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Reports & Companies

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Futur-e gives new life to old plants and sets an example of circular economy

Enel's project saw the light in 2015 with the aim to reconvert more than 20 old power plants

The Fossoli plant, near Carpi, transformed into a logistics hub, that of Porto Tolle, in the province of Rovigo, soon to become an open air tourist village, and several other projects for smart villages and commercial, touristic and recreational spaces: Futur-e is Enel's project thought to give new life to 23 power plants and to a former mining area by calling in investors and developers and putting them in dialogue with local entities. A model made possible thanks to a digital platform that allows to share documentation, maps, technical aspects and to advance the procedure, from the project competition to the final choice, which has also attracted the interest of the New York Institute of Technology. Marco Fragale, project manager, takes stock of the road made so far and defines Futur-e as an example of circular economy where new opportunities are generated by re-converting decommissioned plants.

Four years into the project, it's time to make a first assessment of Futur-e: which are the projects at a more advanced stage and how many ideas and proposals have you collected?

These early years have shown above all that Enel has chosen the right way to en-



The **Futur-e** project has become part of the programme of the New York Institute of Technology. A selected group of graduate students will analyze the possible environmental and re-use scenarios for decommissioned Enel power stations. **Porto Tolle** Power Plant, in Veneto, is one among them.

sure a sustainable future for those sites that have exhausted their role in the energy production field. In a context in which energy is increasingly produced from renewable sources and in which we consume more efficiently, there are plants that for a long time have been crucial in supporting the development and growth of the country but that today are no longer necessary for the energy system. We have decided to ap-

ply the same principles of sustainability which permeate this energy transition also to future of our plants, which can become something totally new and different. What exactly? This is where the challenge lies: we asked this question to investors and developers, asking them to present their solutions, which we will examine together with the institutions of the territory to be certain that they are compatible with the expectations and needs of local communities. This is how we have identified solutions such as a park dedicated to the automotive industry for the former Trino plant, in the province of Vercelli, or the idea of an innovative open air tourist village for Porto Tolle, in the province of Rovigo or again multifunctional receptive poles like those proposed for Piombino and Montalto. Initially we had included in the project the sites of 23 plants throughout the national territory. In 2017 we also added the former mining area of Santa Barbara, in Tuscany.

>>>more on page 4

A NEW ACTOR IN THE REAL ESTATE: THE "TECH" MANAGER

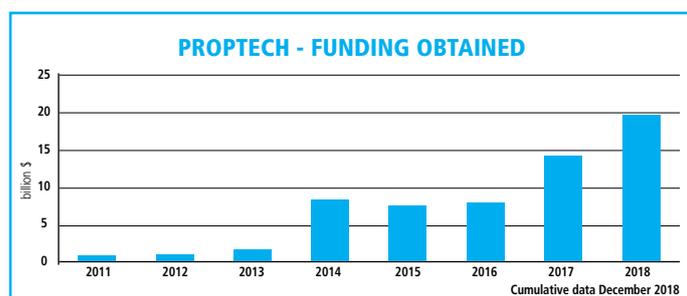
Sustainable, collaborative, multidisciplinary but above all technological. These are some of the adjectives that describe Real Estate activities today, a world where the sharing economy has entered powerfully, where solutions must respond to the "musts" of innovation and environmental and social impact, while keeping solidly in mind the profit margins. For this reason, says Antonio Campagnoli president of FIABCI (Italian Federation of Real Estate Professions), technological tools have become essential for deciding strategies and investments, and the managers of these solutions are new key players..

>>> Interview on page 3

REAL ESTATE AND TECHNOLOGY: A \$20 BILLION BET ON PROPTECH

START-UP SPECIALIZED IN DIGITAL SOLUTIONS FOR THE REAL ESTATE SECTOR ARE ATTRACTING CONSIDERABLE INVESTMENTS BUT IN ITALY THINGS ARE MOVING MORE SLOWLY

The technological revolution in the Real Estate sector has almost reached its fourth era: from personal computer to data processing, then all the way to e-commerce and social networks and now - according to Andrew Baum, professor at Oxford University and author of a 2017 essay on the future of Real Estate that has quickly become a point of reference - it is already time for PropTech 3.0. PropTech, as a fusion between "property" and "technology", is the term used to describe tech-



Fonte: Venture Scanner

nological solutions and digital innovation at the service of the real estate sector but also the ongoing transformation in this field of activity. The interest catalyzed by this combination of buildings and technology has grown exponentially in the last 3-5 years, as underlined in an analysis by the Politecnico di Milano, more abroad than in Italy, so much so that the PropTech has been granted the status of the economic sector: according to the most recent

data collected by Venture Scanner, in 2018 the financing obtained by the so-called Real Estate Technology came to almost 20 billion dollars (+38% on the previous year) and the first quarter of 2019 showed another strong increase with another 5.7 billion dollars. The leading players in this industry are the American accelerators 500 Startups and Y Combinator, Accel and Techstars. In Italy the phenomenon is much more limited both from the economic point

of view and the evolution of the phenomenon, but something is moving. The PropTech Monitor published by the Politecnico di Milano has identified 43 companies related to the sector and divided them into four sub-segments: fintech real estate, sharing economy, smart real estate and professional services. The first group includes companies specialized in brokerage, crowdfunding and real estate auctions (ie all activities related to the transfer of ownership) while the field of shared economy is occupied by companies that deal with hospitality, short term space and house rentals with all the related marketing and facility services. The smart real estate includes virtual reality activities for designers, builders and agencies, while the last segment is that of professional consulting. ■

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A CHANGING REAL ESTATE: THE PRIORITY LIES IN DATA QUALITY

IF REAL ESTATE BECOMES INCREASINGLY SIMILAR TO THE CAPITAL MARKET, THE QUALITY OF INFORMATION BECOMES CRUCIAL

FIABCI brings together very different figures and experiences in the real estate sector (managers, brokers, developers, consultants, experts). What are the priorities of the moment?

FIABCI brings together over 100 associations and 49 national chapters spread across all continents and is present in over 50 sector fairs including all MIPIM events and Proptech. The priorities are mainly those connected to sustainability and innovation. Man, his perception and his happiness are fundamental elements. It is always difficult to generalize, but foreign operators, especially from Asia and Middle East, are inclined to innovate in a much more decisive way. I am not talking only of technological innovation but also cultural innovation. Happy Cities, not just Smart Cities. Technological innovation combined with aspects of social and psychological well-being. The sharing economy is

ever more present also in the real estate. The free market is mature and global competition leads to a very compressed profit margin. One of the possible answers to this reality lies in the collaborative economy. Organizing spaces often becomes the main activity. Co-working, co-housing and co-farming they all imply the need for someone to organize this cooperation. Not just a rental of spaces or of a condominium. The very same concept of use destination is less and less in harmony with modern times. Technology helps such cooperation. Often the managers of this technology have become the first interlocutors and players on the market.

Sustainable redevelopment: there are many projects that go under this umbrella. How has the professional figure in the sector changed and how is it to work at this kind of projects?

Sustainable redevelopment is a predominantly European theme. We have a modest birth rate together with low growth rates. Crowdfunding, blockchain systems, real estate rating platforms, transactional insurance real estate and the like have appeared in the real estate market which is increasingly becoming similar to M&A in terms of data quali-

ty, transparency and expectations of the actors involved. Multi-disciplinarity is fundamental today. The themes are increasingly complex and cooperation between professionals of different backgrounds has become fundamental. **Real Estate and Cybersecurity: recent research has emphasized the desire of sector managers to have a “toolbox” full of technology (virtual data rooms, data analysis tools, proptech in general, etc.)**

If real estate becomes increasingly similar to the capital market, the quality of information becomes crucial. Big data analysis and the storage of information on individual initiatives is an inevitable process. VDRs are inevitably entering everyday life. Without the data you cannot make choices. The investor trusts the manager when he can best decide for his interests. Lots of data in public hands today will be increasingly accessible together with those of private sources. It is also for this reason that the Privacy law has been met with so much interest. Information is at the heart of real estate and therefore the collection of documents is the key activity for the whole process to be efficient. The VDR is therefore no longer a spo-



Antonio Campagnoli, President of the Italian Section of Fiabci (International Real estate Federation)

“BIG DATA ANALYSIS AND THE STORAGE OF INFORMATION ON INDIVIDUAL INITIATIVES IS AN INEVITABLE PROCESS. VDRS ARE INEVITABLY ENTERING EVERYDAY LIFE

radic necessity (when I sell for example), but has become part of the life of the property. Only in this way real estate can benefit from the technological reforms in progress. I would call this a process of dematerialization of the building similar to what happened in the Eighties in the financial system. The “Monte Titoli” in this case are the companies that manage the VDR, the package of information relating to the property. **Your world Congress scheduled in Moscow at the end of May focuses on the impact of digitalization on your business. How do you imagine this relationship in 10 years?**

Russia as a country is investing heavily in digital innovation. The blockchain is a technology that will have multiple applications in the real estate sector, reducing transaction costs. The developments in the coming years will go hand in hand with dedicated regulations that protect the consumer from possible scams. ■



>>> FROM PAGE 1

FUTUR-E, INNOVATION IS ALSO IN THE WORKING MODEL

What kind of subjects have shown more interest in participating in site projects?

The field of subjects participating in our competitions is very wide and there is no valid description for everyone: we received expressions of interest from local companies, from national or international operators, from start-ups and developers ... the competitions are open at international level and are aimed at all those who have a project to propose and an investment plan to support it. We have recorded great interest from the tourist-receptive sector, because one of the strengths of our sites are their locations, in many cases close to beautiful areas. However we don't want to set limits: the important thing is that the proposals are sustainable and accepted by the territory.

What is the most innovative project that has been submitted to you?

Each project we have received is innovative in itself, as it aims to give new life to plants that have long stopped being used for production purposes and can now be used for other goals. Among all those we have received, I was positively impressed by a microalgae cultivation project for food, nutraceutical and cosmetic use presented by an innovative Spanish company, a pioneer in this field. The proponents expressed their willingness to proceed in partnership with other investors and Enel has consequently began sounding out the possibility of developing a collaboration with other partners supporting the search for investors interested in the project, a sign of how Enel participates in the redevelopment process.

What interest did you meet from potential foreign investors?



Marco Fragale, Head of Futur-e Project

The project is increasingly known internationally, so far we have had a stronger participation from Italy but there is an important interest from international realities for the projects collected through the competitions. Indeed, there is the opportunity to invest in projects presented by developers, or to create new collaborations and synergies. From this point of view we support the development of any collaboration that is able to generate concrete opportunities for business and territories.

With Futur-e, Enel has also launched a working model for a concept of redevelopment shared among investors, designers and local communities.

To summarize the formula I would say: circular economy to give new life to plants no longer used for production and to transform a decommissioned plant into a site where new opportunities can be generated; dialogue with the territory to ensure that the needs of companies meet the expectations of local communities; social, environmental and economic sustainability as a guarantee of the validity of the projects. With these levers we can generate shared value. Our project is now

recognized internationally as an example of application of circular economy principles, even by subjects such as the World Economic Forum and the World Business Council for Sustainable Development (WBSCD). The answer chosen by Enel to positively address the issue of reconverting industrial areas is setting the precedent for others: the project was presented during the first lesson of a degree course at School of Architecture of the New York Institute of Technology dedicated to the subject of the redevelopment of industrial areas, and students have been to Italy for a tour of the power plants they have studied.

From a technical point of view, how and with what tools can interested parties move from the evaluation stage to the design phase and formulation of proposals? For example, how does the Multipartner technology platform work?

Futur-e is a procedure strongly oriented to digitization. The platform managed by Multipartner is the virtual "place" where all the documentation regarding the plant object of the competition is uploaded, with cadastral and technical data, maps, plans and all the

typical documentation for an industrial site of this type, and is made available to those interested in participating in the procedure. On the same platform the participants can find the forms to fill in to present the project which they can then upload and officially submit to Enel, always through the same digital channel. This makes the procedure faster and more effective, favoring at the same time international participation. The Politecnico di Milano, our technical partner for Futur-e, also accesses the platform to view the proposals on which it then carries out its analyses. A not minor aspect is that the procedure this way is entirely "paperless", thus avoiding those delays that would derive from a more traditional procedure where you need to send and receive regular mail or exchange emails or where you need to meet physically with each participant already in this first phase. Finally, the platform also takes on the function of a "repository" where all official documents exchanged with counterparties during the procedure are securely stored.

Once the information has been collected, how do you proceed to assess the critical aspects and the hidden potential of the sites with your consultants?

The procedure calls for in-depth analysis with the participants, to clarify their doubts about the site and to carry out our assessment on their projects, and subsequently with the Politecnico and local institutions through a Selection Committee which evaluates the proposals received based on sustainability and suitability criteria. After this phase, Enel starts negotiations with those who have proposed projects approved by the Commission in order to agree to the final project. ■