

# UP CLOSE

INDUSTRY LEADERSHIP IN FOCUS

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## How BGO's CIO is Leveraging Local and Global Advantages to Lead the Way

Christina Iacoucci, Managing Partner, Canadian Chief Investment Officer, and Head of Investment Management at BGO in Canada, is embracing all the evolutions of her role as one of the firm's leaders in Canada. In an "Up Close" interview with *Benefits and Pensions Monitor*, Iacoucci is mixing the joy of new learning with the intensity of ever-changing market dynamics to ignite her leadership drive and draw from a global platform of expertise to deliver strong outcomes in challenging times.



**BGO in Canada is a diverse business – from investment management to development, leasing, and property management. How do these verticals of the business contribute to your insights as a fiduciary?**

Our fully integrated platform in Canada is actually unique. It is rare to have an investment manager who has expertise in all areas of real estate, from portfolio strategy construction to fully integrated property management, leasing, and development. Because of the size and scale of our Canadian and global businesses, we have expertise across a wide range of functions, including research, data science, and ESG, just to name a few, that provide critical inputs to the mandates we manage.

This, plus information from our local markets where our expansive, on-the-ground presence provides us with a daily source of intelligence on what's happening in each market, enables us to stay ahead of the curve in terms of the market dynamics as they change. At the end of the day, it just helps us make better decisions. It enables us to actually pivot quickly to create new strategies where we see unmet needs in the marketplace.

**The CIO's role is maybe more people-centric than it has ever been. How has this evolution impacted your leadership style?**

People are big consumers of real estate and are central to the success of the buildings we invest in, develop, and manage. Understanding what drives people and the choices they make is critical to making the kinds of decisions that bode well for our investors and the tenants we want to attract and retain. When you consider the number of factors that go into choosing how people work, shop, how businesses manage their supply chain, and how people at all stages of life choose their home, if my view is too narrow or poorly informed, the success of investments suffers.

Within BGO, my role as CIO is to develop a diverse, empowered, and engaged team that encourages expression of ideas and makes those views integral to the decision-making process. It's being able to build and maintain a culture that allows people to bring their true selves to work every day and that nurtures intellectual exchange and divergent thinking.

This facet of leadership that puts people first and creates space for people's voices to be heard and elevated is something I challenge myself to be accountable to and I truly believe that it makes us collectively stronger.

**In your first years on the job as CIO, you've spoken about the importance of innovation as an area of focus for you. Why has this developed into such a priority?**

The simple way to think about it is you can't use yesterday's solutions to solve tomorrow's problems. That is a recipe for failure. Being able to use innovation to increase productivity and efficiency helps to deliver better performance for our investors, which is an extension of my fiduciary role.

As an example, we use innovation to create high-quality environments within buildings that align with what tenants are looking for. They want to be in buildings that are providing top-tier environmental performance with a pathway to net zero – a now critical consideration in determining the future value of an asset.

We also created an innovation lab several years ago where we developed and tested our thesis on climate resiliency and the efficacy of highly detailed adaptation plans at the property level. In this example alone, we have invested in innovations in both processes and building performance with the intention of mitigating risk and safeguarding value.



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BGO itself has to be a testing ground for innovation to ensure that our workplace and the environment we create for our teams are built for excellence. I've enjoyed my immersion in this world of innovation very much, but I also approach it all with urgency and treat it personally as a leadership imperative.

**On the subject of the environment, how profound are the present and potential future impacts of climate change on your real estate investment management decision-making?**

Real estate is a long-term asset class. You cannot just buy an asset that works today without understanding if it is going to stand the test of time. We have carried out risk assessments on all our properties across North America to determine the outcomes under 10 different climate events that could potentially happen – things like risk of flooding and other volatile weather events – to assess future investment potential and risk. Making the right carbon-reducing energy

efficiency investments as part of our asset management strategy has profound impacts on the savings that flow through to investors today and the desirability of that property to future investors in the years ahead.

But the thinking, for me, goes beyond climate change. Real estate and its place within the ecosystem of its social surroundings needs to be understood and responsibly managed as well. Environmental and social performance are top of mind when we consider the long-term prospects for growth and value. Our experience from the pandemic certainly reinforced the importance of our assets demonstrating their potential as nurturing environments where mental health and overall wellness positively influence the decisions that tenants and residents make.

**As regulatory regimes in Canada focus more intensively on ESG (environmental, social, and governance) standards, how is this impacting how you lead the firm?**

The way we manage the shifting demands from regulatory regimes is to set the bar really high. Then, you have to spend every day trying to exceed that bar because playing catch up is a losing strategy. You also can't rest on your laurels; you need to continue to push the boundaries.

For example, right now we're constructing the first net zero and net zero-ready industrial developments in our portfolio. One building will be positioned to achieve full net zero performance and the net zero-ready developments are being designed so that as the right macro and space market conditions arise, the building is able to transition into a net-zero building. It's really thinking about building today and futureproofing for tomorrow's regulatory and marketplace demands.

**As BGO's Canadian CIO, how are you drawing on the firm's global footprint to deliver stronger performance?**

Market trends from other parts of the world often materialize before they make their presence felt in Canada. The growth of niche real estate plays like data centres, cold storage, and life sciences, and the overall growth story of the logistics sector, are examples where international markets were the front-runners. Through our access to BGO's global debt and equity platform, we're able to gain insights into these trends earlier than most and as they occur, and then translate that for a Canadian context. Through these seamless relationships across the platform, we are delivering dynamic solutions with our local depth and our global breadth too.

It's also encouraging to be able to draw on our community of leaders to address common issues related to climate change, geopolitical and global economic volatility, and to draw on best practices related to emerging areas like proptech, data sciences, and AI (artificial intelligence) to create cross-platform advantages. The world feels a lot smaller and more accessible when we work together.