

00:00:00:00 - 00:00:19:11

GUEST

The risk boards. You know, I've got a good job and a good career and a great seat and a great firm is growing. And, but this is this is my shop. This is, you know, now. So I, I wrestled with that for a long time. Was, is this the right thing to do? Is it not the right thing to do, but all while all the while in the background just continuing the conversation.

00:00:19:11 - 00:00:40:06

GUEST

Because now I'm a big on the big believer in courage. Everyone who's coming through their careers to not make decisions before decisions are makeable. It's all about people. For us, we couldn't do what we do. We didn't have brilliant people. And quite frankly, brilliant people actually helped us to make it a success because I'm not sure Peter and I could make it such a success in our own.

00:00:40:08 - 00:00:54:22

GUEST

And the, in fact, I'm convinced we couldn't. So if we didn't have amazing people and we wouldn't be able to, you know, sort of keep growing business and keep pushing the business forward.

00:00:54:24 - 00:01:26:14

HOST

Welcome to the People Property Place podcast. Today we are joined by Chris Webb, who is the co-founder and executive director of Firefly Trust Father, and presently runs two strategies that logistics and industrial team is focused on developing market leading sustainable spaces across the UK. And their living team is committed to delivering high quality PDSA and BTL buildings. Chris Co leads on strategic direction and decision making and is responsible for overseeing father John's asset and investment portfolio and its finance operations.

00:01:26:16 - 00:01:42:10

HOST

Before setting up for Thorne, Chris was head of UK and Ireland Asset and portfolio management, Buttressing Capital Partners, managing its UK portfolio of over 2 billion pounds. Chris has also worked at Rock Spring Property Investment Managers and Cushman Wakefield. Chris, welcome to the podcast.

00:01:42:12 - 00:01:44:01

GUEST

Thanks, Matt. Thank you for having me.

00:01:44:04 - 00:01:58:09

HOST

Not at all. Well, look, I've had an amazing career and I'm really excited to to spend a little bit more time diving into it so far. But a place that, I always start these conversations is why, why and how did you get into real estate?

00:01:58:11 - 00:02:07:18

GUEST

It's a good question. It's a good question. I, I didn't, if I'm honest, have a design to get into real estate. I, I'm always home.

00:02:07:18 - 00:02:25:10

GUEST

Schooling and university career where we're very generic. I didn't, didn't have, real estate background or estate in a family, so I was, I was I left the vacancies of university and, and the education process was to educate me as to what the what the career options were.

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GUEST

So I.

00:02:27:02 - 00:02:51:24

GUEST

I finished Newcastle University with a reasonable two one in, business management, and and that was, as you know, very generic. So it didn't really prepare me for much, but, it gave me a sort of an insight into the business world. And, and from there I, I did I undertook doing work experience. So I worked in a number of different industries.

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GUEST

I worked in the drinks industry for a bit. I worked in the investment management industry. I worked, I did my work experience that said, I am sorry I am so sad as it was back then in the, valuation department, actually. And, and I these were, these were sort of minor work experience roles that I, but I did, for, you know, two weeks a month, and the and I did, I did a spot, in various other various other industries or to test out what was out there and, the opportunity, I think, even applied for an accountancy graduate position at one point, which would have been completely

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GUEST

wrong for me. But, so I wasn't I wasn't completely set on, I think through my, the experience that I work experience that I had, I.

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GUEST

I, I.

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GUEST

Enjoyed the property industry, having not known a lot about it. I enjoyed the tangibility over that. I enjoyed that it wasn't deskbound the whole time. And I, yeah, I, I sort of decided to further that, so how I got into it specifically was.

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GUEST

00:03:58:20 - 00:04:24:03

GUEST

Well, I struggled, actually, if I'm honest, I struggled to get a job. And I, I took some advice from, from a senior individual in the banking industry, actually, who had been put in touch with, who very kindly gave half an hour of his time, to me, and he, he told me that there were endless number of undergraduates out there with generic degrees like mine.

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GUEST

And if I wanted to, sort of get into a reasonable job and have a good opportunity or a good ability to pursue that career, then I should go into a master's degree.

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HOST

And when he told you that, you said, yeah, yeah, you kind of went to university, you got to one. But it wasn't, you know, screaming to me that, you know, academia and studying is know you absolutely love it.

Were you just kind of, you know, what was your thought process at that time?

00:04:51:23 - 00:05:17:19

GUEST

I'm a bit deflated. I'm honest, because I, you know, I actually say I didn't I've much more enjoyed the, the pastoral and sporting, aspect of university and, and my life today rather than studying in the academia. So I, I wasn't thrilled by the idea of going back to university and, and studying for another year. I was kind of hopeful that my studies were complete by the time I finished my first university degree.

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GUEST

But anyway, so having not particularly good job prospects at that particular time, I decided to take him up on his advice. And and I went I sort of went back and did a, did a master's degree in, in real estate and finance.

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HOST

And you did that for a year, Cass Business School. And then you landed at Cushman Wakefield. How did that come to come about?

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GUEST

Well, I think I think.

00:05:41:12 - 00:06:01:11

GUEST

Pretty much all of us who did that did that degree. And I think there was 75 of us approximately did that, did that master's degree. And I think everyone landed a place in a, you know, in a consultancy or there were a few who managed to, land places that principals and, you know, investment funds or pension funds have.

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GUEST

But most of us ended up on the graduate rotation at, the various big agencies.

00:06:06:09 - 00:06:18:05

HOST

And you did, a bit of work experience and valuation. What seats did you cover? And did you, did you start having a little bit more of an understanding of where you could take your career and what the different options were within commercial real estate?

00:06:18:08 - 00:06:20:23

GUEST

Yeah. So my, my so I, I got a.

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GUEST

Rotation I got a seat in the rotation at Cushman Wakefield. And I didn't actually so I did I was in the valuation team and I did my work experience at that, not at Cushman. So when I was, when I arrived at Cushman, I initially started in the office leasing team. And that was my first rotation. I think there were three rotations on the graduate program at Cushman.

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GUEST

I was on the effectively started on the office leasing team and then the office agency team, and then

interestingly, I, I think in order to be an agent, you learn a lot about yourself when you're when you're starting out in your career. And I certainly learned a lot about myself, having struggled to sort of find my direction of travel and struggled to find.

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GUEST

But I, my first job, I, I realized that maybe I wasn't quite as good at everything as I, as I thought I was when I left university. And, and I learned more about that, about myself when I, when I arrived at Cushman and I realized there were a lot of, you know, when when you arrive in the graduate teams or certainly when I did at the, at the agencies, the, the pro everyone's preference was everybody wanted to work in the investment side.

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GUEST

But so that's where the glamor was. That's where everyone perceived that you could have a better career and earn more money. And, you know, so everyone wanted a seat in the, in the rotation on, on one of the investment teams. And I was no different. I did as well. So I started out in the office leasing team and then and then to work very closely.

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GUEST

Not a seat in the office agency team as well, or the office investment team. And, and it became very clear to me actually, during both those seats that you had to be it part or part of you had to be a salesman, you had to enjoy selling things, and you had to enjoy the, you know, sort of get a kick out of sales because ultimately that's what you're doing.

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GUEST

You're selling space or, you know, whether it's leasing or whether it's investments, you know, you're you're selling in your and you, you know, you're convincing people and persuading people and advising people that these are the right deals to do and all of the rest of it, it amazingly, it didn't. That did not turn me on. I actively did not enjoy that.

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GUEST

And I became clear to me I was not very good at that. And I, I was struggling at that stage to really see how people and clients specifically made decisions, to invest in, in real estate.

00:08:37:04 - 00:08:44:05

HOST

Well, just because you think, you know, it was this guy or girl's motivation for trying to flog me this, is it just kind of.

00:08:44:07 - 00:09:03:03

GUEST

I go into secondary whys. Why is, you know, for example, an office building in West End, why is 5% a good deal? Because, you know, you'd have all of the that my colleagues much more senior colleagues at that time said, you know, if I should buy this fantastic deals 5%. And I couldn't really understand why 5% was a good deal, didn't make any sense to me.

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GUEST

Why? Why not 6%? Why not 3%? Why? Why did people have, you know, why these how do people make money out of it? You know, so buying in five and selling it at some point in the future, how they you know what what's driving those investment decisions. Why are they making these decisions as opposed to just

wanting to get a deal done.

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GUEST

And, you know, it's a great, great deal. I get my clients at this price and they should do that deal. And there was no starting from from my perspective, I had no understanding of how and why those decisions were made were taking place. And that's that's where I was interested. I wanted to understand that. I wanted to understand how money came into real estate, how people were making these, you know, how these fund managers got their money, how they were making decisions about buying and selling, and managing property.

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GUEST

And I had no real visibility of that at that stage. So I you got to where I was, you got to choose your third seat. And I campaigned campaigned very hard to get a seat in the corporate finance team, because they dealt with debt raising, you know, to debt funding, equity raising and, and much more in the corporate finance side.

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GUEST

And they sort of managed and managed advisory and advised funds, you know, sort of new managers raising capital, which was at that stage a bit of paint to me, but it made it it was very attractive. So I thought, well, this this is going to explain to me how people make money out of real estate because at the moment I don't understand.

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HOST

Well, you good at maths growing up or did you have an affinity to.

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GUEST

The idea.

00:10:25:16 - 00:10:26:09

HOST

Of numbers?

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GUEST

Yeah, so I was much more mathematical. I wasn't good at much academically, but I was stronger at maths and I wasn't that English.

00:10:32:17 - 00:10:37:21

HOST

So that was the kind of route to what? What did you learn during your time there? And I'm assuming you got your letters and.

00:10:37:23 - 00:10:39:10

GUEST

Yeah, I've got my I got my.

00:10:39:10 - 00:10:59:15

GUEST

Marks. And so I, you know, I, I did the qualifications that I needed to do, I did the IMC, certificate. As well and I, and I was taught to talk to model. Whereas again most of the industry at that point time worked on

August and the appraisals went through a sort of a blackbox machine, which I again, I didn't really understand.

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GUEST

And whereas the corporate finance team, everything was based on Excel and there was some very, very smart guys in that team, who I'm still in contact with.

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GUEST

Actually,

00:11:08:18 - 00:11:24:12

GUEST

Who taught me how to model. They come from Ernst and Young as part of that of corporate finance team. And they were very capable, very mathematical, very analytical. And so one of the best skills that I learned during that, cert period and during that seat was, was how to build a financial model from scratch.

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HOST

And who are your clients at that stage in a corporate finance team?

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GUEST

Mostly the pension funds, and some small managers. So that was more on the on the equity raising side. And again, being a being a sort of a graduate and a junior, I was exposed to both sides of that corporate finance team, which was which was the equity raising side. And, the debt, third party debt side.

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HOST

So you got a bit more comfort, a bit more insight in terms of like what drove some of these financial transactions and why they made sense. Yeah. You then moved to Rock spring, which, I would call it a boutique fund management investment management business. Yeah. How would you describe it at the time? Because I see this is one of them.

00:12:03:14 - 00:12:04:08

HOST

A few years ago.

00:12:04:10 - 00:12:06:06

GUEST

Yeah, they did it. Yeah. Rock.

00:12:06:06 - 00:12:17:22

GUEST

Springs a I would say sort of a boutique investment management business, with, you know, multi different so number of rock spring branded funds as well as some separate account mandates.

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HOST

And why did you decide to make that move and what, what was the role that you were doing that.

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GUEST

Was it was all on me. So I ended up being in that, at Cushman.

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GUEST

I can't remember, not maybe 5 or 5 or so years. So I stayed in that finance team, got my qualifications and, and sort of stayed there for a few years longer. So I kind of grew up in that and as I, as I learned more and more about it and became a bit more proficient about actually how these fund work had funds worked, what kind of target returns there are, what what drove their decisions, whether it's liability matching or whether it's, you know, sort of to make sort of opportunistic or value add returns or what the core strategies were around people raising money and, and, and investing into real estate.

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GUEST

I became much more interested in, in, in kind of being part of that because again, again, all of those learnings that you make by yourself in your early career, I learned that I joined numbers. I didn't really like advisory and consultancy. I much preferred being a master of my own destiny, and I was very comfortable making decisions. So I wanted to be in a position where I could, you know, implement decision making.

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GUEST

And, you know, be in control of, of investments as opposed to advise others, how to make investments.

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HOST

So you landed at Roxboro and did you look at a lot of other businesses or.

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GUEST

I did, yeah. I, I,

00:13:38:21 - 00:13:58:11

GUEST

It's, it's it's an interesting one. Yeah. So at that point in time, so it was a, it was very turbulent time. It was sort of 0708 and the there was, you know, I won't go into it, but everyone knows what happened. Oh, seven and eight, a lot of people lost their jobs. And, you know, in the real estate industry and that agencies were no different.

00:13:58:11 - 00:14:31:05

GUEST

And I was fortunate in that I was junior enough to, you know, to not be super expensive. And I, you know, and I had been looking for a while to, to move from the agency side and consultancy side to principal side. So I, I was, I got it, I got a kind of a, a number of opportunities to interview, potential client seats, and two job offers that I, that I got actually were, rock spring, and magpie.

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HOST

And black rock.

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GUEST

Not black. Correct. So and it was interesting. I don't know what I'm allowed to name other people, through this podcast, but there's, there's some, you know, people. It's a big thing for me, you know, the whole way through my career, people have been very, very important and still are. And, you know, I believe you meet some amazing people through through your career and, and I certainly have, you know, both in a, a sort of relatively age level now that I am, but also back in the early days, you know, and and I remember

one man specifically, I'm not going to name people.

00:15:00:08 - 00:15:01:08

GUEST

So I'll spend all.

00:15:01:08 - 00:15:05:07

HOST

Day even though. So the people coffee place podcast. Yeah. Yeah. It's a front and center.

00:15:05:09 - 00:15:23:23

GUEST

Yeah. It's it's an, a very important part of the industry. Right. And it's so you know, and this, this one individual was a, was a partner of Cashman's very, very smart guy. I'm still still in touch with him, albeit infrequently these days, but he's, he's a great guy. And I confided in him tonight that I had these two job offers.

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GUEST

And I was. I wanted to make the right decision, about my future, and and I valued his advice. And I valued his perspective and his view. And I knew he would. He would give me a perspective, even irrespective of whether he thought that I should be leaving or not. He would give me his view. And he did.

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GUEST

And his view was excellent. Actually, Mtpa had just raised a huge amount of money, and had a huge amount of firepower and capital to deploy into the market. But they, they had opportunistic return requirements. They, you know, they need 15 to 20% IRR and, and all the rest of them were leveraged and in his view, more risky, especially given where the market was at that point in time.

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GUEST

And and Rock spring, you know, had a blend of funds from managing pension fund mandates to their own sort of segregated and to Rock spring branded funds, where they tried multi LP funds that were to a bit more value added, opportunistic in their return requirements and his his perspective for me was, I think, you know, Rock Springs safer.

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GUEST

They have a broader range of funds. They will do better and have a less turbulent time. Will be a better place for you to learn how this works and how that side of the fence works. And, you know, men may be more exciting and there may be bigger numbers involved. And, but I think you'll learn more, and you'll get a better grounding at rock spring.

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GUEST

So that was the decision I made.

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HOST

Interesting. So I reckon the majority would have gone for, for the more opportunistic, higher octane, sexier numbers, at that, at that period. So you decided to, to go to Rock spring. What were you doing? Rock spring, and what did your role look like? And how did that three and a half years or so play out?

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GUEST

So I, I joined as.

00:17:11:10 - 00:17:32:18

GUEST

A faculty as kind of an analyst, albeit Oxbridge didn't call them analysts. And we there was a there was a group of us, probably about 4 or 5 of us who started in, in that role. And Rock Springs was expanding. And, they just gained, you know, raise a few more mandates and, and, expanded as a, as a business.

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GUEST

And they needed that sort of general support. So, you know, it it wasn't analysts in the sense of, you know, straight out of university, you know, they're just to sit behind a screen. We were very much, you know, qualified real estate individuals. But we had a we had a sort of a numbers capability that maybe most surveyors didn't possess at the time.

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GUEST

I think it's probably much more, sort of educated into young surveyors. Now to understand numbers and financials. But at that specific point in time it wasn't a requirement. So, so I think those of us who went there, and I know you've interviewed one, have had or had one on the podcast already. So, yeah, we we went there and we were part of the same pool.

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GUEST

And it was an amazing opportunity actually, to, to experience, a broad, broad range of, of of what, a kind of a fund management investment management platform does. And so we were running models both on new acquisitions. We were running models on fund at fund level, you know, portfolio level to, you know, sort of, report to investors.

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GUEST

We were, getting involved in the acquisition to due diligence. We were we were out on site. You know, each of us got attached to a different fund, and a different mandate. So we had that was our sort of principal area, albeit we could float across sort of, you know, resource as we, as we needed or as was needed by the business.

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GUEST

And we had a great, you know, had a great grounding. So, you know, I did I was working for a great guy, another great person in my career, actually, who's, who I still see regularly. So I was working for a guy called Richard Baines, who is the managing director of Chancery Gate. And a, you know, great guy to learn from.

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GUEST

Very impressive individual. And he, you know, I was involved in, you know, meeting the investors, managing them on sort of bi annual meetings. I was and, you know, running the numbers for the fund. I was supporting asset management, where needed. I was getting involved in the DAC conversations and managing the valuations on a quarterly or sort of six monthly basis as required.

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GUEST

So, so it really was a real full picture of the fund management sort of process from start to finish. You know, we were I was helping so so I was doing everything. So it wasn't just a acquisitions role or an asset

management role. We was very much, you know, you had to get an all rounded skill set. So the learning was was very steep.

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HOST

Yeah. I when I first started, getting into recruitment and such, I actually went to Richard and put a few people into the the fact team, as it was.

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GUEST

Called.

00:20:02:16 - 00:20:03:11

HOST

Which was the, which.

00:20:03:11 - 00:20:04:19

GUEST

Was the most terrible name.

00:20:04:24 - 00:20:21:18

HOST

Yeah, but it was an amazing opportunity. I think I did 3 or 4 deals with Richard just in terms of putting people, falling behind you, when you were no longer with the business and a phenomenal grounding. Yeah. Some great experience. Well, you left after three and a half years or so. A move to Tristan.

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HOST

What? Why and how and what was it that you weren't getting a real trainee so you can get a Tristan?

00:20:26:24 - 00:20:29:18

GUEST

Yeah, I, I don't think it was specifically that.

00:20:29:18 - 00:20:33:05

GUEST

I've never I've never looked at moves in that way.

00:20:33:07 - 00:20:35:01

GUEST

I, you know.

00:20:35:01 - 00:20:41:15

GUEST

Rock Springs was a wonderful place I got to, you know, sort of have that broad level of experience. And I think.

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GUEST

I was I was hugely.

00:20:42:22 - 00:21:18:07

GUEST

Inspired by the work that I got to sort of, and I got to do there in terms of what I learned. But my, my learning was so big, and so steep across the board that, I, you know, I became a much more capable

professional, I believe, there, and I, I much more confident in what, I was able to do and my thought process in my decision making process, and mostly because Richard bent beta into me, and I, you know, he taught me an awful lot as as in others, there'll be lots of people, I'm sure, who may hear this from Rock spring would be disappointed, I mentioned, but, you

00:21:18:07 - 00:21:37:01

GUEST

know, Richard was, you know, it's kind of my day to day and, and really, I think where I got to as I, as I grew and I learned was, you know, Richard was the fund manager of, of that fund, and he was, you know, he had an aspiration to raise more funds. And he was always going to be the fund manager.

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GUEST

And I think I, I knew that I'd got to a point where I was capable of taking, spreading my wings a bit and taking more responsibility, and I was comfortable that I was ready to take more responsibility. And I wanted that challenge. And sitting in the seat that I was in in Rock spring, I was going to be unable to do that.

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GUEST

So an opportunity came up at Tristan. And, I was, you know, it was a it was a step up for me. And I, you know, I, I sort of embraced it, grabbed both hands and, and decided it was the time.

00:22:10:14 - 00:22:31:24

HOST

Because you had quite a broad experience and you touched on quite a few different areas, geographies and debt equity transactions, fund management, asset management, person development work as well. Yeah. You you went in in the asset and portfolio management team. Why did you decide to pursue that side of, of the business rather than the transactional side?

00:22:32:01 - 00:22:51:02

GUEST

Yes. It's a great it's a great question. And you know, it's I guess it's only when you remind sort of walk through a memory lane like this that you remember the nuances. So I actually was approached by a, headhunter or a recruitment agent for the role at, at Tristan, which was for an asset management role, as you say, asset portfolio management.

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GUEST

I turned it down, because, again, the experience that I had and the and the breadth of the experience that I was getting wasn't asset management. And I didn't consider myself an outand out asset manager. I considered myself to have more capabilities in that, so I turned it down originally, and I think they went out and I might be misspent, remember misremembering this, but this is the, certainly my memory of it.

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GUEST

But they I said, I said, you know, went saw them and I said, that sounds great, but I'm not an asset manager. I think what you need is somebody who's, you know, very specific asset management. I've got a bit of a broader role than that now, and I'm looking for a broader role. And I don't necessarily want to just, do asset management only.

00:23:33:12 - 00:24:01:09

GUEST

So, they, I think they interviewed a number of other people. And I think that the context of that trust and experience for me was that they were a small, a small business at that point in time. They're obviously a

huge business now and, and fantastic, successful business. But, at that one time they were relatively, small and not, you know, growing, but they, they'd done a huge amount of, fundraising and deal doing in Europe.

00:24:01:11 - 00:24:28:00

GUEST

But they had not done a huge amount in the UK and they just were they were just beginning to grow their UK strategy so that it was a there was not very many people in the UK team at that point in time. And I think when they, they went away and interviewed a number of other asset managers and, and I think they went round the houses and realized that actually probably what they wanted was someone who had a bit of a broader skillset than me that could add a bit more value as they grew that element of of the business.

00:24:28:00 - 00:24:46:23

GUEST

And again, I wasn't coming in at a particularly senior level. It was coming in at a very sort of middle, sort of mid-tier level. So it wasn't like I was coming in to run the whole place at that point in time. I certainly wasn't, but they, I think they they came back to me after interviewing a few other candidates and, and thought that actually, you know what, they could adapt the role to suit, to suit me.

00:24:46:23 - 00:25:14:04

GUEST

And they obviously like my character for some reason then and they came back, so they so I got a second bite at it. And that's when I, you know, we kind of agreed that this was the role that I wanted. I wanted to have a little bit more input in the acquisition side. I didn't want to lead on acquisitions, but I was very happy to support, like, I didn't want to just be a sort of an asset manager, pigeonholed and just sort of doing the doing the asset management work and not having the ability to, you know, to spread my wings a bit.

00:25:14:04 - 00:25:25:18

GUEST

So we kind of agreed that, you know, reformed the role, I guess, around what I, what I could do and what I wanted to get involved in. And, and I decided that it made sense after that. So I went for it.

00:25:25:23 - 00:25:44:10

HOST

Yeah. Because probably at that time it's still a little bit business that the transactions team that didn't really talk to the asset management team, it's just like, oh, bought this. You know what can you what can you do with it. Yeah it's probably the advent. You know through rock spring of actually those two teams working much more closely together and the asset management team and in with the transactional team to actually say this is where this is where the rents are going.

00:25:44:10 - 00:25:49:08

HOST

It's the yield, etc., etc., rather than just being, an asset them. Yeah.

00:25:49:10 - 00:25:51:15

GUEST

And I think that, you know, I'm, I'm very much of.

00:25:51:15 - 00:26:15:09

GUEST

The view and I think you're right, there are lots of businesses to work that I, I don't think that if you want to set the principle side of, of life and in most real estate businesses, I think you need to understand, you know, as much of it as possible. And for the most part, and certainly the way Tristan did it and we did it,

was that the the acquisitions team, they did the acquisition, they did the origination, but it made no sense for the acquisitions team who were the deal guys.

00:26:15:09 - 00:26:33:21

GUEST

And, you know, to do the sales was certainly in my view, it didn't. And the way we worked in the UK side of the business, they didn't because, you know, you you implement the five year business plan. And you know, I control that. I run that, I report the budgets, I do everything. We make all the decisions on the the leasing, the commercial, the cap backs, the the changing and the repositioning.

00:26:33:21 - 00:26:57:03

GUEST

All of those things which are all delivering the economics and the and the kind of fundamentals of the business plan. And then to hand it over to someone who hasn't been involved for five years just to just to run a sale process that makes that makes no logical sense to me. So, so the certainly the way we did it was, you know, the acquisitions team which, which is, you know, which was effectively run by my not business partner, you know, him and I work very well together.

00:26:57:03 - 00:27:16:05

GUEST

He, I supported him where I needed support on the acquisitions. And he wasn't threatened by my support in any way shape or form. I then took over the the business plan. He was the dreamer. He came up with the plan, and I sort of executed and implemented it. And then I managed all of the sales. So that was so is, you know, it's a transactional role as well.

00:27:16:05 - 00:27:20:13

GUEST

And, and, you know, as well as the asset management in the commercial side. So, you know, it's a bit of a hybrid.

00:27:20:17 - 00:27:33:01

HOST

Yeah. You get all the getting the experience that you, you really wanted or you could, you could leverage from your spring days. Yeah. The portfolio grew to over £2 billion. What what kind of assets were you dealing with in the UK?

00:27:33:03 - 00:27:37:09

GUEST

It was, quite, you know, quite a different.

00:27:37:11 - 00:28:16:08

GUEST

You know, multi-sector strategy, really, I mean, it the Tristan funds were at that stage whereby and by their nature opportunistic and sort of, you know, there were multi-sector funds that were multi-jurisdictional, multi-sector. So, so there was no pre described, sector that you needed, you needed to sort of invest in. So it was very it was opportunity led, which was super exciting because you got to, you got to learn about all of the different sectors and, and look at deals and and be you know, be exposed to lots of different, managers and tenants and, you know, and I guess some, you know, interesting people across the sector.

00:28:16:10 - 00:28:34:20

GUEST

And, so we did quite a lot of offices. We did at that point in time, quite a lot of retail as a retail warehousing, shopping centers. We did some student housing, and I think probably that was it was a time we did a little bit of industrial, but not a huge amount at that point in time.

00:28:34:20 - 00:28:50:15

HOST

So but you could you could apply your skills and a bit more of an opportunistic environment across multiple different geographies. Oh sorry UK, but multiple different asset classes. And really yeah, I guess build on the skills you had. You touched on your business partner. You now business partner. Pete. Martha.

00:28:50:17 - 00:28:50:21

GUEST

Pete.

00:28:50:22 - 00:29:02:08

HOST

Martha, Martha, how did five all come about? And had you always wanted to set up your own business and. Yeah. Can you just run me through that?

00:29:02:10 - 00:29:05:01

GUEST

Yeah, I think I think that's,

00:29:05:03 - 00:29:12:10

GUEST

It's an interesting because at the we we were at Tristan a long time. Pete was there longer than I was. And.

00:29:12:12 - 00:29:14:13

GUEST

And I think when you.

00:29:14:15 - 00:29:48:17

GUEST

When I certainly my take on it is when you, when you do the kind of, I guess investment management fund management role and the seat that I've always sat in, whether it was whether it's rock spring or or Tristan, the if if you are minded like me and I think a lot of people would be if if you want if you do that you should have at some point you think to yourself, gosh, I wish I could do this for me rather than for somebody else, because, you know, and I've had a lot of people on, on your podcast say, and I totally agree with it, which is in real estate is not rocket science.

00:29:48:19 - 00:30:06:14

GUEST

You know, none of us that got into this industry, you know, if we were much smarter, we'd be lawyers or accountants or, you know, bankers. But I think you know it. It's, it's not rocket science, and you can get very good at it if you if you pay attention to the fundamentals as you as you grow and as you, as you sort of, grow through your career.

00:30:06:16 - 00:30:25:08

GUEST

And I think, you know, my, my attitude was by the time I, it was probably, you know, sparked by my rock spring days and it was watching the the younger guys, the fund managers, you know, the Richard Benz's and, and and others of, of world who were at a relatively young age and that sort of young 40s or late 30s, they were fund managers.

00:30:25:08 - 00:30:45:19

GUEST

And in fact, I mean, those were their platforms. They put the strategy together. They sold them. They used the they used the kind of platforms they worked for the Rock Springs or the Tristan's or the other fund management platforms to, to sort of raise the equity. But ultimately it's kind of their strategy and, and, and it's their charisma, their credibility and their track record alongside the platforms that, that allows them to raise the money.

00:30:45:19 - 00:31:05:10

GUEST

And it's the, you know, the LP's belief in and whether those those guys can deliver the strategy and, and, you know, if, if you can't pitch well and you can't convince people that you're, you're going to make the money, then they're not going to invest in you no matter how good the platform is. So I think the, you know, that that was a stepping stone for me to people running their own businesses.

00:31:05:13 - 00:31:30:01

GUEST

They're almost in charge and running businesses within businesses. And, and I always thought to myself, you know, if I get good enough and I get sort of experienced enough, I would love to do that. And the sort of order I got and the more experienced I got, I went to Rock Springs, Tristan. And there was definitely a, a spark in the back of my head, which was, you know, if I ever get the opportunity to do this myself, I would love to give it a shot.

00:31:30:03 - 00:31:44:10

GUEST

So that's how it was. It was always there. And I think you either I think you're you're one of those people. You either are quite risk risk on and you're, you're happy to sort of think like that and take that challenge as, you know, you start your own business, but you know, you're either you might think like that or you don't.

00:31:44:10 - 00:32:00:23

GUEST

And there's some people who terrify, and there's other people who would get excited and turned on by it. And I'm just one of those people. And I guess I'm just fortunate that, you know, the opportunity arose. And, you know, I'm big believer in that these opportunities will only come around once or twice, maybe once, if that, in your lifetime.

00:32:00:23 - 00:32:21:21

GUEST

And you make you make decisions at that point in time to either pursue it or not. And, and I guess the how to fight, come about really just from that. And I was always on the, I was always on the lookout for opportunities, and I was always on the lookout for conversations. And part of what I think makes our industry great and, and inspiring is that it's a sociable industry.

00:32:21:21 - 00:32:48:12

GUEST

It's all about network. It's all about interacting with people. And you meet some amazing people along the way. And, you know, I was fortunate enough with Pete that we we met some fascinating people. And, and, you know, we a conversation sparked an idea. And the idea Drew Lakes and, and we sort of found ourselves at a sort of about six months down the line of these conversations, thinking, God, if we don't do this, we may regret it for the rest of our lives.

00:32:48:12 - 00:33:25:00

GUEST

We didn't have a business plan, particularly. We didn't have a it's not like we we put a business plan together and we went out to market and we tried to raise capital. And it was it was a chance conversation that we jumped on, evolved and, and turned into something as opposed to something that just arrived.

So, you know, there was an awful lot of time and effort and effectively I felt for a long time and, you know, for a long time I felt like I was running two jobs, because as, as, you know, our current shareholders and business partners, in fact, or in our US family offices and, and so

00:33:25:00 - 00:33:40:24

GUEST

they don't work in the same time zone as us. So I would do my, my full 12 hour days at Tristan and, you know, and I loved it. And it was a great job and a great, great place to work. And and then I get home and I have dinner with my wife, and, you know, have a quick conversation with her.

00:33:40:24 - 00:33:51:04

GUEST

And then I would get the laptop open again and I would work on what is now a foghorn, but what was not anything for, you know, sort of 6 to 18 months, probably before we got it off the ground.

00:33:51:06 - 00:33:59:02

HOST

What was the personal what was the risk from a personal perspective at that? That time?

00:33:59:04 - 00:34:02:11

GUEST

Or everything really? Either I had a.

00:34:02:11 - 00:34:23:06

GUEST

Wife, a young family, a mortgage, and, you know, none of those are cheap, to run. Certainly not my children. And, you know, they're very young, and they need, you know, you all that sort of stuff. And so I guess the risk was, you know, I've got to good job and a good career and and a great seat in a, in a great firm.

00:34:23:06 - 00:34:46:07

GUEST

It's growing and, but this is this is my shot. This is, you know, and so I, I wrestled with that for a long time. Was, is this the right thing to do? Is it not the right thing to do? But of all the while in the background, just continuing the conversation because, you know, I'm a big I'm a big believer in and I would encourage everyone who's coming through their careers to not make decisions before the decisions are makeable.

00:34:46:09 - 00:35:06:21

GUEST

You know, I'm, I'm a huge believer in that across everything that I do, personal, private, you know, lots of people stress over decisions and decide, you know, decide before. So they have a decision to make. They choose not to do it because they're scared. And I, I don't think that anything is decisions are never made until they're, until they're made until, you know, you have to sign on the dotted line ultimately.

00:35:07:01 - 00:35:09:11

HOST

And worrying is it's not a proactive worrying.

00:35:09:11 - 00:35:26:17

GUEST

It's not it's not a productive emotion for sure. So so we you know, whilst I was having those thoughts and those I not, you know, questioning myself and debating it with Peter and, and and my wife and, you know, my friends about whether it was a sensible thing to be doing. You know, I still pursued I still pushed it all the way.



00:35:26:17 - 00:35:42:00

GUEST

And I said, look, we'll make it. Let's make the decision when the decisions that we made it are these guys, do these guys really want to do this? Are they are they are they credible? Are they 100% there to Peter and I definitely want to do this. Do we do we believe we can do it. Because you don't believe you can do it and you'll you'll never make that decision.

00:35:42:02 - 00:36:04:20

GUEST

But, you know, lots of people make a decision before they've got to the decision to make another point. And, and that's. Yeah, that's that'll be, you know, one of the biggest things that I'm proud of, of my career is I've always taken the time to get to that decision making point and, and made the decision at that point in time rather than rather than leave that fear or, or, you know, concern, you know, you know, stop me in my tracks.

00:36:04:22 - 00:36:25:08

HOST

You touched on the fact I've got two family offices behind you. You know, it's in the public domain, believe. Yeah. Billionaire us, family offices behind. Yeah. Can you just tell me a little bit about their businesses and then, Yeah. Well, if you leave Tristan selling other business, what was the strategy? What's the plan? What do you what do you want?

00:36:25:08 - 00:36:26:22

HOST

And how did that come up? Left?

00:36:26:24 - 00:36:33:05

GUEST

Yeah. How long have you got? Yeah. So it was. We are we are super.

00:36:33:05 - 00:36:48:07

GUEST

Privileged and lucky to to have met these guys and, and to be in business with them. And I think that's that's a sort of an important point for most people. I think a lot of the market doesn't necessarily still understand, you know, who we are and, and sort of how we're set up.

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GUEST

But,

00:36:50:08 - 00:37:22:10

GUEST

We're, we're a UK limited business. We just and we have we just have to us shareholders in the business. So we're onshore. We're not a fund, we're not offshore. We're not, you know, LPs. No. None of that sort of stuff. And again, it was that was one of the very refreshing, things about the conversation coming from the private equity space in the investment management space where it's all about structures and, you know, there's a huge amount of and again, I know you've had people on talking about the, you know, all of those different structures and tax and, and offshore versus onshore and LPs being, you know, sort of either, you know, tax averse

00:37:22:10 - 00:37:40:10

GUEST

or non paying tax non taxpaying entity. So therefore, you know, structurally very important part of real estate and and other asset classes in that, you know, if you've got pension funds and insurance funds and investment funds that don't pay tax in their jurisdiction, any tax that they have to pay, trip to a

structure like a private equity structure is leakage for them.

00:37:40:12 - 00:37:41:22

GUEST

They don't they don't pay tax.

00:37:41:22 - 00:38:04:09

HOST

So those are the signs that, you know, five year cycles or three, three, five, eight year cycles. They're beholden to that regardless of the market conditions. Yeah. And there's pressure as well from being, an operator or, or an LP to deploy that capital, otherwise you might lose it. So, yeah, I mean, I try because yes, it's quite simple and straightforward.

00:38:04:10 - 00:38:22:09

GUEST

Very simple and straightforward. And I think that's the that was what really attracted Peter and I to the conversation was actually we were we were now fully involved in that private equity world and fully kind of up to speed on, on how it worked and the structuring of it and all the rest of it. And but it was complicated and it is complicated.

00:38:22:11 - 00:38:44:15

GUEST

And I guess the, the simplicity of what the conversations we were having was that the US families that we were in business with are both taxpaying families. You know, they pay full tax in the US. They're they're domiciled in the US and they pay tax. So it doesn't matter whether they're you structuring them offshore or whatever, they're still going to pay tax in the US.

00:38:44:15 - 00:39:03:10

GUEST

So they were ambivalent about, you know, tax because we actually paid more in the US. And then they pay here at that point in time before things change. But but they pay more tax there. So they, they were kind of ambivalent as to whether, you know, if they did a good property deal, and pay tax in the UK, it offsets what they would have to pay in the US.

00:39:03:10 - 00:39:28:11

GUEST

So they're paying tax either way so that you suddenly take that very simple fact and structuring goes out the window. And you, you know, so the only way to do it was it was a simple way to do it, which is let's just be a UK limited company, which we are. So we have shareholders like anyone else. But to us shareholders and and you know, Peter and I are shareholders and, and that's, that's the nature of it and, it's as simple as that.

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GUEST

So, just some of the shareholders have more money than others. Which is, which is obviously helpful given what we do.

00:39:34:18 - 00:39:49:01

HOST

Yeah. So you talk to kids off at school, you go around pizza house at the kitchen table. Two of you got your shareholders set up. Limited business. What's the strategy? What's the plan? What are you going out? How does that look at that time.

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GUEST

I think yeah, it was.

00:39:50:10 - 00:40:14:05

GUEST

It was a fascinating journey. And it was it was something that we we evolved and we, we sort of grew together as a, as a conversation, you know, they but, you know, you asked about who they are and what they do and, and, they one family is from a financial services background and has, has made their acts of fortune in, investment banking and financial services.

00:40:14:07 - 00:40:29:07

GUEST

They also have a, a private equity arm that does a huge amount of true private equity, you know, in terms of buying and selling companies, which is they've done a bit in Europe, but mostly mostly in the US. And I think they, you know, they have know a lot of companies that they are invested long term in.

00:40:29:07 - 00:40:46:13

GUEST

So they get private equity and they get long term investment and that sort of investing their family money. And then they have the family office side of the business, which we are part of. And, you know, they they didn't have a huge amount of exposure to real estate. And they were, you know, they love the UK and they were keen to do more in the UK.

00:40:46:13 - 00:41:08:05

GUEST

And they had just set up an office in London, for their, in fact, investment banking division and an office in Europe. So they were sort of expanding into the UK and Europe. And again, we just happened to have a conversation with them at the right time. And they were, they were interested, they were, they were keen to, where they were growing their operational, business in Europe, in UK, in Europe.

00:41:08:05 - 00:41:25:17

GUEST

And they were keen to grow their capital base as well. So, you know, sort of they saw real estate as a potential diversification play for them. And, you know, for them as much as, as much of me, it was about people and it's about the right people. And, you know, if we hadn't liked each other, this conversation wouldn't have gone very far.

00:41:25:17 - 00:41:51:08

GUEST

But, you know, we did, and we got on and they then they enjoyed our thought process and strategy. And, you know, like I say, from the first conversation to, actually setting up a business was probably 18 months or so. And there were many, many conversations, as you can imagine, along the way. So they, they were, you know, that's their sort of background and they were, you know, sort of happy for us to, you know, sort of grow a strategy with them and give them our insight.

00:41:51:08 - 00:42:19:01

GUEST

And again, they they were keen to go into business with us because we had the real estate expertise on the market, the market kind of expertise in the market knowledge. And they had the money. So it was a kind of a good duo. And I guess the second interesting thing, the second, shareholder was, was a contact of theirs that they decided to bring into the picture, because they, they, they've got a good working relationship in the US.

00:42:19:02 - 00:42:38:08

GUEST

And, they know that the second investor had a good real estate expertise as well. And they were always

keen for new business opportunities. And, and, you know, and again, Billy, are big believers in people. Yeah. So if you meet the right people. So they brought those guys into the frame, asked us if we were happy for them to do it, which we obviously were.

00:42:38:10 - 00:43:04:07

GUEST

So the second family are also a fascinating family in that they they made all of their money in automotive. So cars, car sales, car, servicing, you know, franchises, aftersales insurance, reinsurance, all of this sort of stuff. So they, they, and they through that business had, a huge amount of exposure to real estate because they would buy their own plots, develop their own plots.

00:43:04:07 - 00:43:21:19

GUEST

You know, at one point time, I think they, you know, they were 100 plus, you know, dealerships, across the US and, you know, they owned a lot of that real estate and had developed a lot of that real estate themselves and that that had got them into real estate, and sort of investment in development and on their sort of family office side.

00:43:21:19 - 00:43:24:13

GUEST

Whereas their principal business was was the car business.

00:43:24:15 - 00:43:46:05

HOST

So in terms of your strategy with pick from a real estate perspective, because at this stage you touched core property, you touched value and touched core class, opportunistic, different geographies, different asset classes, different types of clients. What what was the real estate strategy and what kind of kit were you looking for?

00:43:46:07 - 00:43:51:24

GUEST

Yeah. Good question. To answer honestly, we we.

00:43:52:01 - 00:44:14:08

GUEST

We've sort of wanted to do a lot more of what we had been doing at Tristan and, and Rock spring, which was a sort of a value add to opportunistic strategy, which was sort of purely opportunity led, spotting opportunities where there was a there was a there was a disconnect or an arbitrage to be made. And we, you know, we had good capital that we could, you know, we could act quickly.

00:44:14:10 - 00:44:35:05

GUEST

And so it was it was the strategy. Initial strategy was much more about sort of up and built and repositioning of, built or rebalancing of up and built, and and probably theoretically was we thought we had visions that we were doing about 70% of, of that and, you know, 30% would be towards the more risky development side.

00:44:35:07 - 00:44:59:21

GUEST

I think the reality of what we found whenever we, whenever we set up was that, we were in a very late cycle part of the market. It was it was really difficult and really challenging to underwrite deals and find upside. There was always more risk to lose on the downside than there was in the upside in that early stage of, you know, the first six months of Arthur.

00:44:59:21 - 00:45:15:05

GUEST

And when we were we were sort of putting ourselves out there and, and trying to look at everything and, you know, there's we learned a big lesson in that as well. We were we were spreading ourselves far too thin. We were looking at everything and in all sectors. And we were we were not focusing and specializing.

00:45:15:07 - 00:45:38:13

GUEST

And, and that, you know, that was exhausting and, fruitful, if I'm honest. So there was, you know, stressful first six months, you know, we didn't get close to anything. We we suddenly realized that we were a new brand in the market, a new name, professional track records counted for little, in that, in that sort of bid list when you're bidding on assets.

00:45:38:13 - 00:45:54:17

GUEST

Because really, it's performance and credibility matter. Do you have a track record in business? Are you performing? Have you performed? You pay. Do you pay the money when you say you're gonna pay the money ultimately. And, you know, and we were we were in plenty of bid lists where, you know, we we wouldn't have got the shot even if we had been highest number.

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GUEST

Because because we were the least we were a new entity and we had no credibility. So, so that that was a sort of an interesting lesson. And we were also we didn't have conviction about point in the cycle and on the opportunity to, to make good returns, from standing assets. So we, you know, we sort of changed our focus.

00:46:13:22 - 00:46:33:15

GUEST

And and, you know, sort of, I guess the, the thought process, we spent a long time on this. We actually, we actually had, sort of an off site, not just for the two of us at this stage. We were we were a few more. We were about four people and five people maybe. And we had a we off site with five of us where we we just ignored everything.

00:46:33:15 - 00:46:56:20

GUEST

And we said, this isn't really working, we're not really getting anywhere. And we need to rethink what we do. And we kind of we reviewed it all and everyone had homework. They went away and, and came back and we with two elements of that homework. And I remember it very clearly. And the conclusion to this is slightly embarrassing because we kind of arrived at a, at a very obvious place, but it, it took it took a reasonable amount of work and, homework from all of us.

00:46:56:20 - 00:47:17:05

GUEST

And we we went away and each of us took a, a sector or two to, you know, spend a few weeks beforehand diving into the sectors and say, look what we need, what we've what we've realized we need is we need to focus and we need to focus in on a strategy in a sector as opposed to be opportunistic and sort of sharp shooting deals in different sectors, because we just we're not getting any traction and it's not going to work.

00:47:17:07 - 00:47:35:06

GUEST

And we need to get we need to get moving and we need to, you know, find the deals that make sense to us. And we sort of agreed that, everyone take a sector or two and come back and we spent 50 minutes, you know, talking to the pros and cons of those sectors with each other and saying that, you know, this

doesn't work.

00:47:35:06 - 00:47:59:18

GUEST

You know, this doesn't work. This this actually looks like it does work. And there's there's tailwinds, there's headwinds. So it's relatively basic in its or high level and in its thinking. But ultimately where we got to was, off the back of that day was, was that we, we wanted we we decided it was late cycle and we, we wanted to build and develop product into the capital that wanted to own it, because it was a huge wall of capital.

00:47:59:18 - 00:48:09:10

GUEST

And what I mean by late cyclist was huge wall of capital that wanted to own income and own on product, and then was very comfortable paying for best in class product.

00:48:09:12 - 00:48:11:11

HOST

And what, what was that product? And.

00:48:11:15 - 00:48:31:05

GUEST

Well, that's, that's what we've got here. So we came to the conclusion at the end of that day, that we should be developing sheds and beds. So not rocket science. Lots of smarter people that come up with that long for us. But it took that it took that exercise for us to sort of come to the conclusion that that's what we needed to focus in on.

00:48:31:07 - 00:48:56:05

GUEST

So we so we then we then took those away and said, okay, well, we've, we've done a bit of both and we, we had a development manager on board as well who's, who's. Excellent. You know, so we had the expertise. And one of the aspirations of fortune has always been with us shareholders has always been for us to be a, a completely, I guess, you know, full service property company.

00:48:56:07 - 00:49:11:24

GUEST

So we don't need development managers. We don't need asset managers, external. We do all of that in-house. And that's how we've grown the business. And that's still what we what we plan on doing and, and are doing at the moment. We, you know, we obviously have external service providers, you know, architects and surveyors and all kinds of things.

00:49:11:24 - 00:49:30:22

GUEST

But in terms of the asset management, the development management, the finance acquisitions, we do all of that in-house. That's, you know, that's all proprietary. And and we, we, you know, we we have those skill sets where we're comfortable with that. And that's what we wanted to do. So so we we looked at both the, the bed space and the and the and the logistics shared space I guess.

00:49:30:22 - 00:49:53:21

GUEST

And, and the, the opportunity to break in as a new entrant into the, into the logistics market. And specifically at that point in time for us, the mid box logistics market was was it was going to be a lot easier to get a foothold in that market than the living space. Then as we as we sort of branded it now, the living the living space, the that was that was harder, a lot more players in it.

00:49:53:23 - 00:50:05:03

GUEST

And it is as a, as a sort of as a sector, there are sort of subsectors and a lot more subsectors. And, you know, that was it was just a hard which is going to be a harder task.

00:50:05:03 - 00:50:07:05

HOST

It's more complex and more complex still.

00:50:07:05 - 00:50:08:00

GUEST

And yeah.

00:50:08:00 - 00:50:08:20

HOST

It's still structured.

00:50:08:20 - 00:50:21:03

GUEST

I don't set out to largely that, but a lot of people in the logistics sector would take you for that by that. But yeah, but Chaz's sheds are more simple and their structure, you can put them up and you know, 12 months or less if you if you're going.

00:50:21:03 - 00:50:23:00

GUEST

Well and, and I.

00:50:23:01 - 00:50:45:01

GUEST

Think the where we saw our opportunity very much was that we were effectively, an investor developer. We were we had better balance sheet. And, so we were investing our own money, not someone else's. And we have the ability in-house and skill set in-house to, to develop and deliver. And then and we weren't we're not frightened of planning risk having to take planning risk.

00:50:45:03 - 00:50:51:01

GUEST

And you know, and our shareholders do that all the time. We're comfortable with that. So, so we.

00:50:51:03 - 00:50:51:07

GUEST

I.

00:50:51:07 - 00:51:06:13

GUEST

Guess that's where we saw opportunity because a lot of a lot of the, our competition at that, in that market was, they were expert developers have been in the game a lot longer than us, but they didn't necessarily have access to their own capital in the way that we did. And they would, you know, they would have different capital sources.

00:51:06:13 - 00:51:25:20

GUEST

And, and different capital providers that they've worked very successfully with and all the rest of it. But we were we saw that as a, as a small niche for ourselves and that we could turn up, show some of our bank balance and say, well, complete in ten days and we don't need anyone else. We don't need an external development manager, we don't need, you know, so you so you're I'm with Peter and I of our shareholders.

00:51:26:01 - 00:51:35:24

GUEST

You're talking to the the guys who were making decisions. We're here with our, you know, with our bid. And, and we complete in ten days and, you know, we're good for it.

00:51:36:04 - 00:51:47:02

HOST

So that focus enabled you to assemble an amazing portfolio of of of assets. It must have been a great relief to get your first one over the line.

00:51:47:04 - 00:51:47:18

GUEST

Yep.

00:51:47:20 - 00:51:49:24

HOST

Can you talk to me about that?

00:51:50:01 - 00:51:53:16

GUEST

Yeah, absolutely. I mean, we we our first our first.

00:51:53:16 - 00:52:17:20

GUEST

Logistics site was, was in Northampton. And, it had been on the market for a while, actually, and was under the control of another party. And we bid on it, but not not one, not on the bid. And, but we've done a lot of due diligence. And we, we sort of, we felt like we understood it as well as anyone else, if not better than anyone else.

00:52:17:20 - 00:52:33:01

GUEST

And, and a few of the risks. And I guess we price we felt we price those risks into the into the offer that we made and, you know, we made a big play for that site and we got to know the, the vendor and we we'd had interactions with the vendor in our previous lives. We sort of knew everywhere.

00:52:33:01 - 00:53:03:23

GUEST

And we've made, you know, a strong case for ourselves as possible. We were very disappointed not to not to get it actually. And and the, you know, it had to be the site came back to us, the, the people that had it under offer, you know, for whatever, for whatever reason, couldn't continue with it. And, and we, we were given a shot and that was really what kickstarted it all for us, because we'd looked a lot of sites before that and had, you know, our conviction of focus and, and, you know, and credibility hadn't quite.

00:53:04:02 - 00:53:12:24

GUEST

You've got to start somewhere. Right. And, you know, we'd lost out on 2 or 3 sites that we had huge conviction on. And but Northampton was the, was the one that kicked it off for us.

00:53:12:24 - 00:53:34:24

HOST

So and following a relatively short period, you assembled an amazing portfolio, as I alluded to, that you sold last year to an international conference and 50 million pounds. Yeah. Can you just talk to me about that process of. Yeah, building that up, building business as well, because, you know, you've got a lot of people and that that was an additional skill set that you had to learn and compete.



00:53:35:00 - 00:53:39:16

HOST

But, you know, we had to look quite closely your roles and responsibilities and how you develop as well.

00:53:39:18 - 00:53:55:22

GUEST

I think that's it. I think that's a a constant, sort of point of evolution for us. You know, I think what I've learned very I mean, we've been in business as far for one for just over five years now, which which sort of staggers me how quickly it's past. It also feels like it's the only thing I've ever done.

00:53:55:22 - 00:54:26:19

GUEST

So it's kind of a a bit, a bit challenging, but it's, it's, you know, the growing the team takes time as, as you, as you know, and, you know, finding the right candidates and the right people is, is a challenge. And you know, that's as much skill set as cultural for us. And, and I think, you know, definitely my way I look at life and I know the way Peter does as well is that we are we are we are huge with all of the it's all about people.

00:54:26:19 - 00:54:43:04

GUEST

For us. We couldn't do what we do if we didn't have brilliant people. And quite frankly, the brilliant people actually help us make it a success because I'm not sure Peter and I could make it a success on our own. And the, in fact, I'm convinced we couldn't. So if we didn't have amazing people, then we wouldn't be able to.

00:54:43:06 - 00:55:01:22

GUEST

You know, sort of keep growing business and keep pushing the business forward. So we're very lucky. And I think we have a sort of a motto, between the two of us, which is, you know, we we, we hire for character and train for skill. So it's very much how we, how we kind of focus on, on people and how we're bringing people into the business.

00:55:01:22 - 00:55:20:03

GUEST

And again, the business functions well, if we've got the right characters in the right people in the right energy. You know, character is not just about having a personality. It's about having, you know, it's about having work ethic. It's about having desire. It's about having ambition. It's about, you know, like enjoying being part of a team. It's, you know, all of those character traits are super important.

00:55:20:03 - 00:55:34:14

GUEST

It's not just about being ambitious and being able to deal with people and handle people. And you know, you can't train. I don't think you can train for many of those skills or many of those traits. Whereas whereas you can train someone to work a model or you can train someone to understand real estate.

00:55:34:18 - 00:56:02:05

HOST

Yeah, we split into behavioral and technical skills, and it's how we've learned to go for assessing both of those pieces. And we look at, working class you've recently announced or not that recently, actually with Marcus Weeks has joined your business to head up your living, strategy. Can you just talk to me about the evolution of, of the business and, and, and if you identify those shared and, living as a kind of cool folks is that you want it to go.

00:56:02:07 - 00:56:15:14

HOST

Yeah. You double down in the share market. At what stage should you start? Actually, now, now is the time, to bring in an expert kind of from the living space. And, what within living are the areas you focus on? Because it can be quite fragmented.

00:56:15:18 - 00:56:18:20

GUEST

Yeah, sure. We, so I guess we, you know.

00:56:18:22 - 00:56:34:16

GUEST

The logistics side of the business, you know, helped our growth and, and we were able to, you know, once we got going on that first deal, that Northampton deal. And we did sort of started, we did another few deals quite quickly after that as we as we got a bit of reputation in the market and got a bit of credibility.

00:56:34:18 - 00:57:08:04

GUEST

You know, we have a what we've been able to establish ourselves is, is a is a kind of a, you know, a good a good name in that in the UK logistics space, which is fantastic. And we built a team around that. And, and I guess we, we see that very much as the, as the core part of the business and, and the when we, when we sold the portfolio to Kane last year, you know we it's we see it's very much a partnership with Kane and that you know they're they're they're the landlord now, but they have reemployed us to develop, the rest of the portfolio and to lease an asset

00:57:08:04 - 00:57:31:01

GUEST

manager for them going forward. So we're sort of helping them grow that which is which is help stabilize the business. And it's given us, you know, Kane are a huge, huge operation and a fantastic business. And it's helped us to, you know, stabilize that side of the business. And, and what that that helped us do was have the conviction to diversify our business.

00:57:31:03 - 00:57:57:14

GUEST

And because, as I said, you know, it was back in six months in where we, where we decided that developing beds and sheds was what we wanted to do. We, we focused on shares to begin with. And, you know, we've definitely over the years and it's been four years since we have that four and a half years since we had that initial sort of strategy session that that, you know, at some point in time, if we managed to stabilize the business and if we grew the business to a point, then we would love to diversify and, and effectively roll the business model into a, into a different sector.

00:57:57:14 - 00:58:20:16

GUEST

And it would it was going to be beds and it was always going to be living and and again, it was be about find the right person to do that because we would need someone with that skillset and that market expertise in order to, to help us deliver that strategy. And and so that was, you know, I feel like I was a long I wasn't it wasn't something that we oh, we sold to Kane and we decided to jump into living, you know, that that's been part of the business plan, you know, for a very long time.

00:58:20:18 - 00:58:27:24

GUEST

But we just we went to the point in our growth or our, our, our, you know, story that, that, you know, we had the conviction to, to jump into it.

00:58:28:00 - 00:58:36:04

HOST

So it made sense to recycle some of that capital. So what is the plan with the living side of the business. Because Marcus Weeks is obviously come in relatively recently to hit that up.

00:58:36:06 - 00:58:40:10

GUEST

Well, the I guess the plan the plan is.

00:58:40:12 - 00:59:02:16

GUEST

To roll out the same, the same model, that we've sort of rolled out on the logistic side. And again, keep it super simple. We're not a complex business. We we want to buy land, develop, you know, get planning, develop the focuses, PDSA and and build a ramp probably this land at the moment specifically on PBS.

00:59:02:19 - 00:59:24:03

GUEST

And that will probably be the case for a year. A year plus, albeit if there's a good BTR deal when we are looking at some, you know that, then we will definitely do that as well. But the slam is definitely given the mark. And I think we have we have conviction around the growth of that market and and the undersupply of beds in, in the core UK, university town.

00:59:24:03 - 00:59:43:24

GUEST

So, so it again, it's a simple business model. It's exactly what we're doing in sheds, which is buying land, getting entitlement and planning on the land, developing the right product, making sure the product is absolutely right, and then leasing it and selling it. But in the case of, of student housing, it, you know, we work with operators to and to sort of, you know, provide that platform, an operational platform.

00:59:44:04 - 00:59:58:10

GUEST

We don't tend to grow the business, an operational platform, but we'll work with, you know, so best in class operators to, to run the assets. And then and so we are ultimately we are a developer trader on both sides. And it's it's no more complicated than that.

00:59:58:12 - 01:00:01:05

HOST

So super easy brief for Marcus. So if he's.

01:00:01:05 - 01:00:01:17

GUEST

Listening.

01:00:01:23 - 01:00:16:11

HOST

Yeah Marcus it's a really easy job. So yeah, just just get on with it. Mark. Mindful of time. And as we draw to a close, it's a question that I ask everyone who comes to the podcast is, if I was to give you 500 million pounds of equity here, the people what property, in which place would you look to deploy that capital?

01:00:16:11 - 01:00:28:18

HOST

Now you've done it in the logistics space. You've got the team you're going to be doing in the living space. I guess the piece I'm going to, drop on you now is if you were to go outside of that with which sectors would you look at,

01:00:28:20 - 01:00:35:08

GUEST

Running out because that's a challenge I've already thought of. So I thought my answer to the question was going to be us and the two sectors that we're in. It's pretty boring.

01:00:35:08 - 01:00:38:15

GUEST

But, I,

01:00:38:17 - 01:00:46:15

GUEST

I think I think the reality is that there are some excellent people in the industry. I.

01:00:46:17 - 01:00:48:15

GUEST

I, I'm.

01:00:48:15 - 01:01:13:08

GUEST

No real believer in that. The, that the kind of world is changed slightly from a real estate perspective. And, and whether that's specifically Covid or, or just a general attitude. But I think, you know, best in class based, you know, ESG credentials, you know, great profit prime great aid kit is where you are going to make money in real estate over the over the next cycle.

01:01:13:08 - 01:01:38:02

GUEST

You know, you can't produce secondary secondary assets or secondary quality and, and expect to expect to be profitable or to make money. So I think, you know, best in class is absolutely where it is. And I think the development of assets, you know, is, is where it's certainly where I think you know, people will be able to, you know, ensure profitability and make money because that's that's where the investment world is going to want to be there.

01:01:38:02 - 01:01:56:09

GUEST

You know, all of the investment funds have changing criteria and a sort of an ever and ever sort of more discerning sort of capital pool that, you know, that wants the credentials they want best in class. They want, you know, all of these boxes to be text are ticked as part of that, you know, investment due diligence. And and I think that is that is the thing.

01:01:56:09 - 01:02:16:14

GUEST

And that's not going to change and it's not going away. So, you know, again it's fairly basic. The, the, the sector wise, you know, I healthcare's really exciting. I don't understand it well enough, to give you a sensible comment, but I think there'll be a lot of people who are very successful in, in the healthcare space over the next cycle.

01:02:16:14 - 01:02:42:22

GUEST

I think that's, you know, that's natural. Live from what the demographics are, of our population and the population in Europe, I think healthcare is a is a big one age living, I think is a is a, you know, it's a is a big opportunity as well. So I think outside of sort of sheds outside of that sort of students and beds, you know, it's, it's, it's meds, I guess, and, and healthcare and, and that's, that's really where I think, you know, the, the opportunities are.

01:02:42:24 - 01:03:05:10

HOST

Well, Chris. Yeah. Fascinating background. I love the simplicity and the simple approach you take to quite

a complex industry. And you can phenomenally successful repeat in the wider team in terms of what you've done. I know you're hugely ambitious as well. And you've got a lot of drive. So I'm excited to see what you guys go on to build, and, and see how you can navigate this current cycle as well.

01:03:05:12 - 01:03:05:21

HOST

Thank you.

01:03:06:02 - 01:03:10:01

GUEST

Well, thank you for having me. That's been a pleasure.

01:03:10:03 - 01:03:37:12

HOST

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01:03:37:14 - 01:04:01:01

HOST

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01:04:01:03 - 01:04:04:09

HOST

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