

00:00:03:27 - 00:00:32:14

HOST

Welcome to the People Property Place podcast with me. Your host, Matthew Watts, founder and managing director of Rockbourne. This is a podcast where I share the stories, views, opinions and career journeys of the movers, shakers, innovators and leaders in the real estate industry.

00:00:32:16 - 00:01:01:23

HOST

Welcome to the People Property Place podcast. Today we're joined by Wajeha Qureshi, Associate Director, Cadillac Fairview Cadillac Fairview is a globally focused owner, operator, investor and developer of best in class real estate across retail, office, residential, industrial and mixed mixed use asset classes. Wholly owned by the Ontario Teachers Pension Plan, CF manages in excess of 40 billion of assets across the Americas, Europe and Asia.

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HOST

In the past couple of years, Cadillac's landmark European investments have included establishing a 3 billion logistics joint venture with Boral Investment Management, investing into a 1.5 billion BTR partnership led by Long Harbor, and buying into a 700 million pound life science project, Oxford North, and acquiring stake in Stanhope, which here is a graduate of both Cornell University and Harvard University, where she studied a Bachelor of Architecture and a masters in Real Estate Finance.

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HOST

She's worked for a number of leading real estate businesses, including Hines and GIC, and it gives me great pleasure that she's joining me on the podcast today to share a little bit more about her career and how she sees the market presently. Wajeha, welcome to the podcast.

00:01:40:11 - 00:01:41:15

GUEST

Thank you for having me.

00:01:41:16 - 00:01:52:22

HOST

Not at all. We'll look we'll come on to some of your career moves and talk about Cadillac Fairview a little bit later. In terms of the conversation. But a place I always like to start these conversations is how did you get into real estate?

00:01:52:25 - 00:02:12:07

GUEST

Okay, so my career path into real estate isn't a typical career path. I actually started in architecture. When I graduated, I had a great interest in, art and physics, when I graduated high school. And so the right path for me seemed like architecture. And of course, when you're 18, you don't really know what you want to do.

00:02:12:09 - 00:02:28:26

GUEST

So I went to Cornell for architecture. It was a professional degree, so it was a five year degree. And I graduated with a professional qualification, so I could practice as an architect. But while I was doing the program, I actually realized I had a great interest in property and not just the design side of it.

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GUEST

And namely, I think one of the biggest factors right after I graduated was my first job, working for an architecture firm in Pakistan. My home and my hometown, Karachi. We were doing like a big

development on the seashore that was funded by a middle eastern investor and just working back and forth with the developers. I realized there's more than just a design that goes into a master plan, and how the phases work together and the capital that goes into it, and I was quite intrigued.

00:02:55:14 - 00:03:02:20

GUEST

So I applied for, Masters in Real Estate, and basically made a career switch at that point in time.

00:03:02:26 - 00:03:06:27

HOST

So how did architecture even come onto your radar as, like a career path?

00:03:07:00 - 00:03:29:08

GUEST

When I was in high school, my uncle was having a house built by the architecture firm I ended up working for after I graduated in Karachi and, I remember going to the site and seeing the house come up. And I was just fascinated by how they design the house and how, like they had been working with the architect and they'd been influenced by not.

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GUEST

And yeah, I, I had always had a mix of interests in high school. I had done sciences, but also art, and it felt like the right combination, especially a professional degree. You have to do structural engineering. There's quite a bit of maths involved as well, so it felt like the right mix of both art and engineering for me.

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GUEST

And that's why I decided to do architecture.

00:03:51:00 - 00:04:01:24

HOST

We spoke of Mike. You grew up in Pakistan, but also in Canada. You kind of spent stints in both. How how did you choose or how you ended up finishing your high school? Right. In Pakistan.

00:04:01:25 - 00:04:23:18

GUEST

Pakistan. Yeah. So basically when I was three years old, my family immigrated to Canada. I finished, primary school there. So up until grade six and then we moved back to Pakistan, to be closer to my extended family. And I did my own A-levels in Pakistan. It was O-levels at the time because I told people, this is like, no, you can't have done A-levels.

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GUEST

You're too young. And I'm like, yep, Pakistan's like two decades behind the world. So I actually did do A-levels. And then after I graduated from my A-levels, I applied for university in the US. And yeah, I ended up going to the US for, for undergrad, did my masters there as well, spent about a decade in the US and then moved over to the UK.

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HOST

So how did you choose Cornell University and then when at Harvard come into the frame, you just had to get both? Yeah.

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GUEST

No, this is quite a just a really funny story. So, Cornell Cornell was like number one in architecture for like decades. It's been number one for like 20, 30 years. It's a long standing professional program. Most universities in the US don't offer the professional degree anymore because it's so long. A lot of students don't want to do it right off the bat.

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GUEST

Now they do a four year degree. But it's the only one that had a fully professional qualification at undergrad. It was the top ranking university in the US, and they had a big scholarship for Canadians, actually, which was a huge plus for me and I. And this is it's slightly embarrassing, but I watched a movie in high school called The Perfect Score.

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GUEST

And it's it's supremely hard to get into Cornell architecture. It has the highest sort of applicant to space ratio more than Harvard, more than any other university. That specific program has the highest ratio. So this entire movie is about a kid trying to steal the SAT score because he needs a perfect score to get into the Cornell architecture program.

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GUEST

So I watched this movie and I was like, I'm going to do this. I'm going to get a perfect score, and I'm going to go to Cornell Architecture.

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HOST

And it did I and you like tot I don't, I don't know, like disclosing my personal information here, but like you top the rankings and you took the rankings in Pakistan.

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GUEST

Did I. Yeah. So I, I wasn't because my family had moved back to Pakistan. I don't usually discuss this, but I embarrassingly did like 17 subjects in my O-levels because I knew I had to get into a certain school that was recognized abroad for my A-levels. And so I did a ton of classes privately and got like the highest number of A's stars that year in Pakistan in my like, yeah, and in the country.

00:06:35:17 - 00:06:41:10

HOST

So that's how you got into Cornell. And then because I very.

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GUEST

I knew if I needed to, I wanted to get into an Ivy League. I needed to get those scores. I mean, coming from Pakistan, you have to differentiate yourself. There's a lot of top performing students, but if you don't differentiate yourself in some way, you're it's either A grades or something else that you've done. You your application just doesn't get looked at.

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HOST

But it's a combination clearly of like immense intelligence, naturally. But then, an insatiable work ethic as well is enabled you to suddenly kind of get into those.

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GUEST

Can I just I worked really hard. I remember I was have this discussion with my husband. He's British and

he also obviously did his A-levels. And I'm like, you didn't work as hard as I did. There's there's a much harder hurdle because we're ranked against other students in Asia and Asian students are so hard working. He said. No, no, I also got eight stars.

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GUEST

I was like, that doesn't mean the same thing. You are like a star. Is that 80% minus? Is that like 95%? And then I like to add to that, we didn't have like half the time because the electricity would go out and it was burning hot.

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HOST

So that's how we so do it. You all right? Well did he go to Cornell as well?

00:07:42:19 - 00:07:44:17

GUEST

No. He would talks.

00:07:44:19 - 00:08:03:27

HOST

Okay, fine. Just a low achieving couple of us. So, so architecture came into the frame because your uncle is building a house in Pakistan? Yeah. I like the design and the tangible aspects of it. Was that literally your kind of view into real estate and pretty was at the start.

00:08:03:27 - 00:08:22:26

GUEST

And then my grandfather on my dad's side is a real estate lawyer. Of course, in Pakistan, that that means something very different. It ends up being family law more than anything because of inheritance rights and stuff. So I had some exposure to it from there, like I was exposed to sort of property in him talking about property at a young age.

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GUEST

And then I was exposed to architecture in that sense. But yeah, it was kind of always in the frame in one way or another.

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HOST

So you went to Cornell, did your architecture arts, a professional course, and that opened your eyes to what, like the broader ecosystem of real estate and the different options?

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GUEST

Yeah, the.

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HOST

Career can take you. Yeah. Can you expand on.

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GUEST

So I mean, architecture to be to be perfectly frank, when I, when I graduated from architecture, I also realized as I was a scholarship student, that working in the firms that I wanted to work wasn't financially sustainable for me. Graduating as an architect, as a sort of junior architect, it's not very well paid. I worked for some great firms.

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GUEST

I worked for Shigeru Bond, who's a Pritzker Prize winning architect. I worked for the company that did the High Line, so I worked on phase three of the High Line. Yeah. As, like a work study placement when I was at Cornell. And they were all great shops, but there's very few people who get to, like, sort of that high profile starchitect level.

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GUEST

And a lot of people end up working for the likes of SOM and others, which are great, but it doesn't mean you're designing like a museum or the signature building in a city necessarily. And for me, it was also interesting to see that it wasn't just the building I was interested in when I was working on these master plans.

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GUEST

There's other pieces that go into a city, and there's other moving parts that aren't necessarily just the design. And I was curious about that. And going back to the 17 subjects that I did, probably, I had also studied accounts and economics and all of these other things that I could rely on in the future when I did my masters, because I had that, from my O-levels.

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HOST

So you had that background, that understanding that.

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GUEST

I had the base level of understanding.

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HOST

So how did Harvard come about, and how did you choose that school in that course?

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GUEST

So there's only there's very few master's programs that actually specialize in real estate. It's Harvard, Columbia, Cornell, and maybe a few others. But I basically applied to those three. I got into all three, and then I was talking to my thesis advisor and, the person who'd written my recommendation for Harvard and all the others, and he sat in both one of the programs, in Cornell's real estate program, but also in one of the design classes at the architecture program.

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GUEST

As I go, where should I go? I trust your opinion. And, Henry, Professor Henry said, you should go to Harvard. A the name will carry you be. There's a lot of connections you can make to the real estate industry there versus being in Ithaca, New York, where Cornell is, which is a bit more detached. And you already have sort of the New York, contact.

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GUEST

So, it'll be good for you to go to a new city and make new connections. And he valued that program. And it was interesting talking to a professor at Cornell who was actually telling me to go to a different school. So I yeah, I listened to him and I was like, all right, I'll go to Harvard.

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HOST

So you went to Harvard and then following Harvard, can you just run me through your first job out of Harvard, having kind of, like, realize it so much more to.

00:11:20:04 - 00:11:20:29

GUEST

Yeah.

00:11:21:02 - 00:11:22:22

HOST

And just architecture.

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GUEST

So my friend. So my first job actually was as an in in the real estate industry properly was as an intern between my first and second year at Harvard, it was, other development partners in Manhattan. They do a lot of affordable housing. I was doing a lot of affordable housing courses as well at Harvard, and I was a Ta for one of these classes.

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GUEST

And my professor had referred me to this organization. And their first project was a condo building in Harlem. And so I got exposed to residential at a very early stage, and it was a residential development. And I remember going around Manhattan and looking at like, property prices with Tom Metzger, who I'm still in touch with. Great guy and tell.

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GUEST

And I would just, like, be these like, buyers. He passed me off as like a sister from another mother as a child. This doesn't work. I'm brown. Like, I don't think people will believe that. He's like, no, that we're renting a place together. Don't worry. So that was that was sort of my first experience. Of course, I was an intern, so I didn't do too much modeling or anything at that point.

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GUEST

But really got to look into how the cash flows are built for a development. And then my first real job after I graduated was working for a developer in Boston who did a lot of multifamily, and student. And so that was really looking at multifamily projects around Boston, and working with, one of our major investors, Blue Vista Capital, who out of Chicago.

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GUEST

And we're investing in those projects.

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HOST

So at this stage, you kind of know that there's lots of different kind of avenues you could take your career with you really specific around the type of asset class you wanted to work on, or the type of business with a business, you know, plan to work, work within, or were you quite open minded?

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GUEST

I was very open minded and I think actually was beneficial because at the time I don't think I understood how much that would influence my career path. Because I think less so than other people going into real

estate. I think nowadays there's so much more information available to students and that you can easily find things online. When I was growing up, like we had dial up internet, like I barely I didn't have the resources and information available.

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GUEST

I didn't know that you do an investment banking internship for two years and then or you do, finance or economics degree, and then you do banking and then you go into private equity like I did. Not I wasn't even aware that was a career path. And so I kind of fell into real estate obliquely through this path.

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GUEST

But and my first job when I started working for this developer, obviously, I had sort of the background of how, JVs are structured because it was taught to us at Harvard, but I really got to see that first hand. And yeah, I just kind of like fell into this career and really got to learn different, types of asset classes as well.

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GUEST

So we started looking at life science as well, because life science is quite big in Boston. Kendall Square and er, MIT there's a lot of development there. And there was new development in life, which is a part of Cambridge further out. And we were looking at sites there and possibly rehabilitating sites that had environmental issues.

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GUEST

As a developer, they were quite keen on sort of, making different types of sites work and so got exposed to different asset classes that way, but really wasn't choosing what to do. Things just kind of came up and I was really willing to do anything within the real estate industry and just sort of pull up my bootstraps and learn.

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HOST

So you cut your teeth as an analyst?

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GUEST

Yeah, I cut my teeth as an investment analyst looking at, different sort of acquisitions as arrows. It was all development deals. And it would literally be like, here's a map of a site. And actually, my first job, Jay Doherty, who's the CEO of Cabot Cabot in Forbes, where I worked, really loved that I was an architect because that me that meant that he could do a quick underwrite with me without taking it to any architecture shop, because you could just give me a site plan.

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GUEST

I could draw out the setbacks and the massing. We could achieve post planning, and we could do a quick and dirty underwrite in-house because we were like five people. It was me as an analyst and another analyst. And we could just like, run the numbers really quickly without having to do too much of the heavy lifting and hence costs to actually submit a bid.

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HOST

Yeah, quite. So you can be much faster.

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GUEST

Yeah. I'm just trying to. Yeah, exactly.

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HOST

So you're Cabot, Cabot and Forbes for a couple of years. What prompted the move away from there and how did that come about.

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GUEST

So I met my husband in Boston. He is British, and that really pulled me to the UK. That was the main factor, I think, for me as well. My husband always tells us he's like you, you only do ten years in a country and then you move. He's like, you were in Pakistan and then you were.

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GUEST

Canada is like, you never live for like he's like, I think when our ten years are up, we'll leave the UK. I'm like, no, I'm stuck now. I'm staying, I'm done. I'm done moving in life. But yeah, it was it was like I was I was intrigued to move to a new place as well. I liked that the UK is more broad and open in the US.

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GUEST

When you work on deals, you're basically just an especially when you're working for a local developer, you're just working on deals in Boston, unless you're working for a national company across the state. But I felt like it would broaden my horizons as well. And so he, was graduating from Harvard. I was still where I was working already.

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GUEST

And he had to come back. Trump had been elected. His company said they didn't think they could sponsor him given the current situation. And so I started looking, jobs quite early, and all of a sudden found something at very, very quickly, faster than I expected, and sort of made the move over. I think at the time, even when I was applying to me, I was it was still realistic.

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GUEST

It I don't think I fully understood at the time that I was making the shift fully from sort of development to investments. Carey, to me was a real estate company. I think now when I look back on it, it is more of like, sale and leaseback, credit investing shop, which really like helped round out my skill set.

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GUEST

But I was just applying to like, real estate companies.

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HOST

So a couple of questions for you. One is like navigating the move because you've got Canadian citizenship, Pakistani citizenship, and you're working in the US. How do you make that move? Because there's quite a lot of people who want to make the move from North America over to the UK. And there's the sponsorship issues. So how do you do that?

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HOST

And then the second piece is can you just like expand on what you mean about the seven days back credit play, just for people who might not understand or be able to draw the dots.



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GUEST

To get the place? So, the first question making the move with like, different, visas and stuff, there's actually a youth mobility visa program for Canadians and Australians. If you're under 30, you can come to the UK and work like literally as anything. You can be a bartender, you just apply for the youth mobility visa. You get it really, really quickly and then you can move over.

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GUEST

Having a Canadian passport really helps in several countries because you could also do that in the US. There's several different professions where it's called a TN visa. It's under NAFTA and you can work in the US that way. Outside of that, yeah, you would need sponsorship. But I think it's, it's great if people are from Canada and Australia and want to come to the UK to work.

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GUEST

So I kind of knew that was an option. I did eventually get sponsorship and a spouse visa. And then your second question was.

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HOST

More about the sale leaseback credit and the investment plan, how that is different from a developer and how that kind of like rounded out your experience.

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GUEST

Yeah. So carry what is they primarily do sell on these box and single tenant assets. And it's a REIT in the US, which is how I got the interview initially I interviewed with them in New York and then the London office. And basically a it standing assets. It was different from the development deals I was doing.

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GUEST

And b being single tenant, what they look for, it's more bond like in that they want, fixed income for a longer period of time. That's ideally tied to inflation. And so when they look at an asset rather than looking at the asset itself, they're looking at the tenant. Because if you have a 25 year lease from one tenant, you're relying on the corporate credit.

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GUEST

So what it was was credit underwriting more so than real estate underwriting. And at the time, I think I didn't realize that I was learning this new skill set. I remember I did their case study and I spent like weeks studying for it because this is completely new to me. I was looking at a corporate and I was looking at how their credit was structured, what kind of guarantees we were getting from the corporate, what their PNL and balance sheet look like, what their historical PNL look like, what we think it would look like in the future, which was not real estate.

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GUEST

And I think when I when I started working there, I did realize I wanted to move closer to the real estate industry. So I knew that this would be a shorter stint for me. But I think at the time I didn't value as much as I do now. What I learned in that year that I worked for W.P. Carey, because had I not done that year, I wouldn't have been able to do part form investing today and looking at real estate corporates today.

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HOST

Okay, so you were there for about a year. Yeah. You you've got you kind of have to move back over to the UK.

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GUEST

Exactly.

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HOST

And you learned an entirely new skill set which will build on further in this conversation because I think that that platform piece is really interesting and I'll be keen to expand on that. You joined Hinds as an associate, which is obviously like a US developer. Yeah. Operating partner.

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GUEST

Yeah.

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HOST

Can you just expand on how that role came around and what you were doing? Because I think that probably opened up to kind of having a little bit more of a European flair to experience.

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GUEST

Yeah. So high end. So I was trying to get back to what I had been doing, which was multifamily and student housing essentially build to rent, as we call it in the UK, because it's still quite a nascent market compared to the US. And I found Alex Knapp's name on, a real estate article. Alex Knapp is the CIO of Hines, and at the time he was head of the living team at Hines.

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GUEST

And he was really doing sort of living sector investments, in the UK and in Europe. And I only I found his name because he'd gone to MIT real estate program and Harvard and MIT real estate program are like they they share classes. So I basically done my entire second year at MIT, and I knew professors that Alex had studied with and kind of like found him, and then tried to reach out to him through various ways because he also had made the shift from architecture to real estate.

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GUEST

He used to be an architect. And then I basically kind of just, like, reached out through various avenues. I don't think he was even hiring. We had a conversation. He was like, you've done Reggie, this is great. We need people who've done resi, you should join our team. And yeah, I just started a member of the living team at Hines after that.

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HOST

Interesting time in that, like crazy market, right? Yeah, very much more institutionalized.

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GUEST

It was becoming much more institutionalized. So I joined the way Hines is structured as they have their development, and operating team sort of across Europe. And then in London, they have sort of European headquarters, which also manages various funds. But the living team at the time kind of sat across everything. They worked with our local offices, along with the funds teams to underwrite an asset class.

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GUEST

No one fully understood. So as helpful in that we were helping build sort of the template for how we underwrite these and how we manage these properties. So at the same time, they were building up a Pardoe, which was our student housing brand, and looking at how to build property management in BTR as.

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HOST

Well, and then set up that, that infrastructure from local operating deal sourcing and replicating that across lots of different, lots of different countries that like uniformed out of the European HQ, where a lot of the main decisions would be made.

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GUEST

So while I was there, we did quite a few deals within Ramsay and Student, and then we set up the JV with Quadriga, which is a pan-European living venture that was set up between Heinz and Quadrille at the time.

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HOST

Can you talk to me about that JV? I know you were actively involved in it and what the mandate was and how you go about raising capital from LPs.

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GUEST

Yeah, so the mandate was basically let's deploy about a billion and and European Bell around. And it was primarily development because that's sort of Heinz's core skill set. And the strategy was essentially this doesn't really exist in the markets today. And so we need to we need to build it and creating the case for both Trent in Europe, why we thought there was rent growth, which areas we wanted to target.

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GUEST

And so actually setting up a JV was more pitching the strategy to a variety of investors. And seeing if they sort of aligned with your target returns. And then you got to sort of the term sheet stage and what kind of promote you on what sort of, expectations they have from exit and things like that.

00:23:24:20 - 00:23:30:16

HOST

Quadrants of the Canadian HQ business. Was that helpful or. No.

00:23:30:18 - 00:23:39:10

GUEST

No. No, I kind of, I guess I was involved in the, in the conversations, but I don't think I don't think they realized I was gonna.

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HOST

I'm just trying to think maybe. Okay, helpful from maybe, like a cultural understanding and, like, mindset or or can you, like, push that all into, like, North America? And,

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GUEST

I think I think it does help when the operators, North American and the investors as well, because then, you kind of understand when you're talking to a North American I see as part of your own company what

what people are coming from. Because you can't you need to start at a sort of higher level to describe the markets.

00:24:06:07 - 00:24:07:27

GUEST

So I think that did help, actually.

00:24:08:00 - 00:24:20:11

HOST

Yeah. So did your experience in the sale and leaseback capacity, W.P. Carey help your time at Hynes, or was that just like a new skill set or building on a skill set that you had acquired? Cabot, Cabot and folks in the U.S.?

00:24:20:17 - 00:24:38:27

GUEST

I don't I think then it didn't for me, I was looking actually at a pop form investment when I was at Heinz in the service department space. We didn't end up doing the deal at the time. Probably not the right timing, looking back. But, it did help with that. Because I was able to analyze sort of the corporate finances of the company for that investment.

00:24:38:27 - 00:24:48:28

GUEST

But I think more so it's helped in my, in my career today post times when I've been looking at sort of platform investing at CF. Yeah, it's it's helped massively.

00:24:49:00 - 00:24:53:06

HOST

Talk to me about your time at GIC. Is GIC the sovereign wealth fund?

00:24:53:07 - 00:24:54:14

GUEST

Yeah.

00:24:54:17 - 00:25:09:12

HOST

On this podcast we've spoken a lot about various different LPs and operating partners and property companies, but we haven't really spoken about sovereign wealth funds, what they are. So can you just like, maybe tell me what sovereign wealth fund is before we kind of get into maybe that the role and what you're involved with.

00:25:09:12 - 00:25:31:18

GUEST

Yeah. So I, I think the best way to understand it would probably be a sovereign wealth fund would manage sort of the sovereign assets of the country, which then pay out pensions for the sort of federal pensions as a whole. So I think it's not too dissimilar to, for example, an Ontario teachers pension who where wholly owned by which manages the pensions for a specific, group of people within Canada.

00:25:31:21 - 00:25:55:24

GUEST

But for example, Cppib, which is a Canadian pension plan investment board, would be similar to a sovereign in which they manage sort of the federal assets. And so, yeah, not not too dissimilar, but obviously a bit different when it's I guess it's a bit more, government related rather than just a separate pension entity. And so a bit more regulation in that sense, but, but not too dissimilar.

00:25:55:24 - 00:25:59:10

HOST

And says the Singaporean sovereign wealth fund.

00:25:59:10 - 00:25:59:20

GUEST

Yeah.

00:25:59:21 - 00:26:06:14

HOST

This is second behind Norge the Norwegian. So in terms of assets under management or it's definitely kind of like up there.

00:26:06:14 - 00:26:29:13

GUEST

Yeah it's it's up there. We weren't allowed to say that. We're still allowed that allowed to say what the AUM is. It's high. I think the concern was that if anyone ever reveals the total AUM because the, the currency can then be attacked, because then you can see what their total holdings are. But yeah, I think I think in public records it's like several hundred, several hundred billions.

00:26:29:15 - 00:26:41:06

HOST

Yeah. And then that's obviously all allocated or carved off to various different asset classes. And a portion would obviously be allocated to real estate down further in terms of risk and geographies. It is.

00:26:41:11 - 00:26:42:14

GUEST

Exactly. Yeah.

00:26:42:14 - 00:26:51:22

HOST

So your roller see you're an assistant VP that can you just tell me about what was your job. Yeah. Why did you take it and what were you responsible for kind of doing.

00:26:51:28 - 00:27:10:20

GUEST

So I think I took it because at the time when I was at Hinds, I, I was still I was doing razzi. But then I realized I was actually getting quite restricted to just living. I wanted wider exposure. And then I realized actually when I was doing the service department platform, there's actually a bit of corporate investing. I'm not involved in real estate as well.

00:27:10:20 - 00:27:26:28

GUEST

And I saw Jackie had done quite a few platforms, and we'd been talking to them for the JV that we were raising, so I had had some exposure to them already, and through that, I started talking to them about opportunities within the team and realized that there was an opportunity on the UK team. And so really just applied for that.

00:27:26:28 - 00:27:58:29

GUEST

And my role was covering residential again. And I was also looking at office in the UK, and I actually started right in the beginning of Covid with given the retail assets that match after, so I had stepped off of them and I was like, great. I could learn all about retail. Distressed Jesse Owens a few shopping malls in the UK or one of the biggest ones is MetroCentre, which was operated by into and part of that collapse.

00:27:58:29 - 00:28:11:02

GUEST

So it was a great learning experience during Covid. That was one of the things that I worked on. But among that, I also looked at razzi a lot of built around and a lot of, office as well. Yeah, and life sciences.

00:28:11:02 - 00:28:16:14

HOST

And life sciences, too. Yeah. Guys don't write small tickets. Do they know? So can you just.

00:28:16:15 - 00:28:20:28

GUEST

My deal sheet went from 100 million to 1 billion.

00:28:21:01 - 00:28:35:19

HOST

And so can you just expand on like, why that is the case just from a, like a mindset and an investment perspective. Because I think some people will be listening to this and yeah, it's just useful to know, hey like deal volume and quantum and like why that's important for particular investors.

00:28:35:19 - 00:29:04:19

GUEST

Is just the volume of capital they have to deploy. They have certain targets. And at the time when I was there, we were seven, real estate was 7%. In terms of allocation. They wanted to increase that to 15. I don't know how it's changed since, but to just deploy that volume of capital and given the number of people they have on the investments team, you really need to start writing bigger checks and looking at sort of macro level strategies to be able to do that, and it just doesn't work if you're doing sort of smaller, smaller tickets.

00:29:04:20 - 00:29:20:22

GUEST

And that's honestly really it. And I think it affects the way you look at the real estate market as well, really, because if you look at an asset class and you can see, okay, maybe there's growth in it and I can get a great IRR, but I can only actually deploy maybe a couple hundred million into this, into this strategy.

00:29:20:22 - 00:29:31:05

GUEST

Then does it really make sense on a GI scale? Unless I can aggregate it and make it a larger portfolio? And then how long will creating that portfolio take? And then you have to weigh the costs and benefits and.

00:29:31:05 - 00:29:32:09

HOST

Then who you can exit it to.

00:29:32:09 - 00:29:44:09

GUEST

Yeah. Who you're going to exit it to. And I think, I think GRC has struggled with this potentially as well because you can see that they sort of recap mile way, for example, because those large checks are really there's only a few people who can really take those down.

00:29:44:11 - 00:30:02:11

HOST

It's one thing like raising the capital. The next thing is deploying and finding the quantum of deals. To be able to do that gig as a business, do they just invest directly into real estate themselves? Do they kind of build and scale and then like exit platforms, or do they kind of just have a straight operating partner JV model, or do they do all three.

00:30:02:13 - 00:30:20:26

GUEST

So they they typically have an operating partner. So they don't have sort of in-house asset management as such. And so they'll partner with for example, British Land. They're doing a lot of Broadgate, for example, with a variety of partners across the spectrum I mentioned in June. So they were doing retail with them, a long time ago.

00:30:20:29 - 00:30:41:14

GUEST

Who else? They have a P3, for example, in the logistics space. So a lot of, a lot of the big pensions and sovereigns do that. So at CF we have borealis, an operating partner. We have Stanhope. We just don't have those in-house capabilities. But we, we have, a partner, a GP alongside who can who can add that to the JV.

00:30:41:17 - 00:30:46:02

HOST

So why why do you work in JV with operating partners?

00:30:46:04 - 00:31:05:19

GUEST

It's the capabilities they bring. We don't have that, capacity or the ability to do what they do. The property management, the asset management, the sort of direct relationship with tenants. We need that from our operating partners and really sort of being boots on the ground involved on the asset on the day to day. And then we see from a higher level how the asset is performing.

00:31:05:19 - 00:31:21:15

HOST

So you pay for the equity and the final sign off and then some of the reporting to the ultimate shareholders. But then it's more about and making sure that your yeah, oversight of that JV partner who's doing some of the heavy lifting and big deals at the table, that you can kind of fund and run a run a plan.

00:31:21:15 - 00:31:39:15

GUEST

On the I think the one differentiation potentially between someone like JSE and US is that where we do do more direct deals as well? Where we'll do one off deals with a partner. So for example, what Stanhope initially, and even today we have a lot of large one off tickets. We have the large JB in Oxford North.

00:31:39:15 - 00:31:46:13

GUEST

But for example, when we did White City Place with, that wasn't part of a wider JV, that was one ticket that we did to start off.

00:31:46:13 - 00:31:47:09

HOST

And that's with Cadillac.

00:31:47:15 - 00:31:48:10

GUEST

Yeah, exactly.

00:31:48:16 - 00:31:57:09

HOST

So Guy city, can you talk to me about how challenging is it to do portfolio deals and what is a portfolio or kind of corporate deal that you alluded to earlier?

00:31:57:11 - 00:32:19:16

GUEST

So a platform deal, for example, perhaps this is sort of internal Cadillac Fairview speak, but a corporate deal or a platform deal would be looking at a business and investing in the, the, the operating business alongside a portfolio of assets. So the JV would be just looking at a portfolio of assets and, and, investing in the property company that owns those assets.

00:32:19:16 - 00:32:25:16

GUEST

And then alongside, we like to invest in our investors themselves and to have that alignment with management.

00:32:25:23 - 00:32:47:23

HOST

That's yeah, that's an interesting evolution over the last few few years. Right. Owning a stake in your operating partner as well as providing the equity to them as well. Whereas historically, you know, what do I know? But historically it was like equity. And then, you know, LP is the equity and GPC operating partner. And then you get to invest a little bit of the money just so there's yeah, yeah.

00:32:47:24 - 00:32:52:12

HOST

But as an LP you could kind of chop and choose or you could kind of back different horses, as it were.

00:32:52:12 - 00:32:53:05

GUEST

Exactly.

00:32:53:10 - 00:33:06:14

HOST

So why why Cadillac. And I know we've jumped around a little bit here, but why, why do Cadillac back operating partners and then take, take a slice 50% or 25%, whatever it is, out of their, out of that business at the same time?

00:33:06:14 - 00:33:24:18

GUEST

Yeah. So with Cadillac, I think the this is what drew me to Cadillac as well. It is sort of a platform for a strategy and sort of backing a horse, so to speak. So whereas other pensions or sovereigns might look at a variety of, of capital partners and we do do the same, we look at a variety as well.

00:33:24:20 - 00:33:42:29

GUEST

But for example, where we do a lot of office in the UK with Stan Hope that's not to say we won't do it with someone else, but we are invested alongside Stanhope in in the corporate as well. And so we own a 25% stake in the platform to get alignment with management and to make sure everyone's sort of on the same page.

00:33:43:02 - 00:33:45:07

HOST

And you did the same with. Right.

00:33:45:09 - 00:33:50:28

GUEST

So a GRC, they do do platforms. Yes. I was involved in a couple platforms as well.



00:33:51:05 - 00:34:00:22

HOST

And platforms as well. Like multi jurisdiction like big portfolio deals. Yeah. So how would you kind of or is that you you'd have a slightly different terminology for that.

00:34:00:25 - 00:34:18:25

GUEST

Yeah. So when I say platform I mean the corporate like the corporate business the operating partner, I think some people use it interchangeably and they mean large portfolio deals to some when some people say platform, they mean like a larger portfolio of assets. So yeah, we had both. We had large JVs, which some people say it's a platform.

00:34:18:28 - 00:34:22:25

GUEST

So these terms are always interchangeable and context matters.

00:34:22:25 - 00:34:43:11

HOST

So that's why I'm just keen to unpick it because, you know, I think if you don't know it can be quite confusing all the different topics. Yeah. And so just trying to yeah. One of the, the kind of the key tenants of this podcast that I want to try and get across and debunk some of this jargon just so people maybe listening who are in a seat at the moment, but maybe want to move into the real estate space or go and work or something on the web.

00:34:43:11 - 00:34:47:06

HOST

Confusing can just maybe understand like some of the context around it and how it works.

00:34:47:06 - 00:35:09:04

GUEST

It's used interchangeably. So sometimes when I say platform, I mean corporate, but when a lot of people say platform, they mean sort of the portfolio of assets within a certain strategy. So let's say we have a logistics platform, and that means they have, platform of logistics assets. It's a portfolio of logistics assets across various geographies. And that's their sort of logistics platform, so to speak.

00:35:09:08 - 00:35:14:06

GUEST

It's a JV that they've built of various assets across your jurisdictions. Yeah.

00:35:14:11 - 00:35:22:28

HOST

And you invested in that agric predominantly just because of the scale and the tickets that you. Right. Yeah. You would you would look at big large.

00:35:22:28 - 00:35:23:15

GUEST

Platform.

00:35:23:15 - 00:35:48:24

HOST

Large platform or portfolio deals and lots of different countries with different instructions, from a tax etc. perspective. And you would look at writing, yeah, billion, one half, 2 billion, exactly. One of tickets to to acquirer. And they could be like 2030 properties within that portfolio. It could be much bigger right. Yeah. And from a mindset perspective I guess GIC or these other sovereign wealth funds, you've got it like the liability match themselves.

00:35:48:27 - 00:36:12:12

HOST

Or not. Maybe not liability matching. So if they've got a if they are responsible for the pensions of the people in their country. Yeah. As well as other parts, they've got to make sure that they are they are honoring that. Yeah. Do they, are they bound by 3 to 5 year business plans or do they have lots of different buckets within that that they might have ten year strategies, 20 year strategies as well as maybe some smaller more kind of.

00:36:12:14 - 00:36:12:23

HOST

Yeah.

00:36:12:26 - 00:36:28:05

GUEST

Yeah. So I think the way so that's sort of done at a higher level within the sort of the actuaries and others who are looking at sort of that. But I think real estate in general, the bucket that it falls into is longer term investing, because the idea is you're going to hold these assets for the long term.

00:36:28:05 - 00:36:46:07

GUEST

So it's generally even if it's perhaps opportunistic in the beginning, if you're doing a development, it would be, for example, developed a core because the idea is you're going to hold these assets for the long term to pay the pensions of people back in Ontario, for example, or back in Singapore. And so you do really want assets that are high quality that you're going to be able to hold for the long term.

00:36:46:07 - 00:36:54:03

GUEST

And so there isn't that sort of mindset of, okay, it's a five year business plan, and I'm going to cycle out of it. Because then you have to decide what to do with that capital.

00:36:54:05 - 00:37:15:16

HOST

So where does debt come into the frame within a business like, gee, I see, I'm sure they're buying cash when they do these platform deals on an equity perspective. And I know they've got a separate debt debt strategy or there's an exposure there. Am I right in saying that they literally just buy everything in cash because they can get sharper prices and then they'll refinance later, or they won't even refinance later just because of the quantum of capital that they need to deploy.

00:37:15:21 - 00:37:36:19

GUEST

Yeah, I think in AG, I see so I think AG it changes because I was there. It it was a variety of I mean they can do all cash. Obviously they change their sort of policies every year and they don't have to take on leverage. I kind of like purview where I've been for the last couple years. We've looked at deals on an unlevered and levered basis for us.

00:37:36:24 - 00:37:45:23

GUEST

We have sort of a maximum level of LTV that will take, but as long as it meets benchmark on an unlevered basis, we don't necessarily have to put that on the assets.

00:37:45:23 - 00:37:57:09

HOST

Talk to me about Cadillac. So if you I know I did a little bit at the top of this intro. How did that come about? Why did you want to go and work with a Cadillac? Because you were one of the early members of

the team over here. Yeah, I do.

00:37:57:15 - 00:38:15:16

GUEST

I do this a lot. I look at people in the news and I get interested in this as people. And I'm like, this person sounds amazing. And I'm like, I want to go work for them. So Jenny was featured. I think of like react or something for acquiring White City Place, and she was one of the hires at Cadillac.

00:38:15:16 - 00:38:32:11

GUEST

It made and they were setting up a London office, and when they first came to London, it was it still is super exciting because they have quite a bit of capital to deploy, and they're really at that growth stage in their journey and entering sort of different asset classes across Europe, whereas other pensions and sovereigns might be more established across Europe already.

00:38:32:11 - 00:38:45:27

GUEST

So it was quite exciting. And they were one of the first groups to actually say no, you know what? We believe in life sciences. We want to go at this. And I think at the time, as GIC and Cadillac, who were sort of in the final round for bidding for a white city place and really believed in the sector.

00:38:45:27 - 00:39:06:24

GUEST

So I thought it was interesting as a new shop to say, okay, no, this is a new asset class, but we're really interested in it. We're behind it and we have a platform investment strategy where we're going to put large checks against this and also invest in the corporate. And just I was fascinated by Jenny because there's such few women in real estate who are in the investment side, who have built a career over the long term.

00:39:06:26 - 00:39:24:10

GUEST

And I hope she's not watching this. But I was like stalking her. I be like, this woman is amazing. And she had posted on this group, called Women in Real Estate that I'm a part of. And I found that link and literally just sent my CV to her directly, and was like, if you're hiring, I'd be really interested in working for you.

00:39:24:10 - 00:39:29:14

GUEST

And at the time, I she didn't have an office, and she interviewed me on a zoom call from her house.

00:39:29:16 - 00:39:30:25

HOST

She was just,

00:39:30:27 - 00:39:52:10

GUEST

She asked me, she left KKR. I think she was at HG at the time she'd left. And then, it was her and Peter Angelopoulos who's a senior director on our team. He'd come over from Canada. It was just Jenny and Peter, and they were the only two people I spoke to. And, we had an office not too far from here where we are right now near Oxford Circus.

00:39:52:10 - 00:40:00:12

GUEST

And it was a, it was a serviced office. And we were there for about a year. And it was only like, I think for five people in the beginning.

00:40:00:15 - 00:40:01:16

HOST

Yeah. So really small.

00:40:01:19 - 00:40:02:14

GUEST

Really small.

00:40:02:14 - 00:40:14:04

HOST

But with unbelievable firepower. Yeah. So can you just talk to me about Ontario pension plan and. Yeah, that that money and and ultimately, who is the ultimate stakeholder?

00:40:14:07 - 00:40:32:24

GUEST

Yeah. So Cadillac Fairview is wholly owned by Ontario teachers. So we're basically a subsidiary of teachers. Historically, Cadillac Fairview has been a development shop in Canada. So we have a lot of malls in Canada and a lot of office as well. They've built quite a bit of the downtown Toronto center, like what you would call the city in London.

00:40:32:29 - 00:40:56:19

GUEST

And have because they've sort of cut their teeth on development. We're very comfortable with development and have sort of a large development and property management operation in Canada. And then there's the international investments aspect of it. So we have an investment team in Canada who does deals across asset classes as well. There has been a strategic shift to deploy that capital outside of Canada and to various asset classes and diversify out of sort of office and retail.

00:40:56:19 - 00:41:09:18

GUEST

And so we've been looking at life science. We've also been looking at office in Europe, and the UK residential primarily, and UK with Long Harbor, as you mentioned, our JV, but also looking at it across Europe, potentially looking at student now as well.

00:41:09:19 - 00:41:26:01

HOST

So was there was there any part of you that thought it was quite a risky move to move to such a small yet very well capitalized business that's clearly looking globally to diversify its risk and get into new markets, but could turn the taps off at any moment because I spooked by the market or actually they got a change of strategy.

00:41:26:04 - 00:41:42:26

GUEST

Yeah. I mean, to be honest, I probably should have been more worried. I do, you put it that way. And it's funny because I spoke what I remember about speaking to those things like, yeah, that was really brave of you. You know, I spoken to people and like, everyone is not as brave. And I was like, oh, I guess I made a really good session.

00:41:42:26 - 00:41:45:13

HOST

Naively or just, yeah, rush.

00:41:45:14 - 00:42:03:08

GUEST

I was like, I know. I was like super excited. I thought it was amazing. Yeah, I know there's always that risk.

Obviously it's safer to be with a group that's established and has been doing, let's say, Europe for a while, and won't get spooked or change their mind. But it was clear to me that they were invested.

00:42:03:08 - 00:42:18:26

GUEST

I mean, they've done a large ticket with White City plays that we're already looking at quite a few different things. And my I was interviewing with Jenny. She'd laid out to me that they were closing the Long Harbor JV at the time, and so they had a strategy moving forward, and they were clearly very much invested in and deploying that capital.

00:42:19:01 - 00:42:27:16

HOST

Yeah, I was going to ask what was it was the strategy defined at that stage that you come in or were you part of like that core team that was kind of defining it and working out as it was.

00:42:27:16 - 00:42:47:09

GUEST

Set at that stage that we would be we would be focusing on these asset classes with these partners. Of course, there were newer strategies to focus on as well. But given team size, you can always do everything. So we've expanded. We're now 15 people and we're starting to tackle some newer strategies, namely looking at life science and student in Europe as well.

00:42:47:12 - 00:42:54:12

GUEST

But yeah, at the time it was really sort of getting your main food groups and and deploying the strategies that you've already identified.

00:42:54:12 - 00:43:03:20

HOST

So logistics living of residential and then life sciences. Exactly. And you work on the living and life sciences part. Is that right. Yeah. But not logistics.

00:43:03:20 - 00:43:17:11

GUEST

I don't but I did initially meet, when we were looking at, various JV partners, Lisa ma, who's at borealis, and when we set up the JV with them and. Yeah, I but I mean, they cover, Long Harbor, and stand up.

00:43:17:15 - 00:43:21:17

HOST

So you've obviously sat on the GP side at Heinz.

00:43:21:17 - 00:43:21:29

GUEST

Yeah.

00:43:22:00 - 00:43:23:16

HOST

You've now flipped to.

00:43:23:17 - 00:43:23:26

GUEST

To the.

00:43:23:26 - 00:43:32:04

HOST

LP to the LP side. Is that a difficult move to make or is it more of about, is it more of like a mindset shifting from one side to the other?

00:43:32:05 - 00:43:43:14

GUEST

It is a bit of a mindset because I remember being on the GP side, and sometimes there's frustrations with not fully understanding where they're coming from. And now I'm on the other side. I'm like, okay, I get it now.

00:43:43:17 - 00:43:45:06

HOST

Can you expand on that? Like what kind of.

00:43:45:08 - 00:44:00:27

GUEST

You pitch deals? And you'd be like, well, but you can see that this is the IRR I'm presenting to you and it's like 15 and we're definitely going to get it. And you don't fully consider like, oh, I think you do consider all the risks. But when you're on the LP side I think you're definitely looking at it.

00:44:00:27 - 00:44:15:25

GUEST

And the whole in terms of how this relates to other strategies, you're seeing a lot more as well, because when you're a GP and you're so focused on one asset class and one geography, let's say even if you're on other geographies, but a singular asset class, you're not looking at everything on a sort of macro level and seeing how the world is shifting.

00:44:16:02 - 00:44:36:22

GUEST

I think we see that, because we're across so many things and we really try to feed that back to our partners and say, okay, guys, we can see rates are moving in the US, let's say, and we think this is going to hit the UK. So there might be a bit of a bid ask spread, but we don't think we should meet the seller's ask at this stage and perhaps hold off a little bit because we can see this coming.

00:44:36:24 - 00:44:42:14

HOST

And we can allocate that capital to somewhere in the US or somewhere else where maybe the risk isn't quite there.

00:44:42:14 - 00:44:48:20

GUEST

Or is that right? And sometimes if you're on the other end, it can you can be like, oh, why don't they get it? The deal is great.

00:44:48:22 - 00:44:51:18

HOST

It's an amazing. Yeah, it's an amazing yeah. It's a lot of frustration. Yeah.

00:44:51:18 - 00:44:52:14

GUEST

Exactly.

00:44:52:17 - 00:45:02:09

HOST

So what advice would you give to an operating partner who wants to come and work for. Oh yeah. Or a former JV with an LP like Cadillac or one of the other bigger players?

00:45:02:14 - 00:45:20:16

GUEST

Yeah, I think having, sort of if you're a GP and you have sort of a defined strategy and you found this opportunity that you really don't think anyone's doing in the market, you found an angle and you think you can deploy quite a bit of capital within that strategy and get sort of a target return that perhaps outstrips others.

00:45:20:16 - 00:45:41:01

GUEST

I think that's like having that strategy defined and coming with a portfolio and saying, okay, I've done these deals in this strategy before. Here's my track record, and I have this many more deals in my pipeline that I can provide on year one. And I know we can we can target this and we can we can deploy this much in the next year.

00:45:41:08 - 00:45:56:25

GUEST

And then you have 2 or 3 people that you've identified, or perhaps you're already an existing team. And then you're like, okay, you have the track record, you've shown you can run it, you have pipeline. So we know you can do it next year because you've already identified the assets and you have the team to do it.

00:45:56:28 - 00:45:59:01

GUEST

So you kind of ticking all those boxes and.

00:45:59:01 - 00:46:03:25

HOST

This substantial scan and there's going to be a quantum value to someone else further down the line.

00:46:04:01 - 00:46:04:11

GUEST

Yeah.

00:46:04:17 - 00:46:11:24

HOST

So how did you come about or how did the team come about working with boreal Stanhope and Long Harbor?

00:46:11:26 - 00:46:13:12

GUEST

How did, we yeah.

00:46:13:12 - 00:46:21:26

HOST

How did Cadillac Fairview kind of select to work with them as partners, I guess. Do they follow that similar process that you just related to? Was it kind of like from relations?

00:46:22:02 - 00:46:47:25

GUEST

It was a it was a bit of relationships, just meeting people in the industry, perhaps meeting agents who brought potential JV partners to us. I wasn't there when the Long Harbor JV was set up, but that's what I understand happened is that, we came over from Canada and started meeting various partners. We're kind of doing that in the life science and student space at the moment where we're just talking to people, seeing who's out there, who's looking at deals, who's looking at interesting things, and has strategies that

they are that they believe in.

00:46:47:25 - 00:46:57:24

GUEST

Or perhaps we have a strategy that we have conviction and they're aligned to that. And then just really, talking to various JV partners, really and, and seeing where we're sort of the market is.

00:46:57:26 - 00:46:58:25

HOST

Building relationship.

00:46:58:26 - 00:46:59:06

GUEST

Building.

00:46:59:06 - 00:47:04:22

HOST

Relationships. So talk to me about the 15 heads at Cadillac, UK and how how are they split.

00:47:04:27 - 00:47:29:15

GUEST

So Cadillac. So the London office covers Europe where 15 people, which is divided up into sort of Jenny as MD and now CIO as well. We have another MD, Chris and Graham, who covers development, asset management. We have two directors, Peter, a senior director who I mentioned earlier. We have two associate directors, myself, namely, and then a few associates and analysts.

00:47:29:22 - 00:47:32:11

HOST

So Coraline, yeah, it's quite.

00:47:32:11 - 00:47:32:24

GUEST

Lean.

00:47:32:24 - 00:47:45:05

HOST

And lean on a lot of the external JV partners. So the Paul deal, we actually had James Farmer on the podcast, who I gave his to me. Yeah, I gave insight to to that structure. But that's really exciting in terms of the 3 billion.

00:47:45:05 - 00:47:47:26

GUEST

I should have listened to what he said to the should.

00:47:47:28 - 00:48:07:03

HOST

Well, he's, you know, working on that deal. So, you know, you know, I could say I'd say you want to go and listen to that. If you go listen to James's podcast where he's kind of talking all things, Berlin, they're they're kind of plans to expand. Yeah. And the pan-European logistics side. But you what you work on there kind of the BTR and the life sciences JV with Stanhope and Long Harbor.

00:48:07:06 - 00:48:14:28

HOST

Can you just tell me a little bit more about those markets and the dynamics that you're seeing because, you know, they're very like hot and current and there's a lot of money chasing them.



00:48:15:01 - 00:48:30:18

GUEST

Yeah. And Razzi especially I think BTR, it's it's calmed down a little bit and that some of those bid ask spreads I was mentioning, are there I think we need to wait for those to come in a bit more. Because cap rates have been coming up. And so we're seeing sort of that shift in the market.

00:48:30:23 - 00:48:49:07

GUEST

I think the question is like when you actually choose to sort of start investing again, and no one wants to catch a falling knife. And so it's a bit there's always a bit of a hesitancy where like when do we step in again and when do we start actively deploying a capital. And we are we are still actively deploying, but we want to make sure we're doing it at the right time.

00:48:49:09 - 00:49:05:27

GUEST

And so in in residential, for example, we are seeing deals come through. There has been a slowdown in movement at this time in the market. But there's still deals happening and there's still a lot of capital that's allocated to Rosie. And in life science as well, there have been quite a few sort of more development deals that have come to the market.

00:49:05:27 - 00:49:11:27

GUEST

And so the two recent deals that I worked on were in Cambridge Science Park, where we're looking at a lot of life science assets there.

00:49:12:03 - 00:49:16:13

HOST

And that's mainly, as you said, development. Just because there's not a the existing stock from an investment perspective at the moment.

00:49:16:18 - 00:49:43:16

GUEST

Yeah. So and life sciences there is the existing stock but it's quite outdated. And so there's been a lot of VC investment into the life science space. And there's a huge demand demand supply gap where a lot of these pharma companies or biotech companies who need the space, who need the labs, don't have them. So there's a massive amount of demand looking for labs to rent, which aren't available, because that really hasn't been a sector that people have invested in, in sort of, let's say, the past five years.

00:49:43:16 - 00:49:45:15

GUEST

And now the supply is coming.

00:49:45:17 - 00:49:49:01

HOST

And especially with that asset class location is so important. Right?

00:49:49:02 - 00:49:57:03

GUEST

Yeah. So you want to be around these like they call it the golden triangle in the UK specifically. And then there's certain innovation clusters in Europe as well.

00:49:57:06 - 00:50:15:23

HOST

As an LP. You don't have to be a specialist per se. I guess you lean quite a lot on your your operating

partners, but you've got to know enough to be able to check, challenge, hold them to account and ultimately go to journey to to kind of get signed off on on the decisions. From a residential perspective, that's obviously a more mature market, but there's a hell of a lot of capital that's been like pouring into it.

00:50:15:23 - 00:50:22:21

HOST

And there's a lot of different products that are coming out as well. Can you just expand on how you're seeing the residential market and where the opportunities are?

00:50:22:26 - 00:50:44:10

GUEST

Yeah, so I think there's still quite a bit of, opportunity in build to rent with Long Harbor. We've managed to sort of differentiate the product in terms of and they've shown this and the assets they've delivered as well, that the level of amenity they provide and the quality of the asset they provide can achieve those sort of outsize rents, and really maintain occupancy as well.

00:50:44:13 - 00:51:07:17

GUEST

And so there's, and there's so much demand in the UK, especially for, rental residential, there's a lot of changing regulations. So there's been an effect on supply as well, because by talent has gone down. Because of tax reasons. Smaller buy to let investors aren't able to make their return. And so when you take that off the market and a lot of those assets have sold, there's just less property available to rent.

00:51:07:24 - 00:51:22:17

GUEST

Rates are rising. So the cost of a mortgage is now higher in the UK than renting an asset on average. And so we're seeing that sort of demand come to the residential market. And so there is, there is quite a lot of scope in that and sort of the demand and supply fundamentals for Rosie.

00:51:22:24 - 00:51:30:20

HOST

Hence you guys are backing a long term. Yeah. Putting a lot of capital into it. Have you ever had a mentor throughout your career or.

00:51:30:23 - 00:51:51:01

GUEST

Yeah, it's kind of I it's kind of changed over time. So I think I mentioned briefly at the, in the beginning of the conversation, Tom Metzger, who I only interned with, for a summer between my first and second year of my Masters program. But I somehow always gotten him to be a reference because we just connected.

00:51:51:08 - 00:52:05:01

GUEST

And I've always asked his advice. Alex Knapp was a great mentor when I was at Hinds, and he's always sort of given me great advice on what to do. And just guided me. And yeah, I guess mentors change over time as you sort of progress in your career so.

00:52:05:01 - 00:52:10:23

HOST

That your bosses that you've kind of leant on for advice and you've learned so, yeah, but you haven't had anyone kind of external, as it were.

00:52:10:25 - 00:52:20:00

GUEST

No, no. I yeah, in terms of advice, I do lean on family members a lot, but yeah, it's always been sort of people who I've worked with. Really.

00:52:20:03 - 00:52:26:23

HOST

What advice would you give to someone who wants to get into the real estate, investment management or private equity space?

00:52:26:25 - 00:52:57:14

GUEST

I think especially students today. I think there there is that fixed career path that I was mentioning before, like you do an economics or finance degree, for example, and then you do two years of banking. But I find that when you do do that sort of career path, you're not really touching the asset. And what I've seen that people who like, understand the asset, like the fundamentals of real estate, you're able to cut through the noise in and underwrite and really get to the bottom of why it makes a deal special or not.

00:52:57:14 - 00:53:14:13

GUEST

So I know I had a sort of odd path into real estate, but I think it really, really helps. And I think working at a development shop, working for an agency and really, really cutting your teeth and like boots on the ground, understanding the asset class is really, really important.

00:53:14:16 - 00:53:26:07

HOST

Yeah. Because in your relatively short career you've had a few different roles. Have you always been driven by like the money in the paycheck, or is it more about like the learning opportunity and like the exposure that you can get?

00:53:26:09 - 00:53:51:03

GUEST

It's been the learning opportunity. There's been times where my paycheck has gone down. But I've seen opportunities and sort of learning more at the next role just because it's brought me closer to an asset class that I wanted to do or a type of investing that I wanted to do. And so I think especially early in your career, it's important to focus on like, what am I getting out of this job in terms of my eventual, eventual growth and what am I learning?

00:53:51:05 - 00:53:52:29

GUEST

And that's really what's going to carry you.

00:53:53:01 - 00:54:03:27

HOST

How important is like network being and networking events, whether that's from like a deal flow perspective or just general networking. How much emphasis do you put on that?

00:54:04:02 - 00:54:21:14

GUEST

Yeah, I think I think networking in the sense of like not just going to networking events, but also like establishing a good relationship with your counterparties when you're working on a JV. Even if you're a junior on a deal. So when I was at Cabot Cabin in Forbes, I was like the most junior person on the deals.

00:54:21:14 - 00:54:41:25

GUEST

When I was there, I was the analyst who was just like doing the initial underwrite. But I got really close to the founder of Blue Vista Capital when they used to visit out of Chicago, Rob, who then ended up connecting me to a bunch of Alps in London because he'd worked in London 20 years ago. So I think just making those sort of personal connections really, really matters.

00:54:41:25 - 00:55:01:07

GUEST

And it will eventually. You don't know how there's always like six degrees of separation and you don't know how anyone is connected and whether that's an LP or whether it's an agent that you're talking to on a deal, anyone can sort of connect you. And the property industry is so small at the end of the day, and I feel like just talking to people will help make those connections.

00:55:01:07 - 00:55:13:14

GUEST

And you don't have to be the most senior person on the deal to be able to make those connections. I mean, Rob and I went to a softball game together and we were sitting together. I worked up the courage to have a conversation with him. And we just we we just clicked.

00:55:13:20 - 00:55:35:01

HOST

We text don't we were in Pakistan playing this and in the cricket I forget the scores like who's up. But yeah, it's definitely one that's on an eye flick. You know, text is to say I have a bit of chat and a bit of banter about that. At the moment, what are the biggest challenges in this current environment as well, like the middle of May navigating this time?

00:55:35:01 - 00:55:55:07

HOST

Is it just waiting to see what's going to play out? As you alluded to earlier in the conversation, you don't want to go too soon. Is it better to kind of wait and go a little bit late, rather than go a bit too early and have your kind of reputation tarnished? And ultimately, I guess, is you've got a fiduciary responsibility to not lose capital for your investors, especially if it's a pension fund back home.

00:55:55:07 - 00:56:12:20

GUEST

Yeah. And it's always a bit of, yeah, it's it's hard. It's very difficult, especially at this time in the market. As you said, you don't want to go too soon, but then you don't want to miss the opportunity either. And sometimes the window is so small and these things are so difficult to predict. Anyone that says they can predict it, it's impossible.

00:56:12:20 - 00:56:30:06

GUEST

You can never time the market perfectly. I mean, if you look back at 2010, there's people who say, oh, anyone who did a deal in 2010 hit it out of the ballpark because it's just timing. If you did it, you didn't have to do much asset management either. You just timed it right. Cap rates moved, and by the time you exited, you were golden.

00:56:30:06 - 00:56:46:23

GUEST

And so it is a bit of working up the courage as well to do deals in a market that's that's moving in the wrong direction, because it might start going up again and you might have missed it. But then you also don't know if there's another downturn coming. So it's it's always tough at this time.

00:56:46:27 - 00:57:07:04

HOST

How. Talk to me about what. Because you alluded that earlier. Can you just women in real estate. It's, I had Audrey Klein, who's a, Oh, you did? Yeah. So I think I don't know if she's the chair lady or she's one of the founding members. I had her on the podcast. Is her background and career, but more from an investor relations, capital raising perspective.

00:57:07:06 - 00:57:13:10

HOST

Can you just talk to me about that organization and how much emphasis? Yeah. Or the events and what they do and your involvement?

00:57:13:10 - 00:57:32:28

GUEST

Yeah. So I'm, I'm not on sort of the, the Committee of Women in Real Estate, I've been one of the members and I go to their events, but I think it's great that they sort of promote diversity in the industry. I mean, when I was, I was the only woman in my first job, and even my program, I was one of two women in my entire real estate program.

00:57:32:28 - 00:57:54:28

GUEST

And so just having that diversity and it's not only diversity for the sake of diversity, I always say this because at the end of the day, I think there is a different sort of investment mindset as well. There is a difference in how I think women also approach deals. Sometimes it can be more detail oriented. They can look at how the asset is managed for the long term, more so than just like doing the deal on day one.

00:57:54:28 - 00:58:12:20

GUEST

And so I think you need to sort of round out that sort of investment ideology. If you have everyone that's the same on investments team, you're all doing the same deals. You might end up in a bubble where you don't really know what's going on because it's just an echo chamber. And so you want to bring in more diversity to get a diversity of opinion.

00:58:12:20 - 00:58:18:17

GUEST

Right. And that's really what matters at the end of the day is a diversity of opinion, because then you can make the right investment decisions.

00:58:18:24 - 00:58:26:14

HOST

100%. And I think, you know, diverse teams you know, outperform non diverse teams. Yeah over and over and over again. And I know the results I just.

00:58:26:16 - 00:58:37:25

GUEST

Had like the yeah I wish I had like the exact sort of citation for this. But I read somewhere that if you have like 50% women on an investment team, in the long term, they perform better rather than just.

00:58:37:25 - 00:58:50:08

HOST

Having doesn't surprise me, doesn't surprise me one bit as we kind of draw this conversation to a close. What are you kind of most excited about as we look forward to 2023 and 2024 and beyond? Yeah, I.

00:58:50:08 - 00:59:11:12

GUEST

Think I'm excited to see how the market sort of settles and where the new opportunities lie. I think as we move into sort of a new sort of cycle. So it'll be it'll be interesting to see, especially like post-Covid, how that affects sort of the office environment, how that affects the way we work, live and play. I think that still a bit to play out in the market.

00:59:11:15 - 00:59:27:16

GUEST

We've seen it a bit and sort of rosy, for example, where it's great to have sort of a workspace where in your living room because people work from home a bit more, or you need to change your office environment because you need to draw people back into work. So it needs to be a more vibrant office environment.

00:59:27:16 - 00:59:45:26

GUEST

But I think where we're seeing that and I think for 23 and 24, as markets shift, I think people will need to see what is driving occupier demand and what do we need to focus on. And then different strategies as well. I'm excited about like a variety of different asset classes, which I mean, we have a specific scope.

00:59:45:26 - 00:59:49:21

GUEST

It's yeah, but I think there's so much scope and, and a lot of things.

00:59:49:21 - 00:59:54:22

HOST

That you really dive into the data. And what data do you dive into kind of like identify and look at those trends.

00:59:54:28 - 01:00:04:13

GUEST

So ICF we look at a lot of different, trends in data. And so we, we look at sort of more fundamental research at like what's driving demand of different sectors. Yeah.

01:00:04:13 - 01:00:13:16

HOST

Cool. Well, look, a question that I ask everyone who comes on the podcast is if I was to give you 500 million pounds of equity, who are the people? What property and which place would you look to to play?

01:00:13:23 - 01:00:18:22

GUEST

I, I remember we spoke about this at the beginning. You were like, do you want the CF answer or the personal answer?

01:00:18:24 - 01:00:23:22

HOST

You know, I'll give you a billion, I'll have you on the CFR and then. Yeah. And then, you know, so I.

01:00:23:22 - 01:00:45:15

GUEST

Think first we have we need to do like the main food groups. Right. Because we're still sort of early stage. Yeah. So b like side Rosie Logistics. And we're already quite invested in those but also diversifying across geographies. Potentially student we're starting to look at that and looking across Europe. We're also looking at credit, which I think at a time in the market right now is is is interesting.

01:00:45:15 - 01:00:49:13

GUEST

And so for CF I'd probably invest in all of those food groups.

01:00:49:18 - 01:00:54:04

HOST

500 billion isn't actually much. Is that probably.

01:00:54:06 - 01:00:56:01

GUEST

One. So I just like us.

01:00:56:02 - 01:00:56:18

HOST

Hence why you.

01:00:56:18 - 01:01:19:24

GUEST

Ask cover a long cover. So I'll put it all to Rosie. Good answer. But yeah, the personal sort of, I, I feel like I've always been a maybe, perhaps more opportunistic, but always a bit different in my like, I like the oddballs, and I always look for sort of the arbitrage and like where things are going in sort of a, more of like a cultural level as well as not just with statistics.

01:01:19:24 - 01:01:42:23

GUEST

It's like, what is the pulse of the market? And so personally, for me, I think I would do film studios, cold storage and data centers. And the reason is because I think we are we're spending a lot more time on our phones, and we tend to order our food online more and more. And as demographics change, that's going to happen more.

01:01:42:25 - 01:02:04:24

GUEST

And so we're going to need more cold storage film studios, because the amount of production, if you look what we're doing right now, content studio content, it's hard to word podcast I back a year but yeah. I think there's some content. Yeah. And you just need to you need more space to keep producing that content. Creative industries are growing.

01:02:04:24 - 01:02:08:03

GUEST

And then you need, data centers to store that content.

01:02:08:06 - 01:02:16:06

HOST

So they're the, the kind of the properties or the asset class types in which locations and then the people as well places people.

01:02:16:09 - 01:02:19:17

GUEST

And so I think people hire Long Harbor and stand up.

01:02:19:19 - 01:02:21:26

HOST

Get on the outside of that.

01:02:21:29 - 01:02:42:29

GUEST

Outside of, we yeah, we've been looking at a lot of JB, I think, I think when identifying people to invest with for us is really sort of the developers who have cut their teeth on the asset class. And so I think when we're looking at new sort of strategies or asset classes, it's really the people who have done the development or the people who have managed those assets.

01:02:42:29 - 01:02:57:12

GUEST

The PMS themselves, that that are interesting because they have the most experience of the asset class,

rather than going with a PE fund who has a relationship with the LPs, but perhaps doesn't have that sort of direct, sort of, operating or asset management experience because.

01:02:57:12 - 01:02:58:27

HOST

Before that's normally what would happen.

01:02:59:00 - 01:02:59:19

GUEST

Exactly.

01:02:59:21 - 01:03:03:07

HOST

So you guys are kind of cutting out that kind of commingled private equity fund.

01:03:03:10 - 01:03:15:21

GUEST

Yeah. We don't we don't invest in and we'll do it, we'll do JV so for example, the Long Harbor JV, we have PSP as well. That's like a or we'll do club deals. But we don't invest in sort of funds with discretion.

01:03:15:21 - 01:03:17:05

HOST

Yeah. Broad discretionary.

01:03:17:06 - 01:03:18:18

GUEST

Broad discretionary funds.

01:03:18:19 - 01:03:21:20

HOST

Because you want the control or you want oversight of the.

01:03:21:26 - 01:03:27:27

GUEST

Control or oversight. More alignment with management, more influence on strategy based.

01:03:27:27 - 01:03:30:17

HOST

Does that come into it in terms of like eating into some of the returns?

01:03:30:17 - 01:03:34:29

GUEST

No, I think the fees are it doesn't move the needle as much. Yeah.

01:03:35:01 - 01:03:38:06

HOST

People do we answer that or that answered people.

01:03:38:06 - 01:03:41:17

GUEST

We answered property demands that we didn't answer place.

01:03:41:19 - 01:03:44:24

HOST

In answer place. Tell me, where are you going to do that?



01:03:44:26 - 01:04:05:19

GUEST

I think the UK is still interesting. I hope we get out of this sort of recent downturn. I still quite believe in the UK as a market, across asset classes. Europe definitely. I don't cover a park, but I think those geographies are like India is going to be massive. It's going to I think it's going to outstrip China.

01:04:05:24 - 01:04:11:25

GUEST

But yeah, definitely, definitely. I think UK and sort of France, Germany.

01:04:11:27 - 01:04:31:29

HOST

Good markets and certainly lots of growth will look. But yeah. Thank you so much for joining me on the podcast today. I've loved hearing a little bit more about your background story views. Career move so that you suddenly inspired and educated me. And no doubt you've done the same for people listening. So thanks so much for joining me, for having me and for to catch up soon.

01:04:32:06 - 01:04:38:25

HOST

Yeah. Cheers. That's.

01:04:38:27 - 01:04:59:00

HOST

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01:04:59:05 - 01:05:31:22

HOST

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01:05:31:24 - 01:05:34:19

HOST

Have a great day wherever you are and I look forward to catch you next time.