

# SOCIETY matters



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# Water will shape the future of our civilisation



By **GRAEME WINSER** and **MICHAEL LAWSON**, Directors, Property Risk Inspection

Climate crises have happened before. Some 3,000 years ago the late Bronze age collapse took just 50 years and saw multiple empires and kingdoms perish. A drying Mediterranean saw forests die, crops fail and whole cities abandoned. Climate change now is a risk we must all address.

**T**oday in the UK, we are blessed with a relatively benign climate, it's green, it's pleasant and it's wet. We are surrounded by water, in the ground, in the air, it laps at the shores and races down our streams and rivers, it batters our defences and seeps unseen into dry spaces, it bursts up through Victorian infrastructure and pours in through every badly maintained surface, structure, seal and soffit.

Flood, not drying soils nor eroding coasts will define our experience of changing weather and ultimately climate.

For the building societies, there are important steps to take. The Bank of England has asked us to do some homework, because the regulator wants us to demonstrate that knowing what risks we carry today is the only practical starting point from which to engender a culture of putting climate at the heart of every strategic business decision that is made. Our weather events are evolving into a recognisable and measurable climate shift.

The assessment of credit and financial risks in a modelled future scenario has no 10/10 or magic judgement of right or wrong. However, models can provide the starting point for sensible analysis and assumptions and these can be baselined by looking at what has happened before.

During recent severe weather events, some of which have savaged the same locations, even the same homes on multiple occasions, we can begin to study the data and ask: "What happened next and how did people and markets behave?"

## Trends

This brief article cannot hope to ask all the questions, let alone provide the answers in any detail but we can hint at trends and truths that are showing through now:

- Some homes and some locations impacted by apparently similar events are far more resilient than others, they bounce back.

- The more obvious the factor leading to flood or damage, the less likely that it will be a surprise to the owner. Rivers are nice to live next to; coasts erode... and defences can be built because the damage is anticipated.
- But flooded car parks that spill their water into urban homes have no such attraction or upside and surface water is more complex to predict or defend against.

**"Adults keep saying, 'We owe it to young people to give them hope.' But I do not want your hope. I do not want you to be hopeful. I want you to panic. I want you to feel the fear I feel every day, and then I want you to act. I want you to act as you would in a crisis"**

*Greta Thunberg,  
Swedish climate activist*

So, this first piece of homework is important; it is a foundation of knowledge from which to build the ethos and culture of

how to help all homes remain safe, insurable and maintain their value over time. Expect to partner with other stakeholder businesses, insurers, energy providers etc who share the necessity to safeguard homes, reduce their energy consumption and create a sustainable future.

And expect the Chancellor and the investment markets to reward those that live their 'good plans' and penalise those that simply publish empty promises.

Flooding isn't a simple matter of portfolio assessment, of balance sheet reviews, of technical delivery of projections. Water will literally shape the future of our civilisation, to paraphrase Greta, "I want you to act as you would in a crisis. I want you to act as if your house is flooding and your families may drown."

## Next steps:

Property Risk Inspection Limited is a consultancy service provider to the UK lending and insurance sectors. It is a key consultant to Airbus who is seeking to model and lead on property climate change assessment.

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