
“Profit with a conscience”

Chris Carter Keall, Chief Investment Officer at LifeX Aps and Founding Director at CK Real Assets, spoke to us about his thoughts on the social dimension of sustainable development, building communities and the improved quality of urban living.

The theme of this year’s MIPIM, before it was reorganised to a virtual event, was ‘The Future is Human’, we asked Chris whether he thought this had influenced property investment and development over the past few years.

“I would say that Sustainability and ESG remains a work in progress, but the speed of change is increasing enormously as the world wakes up. The tick box exercises of the last decade are well behind us and the requirement for truly sustainable development is now with us.

Your question is helpful as it splits out the investment and development elements of real estate. It’s fair to say that development has had to work through some issues in their adoption of true sustainability, due in a large part to the satisfaction of investors of existing methods of construction. The Leasing, CSR and CRM teams within investors have now taken time to consider the actions required to satisfy occupiers and end investors and these are beginning to be passed on to supply chains. I am pleased to follow the work being done on

the first carbon neutral building in Toronto “The Hub” by Oxford Properties. The detail of how true carbon neutrality can be achieved is awaited with interest.

Occupiers have been out in front on sustainability wanting to occupy buildings that have the minimum impact to the environment. Property teams now sit alongside IT, HR and Finance. The teams planning future occupation not only consider sustainability, but health and wellbeing, talent attraction and retention; easy fit out / change and of course cost and efficiency. These factors are now put alongside the innovations of flexible working and workspace to deliver a complete solution for the occupier that both investors and developers need to address.

I have just spent 6 months working within a FTSE 100 Company on a project and have seen this in real time. Occupiers don’t have all the answers but they know what pension funds want to see, and the activity of the likes of Deloitte, taking the base build of developers and enabling the building to their own specific ESG requirements, are the first step on the way.

Like many things in modern society, walking the walk is the most important thing, and focusing on the above factors will really take real estate forward. A friend of mine at the Holkham Estate has outlined this in his vision, he puts his factors to success in five great behaviours Mutual Respect; Teamwork; Challenge; Go See and Sustainability. However you describe it, progress for real estate is human!”

How do you think these patterns have shaped the advancement of technology for green buildings, sustainable development and community building? In what ways do you think this has improved the quality of urban living? Do you think there’s still some way to go?

“Green Buildings and sustainability are linked. I think the work that Edge Developments have been doing with

occupiers is really interesting and if investors, developers and planners can get behind this type of partnership between development, ownership and occupation, instead of value engineering, then we will build a better urban environment. For example, I am currently working in a start up with many colleagues under 30 and their view on profit and whether this should be "at all costs" are very different from that seen previously. Profit with a conscience would probably describe it best. Improving life through commercial activity is another way to describe this approach.

Turning to 'community', this is a very overused word and is seen as something that needs to be said. Those companies that are truly working on community know how hard, expensive and how time consuming it is. The route to success is to identify those processes that can be done more efficiently with little human interaction and those where customer experience drives performance. These are the areas that focus is required.

On urban living the statistics are significant with over half the world living in urban settings and according to the UN, this is set to increase dramatically by 2050. But this statistic is hiding other trends. Whilst mega cities have been the high growth trend, the latest high growth is being seen in the cities with fewer than 1 million dwellers. This will be one to watch going forward."

Do you think the current political and social climate has affected investors and occupiers to be more concerned with sustainable development? Do you think this will define developments and cities of the future?

"The challenge here is the different approaches of two of the largest polluting countries, namely China and the US. China is still dependent on coal for its power to a large extent and the US administration is not prepared to acknowledge the damage that is being done by their policies. Without these countries joining in, we are not reducing the damage we are doing enough.

The attitude of investors has started and continues to lobby for change because of the attitude of the occupiers, pensioners and end investors. This will lead investors to demand further action from politicians but this is only heard when the voice is loud and therefore working with CoreNet Global, the RICS, IPF, GRI, ULI, PIA and BPF should be encouraged and they need to take this responsibility and lobby hard."

What trends do you anticipate for the future in this space?

"CSR and CRM teams will continue to drive agendas and the costs of these initiatives will be funded by occupiers moving to compliant schemes and avoiding those that fail to innovate. In addition, pensioners have a choice where they place their monies.

Ethical and ESG funds saw massive growth in 2019 and this will continue. It will be interesting to see if the whole movement has now reached a tipping point where investment continues irrespective of the economic climate. In the late 1990s and early 2000's there was support for ESG, but as soon as a down-turn was seen, investors and fund managers went backwards to traditional approaches. I hope we have now seen a paradigm shift.

The question is how will real estate react!"



In recent months, Chris Carter Keall has been consulting for several occupiers, investors and developers across commercial and residential assets, most notably advising The London Stock Exchange, UCEM and LifeX on strategy and development. Prior to this, he spent eight years with Oxford Properties where he led the UK operation.

He has extensive experience in public and private real estate markets having previously run a REIT, the UK investment vehicle for a well-known sovereign wealth fund and the funds platforms for both BNP Paribas REIM and Valad Europe. Chris holds a BSc in Estate Management and is a member of The Royal Institution of Chartered Surveyors (RICS).