or other

00:46:07 --> 00:46:11: communities that are hurt by natural disasters.

00:46:12 --> 00:46:13: Yeah, agree.

00:46:13 --> 00:46:15: Sonia, thank you for that really fascinating take on that

00:46:15 --> 00:46:18: and about what some options are we're looking at in

00:46:18 --> 00:46:19: the future ahead.

00:46:20 --> 00:46:22: We have about, we have less than 15 minutes left.

00:46:22 --> 00:46:24: So I'm going to move ahead to the Q&A because

00:46:24 --> 00:46:25: we have quite a few coming through.

00:46:26 --> 00:46:29: But Antonio and Mark wanted to give you just an

00:46:29 --> 00:46:33: opportunity to say some less words on investing in resilience

00:46:33 --> 00:46:34: if you would like it.

00:46:35 --> 00:46:35: Yeah, sure.

00:46:36 --> 00:46:38: I see also that there is a question asking what

00:46:38 --> 00:46:42: data are you using for entrance forecasting in high risk areas.

00:46:42 --> 00:46:42:

00:46:43 --> 00:46:48: And that's a good question because of course there, there

00:46:48 --> 00:46:52: are both, you know, open databases that you can use

00:46:52 --> 00:46:56: and where you know, based on the past events, you

00:46:56 --> 00:47:01: can forecast future events and, but you can also look

00:47:01 --> 00:47:05: for, you know, databases provided by interim companies.

00:47:07 --> 00:47:11: So those databases are typically private and they have a

00:47:11 --> 00:47:14: cost and it's hard to, to get to, to get

00:47:14 --> 00:47:15: to know them.

00:47:15 --> 00:47:19: But the more you know, the, the, the calculations are,

00:47:19 --> 00:47:24: are, are populated with, with data, the better and the

00:47:24 --> 00:47:25: more refined they are.

00:47:26 --> 00:47:30: So for Europe, we are using, for example, Eurostar database

00:47:31 --> 00:47:35: or other other public available, you know, databases.

00:47:36 --> 00:47:39: And yet knowing you know what, what has been happening

00:47:39 --> 00:47:42: in the past, you can really forecast the future.

00:47:42 --> 00:47:45: Also, I don't know if you've seen, you know, the

00:47:45 --> 00:47:46: recent increase of temperature.

00:47:46 --> 00:47:52: So, you know, the Paris Agreement aimed to, you know,

00:47:52 --> 00:47:58: keep the temperature well below 2?? by 2050 and preferably

00:47:58 --> 00:47:59: below 1.5.

00:47:59 --> 00:48:04: Well, actually in 2024 we already exceeded at 1.5 S

00:48:05 --> 00:48:11: Actually, all the estimations done in the past were probably

00:48:11 --> 00:48:13: too overly optimistic.

00:48:14 --> 00:48:19: So that's the realities or yeah, we should, even though,

00:48:19 --> 00:48:23: you know, the results give a very scary picture, but

00:48:23 --> 00:48:24: it's the reality.

00:48:24 --> 00:48:27: So I think we need to accept it and and

00:48:27 --> 00:48:28: then just go for it.

00:48:30 --> 00:48:31: Appreciate that take Antonio.

00:48:31 --> 00:48:32: Thank you.

00:48:32 --> 00:48:34: Mark any final words before we move on to to

00:48:34 --> 00:48:34: the Q&A?

00:48:35 --> 00:48:35: No.

00:48:36 --> 00:48:37: OK, thank you.

00:48:38 --> 00:48:40: So I did want to share with you before we

00:48:40 --> 00:48:43: do move on to the Q&A is that since we

00:48:43 --> 00:48:47: were just speaking about resilience, I wanted to share with

00:48:47 --> 00:48:51: the participants that our ULI spring meeting is in Denver

00:48:51 --> 00:48:55: in May and we are holding a specific resilience summit

00:48:55 --> 00:48:57: at the end of that meeting.

00:48:57 --> 00:49:02: So if you are interested in attending, participating, please register

00:49:02 --> 00:49:04: or reach out to us For more information.

00:49:04 --> 00:49:08: Again, there's AQR code or you can visit ULI dot

00:49:08 --> 00:49:10: org\ resilience summit.

00:49:11 --> 00:49:15: So right now, I am going to think I'm going

00:49:15 --> 00:49:20: to stop the screen share right now and go right

00:49:20 --> 00:49:21: into Q&A.

00:49:21 --> 00:49:23: There are quite a few Q&A questions.

00:49:24 --> 00:49:26: We'll start from the top.

00:49:26 --> 00:49:29: So we're going to be going backwards a little bit

00:49:29 --> 00:49:32: to some of the first topics and feel free to

00:49:32 --> 00:49:35: jump in and answer these questions as you feel able

00:49:35 --> 00:49:36: to.

00:49:36 --> 00:49:37: Mark, I think this one is for you.

00:49:38 --> 00:49:41: When folks use C Pace, they lose the opportunity to

00:49:41 --> 00:49:43: apply for other funding because of the lands to the

00:49:43 --> 00:49:44: property.

00:49:44 --> 00:49:46: How have you worked around that?

00:49:47 --> 00:49:47: That's true.

00:49:47 --> 00:49:50: The C pace, the C pace lien does prime the

00:49:50 --> 00:49:53: senior mortgage lien, but there are ways to get around

00:49:53 --> 00:49:53: that.

00:49:54 --> 00:49:57: First off, a default under the C pace loan doesn't

00:49:57 --> 00:50:00: accelerate the loan in the same way that a senior

00:50:00 --> 00:50:02: mortgage loan default would.

00:50:03 --> 00:50:06: And I, I just think as the industry matures more

00:50:06 --> 00:50:09: and more, more and more senior lenders, more and more

00:50:09 --> 00:50:13: lenders are just getting comfortable with the C pay structure.

00:50:13 --> 00:50:16: At first blush, certainly, you know, when you have a

00:50:16 --> 00:50:19: lien priming the senior lien, it's problematic, but some lenders

00:50:19 --> 00:50:21: are getting comfortable with it and you have to just

00:50:21 --> 00:50:23: get comfortable with the structure.

00:50:23 --> 00:50:26: And like an important point is that it doesn't accelerate

00:50:26 --> 00:50:26: that loan.

00:50:27 --> 00:50:29: Remember, it's also an assessment, not a mortgage, right?

00:50:29 --> 00:50:33: So any type of default doesn't, you just have to

00:50:33 --> 00:50:36: deal with it from future tax payments.

00:50:37 --> 00:50:39: And you know, I just think we just need more

00:50:39 --> 00:50:42: maturation in the industry and just more knowledge sharing

00:50:43 --> 00:50:44: to

00:50:43 --> 00:50:44: get people comfortable with it.

00:50:45 --> 00:50:48: You're, you're also seeing more and more companies come

up

00:50:48 --> 00:50:51: with a dual solution C pays plus senior type of

00:50:51 --> 00:50:51: product.

00:50:52 --> 00:50:53: So that's something to also look into.

00:50:57 --> 00:50:57: Great.

00:50:57 --> 00:50:58: Thank you both.

00:50:58 --> 00:51:02: The next question states that is is measuring EUI a

00:51:02 --> 00:51:06: priority for more than half the respondents because the

00:51:06 --> 00:51:10: metric

00:51:10 --> 00:51:11: is tied to a value proposition around the costs of

00:51:11 --> 00:51:14: those materials?

00:51:14 --> 00:51:18: In other words, if the materials cost more but have

00:51:18 --> 00:51:22: some level of payback through EUI levels, maybe that'll drive

00:51:22 --> 00:51:23: the economic decision to use those higher cost materials

00:51:23 --> 00:51:25: versus

00:51:25 --> 00:51:28: less expensive materials.

00:51:28 --> 00:51:30: This is a great, great question and sort of why

00:51:30 --> 00:51:33: I think in the future when we pull respondents, we

00:51:33 --> 00:51:37: want to get some more information there.

00:51:37 --> 00:51:39: But do the three of you have any thoughts on,

00:51:40 --> 00:51:42: you know, EUI versus higher cost materials and less

00:51:42 --> 00:51:45: expensive

00:51:45 --> 00:51:49: materials and what that link is?

00:51:49 --> 00:51:51: Yeah, I can take the question.

00:51:52 --> 00:51:54: So this is similar to what we were discussing before.

00:51:54 --> 00:51:58: So the trade off between and the more the materials

00:51:58 --> 00:52:02: and the the energy is intensity.

00:52:02 --> 00:52:06: What you can do in this case is to to

00:52:06 --> 00:52:08: run a life cycle cost analysis where you basically not

00:52:08 --> 00:52:11: only calculate you know the initial CapEx and the operational

00:52:11 --> 00:52:15: expenditure, but you also understand the the end of life

00:52:15 --> 00:52:18: of the material itself.

00:52:18 --> 00:52:22: So in that case, you, you can make, you know,

00:52:22 --> 00:52:27: thought decisions based on, you know, the best material and

00:52:27 --> 00:52:31: the best, let's say, design solution to optimize it.

00:52:31 --> 00:52:34: Because again, at the end, if you over, you know,

00:52:34 --> 00:52:40: use materials with very high embodied carbon, probably it's

00:52:40 --> 00:52:44: not

00:52:44 --> 00:52:48: worth, you know, this is this also, you know, goes

00:52:48 --> 00:52:52: with the what has been done for the EPBD.

00:52:52 --> 00:52:56: So the energy performance of building directives in Europe

00:52:56 --> 00:53:00: where

00:53:00 --> 00:53:04: basically you know, it was undertaken a study of you

00:52:44 --> 00:52:49: know, optimal cost and optimal efficiency based again on the

00:52:49 --> 00:52:53: on the level of insulation basically to to optimize the

00:52:53 --> 00:52:56: the final energies intensity.

00:52:58 --> 00:52:58: Great.

00:52:58 --> 00:52:59: Thank you, Antonio.

00:52:59 --> 00:53:01: I'm going to move ahead to some more questions because

00:53:01 --> 00:53:02: we have so many open right now.

00:53:03 --> 00:53:07: The next question states that projects in Vancouver move so

00:53:07 --> 00:53:08: quickly.

00:53:08 --> 00:53:11: How do you do these types of assessments like life

00:53:11 --> 00:53:14: cycle carbon assessments in the design process quick enough to

00:53:14 --> 00:53:18: inform the design and take action while still meeting the

00:53:18 --> 00:53:19: project schedule?

00:53:20 --> 00:53:21: Great question.

00:53:25 --> 00:53:26: I can take it.

00:53:26 --> 00:53:28: I mean, you have to do it as soon as

00:53:28 --> 00:53:31: possible before starting the construction.

00:53:32 --> 00:53:35: Then of course, if it's designing construction at the same

00:53:35 --> 00:53:37: time, it's going to be harder.

00:53:37 --> 00:53:40: But if you know the design phase is comes first

00:53:40 --> 00:53:43: and then the construction phase where you have to start

00:53:43 --> 00:53:45: as soon as possible with, with, with this type of

00:53:46 --> 00:53:49: analysis and then you have to proceed with the construction.

00:53:49 --> 00:53:52: Actually, there are some charts that you can find where

00:53:52 --> 00:53:55: you see that the sooner you approach, you know, those

00:53:55 --> 00:53:58: sustainability topics, the easier and, and the less is the

00:53:58 --> 00:54:01: final impact on the, on the overall, you know, business

00:54:02 --> 00:54:03: plan of the development.

00:54:06 --> 00:54:08: Any other thoughts there, Mark Sonia?

00:54:09 --> 00:54:12: OK, so this next question, I'm going to combine the

00:54:12 --> 00:54:13: next two questions it's asking.

00:54:13 --> 00:54:15: This isn't the materials category.

00:54:16 --> 00:54:19: What do you see in construction cost variance with energy

00:54:19 --> 00:54:22: efficient products and other popular building materials?

00:54:22 --> 00:54:25: And is there a energy cost savings for using energy

00:54:25 --> 00:54:26: efficient materials?

00:54:27 --> 00:54:29: And what do you see as an average payback for

00:54:29 --> 00:54:31: investing in these energy efficient measures?

00:54:31 --> 00:54:33: So Sonia, I know that you mentioned your, your 1,

00:54:33 --> 00:54:36: you know, one year payback, which is fantastic.

00:54:37 --> 00:54:39: But what are you all seeing in sort of that

00:54:39 --> 00:54:39: variance in costs?

00:54:39 --> 00:54:41: Like is it worth it to get a better payback?

00:54:41 --> 00:54:43: What are some other examples you have if you want

00:54:43 --> 00:54:43: to share?

00:54:44 --> 00:54:46: I can I can share another example.

00:54:47 --> 00:54:51: We have an investment for example, in a company that

00:54:51 --> 00:54:56: builds panelized walls and floors for typically apartment buildings and

00:54:56 --> 00:54:59: they build out of mass, mass timber CLT.

00:54:59 --> 00:55:02: And what we find is that the cost can be

00:55:02 --> 00:55:04: higher to to use these materials.

00:55:04 --> 00:55:05: This process.

00:55:05 --> 00:55:10: However, the time savings associated with it essentially make make

00:55:10 --> 00:55:13: up for the cost because the the panels are built

00:55:13 --> 00:55:17: inside of a factory essentially and then taken out to

00:55:17 --> 00:55:18: the field and installed.

00:55:18 --> 00:55:20: So they can be installed extremely quickly.

00:55:20 --> 00:55:23: The building goes up very, very fast and so it

00:55:24 --> 00:55:28: saves on labor and time associated with the development process.

00:55:28 --> 00:55:32: So it's not always necessarily exactly looking at that building

00:55:32 --> 00:55:35: material, but it could be, you know, the process associated

00:55:35 --> 00:55:38: with another savings that could happen in other pieces of

00:55:38 --> 00:55:39: the construction budget.

00:55:40 --> 00:55:43: But with the other types of building materials that are

00:55:43 --> 00:55:45: out there, I think it's just on a on a

00:55:45 --> 00:55:47: material by material basis, you have to look at it

00:55:47 --> 00:55:48: varies.

00:55:50 --> 00:55:50: Yeah, great.

00:55:50 --> 00:55:51: Thank you, Antonio Ormark.

00:55:54 --> 00:55:57: I can give quickly a few examples.

00:55:57 --> 00:56:00: So we are working on a few net 0 Carbon

00:56:00 --> 00:56:00: Rd.

00:56:00 --> 00:56:05: maps here where we basically address, you know, improvement measures.

00:56:05 --> 00:56:09: And we see that the return on investment, it goes,

00:56:09 --> 00:56:12: you know, from three years to 1015 years.

00:56:12 --> 00:56:16: But I would say when it's more than 15 years,

00:56:16 --> 00:56:20: probably it's not the best approach because probably in 15

00:56:20 --> 00:56:25: years, you know, the building will already be sold or

00:56:25 --> 00:56:28: you know, there will be another scenario.

00:56:28 --> 00:56:32: So what we recommend is to undertake measures with an

00:56:32 --> 00:56:36: SROY, oh sorry, an ROI less than 10 years I
00:56:36 --> 00:56:36: would say.
00:56:39 --> 00:56:39: Great.
00:56:39 --> 00:56:40: Thank you.
00:56:40 --> 00:56:42: I'm going to move on so we can answer a
00:56:42 --> 00:56:44: couple more questions before we end here.
00:56:44 --> 00:56:46: So this is an interesting question.
00:56:47 --> 00:56:51: Are there any regulatory requirements being discussed to
provide sub
00:56:51 --> 00:56:53: meter data to tenants at state levels?
00:56:53 --> 00:56:56: This has been a hurdle in collecting scopes 1 and
00:56:56 --> 00:56:59: 2, carbon accounting, not that I know of at the
00:56:59 --> 00:57:00: state level.
00:57:00 --> 00:57:03: Certainly that's something we're talking to utilities about at
the
00:57:03 --> 00:57:05: utility or utility region level.
00:57:05 --> 00:57:08: But have you all heard of anything in terms of
00:57:09 --> 00:57:10: regulatory data sharing?
00:57:10 --> 00:57:13: Obviously that'd be, that'd be the dream to just have
00:57:13 --> 00:57:13: it.
00:57:13 --> 00:57:14: You have to share all your data.
00:57:14 --> 00:57:17: But I haven't seen that.
00:57:20 --> 00:57:23: I think that maybe not, but we'll take a look
00:57:23 --> 00:57:25: and see what what's on the horizon.
00:57:26 --> 00:57:30: And then there's another question from from Melissa that
says
00:57:30 --> 00:57:34: with sustainability and resilience programs limited to the sub
national
00:57:34 --> 00:57:37: level, what do you see as some of the biggest
00:57:37 --> 00:57:43: challenges in sustainability and resiliency, wildfires, sea level
rise, infrastructure
00:57:43 --> 00:57:44: grids, etcetera.
00:57:44 --> 00:57:47: So many of these topics span across state borders.
00:57:47 --> 00:57:50: Do you envision more states working together on these
issues?
00:57:50 --> 00:57:51: That's a great question.
00:57:53 --> 00:57:56: Again, sort of the dream the answer would be yes,
00:57:56 --> 00:57:59: but have any of you seen that in action or
00:57:59 --> 00:58:03: worked with your, you know, projects or portfolio across
states?
00:58:04 --> 00:58:05: Well, I know.
00:58:05 --> 00:58:07: There's I'll just talk about green banks.
00:58:08 --> 00:58:10: So one of the things that came up during a
00:58:10 --> 00:58:14: lot during the last during the Biden administration essentially

are

00:58:14 --> 00:58:18: these green banks and each state and even local, local

00:58:18 --> 00:58:22: municipalities, etcetera or counties have green banks in certain cases.

00:58:23 --> 00:58:26: And then so they they've been trying to finance green

00:58:26 --> 00:58:29: projects within their specific locations.

00:58:29 --> 00:58:33: But this idea of a national green bank had come

00:58:33 --> 00:58:34: off.

00:58:34 --> 00:58:37: And I think that's the closest thing that I've seen

00:58:37 --> 00:58:41: to, you know, state green banks kind of working together

00:58:41 --> 00:58:45: or having this umbrella kind of national green bank organization

00:58:45 --> 00:58:49: that could then farm out opportunities to to state level

00:58:49 --> 00:58:50: green banks.

00:58:50 --> 00:58:52: But that's the only thing that I've seen so far.

00:58:52 --> 00:58:56: But, you know, I think it's definitely a possibility going

00:58:56 --> 00:58:58: forward that we see more of that.

00:58:59 --> 00:59:03: Kara, Kara, if we go back to the Chippy project,

00:59:03 --> 00:59:07: I mentioned, right, that's a 339 mile, 339 mile transmission

00:59:07 --> 00:59:10: line of hydropower being delivered into Astoria.

00:59:11 --> 00:59:13: And obviously for that project, you have to have the

00:59:13 --> 00:59:15: land rights from all of those states.

00:59:15 --> 00:59:19: So there was definitely collaboration between those States and the

00:59:19 --> 00:59:23: developer transmission developers to get that project to come together.

00:59:24 --> 00:59:27: So that's another another example we could look at, slightly

00:59:27 --> 00:59:29: different than what I think the question was, but it's

00:59:29 --> 00:59:30: it's related.

00:59:31 --> 00:59:33: Appreciate that, Mark, and maybe you could drop that a

00:59:33 --> 00:59:35: link to that project in the chat.

00:59:35 --> 00:59:37: As we close out here, we do have quite a

00:59:37 --> 00:59:39: few of unanswered questions.

00:59:39 --> 00:59:42: We will make sure to copy those questions and get

00:59:42 --> 00:59:45: them to our panelists so they can respond to you

00:59:45 --> 00:59:47: if they have a fulfilling answer.

00:59:48 --> 00:59:50: But right now, we are on the top of the

00:59:50 --> 00:59:50: hour.

00:59:50 --> 00:59:54: I really appreciate this fantastic panel for going through the

00:59:54 --> 00:59:56: global sustainability outlook with us today.

00:59:57 --> 00:59:59: Really, what's on the horizon for 2025?

01:00:00 --> 01:00:00: These 5 topics?

01:00:01 --> 01:00:03: Amongst many, many, many others.

01:00:04 --> 01:00:05: Thank you all for joining us.
01:00:05 --> 01:00:07: If you have any questions, let us know.
01:00:07 --> 01:00:10: We will be sharing the recording and the transcript of
01:00:10 --> 01:00:13: this webinar so you can get some more information and
01:00:13 --> 01:00:14: share it.
01:00:14 --> 01:00:15: Thanks all, have a great Friday.
01:00:16 --> 01:00:17: Thank you.

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